THE DERBY DIOCESAN BOARD OF FINANCE LIMITED

England & Wales · Charity number 249767

Details

Status	Registered
Legal form	Charitable company
Company number	00229700
Registered	1966-10-17
Register	View on the Charity Commission register

Contact

Address	The Derby Diocesan Board of Finance Ltd Church House Full Street Derby DE1 3DR
Phone	01332388650
Email	finance@derby.anglican.org
Website	www.derby.anglican.org

Activities

Objects: TO PROMOTE AND ASSIST THE WORK AND PURPOSES OF THE CHURCH OF ENGLAND IN THE DIOCESE OF DERBY.

Activities: The Board of Finance resources the Christian tasks of mission and ministry through parishes and other networks.

Classification

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

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Geography

- **Area of benefit:** DIOCESE OF DERBY
- Derby City
- Derbyshire
- Staffordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£10,224,498	£10,489,982	£110,365,967	48
2023-12-31	£9,911,625	£9,862,886	£107,504,176	46
2022-12-31	£9,711,839	£9,659,856	£103,598,727	45
2021-12-31	£10,190,780	£9,445,877	£103,177,472	44
2020-12-31	£9,918,799	£8,943,416	£95,182,064	43

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Trustees

Name	Role	Appointed
BRIAN ARTHUR PARKER		2015-11-18
Canon Christine Mary Holmes-Elener		2022-07-04
Christine Elizabeth McMullen		2013-11-09
Emily Brailsford		2024-11-01
FREDERICK JOHN GASCOYNE		2022-07-04
IVOR PATRICK ANTHONY LEIGH		2024-11-01
Louisa Jane Wass Griffiths		2025-06-14
MR J COOPER		2013-05-09
MR M J TITTERTON		2013-05-09
Madelaine Thomas-Goddard		2013-11-09
Peter Anthony Kelsey		2021-10-13
Rev Bryony Ruthellen Taylor		2024-11-01
Rev Daniel Benedict Cooke		2022-05-16
Rev Sarah Louise Watson		2026-03-14
Reverend Doctor James Thomas HUGHES		2024-11-04
THE RT REVD ELIZABETH JANE HOLDEN LANE		2019-02-11
The Honourable David Piers Carlis Legh		2021-11-01
The Reverend Doctor Jason David Ward		2024-11-01
The Reverend Doctor Nicola Mary McNally		2024-11-01
The Venerable Matthew Trick		2022-06-12
The Venerable Nicola Jane Fenton		2023-04-01
The Very Reverend Dr Peter Robinson		2020-07-19

Linked charities

- CHURCH EXTENSION SOCIETY (249767-1)
- THE PENSION FUND (249767-2)
- THE ORDINATION CANDIDATES FUND (GENERAL) (249767-3)

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THE DERBY DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 249767

Accounts

Company Number: 229700
Charity Number: 249767

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

Annual Report and Financial Statements

For the year ended 31 December 2024









DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
Annual Report and Financial Statements
For the year ended 31 December 2024

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ADMINISTRATIVE DETAILS

Derby Diocesan Board of Finance Limited (The) is a Charitable Company Limited by Guarantee and not having a share capital. (Company No 229700 England, Registered Charity No 249767). Membership of the Board consists of those members of Derby Diocesan Synod who are not employed by the Board.

President:	The Bishop of Derby - The Right Reverend Libby Lane
Registered Office:	Church House, Full Street, Derby DE1 3DR
Telephone:	01332 388650 (For a list of direct dial telephone extensions see the diocesan website)
Email:	finance@derby.anglican.org
Website:	www.derby.anglican.org

Bishop's Council and Standing Committee of Diocesan Synod
(Being the financial executive of the Diocesan Synod and the Board of Directors of the Board of Finance)

The trustees (for the purpose of charity law) and directors (for the purpose of company law) during the year and as at the date of signing were as follows:

Chair

- The Bishop of Derby - The Right Reverend Libby Lane

Ex-Officio

- The Bishop of Repton - The Right Reverend Malcolm Macnaughton
- The Archdeacon of Derbyshire Peak and Dales - The Venerable Nicky Fenton
- The Archdeacon of East Derbyshire - The Venerable Karen Hamblin
- The Archdeacon of Derby and South Derbyshire - The Venerable Matthew Trick
- The Dean of Derby - The Very Reverend Dr Peter Robinson
- The Chair of the House of Clergy of the Diocesan Synod - The Reverend Canon Julian Hollywell
- The Chair of the House of Laity of the Diocesan Synod - Mrs Christine McMullen (to 31 July 2024)
- The Chair of the House of Laity of the Diocesan Synod - Mr Peter Kelsey (from 1 August 2024)
- The Executive Chair of the Board of Finance - Canon Mark Titterton
- The Chair of the Diocesan Board of Education - The Right Reverend Malcolm Macnaughton

Elected by Derby Diocesan Synod – two clergy members from each Archdeaconry and twelve lay members, with at least four from each Archdeaconry.

Clergy

Derbyshire Peak and Dales (2)

- The Reverend J Hughes (from 1 November 2024)
- The Reverend N McNally (from 1 November 2024)

East Derbyshire (2)

- The Reverend D Cooke
- The Reverend B Taylor (from 1 November 2024)

Derby City and South Derbyshire (2)

- The Reverend J Ward (from 1 November 2024)
- Vacancy

Laity

Derbyshire Peak and Dales (at least 4)

- Canon E Brailsford (from 1 November 2024)
- Canon J Cooper
- The Honourable D Legh
- Mrs C McMullen

East Derbyshire (at least 4)

- Mr J Gascoyne
- Canon C Holmes-Elener
- Mr I Leigh (from 1 November 2024)
- Mr B Parker

Derby City and South Derbyshire (at least 4)

- Mrs M Goddard
- Mr B Martin (to 2 January 2024)
- Vacancy
- Vacancy

Principal Officers

- Diocesan Secretary - W Hagger
- Director of Finance & Operations - M Marples
- Acting Head of Property - I Woodward
- Director of Mission, Evangelism and Parish Revitalisation - Reverend Canon M Barnes
- Director of People and Ministry Development - C Lees (from 11 November 2024)
- HR Manager - M Francis
- Diocesan Safeguarding Advisor - H Hogg (to 20 August 2024)
- Acting Diocesan Safeguarding Officer – D Bowden (from 21 August 2024 to 14 October 2024)
- Diocesan Safeguarding Advisor - L Marriott (from 15 October 2024)

Advisers

Diocesan Registrar, Bishop's Legal Secretary and Legal Adviser to the Board of Finance - I Blaney M.A. LL.B. LL.M.

Bankers

National Westminster Bank, 58 St. Peter's Street, Derby, DE1 1XL

Investment Advisors

CCLA Investment Management Ltd; One Angel Lane, London, EC4R 3AB
Sarasin and Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Solicitors

Eddowes Waldron Solicitors,12 St. Peter's Churchyard, Derby, DE1 1TZ

Insurers

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

Land Agents

Savills, 2/3 Sherbrook House, Swan Mews, Lichfield, WS13 6TU
Fisher German, Ivanhoe Office Park, Ivanhoe Park Way, Ashby de la Zouch, LE65 2AB

Mineral Surveyors

Coke Turner & Co, The Millyard, Rowsley, Matlock, DE4 2EB

Auditor

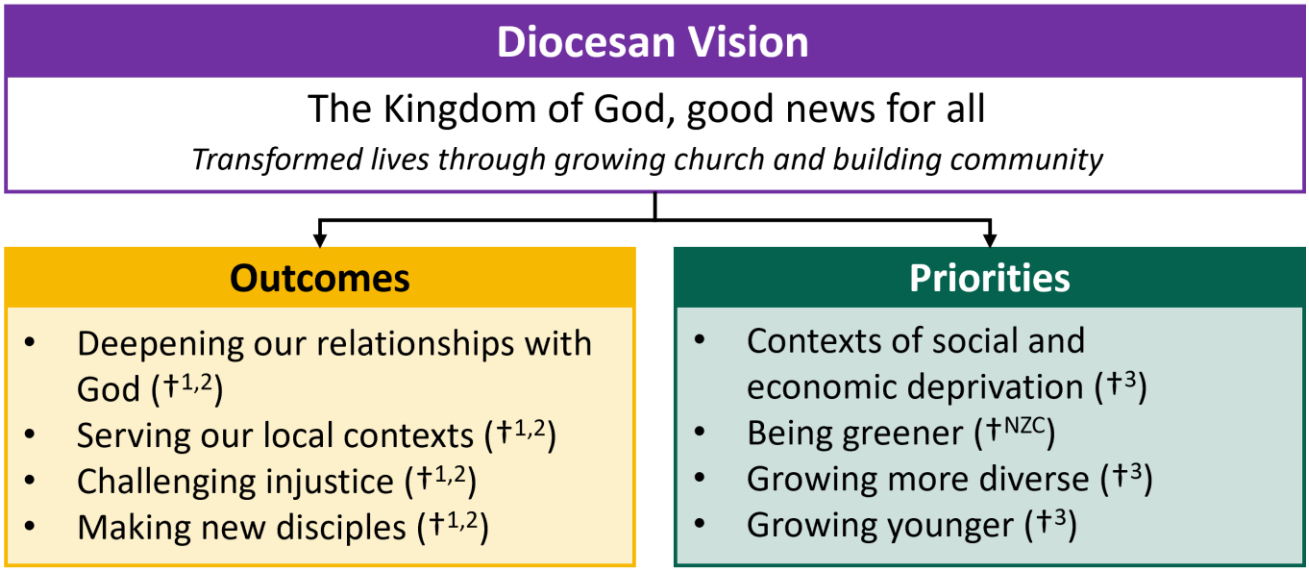
BHP LLP, One Waterside Place, Basin Square, Brimington Road, Chesterfield, Derbyshire, S41 7FH

DIOCESAN VISION & STRATEGY 2025-2030

Diocesan Vision, Outcomes, and Priorities

Everything we do arises from our vision: to proclaim the Kingdom of God – good news for all.

The "Outcomes" help us to think through what this looks like across our diocese, and the "Priorities" are identified areas that need specific focus in this current season.



Connection to National Church Priorities: †1 *Church of missionary disciples,* †2 *Mixed ecology as the norm,* †3 *Younger & more diverse,* †NZC *Net Zero Carbon by 2030*

How the Diocesan Vision may look in real life

In practice, the Diocesan Vision may look like:

- More people coming to faith
- More New Worshipping Communities
- More existing congregations growing
- More children and young people in worshipping communities
- More impact and engagement in areas of deprivation
- More diversity at all levels
- More lay and ordained church leaders recruited
- More support for churches and church leaders
- More capacity for missional outreach
- Less environmental impact
- Fewer church leaders and PCC members feeling overstretched
- Fewer financial challenges at a local and diocesan level

Transformed Lives - A Diocese committed to equipping a church of missionary disciples, centred on Christ Jesus and shaped by Him, transforming the lives of others, living out their baptismal calling in the '5 Marks of Mission'.

Growing Church - A Diocese committed to a mixed ecology of church that is more diverse, enabling people of every age and in every context to hear the good news of Jesus, where we grow and expand worshipping and witnessing communities (including Parishes, Schools, Chaplaincy, Plants and Fresh Expressions).

Building Community - A Diocese committed to being outward facing, rooted in and connected to its communities, working in partnership and networks for the common good, with particular care for poor, outcast, and vulnerable people. A church proclaiming the good news of the Kingdom in word and action making it tangible socially, economically, environmentally and in justice.

INTRODUCTION FROM THE BISHOP OF DERBY
The Rt Revd Libby Lane



"To what shall I compare the Kingdom of God", Jesus asked:

"like seed scattered in a field of different kinds of soil; like a woman kneading yeast into dough; like a shepherd searching for a lost sheep; like selling everything to buy treasure; like a tree in which all the birds of the air find shelter; like a net cast to catch every kind of fish; like a great banquet", he said.

"How shall we describe the Kingdom?", Jesus asked:
In generous faith, courageous hope and life-giving love, we have answered.

This annual report gives statistics and data about the work of Derby Diocesan Board of Finance over the past year. We have faced significant challenges through this year and we continue to make informed and sometimes difficult choices to sustain resources, shape structures and equip people for mission. But the story behind this information is of the Kingdom of God transforming the lives of thousands of people across Derbyshire, Derby City and beyond:

- Here we find people of all ages and in every community, from diverse backgrounds and in different circumstances deepening their relationship with God - in public worship and private prayer, in reading scripture and discovering what that means in their life, in study and conversation as they choose to follow Jesus and be open to the working of the Holy Spirit.
- Here we find people serving their local contexts and responding to human need - through food banks and warm spaces, for example, through sport and physical activity, through music and art, in breakfast clubs and youth groups, working with the bereaved, with the lonely and anxious.
- Here we find people challenging injustice and standing with and for those who suffer its consequences - supporting the homeless, refugees and asylum seekers, for example, in campaigning, fund raising and volunteering, in partnership with local communities and across the world.
- Here we find the stories of those who know and love Jesus making opportunity for others to come to know and love him: the stories of disciples making disciples as Jesus commanded.

As Bishop of this Diocese, along with Bishop Malcolm and our Archdeacon colleagues, I see and hear these stories of lives transformed in growing church and building community day after day. Both in small and quiet ways that might go unnoticed, and in larger scale more visible ways that are recognised and celebrated, we are grateful for every sign of the Kingdom of God as good news for all the people of our Diocese.

FOREWORD
Executive Chair, Canon Mark Titterton



The Board has improved on its estimated deficit budget position for 2024, despite common fund receipts remaining lower than the level that is required to be fully sustainable in the future. Despite these challenges, parishes contributed £3,701,904 to the common fund, with the board being grateful to them, as all this income goes directly towards funding clergy stipends across the diocese.

As we deliver our plans for 2025 and develop a financial sustainability strategy for 2026 and beyond, it remains that our income, particularly from common fund needs to rise significantly to balance our annual budgets and support the levels of stipendiary clergy.

When the Diocesan Synod agreed the 2024 annual budget in October 2023, we were prudent in our assumptions, anticipating and providing for a £0.6m deficit. The final position has been better, predominantly through underspending against our expenditure budgets. Clergy deployment and the Parish Support Team had vacancies during the year, something which has begun to be addressed.

In 2024 our financial asset portfolio was reviewed with Sarasin becoming our second asset manager alongside CCLA. £12m of investment assets were disposed and replaced, along with additional investment of £8m of cash we had held from previous land sales. The value of the financial assets rose by £1.6m in 2024. We also replaced our land agents with Fisher German, who have begun a programme of site reviews to bring forward hold/sell proposals during 2025. Our land assets were revalued in 2024 with an increase of £1.5m. We have maintained a strong asset base, poised to take advantage of future opportunities.

Looking forward, the Board reshaped £2.5m of designated funds to support the strategic priorities for the next 5-10 years. I must formally thank the Parish Support Team for the work they do to manage our business and deliver our objectives.

The Board exists to support the parishes and people of this diocese and I would like to add my personal and sincere thanks for your continued support as we look to resource mission in this place.

TRUSTEES' REPORT

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

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

This combined report satisfies the legal requirements for:

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

Public Benefit Statement

The Directors of the DDBF are aware of the Charity Commission's guidance on public benefit and have had regard to the guidance in their administration of the Board. The DDBF believes that, by promoting the work of the Church of England in the Diocese of Derby, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes. In doing so it provides a benefit to the public by providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Legal Objectives

Derby Diocesan Board of Finance Limited (The); (the Board), is a charitable company which was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated in the UK on 16 April 1928 as a charitable company limited by membership guarantees and its governing document is the Memorandum and Articles of Association. The Board is registered in England with the Charity Commission. The registered office and number can be found on page 3.

The objects, for which the Board is established, are set out in Clause 3 of the Board's Memorandum of Association, dated April 1928. The primary object (or purpose) is to act as the financial executive of the Diocesan Synod. In addition, it is to act as the Parsonages Board for the Diocese, to act as the Diocesan Committee of the Diocese for the purposes of any Act of Parliament or Measure passed by the General Synod of the Church of England and to promote and assist the work and purposes of the Church in the Diocese and in particular to organise and provide funds in aid of the work of the Church.

The Board has the following statutory responsibilities:

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

The strategic priorities of the company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Derby (in respect of their responsibility for the provision of the cure of souls).

Objectives for the year 2024

2024 was another year of transition for the DBF, managing significant change, though a positive year in terms of progression towards agreed corporate and diocesan objectives.

Strategy development

In December 2023, we secured funding from the National Church Institutions (NCIs) for a Strategy Lead to provide dedicated resource for the development of our strategic plan to deliver the Diocesan Vision, Outcomes and Priorities over the period to 2030. Sam Frith was recruited to this role and joined the DBF in March 2024. Sam has since led an extensive programme of engagement with parishes and other worshipping communities in the diocese to create a Parish Support Team (the DBF team) strategy for the programmes of work which we believe will lead to Transformed Lives through Growing Church and Building Community.

In the initial phase, our focus for national grant funding will be on initiatives aimed at doubling the number of active young disciples engaged in worshipping communities across the diocese by 2030. Meanwhile we are developing the support and resources to enable all our congregations, in every context, to flourish and new congregations to emerge.

It is envisaged that delivery of this strategy will be supported by material investment from the NCIs through the Diocesan Investment Programme (DIP).

Over 2024, again with the support of NCIs funding, we have undertaken a comprehensive assessment of the missional and financial health and vitality of our parishes and worshipping communities to inform the development of future strategic plans.

Aligning people resources

In order to support the successful implementation of this strategy we need an appropriately skilled and resourced DBF staff team to support, resource and enable our clergy.

2024 was a year of considerable change in the DBF staff team during which we restructured a number of departments to better support the delivery of the Diocesan Vision, Outcomes and Priorities and recruited to a number of new or restructured roles, many funded by the NCIs:

- The Discipleship, Mission and Ministry department was split into two separate departments: Mission, Evangelism and Parish Revitalisation led by the Revd Canon Matt Barnes, and People and Ministry Development led by Claire Lees who joined the DBF in November. This restructure brings a number of operational and strategic advantages, not least additional leadership capacity to support the delivery of our strategic ambitions.
- A Buildings for Mission team was established to continue to develop our suite of support to parishes around church buildings maintenance and net zero carbon. New roles include an Environmental Engagement Officer and new nationally funded roles focused on church buildings support and net zero carbon programme and project management.
- The Property Team now sit within the Finance and Operations department, led by Martyn Marples.
- Archdeaconry and Deanery administrative support has also been restructured.
- A restructure has started in the Safeguarding team.

Undertaking a cultural development review of DBF staff operations was a priority for 2024 which was paused due to awaiting the appointment to the role of Director of People and Ministry Development. Claire Lees, the new Director, will be leading on the development of a new People Strategy during 2025 and into 2026. Cultural development will be a critical part of that strategy.

Working towards Financial Sustainability

Over 2024 we have continued to implement strategies that move the DBF towards a more sustainable financial position:

- In early 2024 we appointed Sarasin & Partners as a second investment manager to sit alongside incumbent manager CCLA, with £20 million of investment assets being transferred to Sarasin (from CCLA). Having two managers introduces an element of healthy competition and potential for performance comparison.
- We also resolved to adopt a total return approach to the treatment of our investments within our financial statements (which also requires changes to accounting policies) anticipated during 2025. Adopting total return will enable the release of a greater proportion of the return on our investments to support the operational budget.
- In September 2024, we outsourced the property and asset management of our rural land property portfolio to Fisher German. It is anticipated that a more proactive approach to management will reduce risk, accelerate rental growth, bring forward financial windfalls from disposals, and accelerate the sales programme for non-strategic land holdings.
- We have taken advantage of NCIs grant opportunities wherever possible (e.g. additional curates, new clergy posts of first responsibility, strategic capacity posts, church buildings support and net zero carbon).
- We have rationalised and restructured DDBF staffing support for parish ministry, saving over £200,000 per year and better aligning people resources to our developing strategic plan.
- We have budgeted from a ‘zero base’ to scrutinise every item of expenditure.

Office relocation
Church House in Derby provides poor quality, inaccessible office accommodation which hinders DBF staff collaboration, has poor environmental credentials, and is a poor 'shop front' and resource for parishes in the diocese. Moving the DBF staff team from Church House has been on the agenda for DBF leadership for at least two decades, and the building fabric and its functionality have suffered from long term underinvestment as a result.

WKspace, workplace consultants, were appointed in June 2024 to review our workplace needs through robust engagement with leadership and staff. WKspace reported that the building scored particularly poorly with staff for its functional utility, and an office move has been recommended along with proposals for new ways of working. A project plan to deliver an office relocation is currently under development.

Governance
Elections were successfully completed during 2024 for Diocesan Synod, Bishop's Council and Business Committee for the 2024-2027 triennium.

A full governance review had been planned for 2024, though it was decided to delay that work until our strategic plan was more fully developed so that an objective for our governance review can be to ensure that DBF governance supports and enables rather than hinders the implementation of the Parish Support Team strategy to deliver the Diocesan Vision, Outcomes and Priorities. This review is now expected to take place in 2025.

More detailed departmental outcomes for 2024 are described below.

2024 Delivery

Mission, Evangelism and Parish Revitalisation
Key highlights in the year included:

- Securing funding for and launching two new Flourish communities [Church, School, Home]
- Support to 127 new expressions of church through Greenhouse and other structures [2 new Greenhouse communities formed]
- 14% increase in usual Sunday attendance amongst children and young people.
- 23% increase in giving via Parish Giving Scheme to over £1.35million per year
- Achieving Bronze Eco Diocese status; with a second parish awarded Gold status.
- Achieved an Energy Footprint Tool return rate of 66% and a 94% return rate for Statistics for Mission
- 7 small and 6 large Raymond Ross Fund grants totalling £98,368 leveraging a further £172,194
- Over 90 PCCs receiving buildings for mission, church buildings support advice and assistance
- 120 churches now using Parish Giving Scheme and 147 using digital giving
- 100% success rate in Try Before You Buy contactless giving [19 parishes]
- Launch of Cornerstone Parish Learning tool to support and improve giving practice and generous culture.
- Suspensions of presentation lifted in eight Benefices - facilitating pastoral reorganisation and appointments

People and Ministry Department
Key deliverables during 2024 included:

- The appointment of a new Lay Ministries Officer at the start of 2024 increased the support to and reshaping of pastoral provision to 146 lay ministers. A strong framework has been established to support and equip our lay ministers in their wellbeing and development leading into 2025.
- Continued the effective delivery of Licenced Lay Minister (Reader) training resulting in 11 new licenced readers and 7 new students. Across this, and the other pathways of the Cert TMM, we helped the 30 students who took part to deepen their faith and develop their skills as confident, reflective practitioners of mission and ministry. We achieved 98% positive engagement with students, exceeding feedback from the previous year.
- The team continued to develop ordained formational pathways and supporting licenced ministers in post once trained - which last year included 73% attendance at the annual Clergy Conference; 51% participation in other clergy training; and 36% who accessed CMD, Retreat, or Sabbatical grants.
- 100% of curates who submitted their End of Title Assessment portfolio and completed national criteria were signed off and are now in first posts of primary responsibility.
- The continued nurturing of new vocations saw an increase from 4 to 8 of new candidates entering the shared discernment process for ordained ministry. We held a vocations exploration day which saw 19 attendees in this year (2024). The team improved the discernment process which now includes the introduction of the national qualities for LLM(R).
- The People (HR function) enabled the recruitment of 14 Parish Support Team staff, as well as playing key role in the people change programme, enabling our departments to better support the delivery of the Diocesan vision.

The Property Team
The Property Team completed some key actions during 2024, including:

- Completing on the purchase of one new clergy property, and disposing of four surplus properties, receiving in excess of £1m net
- Completing 27 quinquennial surveys out on our existing housing stock across the Diocese.
- Delivered quinquennial works to 28 of our properties

- Completing vacancy inspections and co-ordinated vacancy/improvement works to 18 parsonages or DDBF houses prior to new clergy moving in, or the houses being let on assured shorthold tenancies.
- Managed a housing rental portfolio. collecting rental income from let houses of £487,000, exceeding the budget of £430,000.
- Managed the handover of our land portfolio to our new land agents, Fisher German. A full review of our land holdings is currently being progressed.

The Finance Team

On top of maintaining a statutory service for the Diocese, and supporting parishes with advice, during 2024 the finance team:

- Achieved a clean audit opinion from our external auditors for the 2023 annual accounts, and approval by Diocesan Synod.
- Reviewed annual budgets recommended approval of the 2025 budget through Bishops Council and Diocesan Synod.
- Met with Deanery Synods to share in person the 'On the money' publication.
- Commenced a review of the Common Fund formula, which will be further developed in 2025, for possible implementation in 2026.
- Achieved a 90%+ response for Return of Parish Finance data.
- Managed several parish project grant applications in conjunction with the DMM team.

The Safeguarding Team

Throughout 2024 the safeguarding team has seen a period of flux, and significant change in team dynamics. The previous DSA left the Diocese in August 2024, David Bowden Assistant Diocesan Safeguarding Advisor stepped up into the DSA role in the interim. Lisa Marriott joined as DSA in October 2024.

During 2024, we received 311 new concerns, a 70% increase from 2023. Whilst it is too early to consider the reasons behind this it may be linked to the embedding of safeguarding awareness across parishes and evidence of the proactive work, we have done to support PSOs. Additionally, this year has seen an increased awareness in the public domain of safeguarding failures within the church which has led to an increase in contact from parishes.

In addition to casework, the key areas of activity have been:

- **DBS checks:**
  DBS checks have maintained at a stable level over the last year. We have approximately 145 Parishes completing the DBS applications for their Parish DBS resulting in 570 checks. The safeguarding administrator has processed 376 DBS for Clergy/PtO/Readers and eligible DBS staff in the last year.

- **Training:**
  1,500 delegates have accessed training via the Training Portal, with a further 1,042 delegates accessing either face to face or virtually. We have also had 16 PSO completing the Induction training.

- **Working with our Parish safeguarding Officers (PSO):** Our PSO drop ins continue to be well attended, we send out comprehensive notes for those who cannot attend, and regular updates relevant safeguarding information.
  In April 2024 we held a PSO Conference at Cliff College, this was well attended, we received very positive feedback.
  We held Safeguarding Sunday 17/11/2024 at St Oswald's Church, Ashbourne.

- **Working with the National Safeguarding Team:** We have a representative from the safeguarding team on the National PSO working group, looking at the development of resources for PSO and sharing feedback to and from the PSO group with the National group to support the work. The new PSO induction, Welcome Pack and other resources are now available.

- **Parish Dashboard:** The Parish Dashboard enables churches to evidence and audit their safeguarding compliance and produce an action plan and annual report for their PCC at the press of a button. In 2024 we started a pilot project to roll out additional features on the dashboard to a small number of parishes, this pilot was successful, and we have now rolled out the safeguarding Hubs.

- **Safeguarding Hubs:** Leading on from the engagement with the Parish Dashboard, parishes now have the option to monitor and track their own training and DBS data using the Hub.

- **National recording system:** During 2024 the team has fully transitioned live cases onto the new national recording system, MyConcern. As a Diocese we are now fully live and are one of the most engaged users despite being later in the onboarding process.

- **Survivors:** We maintain an up-to-date list of support services for victims and survivors on our website for survivors. The General Synod will be facilitating a debate and discussion regarding the recent safeguarding reports relating to victims and survivors.

- **Diocesan Safeguarding Advisory Panel (DSAP):** Our DSAP continues to be well attended, and Julie Gardner has been our independent chair since November 2023. Julie states she is assured the safeguarding activity in the diocese is of a good quality. The focus for the future of DSAP will be the reinvigoration of external partners to ensure that we have the best quality external scrutiny possible. This will put us in a strong position as we prepare

for the INEQE audit in 2027 and working with the wider community will encourage a more coordinated local response to safeguarding.

Future plans for 2025

Key objectives to be delivered in 2025 include:

- Strategy development:
  - Continuing to work with the Vision and Strategy team of the NCIs to develop a multi-million-pound DIP funding bid for submission to the June meeting of their Strategic Mission and Ministry Investment Board (SMMIB).
  - Starting work on an outline proposal for a DIP submission in late 2026/early 2027.

- Financial sustainability:
  - Formally adopt total return as an accounting policy as well as an investment strategy.
  - Agree a financial strategy with Diocesan Synod to transition to financial sustainability with minimal negative missional impact.
  - Agree a disposal strategy with Fisher German for non-strategic rural land holdings.
  - Develop a strategy for our housing portfolio including for the disposal of surplus stock to release capital.

- People & Culture:
  - Continuing to align people resources and departmental structures to the optimal delivery of the Diocesan Vision, Outcomes and Priorities including starting to develop a People Strategy.
  - We will aim to have a have a Christ-centred culture of excellence and ensure there are strong people practices in place to enable the vision as well as support all our people so they can flourish.

- Planning for the relocation of the DBF staff team away from Church House.

- Delivering a comprehensive governance review of the DBF, which may continue into 2026.

- Continuing to develop our suite of support to parishes, in particular around net zero carbon and church buildings maintenance.

Financial Review

Statement of financial activities and financial position

Total income was £10.2million (2023 - £9.9million) and expenditure £10.5million (2023 - £9.8million, giving net expenditure before investment gains of £0.3million (2023 – net income of £48,739).

After the addition of net gains on investment assets of £3.1million (2023 – net gain of £3.9million), the net increase in funds amounted to £2.9million (2023 – £3.9million).

During the year, total fund balances increased from £107.5million to £110.4million and there was an overall net cash outflow of £8.5million, of which £8.0million was invested (2023– cash outflow £0.2million).

This gives the total picture, but a further breakdown is needed to fully understand the financial position of the Diocese.

Of the total funds of £110.4m …

- £81.7m are tied up in endowment funds, with £20.9m in Benefice Houses, £55.3m in Stipends Fund Capital (Glebe funds) and £5.6m in other permanent endowment funds
- a further £8.7m are represented by restricted funds which can only be used in accordance with the terms of the restriction placed on them
- Designated funds total £15.1m including £10.4m of corporate properties and a new designated Strategic Objectives fund of £2.5m
- The remainder are general funds of £4.8m.

Regarding the operational results, it cost £8,711,916 in 2024 to carry out our unrestricted fund activities. This was funded by income of £8,216,779, giving an operational deficit of (£495,137).

Performance against budget

The annual budget is presented to Diocesan Synod for approval and sets out the framework for our financial decision-making. The 2024 budget set an operational deficit of (£595,961), reflecting an uncertainty of income recovery.

Budget plans for 2024 included:

- An overall reduction in Common Fund requests by 8.7%
- Additional funding for approved new posts including extra curates funded by Church Commissioners
- Continued grant funding from Benefact Trust
- Anticipated increase in return on investments
- An anticipated recovery in parochial fees
- Stipend and salary levels increased by 7%
- Budgeted clergy numbers were maintained

The table below sets out performance against the budget plan:

MANAGEMENT ACCOUNTS 2024	Budget £	Actual £	Difference £
INCOME			
Common Fund	4,000,000	3,772,175	(227,825)
Church Commissioners	2,022,530	1,958,686	(63,844)
Net Return on Investments	2,543,051	2,465,936	(77,114)
Other income including fees and grants	517,427	625,007	107,580
TOTAL INCOME	**9,083,008**	**8,821,804**	**(261,203)**
EXPENDITURE			
Resourcing Mission and Ministry	7,175,062	6,617,775	557,287
Support for Parish Ministry	1,724,610	1,675,180	49,430
Support and Compliance	779,297	727,276	52,020
TOTAL EXPENDITURE	**9,678,969**	**9,020,231**	**658,737**
SURPLUS / (DEFICIT)	**(595,961)**	**(198,427)**	**397,534**

Common Fund, the money given by parishes to the Diocese to fund mission and ministry across the Diocese, is the main source of income and accounted for around 43% of total Diocesan income. In 2024 the total amount paid was £3,772,175, which was a decrease of £156,306 (-4.0%) over the previous year (2023 - total Common Fund £3,928,481). Receipts were £227,825 (-5.7%) less than budgeted.

A total of £2.0m came from the National Church Institutions, including £0.6m from the Strategic Ministry Fund to fund additional curates and Posts of First Responsibility.

Returns on investments fluctuated during 2024 as £12m of investments were transferred from CCLA to Sarasin, with an additional £8m of cash also invested with Sarasin. Net returns including from land and buildings was £2,465,936.

Benefact Trust annual distribution amounted to £102,340 and the Board acknowledges with thanks the receipt of this grant. Parochial fees were £19,905 higher than in 2023, but (£13,929) below budget.

Ministerial staffing costs were considerably under budget due to vacancy levels arising from clergy movements. Appointment to vacant posts in 2025 is being accelerated but managed carefully up to the budgeted level available.

Unrestricted funds movement

Management Accounts Reconciliation to Statutory Accounts	
	£
Deficit per Management Accounts 2024	**(198,427)**
Operational Adjustments	
Grants awarded to parishes *(designated spend not included in Mgt A/C's)*	(177,406)
Partner contribution funded from restricted reserves	7,000
Other designated fund movements (net)	(268,279)
Investment Movements	
Derby St Peters Dividend income *(designated but not included in Mgt A/C's)*	21,129
Net gains on disposal of physical assets *[Note 6]*	120,846
Net gains/(losses) on investment assets	229,174
Transfer from Pastoral Account for purchase of Corporate Property	583,013
Transfer from Benefice Housing to Corporate Property	248,522
Transfer from Corporate Property to Pastoral Account	-767,000
Net gains/(losses) on revaluation of fixed assets	-10,000
Net movement in Unrestricted Funds	**(211,428)**

[Per statement of financial activities on page 26 of the financial statements]

Grant-Making (Beneficiary-Selection)
Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (see note 12 of the financial statements). Grants are paid to other connected charities and to other charitable projects which support the furtherance of the Board's objects.

Review of the statement of financial position
The Trustees consider that the Statement of Financial Position together with details in note 26 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the Statement of Financial Position date totalled £110.4million (2023 - £107.5million) it must be remembered that included in this total are tangible fixed assets, mostly in use for the ministry, whose total value amounted to £31.7million (2023 - £32.1million). Many of the remaining assets shown in the Statement of Financial Position are held in funds which cannot necessarily be used for the general purposes of the Board.

Significant property and associated land transactions
During the year the Board purchased one house for £583,013 and sold four houses for £1,597,000. (2023 – one house purchase £462,297).

Investment policies and strategy

The Board's investment policies are kept under review and based on two key policies:

- Ethical investment - this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders. All investment managers are mandated to follow ethical considerations as determined by the Church of England Ethical Investment Advisory Group in addition to an exclusion on fossil fuels.
- Long-term responsibilities – the Board manages its investment assets with the principal aim of generating income to achieve the maximum contribution possible to clergy stipends, whilst maintaining the real value of Diocesan capital but with the possible need to realise investments to meet operational needs. The trustees are aware of their long-term responsibilities particularly in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Financial Investment Strategy

The current strategy is to manage investments for sustainable income and to achieve modest capital growth over the longer term. The Board recognises that performance in this area is vital to the direct relief of the demands on Common Fund. Financial investments are held with CCLA Investment Management Ltd (for the Church of England) and Sarasin and Partners LLP. During the year the Bishops Council approved the transfer of £20m of funds from CCLA to Sarasin.

Glebe Investment Strategy

Glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Investments are mainly held in agricultural land and financial investments with CCLA Investment Management Ltd.

Unrestricted and Restricted Fund Investments

Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital. Funds which may be needed for working capital in the short-term are held as deposits with CCLA Investment Management Ltd and the Board's bankers National Westminster Bank.

Investment performance

The value of the Board's financial investment assets increased by £9.6million in 2024, of which £8.0m was new investment from cash balances (2023 – increase in valuation of £3.9million).

Investment Management - financial investment managers

At the Statement of Financial Position date, the Board's investment were split between CCLA was in CBF Church of England Investment Fund income shares and Sarasin Climate Active (Ex Energy) Fund income shares

The table below sets out holdings in each fund at 31 December 2024:

	Funds at 31/12/24	Portfolio Split	Income yield in year	Total return in year (net)
	£	%	%	%
CBF Church of England Investment Fund	44,683,740	68.4	+2.7	+5.1
Sarasin Climate Active (Ex Energy) Fund (from July 2024)	20,595,675	31.6	+2.5	+5.5
	65,279,415	**100.0**		

Total return performance for each fund in 2024 against its comparator is set out in the table below:

Longer term total return performance 12 months to 31 December 2024	Fund %	Comparator %
CBF Church of England Investment Fund (net)	+5.1	+15.31
Sarasin Climate Active (Ex Energy) Fund	*New scheme for 2024 so long term performance data not yet available*	

Investment properties – including glebe agricultural land
Holdings in the portfolio are predominantly agricultural in nature, amounting to approximately 1,243 acres. Agricultural property has been valued by the Board and is based on a desktop valuation provided by Fisher German, our glebe land agents, as at 31 December 2024.

The current valuation of the portfolio is £9.1m (2023 - £7.6m). The value of the investment held in Wormhill Quarry provided by Coke Turner & Co, our mineral surveyors, increased by £0.29m through a combination of activity during the year and a revaluation at 31 December 2024.

Equity (value-linked) loans
Equity loans have been used to purchase houses for ministers on a shared equity basis. In the event of a sale of any of the houses purchased with value-linked loans (VLL), the whole, or a proportionate part, of the net sale proceeds would go to the Church Commissioners.

Total value-linked loans advanced at 31 December 2024 amounted to £274,938 for 5 loans (2023 - £274,938, 5 loans).

Investment gains and (losses)
Net investment movement on the statement of financial activity in the year was £3,137,275. Unrestricted: £229,174 gain in funds from rising financial investment values. Restricted: £141,872 gain in funds from rising financial investment values; Endowment: £1,236,521 gain in funds from rising financial investment values, and £1,529,708 gain from net land revaluations [See note 17].

Reserves Policy

Free reserves
The Board has considerable responsibilities including the remuneration of around 120 stipendiary clergy posts, the upkeep of 174 houses and the employment of approximately 46 full or part-time staff. Most of the Board's income is voluntary and the Board has noted that a substantial proportion of its voluntary income is from Common Fund with the balance made up of grant income from the Church Commissioners and income from investments and other sources.

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the course of the financial year, the policy is to hold a balance of readily realisable assets in the general fund equivalent to three months budgeted unrestricted expenditure. At 31 December 2024 the amount required under this policy totalled £2.48m (2023 - £2.42m). Actual free reserves as at 31 December 2024 totalled £4.83m (2023 - £5.87m). However, during 2024, Trustees designated £1.3m of the general fund reserve to the designated Parsonage Account to fund ongoing clergy housing maintenance, reducing free reserves to £4.57m. With the continuing uncertainty in economic and financial landscapes it is considered appropriate to hold reserves above the policy level.

The aim of Bishop's Council is to ensure that financial plans over a three-year period are in step with the ability to raise income and that spending plans are affordable.

Reserves tied up in fixed assets
The Statement of Financial Position comprises net fixed tangible assets amounting to £31.7m of which £7,020 is held as office equipment (Note 16).

Designated funds
The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in Note 27 of the financial statements. At 31 December 2024 total designated reserves were £15.1m (2023 - £14.3million) of which £10.4m is held in tangible fixed assets as corporate property (2023 - £10.2million).

Restricted and endowment funds
As set out in Notes 28 and 29, the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2024 restricted funds totalled £8.7m (2023 - £8.0m) and endowment funds totalled £81.7m (2023 - £79.3m). Neither restricted nor endowment funds are available for the general purposes of the Board.

Principal risks and uncertainties

The trustees confirm that the major risks, to which the Board is exposed, as identified by the trustees and employees, have been reviewed and that systems and procedures have been established to manage those risks.

The risk register identifies several risks and action plans are developed to mitigate risks to reduce the probability of the risk arising, or the impact should the risk arise. The following areas are where the risk of either failure to act or the impact of the events is considered 'very high':

- **Common Fund:** *'collection is considerably less than financial plans'*
- **Church Decline:** *'reducing numbers impact on church finances and ability to deliver legislative roles'*
- **Stipendiary Numbers:** *'impact on deployment could affect the budget position'*
- **Recruitment to key posts:** *'impact of not having resources in place to deliver strategy and mission'*
- **Strategic Objectives:** *'impact of not delivering growth plans to move towards financial sustainability'*
- **Cashflow***: 'physical and economic market conditions severely affect cash inflow and the ability to achieve the approved budget position'*
- **Financial markets***: current volatility in asset valuations could affect use of funds to support mission.*

Management and mitigation

The Management and mitigation of these ongoing risks are considered regularly by Diocesan Officers and reported to Trustees:

- Common Fund is reviewed monthly with regular dialogue between the Finance Team, Parishes, Area Deans and Archdeacons
- Stipendiary deployment is reviewed regularly by the Bishop and her Executive Team, with a full deployment plan outlined for completion in the second half of 2025
- A Strategy Committee will be deployed in 2025 to track performance against the strategic objectives, supported by Outcome Boards whop will be reviewing performance closely
- A Diocesan Investment Programme (DIP) bid will be submitted in 2025 for c£6m of funding to support the strategy.
- The budget and cashflow impact are constantly being reviewed to minimise monthly and year-end impact including; freezing non-essential spend, maximising government funding support where appropriate, and advance receipts from Church Commissioners
- Commissioners are reviewing longer term financial packages for Dioceses which may help DDBF in the short term

Structure and Governance

Summary information about the structure of the Church of England

The Church of England is organised as two provinces, each led by an Archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses of which there are 42 in total. Each diocese is divided into parishes. Each parish is overseen by a parish priest (often called a vicar or rector). From ancient times through to today, they and their Bishop are responsible for the 'cure of souls' in their parish.

His Majesty the King is the Supreme Governor of the Church of England. They appoint Archbishops, Bishops and Deans of Cathedrals on the advice of the Prime Minister. The two Archbishops and 24 senior Bishops sit in the House of Lords.

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

The Three National Church Institutions

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

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

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pension authority to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations. The Pensions Board, which reports to the General Synod, is the trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Pensions Board its central responsibilities for retirement welfare, the Pensions Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

Derby Cathedral

The cathedral church is legally constituted as a separate entity and registered as a charity on 9 April 2024. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Derby Cathedral Office, Cathedral Centre, 18-19 Iron Gate, Derby DE1 3GP.

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

Parochial Church Council (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church, though it may have more than one designated place of worship. The PCC is made up of the vicar (or rector) as chair, the churchwardens and a number of elected and ex-officio members. Each PCC is a charity and is currently excepted from registration with the Charity Commission, subject to the Charities Act 2006, under which those PCCs with gross income over £100,000 for the year are required to register. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC are prepared by the relevant PCC treasurer.

Parishes and Benefices

A benefice is a parish or group of parishes served by an incumbent who typically receives a stipend or part stipend, though some may not, and, usually, the benefit of free occupation and use of a parsonage house from the Diocese for carrying out spiritual duties.

Deanery and Archdeaconry

A deanery is a group of parishes supported by an Area Dean, Deanery Leadership Team, and an Archdeaconry Administrator. An archdeaconry is a group of deaneries for which an Archdeacon is responsible. The Diocese is then the principal pastoral and in turn financial and administrative resource of the Church of England, encompassing the various archdeaconries under the leadership of the Diocesan Bishop.

Deanery Synods

Deanery Synods have two houses, laity and clergy, and their role is to:

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

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan Bishop, the Suffragan Bishop and Archdeacons. Its role is to:

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

Organisational structure

The Diocese of Derby is one of 42 administrative units of the Church of England, covering the whole of Derbyshire and a few parishes on the fringes of the county in Staffordshire. It is administered through Derby Diocesan Board of Finance Limited (The); (the Board), a charitable company limited by guarantee.

The Diocese has three Archdeaconries: Derbyshire Peak and Dales with the three deaneries of Peak, Carsington and Dove and Derwent, East Derbyshire with the three deaneries of North East Derbyshire, Hardwick and South East Derbyshire, and Derby City and South Derbyshire with the deaneries of Derby City and Mercia.

Diocesan governance

Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods. The standing committee have the right to nominate persons for co-option by the House of Clergy or the House of Laity or otherwise to determine who else may nominate such persons but in other respects the procedure for co-opting members shall be determined by the respective houses. The Diocesan Synod usually meets three to four times a year.

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council as the Standing Committee of Diocesan Synod.

The Bishop's Council (and Standing Committee of the Diocesan Synod)

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

- to plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- to initiate proposals for action by the Synod and to advise it on matters on policy which are placed before it
- to advise the President, being the Diocesan Bishop, on any matters which they may refer to the Committee
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- to appoint members of committees or nominate individuals for election to committees, subject to the directions of the Synod
- to carry out such functions as the Synod may delegate to it.

Decision-Making Structure

Policy is formulated by the Bishop's Council for approval where required by Diocesan Synod. Strategic delivery of policy is the responsibility of the Diocesan Secretary. Bishop's Council may delegate any of its powers to the Business Committee.

Committee Structure

Bishop's Council
The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of eight ex-officio members (the Diocesan and Suffragan Bishops; two Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; the Executive Chair of the Board of Finance; the Chair of the Board of Education; the Chair of the Diocesan Mission and Pastoral Committee; six clergy elected by the House of Clergy from among their number (two from each Archdeaconry) and twelve lay persons elected by the members of the House of Laity (with at least three from each Archdeaconry) The maximum number of Directors shall not exceed 30.

Other statutory committees include:

Parsonages Committee - is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice. This includes setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board. The Diocesan Board of Finance was designated as the Parsonage Board, which in turn delegates its functions to the Business Committee.

Diocesan Mission and Pastoral Committee - is responsible for the task of recommending pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. This committee is coterminous with Bishop's Council, and the Chair is therefore the Bishop.

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

Derby Diocesan Board of Patronage - is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

In addition to the statutory committees Bishop's Council has set up the Business Committee, which has written terms of reference, to advise it on all governance and financial matters.

The Business Committee - meets approximately ten times each year and will work closely with the Diocesan Secretary. The Business Committee advises the Bishop's Council, in the discharge of the trustees' responsibilities for accounting policy, internal control, financial reporting and risk management. In addition, it provides strategic advice on the management of the Board's investment assets.

The Glebe Management Committee - is specifically tasked under the Endowments and Glebe Measure 1976 to manage diocesan glebe holdings to augment the diocesan stipends fund. Business Committee is designated as the Glebe Committee.

Investment Committee – Bishops Council appointed and Investment Committee from member of Business Committee during 2024. Their remit is to review and advise on investment strategy, in particular financial investment assets.

People (HR) and Remuneration Committee – is a sub-committee of Bishop's Council and meets as and when required to make recommendations and decisions on clergy and lay employee terms and conditions of service, people policies, remuneration and benefits.

Significant Control, Trustees and Management Personnel

Register of Persons of Significant Control
The Board maintains a Register of Persons of Significant Control.

Trustee Recruitment, Selection and Induction
The Trustees are the members of Bishop's Council and Directors of the company. Trustees are either ex-officio members or elected from the Diocesan Synod. Synod members are elected from representatives across the Diocese including clergy and lay people. Elections taking place every three years, with the last elections undertaken in 2024. Trustees are given induction training when first appointed and receive ongoing training, as appropriate. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

The Board has indemnity insurance for its trustees and key management personnel and £1,000,000 (2023 - £1,000,000) of cover is provided.

Remuneration of key management personnel
Emoluments of higher-paid employees are determined by a People (HR) and Remuneration Committee consisting of a sub-set of members of the Bishop's Council and independent Chair, meeting three times per year. The terms of reference for this group is established by the Bishop's Council and includes; regular appraisals, remuneration and salary benchmarking and recommendation of changes where necessary.

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

Funds held as Custodian Trustee
The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of separate bank accounts and accounting system. Further details of financial trust assets, whose market value amounted to £3.00million at 31 December 2024 (2023 - £2.96million), are available from the Board on request, and are summarised in note 30 of the financial statements. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the Board's solicitors.

Personnel

The efficient and effective running of the Diocese requires high quality staff across the DDBF. Our grateful thanks go to all the staff who supported the Diocese during 2024.

Although this report refers to employees of the Board and not parochial clergy, we would also like to thank the clergy who continue to deliver our mission across the Diocese.

General Synod Members
We would also like to acknowledge the General Synod representatives and thank them for their hard work acting as our elected members of General Synod. During 2024 our elected representatives were Kat Alldread, Revd Neil Barber, Sue Cavill, Revd Alicia Dring, Revd Julian Hollywell, and Peter Kelsey.

Other Church Bodies

General Synod, Church Commissioners and Archbishop's Council
The Board has a duty to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops and cathedral clergy are borne by the Church Commissioners and are not reflected in these financial statements.

Parochial Church Councils (PCCs)
The Board is required by Measure to be custodian trustee in relation to PCC property, but the Company has no control over PCCs, which are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Other charities

Derby Diocesan Board of Education
Derby Diocesan Board of Education (DDBE) is the statutory education authority for the Church in the Diocese. Its purpose is to promote and assist in the promotion of education in the Diocese, consistent with the faith and practice of the Church of England including the promotion of religious education and worship in schools within the Diocese. In addition, its purpose is to promote church schools in the Diocese and to advise governors of such schools. Whilst the DDBE is incorporated as a separate legal entity, the DDBF provides significant resources to the DDBE to facilitate the shared vision for mission and ministry with children and young people.

The Board co-operates with certain other charities in pursuit of its charitable objects and details of payments to these are to be found in note 12 to the financial statements.

Fundraising standards information
The charity does not carry out any significant fundraising activity, and no complaints have been received.

TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware:

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

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

BY ORDER OF THE TRUSTEES



The Rt Revd Malcolm Macanughton
The Bishop of Repton
12 May 2025



Canon Mark Titterton
Executive Chair of the DDBF
12 May 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

BHP LLP

Nicola O'Sullivan (Senior statutory auditor)
For and on behalf of
BHP LLP
Statutory Auditor

One Waterside Place
Basin Square
Brimington Road
Chesterfield
Derbyshire
S41 7FH

Date: 20 May 2025

FINANCIAL STATEMENTS

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DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2024

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
		£	£	£	£	£
Income and endowments from:						
Donations	2					
Common Fund		3,772,175	-	-	**3,772,175**	3,928,481
Archbishops' Council		1,208,844	820,087	-	**2,028,931**	1,854,985
Other donations		208,496	23,838	-	**232,334**	749,829
Charitable activities	3	472,674	1,573	-	**474,247**	432,435
Other activities	4	487,469	-	-	**487,469**	448,333
Investments	5	1,932,975	418,523	-	**2,351,498**	2,337,227
Other income	6	134,146	69,000	674,698	**877,844**	160,335
Total income and endowments		**8,216,779**	**1,333,021**	**674,698**	**10,224,498**	9,911,625
Expenditure on:						
Raising funds	7	144,814	-	-	**144,814**	161,524
Charitable activities	8	8,567,102	1,778,066	-	**10,345,168**	9,678,862
Clergy Pension Scheme Movement	25	-	-	-	**-**	-
Other expenditure	9	-	-	-	**-**	22,500
Total expenditure		**8,711,916**	**1,778,066**	**-**	**10,489,982**	9,862,886
Net income/(expenditure) before investment gains		**(495,137)**	**(445,045)**	**674,698**	**(265,484)**	48,739
Net gains/(losses) on investments	17	229,174	141,872	2,766,229	**3,137,275**	3,856,710
Net income/(expenditure)		**(265,963)**	**(303,173)**	**3,440,927**	**2,871,791**	3,905,449
Transfers between funds	15	**64,535**	**1,013,987**	**(1,078,522)**	**-**	-
Other recognised gains/(losses)						
Net gains/(losses) on revaluation of fixed assets	16	(10,000)	-	-	**(10,000)**	-
Net movement in funds		**(211,428)**	**710,814**	**2,362,405**	**2,861,791**	3,905,449
Reconciliation of funds						
Total funds at 1 January		20,199,824	7,958,678	79,345,674	**107,504,176**	103,598,727
Total funds at 31 December	26	**19,988,396**	**8,669,492**	**81,708,079**	**110,365,967**	107,504,176

All activities derive from continuing activities.

The notes on pages 30 to 49 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2024

	2024	2023
	£	£
Total income (less endowment)	**9,549,800**	9,764,258
Expenditure (less endowment)	**(10,489,982)**	(9,862,886)
Operating (deficit)/surplus for the year	**(940,182)**	(98,628)
Net gains/(losses) on investments	**371,046**	962,451
Net (expenditure) / income for the year	**(569,136)**	863,823
Other comprehensive income/(expenditure):		
Net assets transferred from endowments	**1,078,522**	104,000
Net gains/(losses) on revaluation of fixed assets	**(10,000)**	-
Total comprehensive income:	**499,386**	967,823

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The notes on pages 30 to 49 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL POSITION COMPANY NUMBER 229700

For the year ended 31 December 2024

	Note	2024		2023	
		£	£	£	£
Fixed Assets					
Tangible assets	**16**	**31,671,827**		32,044,603	
Investments	**17**	**74,389,766**		63,252,495	
			106,061,593		95,297,098
Current Assets					
Debtors	**18**	**1,364,972**		821,159	
Cash on deposit		**3,698,872**		12,233,117	
Cash at bank and in hand		**30,282**		30,231	
		5,094,126		13,084,507	
Creditors: amounts falling due within one year	**19**	**(514,814)**		(602,490)	
Net Current Assets			**4,579,312**		12,482,017
Total Assets less Current Liabilities			**110,640,905**		107,779,114
Creditors: amounts falling due after more than one year	**19**				
Pension scheme liabilities		**-**		-	
Other creditors		**(274,938)**		(274,938)	
			(274,938)		(274,938)
Net Assets			**110,365,967**		107,504,176
The Funds of the Charity					
Unrestricted income funds					
General Fund		**4,838,516**		5,873,015	
(Including investment revaluation reserve of £2,149,536 (2023 - £1,964,642)					
Designated funds	**27**	**15,149,880**		14,326,809	
(Including investment revaluation reserve of £1,919,771 (2023 - £2,937,921)					
			19,988,396		20,199,824
Restricted income funds	**28**		**8,669,492**		7,958,678
(Including investment revaluation reserve of £2,515,853 (2023 - £1,577,710)					
Endowment funds	**29**		**81,708,079**		79,345,674
(Including investment revaluation reserve of £18,627,252 (2023 - £22,293,183)					
Total Funds			**110,365,967**		107,504,176

The financial statements were approved by the Board of Directors and authorised for issue on 12 May 2025 and signed on behalf of the Board by:



The Bishop of Repton - The Rt Revd Malcolm Macnaughton

The notes on pages 30 to 49 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024	2023
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	**(3,385,313)**	(2,240,755)
Cash flows from investing activities:		
Dividends, interest and rent from investments	**2,351,498**	2,337,227
Royalty income and land transactions	**144,698**	147,367
Proceeds from the sale of property, plant and equipment	**946,158**	-
Proceeds from the sale of investment property	**-**	-
Proceeds from the sale of Brewin Dolphin investments	**-**	-
Purchase of property, plant and equipment	**(591,235)**	(463,605)
Purchase of investments securities	**(8,000,000)**	-
Net cash provided by investing activities	**(5,148,881)**	2,020,989
Change in cash and cash equivalents in the year	**(8,534,194)**	(219,766)
Cash and cash equivalents at 1 January	**12,263,348**	12,483,114
Cash and cash equivalents at 31 December	**3,729,154**	12,263,348

	2024	2023
	£	£
Reconciliation of net movement in funds to net cash outflow from operating activities		
Net movement in funds for the year ended 31 December	**2,861,791**	3,905,449
Adjustments for:		
Net (gains)/losses on investments	**(3,137,275)**	(3,856,710)
Net (gains)/losses on impairment/revaluation of fixed assets	**10,000**	22,500
Depreciation charges	**7,856**	11,214
Dividends, interest and rent from investments	**(2,351,498)**	(2,337,227)
Royalty income and land transactions	**(144,698)**	(147,367)
Net (Profit) on the sale of fixed assets	**-**	-
Decrease/(Increase) in debtors	**(543,813)**	96,336
Increase/(Decrease) in creditors, excluding clergy pension scheme movement	**(87,676)**	65,050
Clergy pension scheme movement	**-**	-
	(6,247,104)	(6,146,204)
Net cash used in operating activities	**(3,385,313)**	(2,240,755)
Analysis of cash and cash equivalents		
Notice deposits (less than 3 months)	**3,698,872**	12,233,117
Cash in hand	**30,282**	30,231
	3,729,154	12,263,348

Analysis of Changes in Net Debt

The Diocese has no cash equivalents, repayable overdraft facilities, loans or finance lease obligations due at 31 December 2024 (2023 - Nil)

Movements in cash are reflected in the statement of cashflows above.

The notes on pages 30 to 49 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in c), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP (FRS 102)), the Companies Act 2006 and applicable accounting standards, Financial Reporting Standard (FRS) 102.

Derby Diocesan Board of Finance Limited meets the definition of a public benefit entity under FRS 102.
The financial statements are presented in £ sterling which is the functional currency of the entity and rounded to the nearest £1.

The principle accounting policies and estimation techniques are as follows:

a) Income

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

i) Common Fund is recognised as income of the year in respect of which it is receivable with contributions received by 31 January in the following financial year-end explicitly relating to the period under review included as debtors
ii) Rent receivable is recognised as income in the period in respect to which it relates.
iii) Interest and dividends are recognised as income when receivable.
iv) Grants received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
v) Grants received which are not subject to pre-conditions for entitlement specified by the donor are treated as income in the year
vi) Parochial fees are recognised as income of the year to which they relate.
vii) Donations other than grants are recognised when receivable.
viii) Gains on disposal of fixed assets for the Board's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
ix) Stipends fund income. The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.
x) Mineral royalty receipts are uncertain, however receipts are accounted for as income when they arise
xi) Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing and the income recognition criteria are met.

b) Expenditure

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

i) Costs of raising funds represent costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and diocesan projects.
iii) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
iv) Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on the basis of the estimated usage of resources at Church House.

The apportionment can be summarised as follows:
Resourcing ministry and mission (95.0%), Diocesan Projects (1.5%), Synodical Governance (3.5%)

1. Accounting Policies (continued)

v) Pension contributions. Some of the Board's staff are members of the Church Workers Pension Fund Pension Builder 2014 Scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 24). The pension costs charged as resources expended represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Board participates are accrued at current value in creditors distinguished between contributions falling due within one year and those falling due after more than one year.

c) Tangible fixed assets and depreciation

Freehold & leasehold houses and houses subject to value-linked loan
The primary purpose of residential property held in the benefice houses fund and as corporate houses is to house ministers and all such properties are held as functional fixed assets. Residential property is not held for investment purposes i.e. to generate an income or for capital gain.

Freehold houses and houses subject to value-linked loan are shown at cost, or deemed cost, where historic cost values are not readily available.

Where the Board acquires property on its own account, the expenditure is capitalised. Gains or losses arising from sales of corporate property are dealt with through the designated fund (corporate properties fund).

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not more than the recoverable amount.

Investment properties
Glebe properties which are held for investment purposes and rented out have been included at their fair value. Glebe agricultural land was valued as at 31 December 2024 by Fisher German, Chartered Surveyors, who manage the portfolio.

The fair value of a quarry was valued as at 31 December 2024 by Coke Turner & Co, Mineral Surveyors, who act as agents for the Board, based on the rent and royalty income streams likely to be achieved over the remaining term of the lease.

Parsonage houses
The Board has followed the requirements of FRS 102, in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. Parsonage houses are carried at their deemed or historical cost.
Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value.

d) Other tangible fixed assets

No provision for depreciation is provided in respect of Church House, as it is fully maintained with a view to ensuring that the total residual value is not less than the amount stated in the financial statements. Accordingly, any depreciation would be immaterial.

Church House car park is under a long term lease comprising of 23 spaces.

Depreciation on office equipment is calculated to write off the cost of each asset over its expected useful life by equal annual instalments at the rates below, (% p.a. on cost). Items costing less than £1,000 are not capitalised.

Computer hardware and software	33⅓%	straight line
Furniture & fittings	10%	straight line
Other office equipment	20%	straight line

1. Accounting Policies (continued)

e) Other accounting policies

i) Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

ii) Leases. The Board has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.

f) Fund balances

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

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

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the note 30 to the financial statements.

g) Financial instruments

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

h) Going concern

The Board have considered national and global financial impact on the charitable company's income and operating cost base. The Board are confident that they have in place plans to deal with potential future financial impact that may arise, as provided for when setting the 2025 and 2026 indicative budget.

The Board have prepared forecasts of income and expenditure and cash flow for the period to 31 December 2026 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary. The Board therefore continue to adopt the going concern basis of preparation for these financial statements

i) Employee Benefits

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

j) Debtors

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

k) Creditors & Provisions

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

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

l) Critical Accounting Estimates & Assumptions

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

The present values of Church of England Funded Pension Scheme depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liability**.**

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

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
	£	£	£	£	£
2. Donations					
Common Fund					
The majority of donations are collected from the parishes of the diocese through the Common Fund system.					
Derbyshire Peak & Dales Archdeaconry	1,322,525	-	-	**1,322,525**	1,396,539
East Derbyshire Archdeaconry	1,331,787	-	-	**1,331,787**	1,405,686
Derby City & South Derbyshire Archdeaconry	1,047,592	-	-	**1,047,592**	1,029,257
	3,701,904	-	-	**3,701,904**	3,831,482
Other receipts	49,572	-	-	**49,572**	45,835
Receipts for previous years	20,699	-	-	**20,699**	51,164
	3,772,175	**-**	**-**	**3,772,175**	3,928,481
Total Common Fund receipts represent 71.3% of the amount requested (2023 - 68.7%).					
Archbishops' Council					
Selective allocation	1,208,844	-	-	**1,208,844**	1,259,557
Restructure Funding	-	812	-	**812**	-
Strategic Ministry Funding	-	558,386	-	**558,386**	540,243
Strategic Capacity, Giving Advisor & MES Funding	-	114,992	-	**114,992**	40,185
Net Zero Carbon Parish Grant Funding	-	14,713	-	**14,713**	15,000
NZC Capacity Building Grant Advisor	-	16,778	-	**16,778**	-
Flourish	-	21,000	-	**21,000**	-
Buildings for Mission Parish Grant Funds	-	54,720	-	**54,720**	-
Church Building Support Officer Funding	-	38,686	-	**38,686**	-
	1,208,844	**820,087**	**-**	**2,028,931**	1,854,985
Other donations					
Benefact Trust grant	102,340	-	-	**102,340**	119,000
Legacy income	-	-	-	**-**	488,714
Other donations and grants	106,156	23,838	-	**129,994**	142,115
	208,496	**23,838**	**-**	**232,334**	749,829
3. Charitable activities					
Statutory fees	381,904	-	-	**381,904**	361,999
Other contributions and income	90,770	1,573	-	**92,343**	70,436
	472,674	**1,573**	**-**	**474,247**	432,435
4. Other activities					
Rental income	487,469	-	-	**487,469**	448,333
	487,469	**-**	**-**	**487,469**	448,333
5. Investments					
Dividends receivable					
Central Board of Finance Investment Funds	1,276,203	272,106	-	**1,548,309**	1,162,900
Central Board of Finance Property Funds	-	-	-	**-**	360,482
Central Board of Finance Global Equity Funds	-	-	-	**-**	150,733
Sarasin & Partners	184,786	36,050	-	**220,836**	-
Interest on cash deposits					
CBF & Other Deposit Funds	325,512	110,367	-	**435,879**	529,265
National Westminster Bank	14,448	-	-	**14,448**	8,870
Rents receivable (glebe land and buildings)	132,026	-	-	**132,026**	124,977
	1,932,975	**418,523**	**-**	**2,351,498**	2,337,227
6. Other income					
Gain on disposal of physical assets	120,846	69,000	530,000	**719,846**	-
Glebe Mineral Royalties and Land Income	-	-	144,698	**144,698**	147,367
Lichfield Trust receipt	13,300	-	-	**13,300**	12,968
	134,146	**69,000**	**674,698**	**877,844**	160,335
Total income and endowments	**8,216,779**	**1,333,021**	**674,698**	**10,224,498**	9,911,625

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
	£	£	£	£	£
7. Fund raising costs					
Glebe land agents' fees and other expenses	54,105	-	-	**54,105**	84,475
Other agents' commission and expenditure	90,709	-	-	**90,709**	77,049
	144,814	**-**	**-**	**144,814**	161,524
8. Charitable activities					
Contributions to Archbishops' Council					
Training for ministry	213,734	-	-	**213,734**	211,618
National Church responsibilities	149,588	-	-	**149,588**	152,308
Retired clergy housing costs (CHARM)	88,904	-	-	**88,904**	83,825
Pooling of ordinand candidates' costs	32,410	-	-	**32,410**	17,156
	484,636	**-**	**-**	**484,636**	464,907
Resourcing Ministry & Mission					
Parish ministry					
Stipends, salaries, national insurance and apprenticeship levy	3,103,325	728,831	-	**3,832,156**	3,698,913
Pension contributions	784,214	8,095	-	**792,309**	836,263
Housing costs	1,329,638	747,067	-	**2,076,705**	1,805,158
Removal, resettlement and other expenses	219,094	-	-	**219,094**	179,643
	5,436,271	**1,483,993**	**-**	**6,920,264**	6,519,977
Support for parish ministry	2,209,019	244,482	-	**2,453,501**	2,166,974
	7,645,290	**1,728,475**	**-**	**9,373,765**	8,686,951
Expenditure on Education & Diocesan Projects					
Diocesan Board of Education	200,000	-	-	**200,000**	268,380
Derby Cathedral	23,835	-	-	**23,835**	21,887
Church of North India Partnership	750	-	-	**750**	750
Clergy Widows & Orphans	-	7,000	-	**7,000**	7,000
Diocesan projects	2,979	2,520	-	**5,499**	18,834
Parishes	176,862	40,071	-	**216,933**	177,403
Partner Organisations	32,750	-	-	**32,750**	32,750
	437,176	**49,591**	**-**	**486,767**	527,004
Total charitable activities	**8,567,102**	**1,778,066**	**-**	**10,345,168**	9,678,862
9. Other expenditure					
Loss on impairment of properties	-	-	-	**-**	22,500
	-	**-**	**-**	**-**	**22,500**
Clergy Pension Scheme Movement (Note 24)	-	-	-	**-**	-
	-	**-**	**-**	**-**	**-**
Total expenditure	**8,711,916**	**1,778,066**	**-**	**10,489,982**	**9,862,886**

10. Analysis of expenditure (including allocation of support costs)

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs 2024	Total costs 2023
	£	£	£	£	£
Raising Funds	144,814	-	-	**144,814**	161,524
Charitable activities					
Contributions to Archbishops' Council	-	484,636	-	**484,636**	464,907
Resourcing Ministry & Mission	8,515,430	285,178	573,157	**9,373,765**	8,686,951
Board of Education & Diocesan Projects	-	478,039	8,728	**486,767**	527,004
Other Resources Expended	-	-	-	**-**	22,500
	8,660,244	**1,247,853**	**581,885**	**10,489,982**	9,862,886
2023 comparison	*8,106,804*	*1,264,208*	*491,874*	*9,862,886*	

11. Analysis of support costs

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
	General	Designated				
	£	£	£	£	£	£
Central Administration	501,871	-	-	-	**501,871**	419,696
Support for education & diocesan projects	8,728	-	-	-	**8,728**	7,378
Governance:						
External audit	24,552	-	-	-	**24,552**	23,697
Registrar and Chancellor	26,368	-	-	-	**26,368**	23,887
Synodical costs	20,366	-	-	-	**20,366**	17,216
	581,885	**-**	**-**	**-**	**581,885**	491,874

12. Analysis of grants made

	Grants to individuals	Grants to institutions	Total 2024	Total 2023
	£	£	£	£
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council	-	484,636	**484,636**	464,907
From unrestricted funds:				
Removal, resettlement & first appointment grants	164,016	-	**164,016**	120,702
Training and Formation grants to clergy	30,753	-	**30,753**	24,465
Ordinands in training	90,409	-	**90,409**	134,508
Derby Diocesan Board of Education	-	200,000	**200,000**	268,380
Chaplaincies	-	32,750	**32,750**	32,750
Derby Cathedral Chapter	-	23,835	**23,835**	21,887
Church of North India Partnership	-	750	**750**	750
Parishes	-	222,432	**222,432**	101,816
Restricted income funds				
Clergy Widows & Orphans	-	7,000	**7,000**	7,000
Energy Grants	-	-	**-**	94,421
	285,178	**971,403**	**1,256,581**	1,271,586

Significant Grants to Institutions:

Archbishops Council - to support; national training for Ministry; responsibilities of the National Church; grants and provisions made by the National Church; Inter-diocesan support for clergy pension contributions; and housing assistance for retired ministry

Derby Diocese Board of Education - to support the DDBE vision of 'offering our children and young people life in all of its fullness' by; Growing - providing experiences rooted in faith, hope and love; Building Connections - valuing contributions to the community; Learning - pursuing the highest academic standards; and Healthy - providing safe places of welcome & belonging.

13 Remuneration

Employee costs during the year were as follows:

	2024	**2023**
	£	£
Wages & salaries	1,445,616	1,203,147
National insurance contributions	137,800	111,526
Pension costs:		
Church of England Funded Pensions Scheme	38,524	30,873
Church Workers Pension Fund Pension Builder 2014 Scheme	105,065	86,222
Other defined contribution pension schemes	4,019	5,051
	1,731,024	1,436,819

The average number of persons employed by the Board during the year:

	2024	2023
	Number	Number
Administration, property and financial management	15	13
Mission, Evangelism and Parish Revitalisation	8	5
People and Ministry Development	7	7
Safeguarding & Communications	9	10
Parochial, Deanery & Other	9	11
	48	46

Average number of persons employed by the Board during the year based on full-time equivalents:

	2024	2023
	Full-time equivalent	Full-time equivalent
Administration, property and financial management	12.8	10.9
Mission, Evangelism and Parish Revitalisation	6.6	3.0
People and Ministry Development	5.6	6.3
Safeguarding & Communications	7.0	7.7
Parochial, Deanery & Other	5.2	6.4
	37.2	34.3

The number of staff whose total emoluments (salary plus taxable benefits excluding pension contributions) exceeded £60,000 during the year :

	2024	2023
	(Number)	(Number)
£60,001 - £70,000	**1**	2
£70,001 - £80,000	**1**	-
£80,001 - £90,000	**1**	-

Pension payments of £21,597 (2023 £13,521) were made for these employees.

Remuneration of key management personnel

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

Remuneration, employer's National Insurance contributions and employer's pension contributions for these employees amounted to £449,102 (2023 £399,375).

Redundancy & Termination Payments

During 2024 a balance of £16,320 (2023 £2,802) was paid in relation to redundancy and termination payments for eight employees

13 Remuneration (continued)

Remuneration of licensed stipendary clergy

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

The Board paid an average of 111.9 FTE (2023 – 118.1 FTE) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2024	Restated 2023
	£	£
Stipends	3,512,591	3,400,932
National insurance contributions and apprenticship levy	319,565	297,981
Pension costs (including deficit funding)	792,309	836,263
	4,624,465	4,535,176

The stipends of Bishops are paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishop are funded by the Church Commissioners. The annual rate of stipend, funded by the Board, paid from 1 April 2024 to Archdeacons was £42,500 (1 April 2023 £39,720) and other clergy who were Trustees were paid in the range £28,955 - £31,690 (1 April 2023 range, £27,060 - £29,615). The estimated value of church provided housing in 2024 was an average of £18,559 including significant expenditure on energy performance works (2023 £10,439).

14 Trustees' emoluments

None of the trustees received any emoluments from the Board of Finance in respect of services performed as trustees (2023 - £nil). During the year 4 trustees (2023 - 7 trustees) claimed reimbursement for travel or out of pocket expenses totalling £260 (2023 - £613).

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

	Stipend	Housing
The Right Revd WM Macnaugton	No	Yes
The Venerable K Hamblin	Yes	Yes
The Venerable M Trick	Yes	Yes
The Venerable N Fenton	Yes	Yes
The Revd J Hollywell	Yes	Yes
The Revd J Hughes	Yes	Yes
The Revd J Ward	Yes	Yes
The Revd D Cooke	Yes	Yes
The Revd B Taylor	Yes	Yes
The Revd N McNally	Yes	Yes

15. Analysis of transfers between funds

	Unrestricted funds	**Restricted funds**	**Endowment funds**	**Total 2024**
	£	**£**	**£**	**£**
Transfer to/(from):				
Benefice House transfer to Corporate Property (3)	558,000	-	(558,000)	**-**
Corporate Property transfer to Benefice Housing (1)	(309,478)	-	309,478	**-**
Diocesan Pastoral Account used to purchase corporate houses (1)	583,013	(583,013)	-	**-**
Benefice house sale proceeds to Diocesan Pastoral Account (2)	-	830,000	(830,000)	**-**
Corporate Property sales to Diocesan Pastoral Account (2)	(767,000)	767,000	-	**-**
	64,535	**1,013,987**	**(1,078,522)**	**-**

16. Tangible fixed assets

	Benefice houses	Freehold houses Glebe	Freehold houses Corporate	Leasehold houses Corporate	Church House Corporate	Office Equipment	**Total**
	£	£	£	£	£	£	**£**
Cost or deemed cost							
At 1 January 2024	21,416,577	170,000	9,534,394	309,478	607,500	117,001	**32,154,950**
Additions	-	-	583,013	-	-	8,222	**591,235**
Transfers	(248,522)	-	558,000	(309,478)	-	-	**-**
Disposals	(300,000)	-	(646,155)	-	-	(38,906)	**(985,061)**
Revaluation	-	-	(10,000)	-	-	-	**(10,000)**
Impairment	-	-	-	-	-	-	**-**
At 31 December 2024	**20,868,055**	**170,000**	**10,019,252**	**-**	**607,500**	**86,317**	**31,751,124**
Depreciation							
At 1 January 2024	-	-	-	-	-	110,347	**110,347**
Charge for the year	-	-	-	-	-	7,856	**7,856**
Disposals	-	-	-	-	-	(38,906)	**(38,906)**
At 31 December 2024	**-**	-	**-**	**-**	**-**	**79,297**	**79,297**
Net book value							
At 31 December 2024	**20,868,055**	**170,000**	**10,019,252**	**-**	**607,500**	**7,020**	**31,671,827**
Number of houses	**129**	**3**	**42**	**-**			**174**
At 31 December 2023	21,416,577	170,000	9,534,394	309,478	607,500	6,654	32,044,603
Number of houses	133	3	40	1			177

All the above assets are used for charitable purposes. In the opinion of the Directors the carrying value of land and buildings is less than the total market value. Church House includes the Diocesan Office and was revalued in 2023, by Gadsby Nichols Limited, to ensure the carrying amount was not overstated. The revaluation corrects the previously stated council tax valuation of one property.

17. Fixed asset investments

	2024	2023
	£	£
Investment securities within the United Kingdom (market value)		
At 1 January 2024	**55,671,853**	51,645,142
Additions at cost	**20,911,607**	-
Disposals	**(12,911,607)**	-
Realised gains/(losses)	**38,118**	-
Unrealised gains/(losses)	**1,569,445**	4,026,711
At 31 December 2024	**65,279,416**	55,671,853
Investment properties (market value)		
At 1 January 2024	**7,580,642**	7,750,642
Additions at cost	**-**	-
Disposals	**-**	-
Unrealised gains/(losses)	**1,529,708**	(170,000)
At 31 December 2024	**9,110,350**	7,580,642
Total fixed asset investments within the United Kingdom	**74,389,766**	63,252,495

Securities: Gains/(Losses): Unrestricted £229,170 [2023: (£683,446)], Restricted £141,872 [2023: (£279,006)], Endowment £1,236,521 [2023: (£3,064,260)]

Properties: Gains/(Losses) : Endowment £1,529,708 [2023: (£170,000)]

Receipts on disposals of investment properties equated to £nil (Book value £nil)

17. Fixed asset investments (continued)

	2024		2023	
	£	£	£	£
	Cost	**Market value**	Cost	Market value
Unlisted investment securities				
CCLA Central Board of Finance of the Church of England				
Investment fund income shares	**20,067,004**	**44,683,741**	19,155,397	42,798,361
Global equity fund income shares	**-**	**-**	3,200,000	6,089,680
Property fund income shares	**-**	**-**	6,920,845	6,783,812
Sarasin				
Climate Active Endowments (Ex Energy) Inc	**20,000,000**	**20,595,675**	-	-
Total investment securities	**40,067,004**	**65,279,416**	29,276,242	55,671,853
Investment properties comprise:-				
Land		**9,110,350**		7,580,642
Total investment properties		**9,110,350**		7,580,642

Due to their nature, the historic cost of investment properties is not known.

18. Debtors

	2024	2023
	£	£
Amounts due from PCCs (unsecured) - Common Fund	**150,620**	185,979
Amounts due from PCCs (unsecured) - Loans to Parishes	**7,800**	10,058
Other debtors and accrued income	**1,181,350**	605,222
Prepayments	**25,202**	19,900
Total debtors	**1,364,972**	821,159
Debtors comprise:		
Amounts due within one year	**1,332,413**	782,350
Amounts due after more than one year	**32,559**	38,809
	1,364,972	821,159

19. Creditors

	2024	2023
	£	£
Amounts falling due within one year		
Sundry creditors	**490,262**	577,815
Accruals	**24,552**	24,675
	514,814	602,490
Amounts falling due after more than one year		
Value-linked loans for houses with the Church Commissioners (see note below)	**274,938**	274,938
	274,938	274,938

Note
Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property.

20. Contingent liabilities

The Board is party to a mortgage with Derbyshire County Council totalling £20,000 (2023 - £20,000).

21. Capital commitments

There were no capital commitments at 31 December 2024 (2023 - nil)

22. Operating lease commitments

As at 31 December 2024 the Board had one commitment under non-cancellable operating leases, £7,008 (2023 - nil).

23. Events occurring after the end of the reporting period

In 2024 the value of financial investment assets increased by £1.6m as per note 17. The impact on financial markets following President Trump's tariff war has had a detrimental effect on the value of financial investment assets since 31 December 2024, reducing them by £2.6m as at 12 May 2025. This is a non-adjusting post balance sheet item under FRS102. The users of the financial statements attention is drawn to this, as the value of the financial investment assets is volatile and affected by global economic, political and social events.

24. Pensions

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

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of Financial Reporting Standard (FRS) 102 requires the Board to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the Board. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

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

The Board participates in the Church of England Funded Pensions Scheme which is administered by the Church of England Pensions Board and holds the assets of the Scheme separately from those of the employer and other participating employers. At the end of the year the Board was paying contributions for 123 members of the Scheme (2023 - 124 members). Each participating employer in the Scheme pays contributions at a common contribution rate applied to pensionable stipends. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities (SoFA) in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2021. This 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 adjustments 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 from 2013 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% p.a. and an allowance for 2020 data of 0% (ie w2020 = 0%)

24. Pensions (continued)

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded. The deficit recovery contributions under the recovery plan in force at each 31 December wer as follows:

Percentage of pensionable stipends

	January 2021 to December 2022	January 2023 to December 2023	January 2024 to December 2024
Deficit repair contributions	**7.10%**	**Nil**	**Nil**

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 is no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 31 December 2024 is £nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

Church of England Funded Pension Scheme (continued)

Reconciliation of balance sheet liability

	2024	**2024**	2023	2023
	£	**£**	£	£
Balance sheet liability as at 1 January 2024		**-**		-
Deficit contribution paid	**-**		-	
Interest cost (recognised in SoFA)	**-**		-	
Remaining change to balance sheet liability * (recognised in SoFA)	**-**	**-**	-	-
Balance sheet liability as at 31 December 2024		**-**		-

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

Note

Estimated amount due within one year	**-**	**-**
Estimated amount due after one year	**-**	**-**
	-	**-**

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

Office holder pension contributions are shown in Note 13 and totalled £803,589 in 2024 (2023 £836,263)

Other clergy pension contributions, paid to ordained DBF staff are shown in Note 13 and totalled £27,244 in 2024 (2023 £30,873)

24. Pensions (continued)

Church Workers Pension Fund

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Church Workers Pension Fund - Pension Builder 2014

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme.

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

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

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

Contributions made to The Church Workers Pension Schemes are shown in Note 13 and totalled £105,065 in 2024 (2023 £86,222)

Other Schemes

In addition to the Church of England Pension scheme, for those employees who have opted out of the scheme, contributions are made to individual pension schemes at the same rate.

Contributions made to opted out employees are shown in Note 13 and totalled £4,019 in 2024 (2023 £5,051)

25. Summary of fund movements

	As at 1 January 2024	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2024**
	£	£	£	£	£	**£**
Unrestricted income funds						
General Fund	5,873,015	5,901,781	(6,039,597)	106,288	(1,002,971)	**4,838,516**
Glebe funds (net of agent fees)	-	1,513,551	(1,513,551)	-	-	**-**
Designated funds						
Corporate Properties fund	10,176,433	120,846	-	(10,000)	64,535	**10,351,814**
Parsonages	6,285	544,257	(853,207)	32,263	1,140,838	**870,436**
Other designated funds	4,144,091	136,344	(305,561)	90,623	(137,867)	**3,927,630**
Pension reserve	-	-	-	-	-	**-**
	20,199,824	8,216,779	(8,711,916)	219,174	64,535	**19,988,396**
Restricted income funds						
Diocesan Pastoral Account	4,230,517	230,962	(738,630)	55,022	1,013,987	**4,791,858**
Local Mission Fund	2,406	114	(2,520)	-	-	**-**
Other restricted income funds	3,725,755	1,101,945	(1,036,916)	86,850	-	**3,877,634**
	7,958,678	1,333,021	(1,778,066)	141,872	1,013,987	**8,669,492**
Endowment funds						
Expendable endowment						
Benefice Houses	21,416,577	530,000	-	-	(1,078,522)	**20,868,055**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	52,484,821	144,698	-	2,628,606	-	**55,258,125**
Other permanent endowment funds	5,444,276	-	-	137,623	-	**5,581,899**
	79,345,674	674,698	-	2,766,229	(1,078,522)	**81,708,079**
Total funds	**107,504,176**	**10,224,498**	**(10,489,982)**	**3,127,275**	**-**	**110,365,967**

26. Summary of assets per fund at 31 December 2024

	Fixed assets		**Current**	**Creditors**	**Net**
	tangible	**investments**	**assets**		**assets**
	£	**£**	**£**	**£**	**£**
Unrestricted income funds					
General Fund	7,020	4,925,284	288,153	(381,941)	**4,838,516**
Designated funds (see note 28)					
Corporate Properties fund	10,626,752	-	-	(274,938)	**10,351,814**
Parsonages	-	857,083	146,226	(132,873)	**870,436**
Other designated funds	-	3,503,741	423,889		**3,927,630**
	10,633,772	9,286,108	858,268	(789,752)	**19,988,396**
Restricted income funds (see note 29)					
Diocesan Pastoral Account	-	2,226,489	2,565,369	-	**4,791,858**
Local Mission Fund	-	-	-	-	**-**
Other restricted income funds	-	3,514,399	363,235	-	**3,877,634**
	-	5,740,888	2,928,604	-	**8,669,492**
Endowment funds (see note 30)					
Expendable endowment funds					
Benefice Houses	20,868,055	-	-	-	**20,868,055**
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	53,793,894	1,294,231	-	**55,258,125**
Other permanent endowment funds	-	5,568,876	13,023	-	**5,581,899**
	21,038,055	59,362,770	1,307,254	-	**81,708,079**
Total funds	**31,671,827**	**74,389,766**	**5,094,126**	**(789,752)**	**110,365,967**

27. Designated funds

	As at 1 January 2024	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2024**
	£	£	£	£	£	**£**
Corporate Properties	10,176,433	120,846	-	(10,000)	64,535	**10,351,814**
Parsonages	6,285	544,257	(853,207)	32,263	1,140,838	**870,436**
Canon Ross Legacy	845,603	25,437	(176,862)	20,904	-	**715,082**
Ordinands' Support	569,708	27,199	(90,409)	13,490	(113,034)	**406,954**
Watts Legacy	1,132,029	33,561	(33,561)	28,685	(1,160,714)	**-**
Morley Fund	980,888	29,018	(4,185)	24,493	(924,833)	**105,381**
St Peter's Churchyard Loan Fund	479,576	21,129	-	3,051	(453,756)	**50,000**
Church Growth	136,287		(544)	-	-	**135,743**
Strategic Objectives Fund	-	-	-	-	2,514,470	**2,514,470**
Total designated funds	**14,326,809**	**801,447**	**(1,158,768)**	**112,886**	**1,067,506**	**15,149,880**

Corporate Properties - represents property transferred at no cost and gains less losses on the sale of corporate houses. The fund is designated for use to finance corporate property.
Parsonages - amounts transferred from unrestricted funds set aside for purposes of the Parsonages Committee.
Canon Ross Legacy - earmarked for expenditure on specific structural projects to support parish initiatives
Ordinands' Support - transfers from unrestricted funds made available for ordination candidates' support grants.
Watts Legacy - available for general purposes and designated for general income support.
Morley Fund - proceeds from the sale of Morley Retreat House set aside with a proportion of annual income to be made available for the Spirituality Group.
St Peter's Churchyard Loan Fund - sales proceeds designated for use to provide interest free loans of up to £10,000 to Parochial Church Councils.

Church Growth - amount set aside for seed-corn funding of strategic church growth projects.
Strategic Objectives Fund - designated to support the delivery of the Diocesan Strategic Growth Plan

28. Restricted income funds

	As at 1 January 2024	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2024**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	4,230,517	230,962	(738,630)	55,022	1,013,987	**4,791,858**
Local Mission Fund	2,406	114	(2,520)	-	-	**-**
Capital Resources	568,009	17,333	(17,333)	13,691	-	**581,700**
Milligan Pension Fund	836,926	27,121	(7,000)	17,599	-	**874,646**
Bishop Allen Legacy	521,037	15,563	(15,563)	13,038	-	**534,075**
Stafford Legacy (Church Trust Fund)	504,769	91,727	(91,727)	11,690	-	**516,459**
Poorer Clergy Fund	402,292	11,927	(11,927)	10,194	-	**412,486**
Benham Legacy	270,264	8,095	(8,095)	6,731	-	**276,995**
Faith in Action	119,683	3,925	-	2,451	-	**126,059**
Board of Readers	8,279	393	-	-	-	**8,672**
Clemson Legacy	-	55,705	(55,705)	-	-	**-**
Stipends Trusts	-	11,085	(11,085)	-	-	**-**
Strategic Ministry	5,676	582,224	(586,142)	-	-	**1,758**
Other restricted grants received and applied	-	261,701	(232,339)	-	-	**29,362**
Convent of St Laurence	488,820	15,146	-	11,456	-	**515,422**
Total restricted income funds	**7,958,678**	**1,333,021**	**(1,778,066)**	**141,872**	**1,013,987**	**8,669,492**

Diocesan Pastoral Account - represents the proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983. Parsonage house improvements are funded from the sale proceeds of redundant parsonage houses through the Diocesan Pastoral Account. Property purchases and sales are applied against this fund.
Local Mission Fund - Parish Mission Funding made available by the Archbishops' Council for "the additional provision for the cure of souls in parishes where such assistance is most required, in such a manner as shall be conducive to the efficiency of the Established Church" set aside for mission development.
Capital Resources - proceeds of sale from two former parsonage houses available for property expenditure.

28. Restricted income funds (continued)

Milligan Pension Fund - for clergy pensions and retired clergy.
Bishop Allen Legacy - for clergy welfare, ordination training, new halls and church repair.
Stafford Legacy (Church Trust Fund) - available for such charitable purposes as the Board in its absolute discretion shall decide.
Poorer Clergy Fund - available for stipend support.
Benham Legacy - available for clergy pension contribution support.
Faith in Action - historic balance of funds specifically available for 'social responsibility' purposes.
Board of Readers - historic balance of funds available for Readers and Reader Training.
Clemson Legacy - funds are for 'the maintenance of services' and are used to support the costs of stipendiary clergy.
Stipends Trusts - funds are made up of a number of historic trusts, the income of which is used to augment clergy stipends.
Strategic Ministry - grants to support additional curates, posts of first responsibility and Ministry Experience Scheme participants
Other restricted grants - grants to support DDBF staffing, Living Generously Advisor, Net Zero Carbon and Buildings for Mission
Convent of St Laurence - residual sale proceeds to be used for promotion of the spiritual life of the diocese, care of the elderly and other mission-orientated projects

29. Endowment funds

	As at 1 January 2024	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2024**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	21,416,577	530,000	-	-	(1,078,522)	**20,868,055**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	52,484,821	144,698	-	2,628,606	-	**55,258,125**
Stafford Legacy (Church Trust Fund)	2,555,287	-	-	64,419	-	**2,619,706**
Clemson Legacy Fund	1,878,946	-	-	47,610	-	**1,926,556**
Parsonages	500,754	-	-	12,689	-	**513,443**
Stipends Trusts	373,909	-	-	9,475	-	**383,384**
Partington Legacy	135,380	-	-	3,430	-	**138,810**
	79,345,674	**674,698**	**-**	**2,766,229**	**(1,078,522)**	81,708,079

Benefice Houses - represents the book value of parsonage houses at the balance sheet date. These houses are used to provide accommodation for ministers. The Board is not free to dispose of the houses except in accordance with appropriate measures.
Stipends Fund Capital (Glebe funds) - represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The fund generates income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.
Stafford Legacy (Church Trust Fund) - capital to be held as permanent endowment with income at the discretion of the Board.
Clemson Legacy fund - funds are for 'the maintenance of services' and income is used to support the costs of stipendiary clergy.
Parsonages - represents permanent endowment of the Parsonages Committee with income used to finance the repair and maintenance of parsonage houses.
Stipends Trusts - historic permanent endowment trusts with income for stipends.
Partington Legacy - funds are for 'general religious purposes' and annual income is mandated directly to unrestricted funds.

Comparative Fund Notes for the prior year are shown in Note 33.

30. Funds held as custodian trustee on behalf of others

The Board holds investments on behalf of Parochial Church Councils (PCCs) and others as custodian trustee. Each year an annual statement of financial investments held by the Board in its capacity as custodian trustee is made available to PCCs. The market value of investments held on behalf of PCCs and others is £3.0million (2023 - market value £2.96million), and all such investments are held separately from those of the Board. Historic cost figures are not available.

Financial investments held by the Board, in its capacity as custodian trustee, are broken down as follows:

	2024	2023
	£	£
CCLA Investment Management Ltd		
Central Board of Finance of the Church of England Funds:		
Investment fund income shares	**2,682,630**	2,652,758
Fixed Interest Securities Fund income shares	**64,086**	62,208
Deposit Fund	**74,543**	72,457
COIF Charities Funds:		
Investment fund income shares	**118,809**	115,907
Investment fund accumulation shares	**60,442**	57,516
Other common investment fund holdings	**1,048**	1,095
	3,001,558	2,961,941

31. Related party transactions & controlling parties

Diocesan governance is by Diocesan Synod, elected from both clergy and laity under the leadership of the Diocesan Bishop, who is appointed by the Church of England nationally.

The Board pays an annual grant to the Derby Diocesan Board of Education for salary and operating costs (see Note 12). The Rt Revd L Lane, The Rt Rev M McNaughton, The Venerable Archdeacon of Derbyshire Peak and Dales (N Fenton), Canon E Brailsford, Canon C Holmes-Elener, were directors of both companies during the year.

Canon M Titterton, Executive Chairman and director of the Board, The Very Revd Dean of Derby (Dr P Robinson), The Venerable Archdeacon of Derby and South Derbyshire (M Trick), D Legh are also a members of Derby Cathedral Chapter. D Legh is also the chair of Derbyshire Rural Chaplaincy, (see Note 12 for payment of grant to Derby Cathedral Chapter).

The Board paid the following amounts to related parties in year:

Derby Cathedral £23,835 (2023 - £21,887) - in recognition of the place of the cathedral at the heart of the diocese

Derby Diocesan Board of Education £200,000 (2023 - £268,380) - to support the Diocese through the mission of the Board of Education

The Board was owed the following amounts from related parties as at 31 December 2024:

Derby Cathedral £Nil (2023 - £4,576)

Derby Diocesan Board of Education £4,401 (2023 - £nil)

Bishop of Derby £3,231 (2023 £282)

32. Prior year comparative Statement of Financial Activities for 2023

	Unrestricted funds	Restricted funds	Endowment funds	**Total funds 2023**
	£	£	£	**£**
Income and endowments from:				
Donations				
Common Fund	3,928,481	-	-	**3,928,481**
Archbishops' Council	1,259,557	595,428	-	**1,854,985**
Other donations	744,677	5,152	-	**749,829**
Charitable activities	430,767	1,668	-	**432,435**
Other activities	448,333	-	-	**448,333**
Investment income	1,922,763	414,464	-	**2,337,227**
Other income	12,968	-	147,367	**160,335**
Total income and endowments	8,747,546	1,016,712	147,367	**9,911,625**
Expenditure on:				
Raising funds	161,524	-	-	**161,524**
Charitable activities	8,285,758	1,393,104	-	**9,678,862**
Clergy Pension Scheme Movement	-	-	-	**-**
Other expenditure	22,500	-	-	**22,500**
Total expenditure	8,469,782	1,393,104	-	**9,862,886**
Net income/(expenditure) before investment gains and losses	277,764	(376,392)	147,367	**48,739**
Net gains on investments	683,445	279,006	2,894,259	**3,856,710**
Net income for the year	961,209	(97,386)	3,041,626	**3,905,449**
Transfers between funds	566,296	(462,296)	(104,000)	**-**
Other recognised gains/(losses)				
Net gains/(losses) on revaluation of fixed assets	-	-	-	**-**
Net movement in funds	1,527,505	(559,682)	2,937,626	**3,905,449**
Reconciliation of funds				
Total funds as at 1 January 2023	18,672,319	8,518,360	76,408,048	**103,598,727**
Total funds at 31 December 2023	20,199,824	7,958,678	79,345,674	**107,504,176**

33. Prior year comparative funds notes for 2023

Summary of fund movements 2023

	As at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2023**
	£	£	£	£	£	**£**
Unrestricted income funds						
General Fund	4,608,777	6,892,352	(6,230,295)	375,412	226,769	**5,873,015**
Glebe funds (net of agent fees)	-	1,148,297	(1,148,297)	-	-	**-**
Designated funds						
Corporate Properties fund	9,632,637	-	(22,500)	-	566,296	**10,176,433**
Parsonages	432,896	509,814	(780,047)	(7,776)	(148,602)	**6,285**
Other designated funds	3,998,009	197,083	(288,643)	315,809	(78,167)	**4,144,091**
Pension reserve	-	-	-	-	-	**-**
	18,672,319	8,747,546	(8,469,782)	683,445	566,296	**20,199,824**
Restricted income funds						
Diocesan Pastoral Account	4,954,762	149,091	(450,228)	39,188	(462,296)	**4,230,517**
Local Mission Fund	21,240	-	(18,834)	-	-	**2,406**
Other restricted income funds	3,542,358	867,621	(924,042)	239,818	-	**3,725,755**
	8,518,360	1,016,712	(1,393,104)	279,006	(462,296)	**7,958,678**
Endowment funds						
Expendable endowment						
Benefice Houses	21,520,577	-	-	-	(104,000)	**21,416,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	49,910,245	147,367	-	2,427,209	-	**52,484,821**
Other permanent endowment funds	4,977,226	-	-	467,050	-	**5,444,276**
	76,408,048	147,367	-	2,894,259	(104,000)	**79,345,674**
Total funds	**103,598,727**	**9,911,625**	**(9,862,886)**	**3,856,710**	**-**	**107,504,176**

Comparative summary of assets per fund at 31 December 2023

	Fixed assets		**Current**	**Creditors**	**Net Assets**
	tangible	**investments**	**assets**		
	£	**£**	**£**	**£**	**£**
Unrestricted income funds					
General Fund	6,654	5,494,340	860,535	(488,513)	**5,873,015**
Designated funds					
Corporate Properties fund	10,451,372	-	-	(274,939)	**10,176,433**
Parsonages	-	(26,762)	147,023	(113,976)	**6,285**
Other designated funds	-	3,589,360	554,731		**4,144,091**
	10,458,026	9,056,938	1,562,289	(877,428)	**20,199,824**
Restricted income funds					
Diocesan Pastoral Account	-	2,171,467	2,059,050	-	**4,230,517**
Local Mission Fund	-	-	2,406	-	**2,406**
Other restricted income funds	-	3,427,549	298,206	-	**3,725,755**
	-	5,599,016	2,359,662	-	**7,958,678**
Endowment funds					
Expendable endowment funds					
Benefice Houses	21,416,577	-	-	-	**21,416,577**
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	43,165,288	9,149,533	-	**52,484,821**
Other permanent endowment funds	-	5,431,253	13,023	-	**5,444,276**
	21,586,577	48,596,541	9,162,556	-	**79,345,674**
Total funds	**32,044,603**	**63,252,495**	**13,084,507**	**(877,428)**	**107,504,176**

Designated funds (2023)

	As at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2023**
	£	£	£	£	£	**£**
Corporate Properties	9,632,637	-	(22,500)	-	566,296	**10,176,433**
Parsonages	432,896	509,814	(780,047)	(7,776)	(148,602)	**6,285**
Canon Ross Legacy	834,576	22,550	(82,465)	70,942	-	**845,603**
Ordinands' Support	599,906	93,941	(134,508)	52,930	(42,561)	**569,708**
Watts Legacy	1,034,682	30,943	(30,943)	97,347	-	**1,132,029**
Morley Fund	897,765	35,693	(87)	83,123	(35,606)	**980,888**
St Peter's Churchyard Loan Fund	454,153	13,956	-	11,467	-	**479,576**
Church Growth	176,927	-	(40,640)	-	-	**136,287**
Total designated funds	**14,063,542**	**706,897**	**(1,091,190)**	**308,033**	**339,527**	**14,326,809**

Restricted income funds (2023)

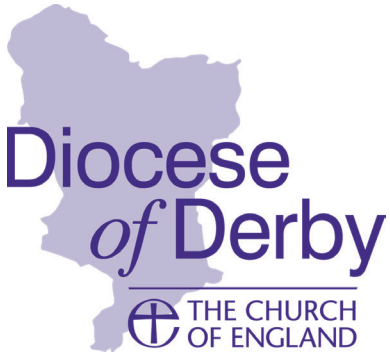
	As at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2023**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	4,954,762	149,091	(450,228)	39,188	(462,296)	**4,230,517**
Local Mission Fund	21,240	-	(18,834)	-	-	**2,406**
Capital Resources	576,475	31,707	(31,707)	(8,466)	-	**568,009**
Milligan Pension Fund	759,975	24,227	(7,000)	59,724	-	**836,926**
Bishop Allen Legacy	476,786	18,041	(18,041)	44,251	-	**521,037**
Stafford Legacy (Church Trust Fund)	465,096	96,042	(96,042)	39,673	-	**504,769**
Poorer Clergy Fund	367,699	10,997	(10,997)	34,593	-	**402,292**
Benham Legacy	247,419	9,349	(9,349)	22,845	-	**270,264**
Faith in Action	108,718	2,645	-	8,320	-	**119,683**
Board of Readers	8,185	94	-	-	-	**8,279**
Clemson Legacy	-	51,360	(51,360)	-	-	**-**
Stipends Trusts	-	10,221	(10,221)	-	-	**-**
Restructure Funding	-	552,995	(547,319)	-	-	**5,676**
Strategic Ministry, Capacity and Living Generously	-	47,585	(47,585)	-	-	**-**
Energy grants	94,421	-	(94,421)	-	-	**-**
Convent of St Laurence	437,584	12,358	-	38,878	-	**488,820**
Total restricted income funds	**8,518,360**	**1,016,712**	**(1,393,104)**	**279,006**	**(462,296)**	**7,958,678**

Endowment funds (2023)

	As at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2023**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	21,520,577	-	-	-	(104,000)	**21,416,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	49,910,245	147,367	-	2,427,209	-	**52,484,821**
Stafford Legacy (Church Trust Fund)	2,336,626	-	-	218,661	-	**2,555,287**
Clemson Legacy Fund	1,717,370	-	-	161,576	-	**1,878,946**
Parsonages	457,693	-	-	43,061	-	**500,754**
Stipends Trusts	341,756	-	-	32,153	-	**373,909**
Partington Legacy	123,781	-	-	11,599	-	**135,380**
	76,408,048	**147,367**	**-**	**2,894,259**	**(104,000)**	**79,345,674**

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THE DERBY DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 249767

Accounts

Company Number: 229700
Charity Number: 249767

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

Annual Report and Financial Statements

For the year ended 31 December 2023





DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
Annual Report and Financial Statements
For the year ended 31 December 2023

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ADMINISTRATIVE DETAILS

Derby Diocesan Board of Finance Limited (The) is a Charitable Trust Company Limited by Guarantee and not having a share capital. (Company No 229700 England, Registered Charity No 249767). Membership of the Board consists of those members of Derby Diocesan Synod who are not employed by the Board.

President:	The Bishop of Derby - The Right Reverend Libby Lane
Registered Office:	Church House, Full Street, Derby DE1 3DR
Telephone:	01332 388650 (For a list of direct dial telephone extensions see the diocesan website)
Email:	finance@derby.anglican.org
Website:	www.derby.anglican.org

Bishop's Council and Standing Committee of Diocesan Synod

(Being the financial executive of the Diocesan Synod and the Board of Directors of the Board of Finance)

The trustees (for the purpose of charity law) and directors (for the purpose of company law) during the year and as at the date of signing were as follows:

Chair

- The Bishop of Derby - The Right Reverend Libby Lane

Ex-Officio

- The Bishop of Repton – The Right Reverend Malcolm Macnaughton
- The Archdeacon of Derbyshire Peak and Dales – The Venerable Carol Coslett (to 31 March 2023)
- The Archdeacon of Derbyshire Peak and Dales – The Venerable Nicky Fenton (from 1 April 2023)
- The Archdeacon of East Derbyshire – The Venerable Karen Hamblin
- The Archdeacon of Derby and South Derbyshire – The Venerable Matthew Trick
- The Dean of Derby – The Very Reverend Dr Peter Robinson
- The Chair of the House of Clergy of the Diocesan Synod – The Reverend Canon Julian Hollywell
- The Chair of the House of Laity of the Diocesan Synod – Mrs Christine McMullen
- The Executive Chair of the Board of Finance - Canon Mark Titterton
- The Chair of the Diocesan Board of Education – The Right Reverend Malcolm Macnaughton

Elected by Derby Diocesan Synod – two clergy members from each Archdeaconry and twelve lay members, with at least four from each Archdeaconry.

Clergy

Derbyshire Peak and Dales (2)

- The Reverend BJ Stober (to 30 June 2023)
- The Reverend J Page (to 31 March 2023)

East Derbyshire (2)

- The Reverend D Cooke
- Vacancy

Derby City and South Derbyshire (2)

- Vacancy
- Vacancy

Laity

Derbyshire Peak and Dales (at least 4)

- Canon J Cooper
- Mr P Kelsey
- The Honourable D Legh
- Vacancy

East Derbyshire (at least 4)

- Mr J Gascoyne
- Canon C Holmes-Elener
- Mr B Parker
- Vacancy

Derby City and South Derbyshire (at least 4)

- Mrs M Goddard
- Mr B Martin
- Mr P Vincent
- Mr J Whiten

Principal Officers

- Diocesan Secretary - W Hagger (from 9 May 2023)
- Acting Diocesan Secretary - M Marples (to 8 May 2023)
- Head of Finance - M Marples
- Director of Discipleship, Mission and Ministry - Reverend Canon M Barnes
- Head of Property - G Webster (to 31 December 2023)
- Acting Head of Property - I Woodward (from 1 January 2024)
- Diocesan Safeguarding Advisor - H Hogg (to 30 June 2023 and from 18 September 2023)
- Acting Diocesan Safeguarding Officer - S Griffin (from 1 July 2023 to 17 September 2023)
- HR Manager - M Francis

Advisers

Diocesan Registrar, Bishop's Legal Secretary and Legal Adviser to the Board of Finance - I Blaney M.A. LL.B. LL.M.

Bankers

National Westminster Bank, 58 St. Peter's Street, Derby, DE1 1XL

Investment Advisors

CCLA Investment Management Ltd; One Angel Lane, London, EC4R 3AB

Solicitors

Eddowes Waldron Solicitors,12 St. Peter's Churchyard, Derby, DE1 1TZ

Insurers

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

Land Agents

Savills, 2/3 Sherbrook House, Swan Mews, Lichfield, WS13 6TU

Mineral Surveyors

Coke Turner & Co, The Millyard, Rowsley, Matlock, DE4 2EB

Auditor

BHP LLP, One Waterside Place, Basin Square, Brimington Road, Chesterfield, Derbyshire, S41 7FH

DIOCESAN VISION 2021-2025

VISION STATEMENT
'The Kingdom of God: Good News for All'
seen in **transformed lives:** through **growing church** and **building community**

MISSION STATEMENT
To proclaim afresh in this generation the good news of the Kingdom

VALUES
Generous Faith, Courageous Hope, Life-giving Love

MISSIONAL AIMS
Transformed Lives: Growing Church, Building Community

Transformed Lives - A Diocese committed to equipping a church of missionary disciples, centred on Christ Jesus and shaped by Him, transforming the lives of others, living out their baptismal calling in the '5 Marks of Mission'.

Growing Church - A Diocese committed to a mixed ecology of church that is more diverse, enabling people of every age and in every context to hear the good news of Jesus, where we grow and expand worshipping and witnessing communities (including Parishes, Schools, Chaplaincy, Plants and Fresh Expressions).

Building Community - A Diocese committed to being outward facing, rooted in and connected to its communities, working in partnership and networks for the common good, with particular care for poor, outcast, and vulnerable people. A church proclaiming the good news of the Kingdom in word and action making it tangible socially, economically, environmentally and in justice.

INTRODUCTION FROM THE BISHOP OF DERBY

The Rt Revd Libby Lane



Through 2023, we have been encouraged by many signs of the Kingdom of God as good news across the diocese seeing lives transformed in growing church and building community. We worked together to identify strategic outcomes arising from our vision of deepening relationships with God, serving local contexts, challenging injustice and making new disciples. We recognised our need to prioritise contexts of social and economic deprivation and becoming greener, younger and more diverse.

We recognise that the focus of our strategic planning builds on the existing worship, work and witness of our parishes and other mission and ministry contexts.

I thank God for our partnership in the gospel. I hold gratefully in my prayers our DBF colleagues, all our clergy – stipendiary and self-supporting, in licenced ministry and retired or holding PtO, those offering lay ministry as Readers under licence and in retirement with continuing Permission to Officiate, our colleagues in the DBE and the staff and governors of our church schools, and the many, many volunteers across our parishes and other contexts who day in and day out live out their faith in Christ through the service of His Church.

Through 2023 we continued to face challenges. Within the diocese we needed to give attention to sustaining resources, shaping structures and equipping people. We felt the impact of external circumstances in the nation, across the world and in the wider church. Those pressures have been both cumulative and immediate, and they have taken their toll. For some 2023 was a very hard year.

But there are signs of the Kingdom of God as good news across the diocese. Our confidence is in Christ, and, in Him, we can look forward together with generous faith, courageous hope and life-giving love.

FOREWORD

Executive Chair, Canon Mark Titterton



The board has achieved a steady position through 2023, despite common fund receipts remaining lower than the level that is required to be fully sustainable in the future. Despite these challenges, parishes contributed £3,831,481 in year to the common fund, with the board being grateful to them, as all this income goes directly towards funding clergy stipends across the diocese.

As we develop our plans for 2024 and beyond, it remains that our income, particularly from common fund needs to rise significantly to balance our annual budgets and support the levels of stipendiary clergy as we strive to achieve the objectives of our shared Diocesan vision.

When the Diocesan Synod agreed the 2023 annual budget in October 2022, we were prudent in our assumptions, anticipating and providing for a £0.5m deficit. The final position has been much better, with investment income in particular performing better than expected as interest rates rose, and underspending against our expenditure budgets during a period of transition. We saw a period of transition in clergy deployment, with more vacancies starting to be filled towards the end of the year. The ongoing deployment strategy is absolutely vital in sustaining our future growth plans.

In 2023 the value of our financial assets fluctuated in Q1-Q3, returning strongly in Q4 growing overall in value by around £4m. We also undertook a strategic review of our glebe land to highlight areas for development, areas which could be used for biodiversity, or sites which may be disposed in future. We have maintained a strong asset base, poised to take advantage of future opportunities.

Looking forward, the board is reviewing all its resources to release funding to support the strategic priorities for the next 5-10 years. I must formally thank the professional support teams at Derby Church House, who work under the oversight of Will Hagger who joining us as the new Diocesan Secretary in May 2023.

The board exists to support the parishes and people of this diocese and I would like to add my personal and sincere thanks for your continued support as we look to resource mission in this place.

TRUSTEES' REPORT

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

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

This combined report satisfies the legal requirements for:

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

Public Benefit Statement

The Directors of the DDBF are aware of the Charity Commission's guidance on public benefit and have had regard to it in their administration of the Board. The DDBF believes that, by promoting the work of the Church of England in the Diocese of Derby, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes. In doing so it provides a benefit to the public by providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Legal Objectives

Derby Diocesan Board of Finance Limited (The); (the Board), is a charitable company which was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated in the UK on 16 April 1928 as a charitable company limited by membership guarantees and its governing document is the Memorandum and Articles of Association. The Board is registered in England with the Charity Commission. The registered office and number can be found on page 3.

The objects, for which the Board is established, are set out in Clause 3 of the Board's Memorandum of Association, dated April 1928. The primary object (or purpose) is to act as the financial executive of the Diocesan Synod. In addition, it is to act as the Parsonages Board for the Diocese, to act as the Diocesan Committee of the Diocese for the purposes of any Act of Parliament or Measure passed by the General Synod of the Church of England and to promote and assist the work and purposes of the Church in the Diocese and in particular to organise and provide funds in aid of the work of the Church.

The Board has the following statutory responsibilities:

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

The strategic priorities of the company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Derby (in respect of their responsibility for the provision of the cure of souls).

Objectives for the year 2023 and future plans for 2024

2023 was a year of transition for the DBF though also a successful and positive year in terms of progression toward agreed objectives, in which the foundations for effective future working were set in place.

Following a national recruitment drive, Will Hagger was appointed as Diocesan Secretary, and started in post on 9 May 2023 bringing with him diocesan experience. Our grateful thanks go to the Head of Finance, Martyn Marples, who held the Acting Diocesan Secretary position through to Will commencing in post. Martyn continues to strategically support the DBF to ensure improved operational resilience and leadership capacity.

Key objectives for 2023 included:

- Implementation of strategic priorities for 2023 to 2031
- Operational and cultural development review of DBF staff operations
- Review of diocesan governance arrangements, and the implementation of a new risk management strategy with DBF Trustees
- Movement towards a sustainable financial position, including a review of reserve funds and investments
- Developing a suite of support to parishes
- Commencing the implementation of Net Zero Carbon by 2030
- Submission of strategic funding bids to Church Commissioners, drawing on new internal capacity and linked to pursuit of our strategic objectives, in accordance with the diocesan vision.

2023 saw significant progress in the development of our strategic plan to deliver the diocesan vision. The headline strategic objectives and priorities for the next 5-10 years were shared with Diocesan Synod in June 2023. An outline plan identifying specific interventions to deliver those objectives and priorities has since been prepared and will be presented to Diocesan Synod in March 2024. Using National Church funding we have appointed a Strategic Programme and Change Lead, who starts with the DBF in March 2024, and who will take the lead in fleshing out this strategic plan and the governance, monitoring and oversight mechanisms that will support its successful implementation. We are working towards a significant National Church Diocesan Investment Programme (DIP) funding application in early 2025. A plan has been developed to align DBF staff resources and operations to the delivery of the diocesan vision, which will be implemented over 2024.

We started a review of diocesan governance arrangements during 2023. The review is ongoing, though it is anticipated that recommendations emerging from the review will be implemented over the summer and autumn 2024 to tie in with elections to Diocesan Synod, Bishop's Council and the various sub-committees. A new programme of trustee training started during 2023 and will continue for the newly elected trustees in late 2024 and beyond.

Significant progress was made during 2023 in our movement towards a sustainable financial position. We undertook a review of our investments and investment strategy in autumn 2023, including retendering the role of investment manager to the DBF and expanding that role into more of an advisory function. We will be entering into new Investment Management Agreements with both CCLA Investment Management (our incumbent manager) and Sarasin & Partners (a new partner) during 2024.

A Common Fund Review Group was formed in 2023 to investigate why Common Fund revenues in the Diocese of Derby have not started to recover following the global pandemic. The findings of that group have led to a number of interventions being planned to encourage generosity and to provide better to support parishes, including training for treasurers and support with church buildings. A document entitled 'On the Money' was published in November 2023 to provide transparency to parishes on how their Common Fund is invested across the diocese in support of ministry.

In October 2023, Diocesan Synod declared a climate emergency and committed to delivering our new Net Zero Carbon Action Plan by 2030. We secured National Church people capacity funding for our net zero carbon ambitions in December 2023, which the DBF has committed to matching to give ourselves the best possible start to successfully delivering our 2030 Net Zero Carbon Action Plan. Recruitment to these new roles, most of which will be focussed on supporting parishes with their transition to net zero, should be possible during Q1 2024.

In addition to net zero funding, in November 2023 we secured National Church funding for a Church Buildings Support Officer (2-years) and a £144,000 minor repairs and improvements grant. We have recruited to this role with a February 2024 start.

Key objectives to be delivered in 2024 include:

- Starting to implement strategic objectives and priorities for the period to 2031, including completing the foundation work for a DIP funding application in early 2025
- Aligning DBF staff operations to the strategic plan
- Undertaking a cultural development review of DBF staff operations
- Completing the review of diocesan governance arrangements and implementing recommendations
- Continuing to implement strategies that move the DBF towards a sustainable financial position, including through Common Fund interventions, investment management, and seeking operational cost efficiencies
- Continuing to develop our suite of support to parishes, in particular around church buildings maintenance and net zero carbon
- Adopting a total return approach to our investment management to enhance the dividends that we can withdraw from investment portfolios to support operations
- Starting to plan for a relocation from the existing DBF offices at Church House in Derby to modern open plan premises which will better support the delivery of the diocesan vision and strategic plan
- Overseeing Diocesan Synod, Bishop's Council and other committee elections for the 2024-2027 triennium

2023 Delivery

Discipleship, Mission and Ministry Department (DMM)
Key deliverables during 2023 included:

- Continued development of lay and ordained formational pathways and supporting licenced ministers in post once trained.
- Developing an integrated Growing Faith Diocesan response through unified partnership with Churches, Schools and homes.
- Supporting existing and new worshipping communities to exercise outward facing missional activity that is contextually appropriate making best use of their built resources.
- Promoting the care and safeguarding of God's creation by wise and effective stewardship of the assets entrusted to the church.
- Releasing a continued appreciation of the generosity of God and the call upon Christian disciples to reciprocate.
- Nurturing new vocations from within the church to respond to the call of licenced ministers in all its different expressions.

The Property Team
The Property Team completed some key actions during 2023, including:

- Completing on the purchase of a new clergy property
- Completing 36 quinquennial surveys out on our existing housing stock across the Diocese.
- Completing vacancy inspections and co-ordinated vacancy/improvement works to sixteen parsonages or DDBF houses prior to new clergy moving in, or the houses being let on assured shorthold tenancies.
- Collecting rental income from let houses of £448,333, exceeding the budget of £400,000.
- Agreeing an Option Agreement on eight acres of glebe land.
- Completed a review of our glebe portfolio. This looks at natural and social capital performance and provides a framework for asset investment decisions through 2024.

The Finance Team
On top of maintaining a statutory service for the Diocese, and supporting parishes with advice, during 2023 the finance team:

- Achieved a clean audit opinion from our external auditors for the 2022 annual accounts, and approval by Diocesan Synod.
- Reviewed annual budgets to reduce the deficit position and recommended approval of the 2024 budget through Bishops Council and Diocesan Synod.
- Shared the 'On the money' publication for financial transparency.
- Achieved a 90%+ response for Return of Parish Finance data.
- Managed several parish project grant applications in conjunction with the DMM team.
- Commenced a programme of support for parish Treasurers, which will be further developed in 2024.

The Safeguarding Team

During 2023, we received 182 new concerns, a decrease in 15% from 2022. Whilst it is too early to say, this may be due to the embedding of safeguarding across parishes and evidence of the effectiveness of the proactive work we have done to support PSOs. In addition to casework, the key areas of activity have been:

- Past Cases Review 2 (PCR2): PCR2 has remained a key focus this year with the development of and progress towards completion of the quality improvement plan. There are six safeguarding related actions ongoing of which four are nearing completion.

- DBS checks: We continue to operate a hybrid model for completing DBS checks with 138 parishes registered for completing DBS checks on behalf of those who hold roles within the parish. The safeguarding team retains responsibility for DBS checks for all current and retired clergy and those parishes which have not yet registered. Across the diocese, 959 DBS applications have been submitted during 2023, with 635 of those being submitted by parishes. This is a decrease of 668 from 2022, which was a glut year due to the change in requirement to renew DBS checks every three years instead of every five.

- Training: We have continued to operate a hybrid model of training with online courses (Basic Awareness, Foundation and Safer Recruitment), zoom sessions and in person sessions at various venues across the diocese. A breakdown of the courses delivered can be seen below. There has been an increased focus on ensuring a minimum number of attendees at training courses where possible in order to ensure value for money. The total number of people trained through zoom or in person sessions during 2023 was 1862, an additional 902 attendees from 2022. In addition, 769 people have completed the online Basic Awareness training and 771 people have completed the Foundation module online.

- Working with our PSOs: We have continued to support our PSOs through monthly drop in sessions, a single point of contact for queries and our quarterly newsletter. Engagement with the drop-in sessions has increased further this year with the introduction of evening sessions on alternate months.

- Parish Dashboard: The parish dashboard enables churches to evidence and audit their safeguarding compliance and produce an action plan and annual report for their PCC at the press of a button. We have reviewed the engagement with the dashboard and are now developing ways to support PSOs where needed. This year we have also started a pilot project to roll out additional features on the dashboard to a small number of parishes. We will evaluate how this has gone early in the new year.

- Survivors: We have developed the content of a leaflet setting out our offer of support for survivors and this will be published in early 2023. In the meantime, our website is up to date with a list of services available in the local area for those who have suffered abuse.

- DSAP: Our DSAP continues to be well attended. We would like to thank Helen Jebb, our independent DSAP chair who left us in September 2023, for all her hard work in leading the panel. We were pleased to welcome Julie Gardner as our new independent chair in November 2023 and know that the panel will continue to go from strength to strength.

Financial Review

Statement of financial activities and financial position

Total income was £9.9million (2022 - £9.7million) and expenditure £9.8million (2022 - £9.6million, giving net income before investment gains of £0.1million (2022 – net income of £0.1million).

After the addition of net gains on investment assets of £3.9million (2022 – net gain of £0.3million), the net increase in funds amounted to £4.0million (2022 – £0.4million).

During the year, total fund balances increased from £103.6million to £107.5million and there was an overall net cash outflow of £0.2million (2022– cash inflow £6.5million).

This gives the total picture, but a further breakdown is needed to fully understand the financial position of the Diocese.

Of the total funds of £107.5m, £79.3m are tied up in endowment funds, with £21.4m in Benefice Houses, £52.5m in Stipends Fund Capital (Glebe funds) and £5.4m in other permanent endowment funds. A further £8.0m are represented by restricted funds which can only be used in accordance with the terms of the restriction placed on them. Designated funds total £14.3m and are mainly made up of corporate properties and investments, the latter of which are used to produce income to fund our activities. This leaves our general funds of £5.9m.

Regarding the operational results, it cost £8,469,782 in 2023 to carry out our unrestricted fund activities. This was funded by income of £8,747,546, including a one-off legacy of £488,714, giving an operational surplus of £277,764.

Performance against budget

The annual budget is presented to Diocesan Synod for approval and sets out the framework for our financial decision-making. The 2023 budget set an operational deficit of (£532,893), reflecting an uncertainty of income recovery.

Budget plans for 2023 included:

- A freeze in Common Fund requests
- Additional funding for approved new posts including extra curates funded by Church Commissioners
- Continued grant funding from Benefact Trust (formerly Allchurches Trust)
- Anticipated increase in return on investments
- An anticipated recovery in parochial fees, following a post-covid recovery
- Stipend and salary levels increased by 2%
- Clergy numbers maintained
- Gross housing expenditure estimated to be £1.565m (£1.502m in 2022).

The table below sets out performance against the budget plan:

MANAGEMENT ACCOUNTS 2023	Budget £	Actual £	Difference £
INCOME			
Common Fund	4,000,000	3,928,481	(71,519)
Church Commissioners	1,868,472	1,823,385	(45,087)
Net Return on Investments	2,257,300	2,423,331	166,031
Other income including fees and grants	459,500	593,063	133,564
TOTAL INCOME	**8,585,272**	**8,768,261**	**182,989**
EXPENDITURE			
Resourcing Mission and Ministry	6,810,926	6,348,141	426,785
Support for Parish Ministry	1,607,312	1,620,936	(13,624)
Support and Compliance	699,928	697,438	2,489
TOTAL EXPENDITURE	**9,118,165**	**8,702,515**	**415,650**
SURPLUS / (DEFICIT)	**(532,893)**	**65,746**	**598,639**

Common Fund, the money given by parishes to the Diocese to fund mission and ministry across the Diocese, is the main source of income and accounted for around 45% of total Diocesan income. In 2023 the total amount paid was £3,928,481, which was a decrease of £127,893 (-3.2%) over the previous year (2022 - total Common Fund £4,056,374). Receipts were £71,519 (-1.8%) less than budgeted.

A total of £1.8 came from the National Church Institutions, including £0.5m from the Strategic Ministry Fund to fund additional curates.

Returns on investments were £401,118 higher than in 2022, mainly due to rising interest rates, with interest on cash increasing from an average 1.3% in 2022 to 4.5% in 2023.

Benefact Trust (formerly Allchurches Trust) annual distribution amounted to £119,000 and the Board acknowledges with thanks the receipt of this grant. Parochial fees were £30,499 higher than budgeted as activity returned to pre-pandemic levels.

Ministerial staffing costs were considerably under budget due to vacancy levels arising from clergy movements. This is a temporary position as appointment to vacant posts is being accelerated and actively managed, up to the budgeted level available.

Unrestricted funds movement

Management Accounts Reconciliation to Statutory Accounts	
	£
Surplus per Management Accounts 2023	**65,746**
Operational Adjustments	
Grants to parishes	(83,990)
Legacy income received	488,714
Partner contribution funded from restricted reserves	7,000
Other designated fund movements (net)	(191,162)
Investment Movements	
Derby St Peters Dividend income	13,955
Impairment	(22,500)
Net gains/(losses) on investment assets	683,446
Transfer from Pastoral Account for purchase of property	462,296
Transfer from Pastoral Account to Corporate Property	104,000
Net movement in Unrestricted Funds	**1,527,505**

[Per statement of financial activities on page 25 of the financial statements]

Grant-Making (Beneficiary-Selection)
Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (see note 12 of the financial statements). Grants are paid to other connected charities and to other charitable projects which support the furtherance of the Board's objects.

Review of the statement of financial position
The Trustees consider that the Statement of Financial Position together with details in note 26 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the Statement of Financial Position date totalled £107.5million (2022 - £103.6million) it must be remembered that included in this total are tangible fixed assets, mostly in use for the ministry, whose total value amounted to £32.1million (2022 - £31.6million). Many of the remaining assets shown in the Statement of Financial Position are held in funds which cannot necessarily be used for the general purposes of the Board.

Significant property and associated land transactions
During the year the Board purchase one house, at a cost of £462,297. (2022 - four land sale receipts totalling £7,137,973).

Investment policies and strategy

The Board's investment policies are kept under review and based on two key policies:

- Ethical investment - this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders. All investment managers are mandated to follow ethical considerations as determined by the Church of England Ethical Investment Advisory Group.
- Long-term responsibilities – the Board manages its investment assets with the principal aim of generating income to achieve the maximum contribution possible to clergy stipends, whilst maintaining the real value of Diocesan capital but with the possible need to realise investments to meet operational needs. The trustees are aware of their long-term responsibilities particularly in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Financial Investment Strategy

The current strategy is to manage investments for sustainable income and to achieve modest capital growth over the longer term. The Board recognises that performance in this area is vital to the direct relief of the demands on Common Fund. Financial investments are held with CCLA Investment Management Ltd (for the Church of England).

Glebe Investment Strategy

Glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Investments are mainly held in agricultural land and financial investments with CCLA Investment Management Ltd.

Unrestricted and Restricted Fund Investments

Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital. Funds which may be needed for working capital in the short-term are held as deposits with CCLA Investment Management Ltd and the Board's bankers National Westminster Bank.

Investment performance

The value of the Board's financial investment assets increased by £3.9million in 2023 (2022 – decrease in valuation of £7.0million).

CCLA Investment Management Ltd - financial investment managers

At the Statement of Financial Position date, the majority of the Board's investment with CCLA was in CBF Church of England Investment Fund income shares together with a holding of CBF Church of England Property Fund income shares and CBF Church of England Global Equity income shares.

The table below sets out holdings in each fund at 31 December 2023:

CCLA Investment Management Ltd Funds	Funds at 31/12/23 £	Portfolio Split %	Income yield in year %	Total return in year (net) %
CBF Church of England Investment Fund	42,798,361	76.9	+2.7	+12.6
CBF Church of England Global Equity Income Fund	6,089,680	10.9	+2.5	+18.0
CBF Church of England Property Fund	6,783,812	12.2	+5.3	-1.2
	55,671,853	**100.0**		

Total return performance for each fund in 2023 against its comparator is set out in the table below:

Longer term total return performance 12 months to 31 December 2023	Fund %	Comparator %
CBF Church of England Investment Fund (net)	+12.6	+13.3
CBF Church of England Global Equity Income Fund (net)	+18.0	+16.8
CBF Church of England Property Fund (net)	-1.2	-2.0

Investment properties – including glebe agricultural land
Holdings in the portfolio are predominantly agricultural in nature, amounting to approximately 1,300 acres. Agricultural property has been valued by the Board and is based on a desktop valuation provided by Savills, our glebe land agents, as at 31 December 2023. Other small miscellaneous holdings were also valued by Savills at the end of 2022.

The current valuation of the portfolio is £7.6m (2022 - £7.8m). The value of the investment held in Wormhill Quarry decreased by £0.17m through a combination of activity during the year and a revaluation at 31 December 2023.

Equity (value-linked) loans
Equity loans have been used to purchase houses for ministers on a shared equity basis. In the event of a sale of any of the houses purchased with value-linked loans (VLL), the whole, or a proportionate part, of the net sale proceeds would go to the Church Commissioners.

Total value-linked loans advanced at 31 December 2023 amounted to £274,938 for 5 loans (2022 - £274,938, 5 loans).

Investment gains and (losses)
Net investment movement on the statement of financial activity in the year was £3,856,711. Unrestricted: £683,446 gain in funds from rising financial investment values. Restricted: £279,006 gain in funds from rising financial investment values; Endowment: £3,064,260 gain in funds from rising financial investment values, and £170,000 loss from net land revaluations [See note 17].

Reserves Policy

Free reserves
The Board has considerable responsibilities including the remuneration of around 130 stipendiary clergy posts, the upkeep of 177 houses and the employment of approximately 46 full or part-time staff. Most of the Board's income is voluntary and the Board has noted that a substantial proportion of its voluntary income is from Common Fund with the balance made up of grant income from the Church Commissioners and income from investments and other sources.

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the course of the financial year, the policy is to hold a balance of readily realisable assets in the general fund equivalent to three months budgeted unrestricted expenditure. At 31 December 2023 the amount required under this policy totalled £2.42m (2022 - £2.28m). Actual free reserves as at 31 December 2023 totalled £5.87m (2022 - £4.60m). However, post 31 December 2023, Trustees designated £1.3m of the general fund reserve to the designated Parsonage Account to fund ongoing clergy housing maintenance, reducing free reserves to £4.57m. With the continuing impact of COVID-19, and the cost of living crisis, it is considered appropriate to hold reserves above the policy level.

The aim of Bishop's Council is to ensure that financial plans over a three-year period are in step with the ability to raise income and that spending plans are affordable.

Reserves tied up in fixed assets
The Statement of Financial Position comprises net fixed assets amounting to £32.0m of which £6,654 is held as office equipment (Note 16).

Designated funds
The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in Note 27 of the financial statements. At 31 December 2023 total designated reserves were £14.3m (2022 - £14.1million) of which £10.2m is held in tangible fixed assets as corporate property (2022 - £9.9million).

Restricted and endowment funds
As set out in Notes 28 and 29, the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2023 restricted funds totalled £8.0m (2022 - £8.5m) and endowment funds totalled £79.3m (2022 - £76.4m). Neither restricted or endowment funds are available for the general purposes of the Board.

Principal risks and uncertainties

The trustees confirm that the major risks, to which the Board is exposed, as identified by the trustees and employees, have been reviewed and that systems and procedures have been established to manage those risks.

The risk register identifies several risks and action plans are developed to mitigate risks to reduce the probability of the risk arising, or the impact should the risk arise. The following areas are where the risk of either failure to act or the impact of the events is considered 'very high':

- **Common Fund:** *'collection is considerably less than financial plans'*
- **Stipendiary Numbers:** *'impact on deployment could affect the budget position'*
- **Cashflow***: 'physical and economic market conditions severely affect cash inflow and the ability to achieve the approved budget position'*
- **Financial markets***: current volatility in asset valuations could affect use of funds to support mission.*

Management and mitigation

The Management and mitigation of these ongoing risks are considered regularly by Diocesan Officers and reported to Trustees. Common Fund is reviewed monthly with regular dialogue between the Finance Team, Parishes, Area Deans and Archdeacons. Stipendiary deployment is reviewed regularly by the Bishop and her Executive Team. The budget and cashflow impact is constantly being reviewed to minimise monthly and year-end impact including; freezing non-essential spend, maximising government funding support where appropriate, and advance receipts from Church Commissioners.

Structure and Governance

Summary information about the structure of the Church of England

The Church of England is organised as two provinces, each led by an Archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses of which there are 42 in total. Each diocese is divided into parishes. Each parish is overseen by a parish priest (often called a vicar or rector). From ancient times through to today, they and their Bishop are responsible for the 'cure of souls' in their parish.

His Majesty the King is the Supreme Governor of the Church of England. They appoint Archbishops, Bishops and Deans of Cathedrals on the advice of the Prime Minister. The two Archbishops and 24 senior Bishops sit in the House of Lords.

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

The Three National Church Institutions

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

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

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pension authority to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations. The Pensions Board, which reports to the General Synod, is the trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Pensions Board its central responsibilities for retirement welfare, the Pensions Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

Derby Cathedral

The cathedral church is legally constituted as a separate entity and registered as a charity on 9 April 2024. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Derby Cathedral Office, Cathedral Centre, 18-19 Iron Gate, Derby DE1 3GP.

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

Parochial Church Council (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church, though it may have more than one designated place of worship. The PCC is made up of the vicar (or rector) as chair, the churchwardens and a number of elected and ex-officio members. Each PCC is a charity and is currently excepted from registration with the Charity Commission, subject to the Charities Act 2006, under which those PCCs with gross income over £100,000 for the year are required to register. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC are prepared by the relevant PCC treasurer.

Parishes and Benefices

A benefice is a parish or group of parishes served by an incumbent who typically receives a stipend or part stipend, though some may not, and, usually, the benefit of free occupation and use of a parsonage house from the Diocese for carrying out spiritual duties.

Deanery and Archdeaconry

A deanery is a group of parishes supported by an Area Dean, Deanery Administrator and Deanery leadership Team, and an archdeaconry is a group of deaneries for which an Archdeacon is responsible. The Diocese is then the principal pastoral and in turn financial and administrative resource of the Church of England, encompassing the various archdeaconries under the leadership of the Diocesan Bishop.

Deanery Synods

Deanery Synods have two houses, laity and clergy, and their role is to:

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

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan Bishop, the Suffragan Bishop and Archdeacons. Its role is to:

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

Organisational structure

The Diocese of Derby is one of 42 administrative units of the Church of England, covering the whole of Derbyshire and a few parishes on the fringes of the county in Staffordshire. It is administered through Derby Diocesan Board of Finance Limited (The); (the Board), a charitable trust company limited by guarantee.

The Diocese has three Archdeaconries: Derbyshire Peak and Dales with the three deaneries of Peak, Carsington and Dove and Derwent, East Derbyshire with the three deaneries of North East Derbyshire, Hardwick and South East Derbyshire, and Derby City and South Derbyshire with the deaneries of Derby City and Mercia. There are some 259 parishes within the Diocese.

Diocesan governance

Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods. The standing committee have the right to nominate persons for co-option by the House of Clergy or the House of Laity or otherwise to determine who else may nominate such persons but in other respects the procedure for co-opting members shall be determined by the respective houses. The Diocesan Synod usually meets three to four times a year.

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council as the Standing Committee of Diocesan Synod.

The Bishop's Council (and Standing Committee of the Diocesan Synod)

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

- to plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- to initiate proposals for action by the Synod and to advise it on matters on policy which are placed before it
- to advise the President, being the Diocesan Bishop, on any matters which they may refer to the Committee
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- to appoint members of committees or nominate individuals for election to committees, subject to the directions of the Synod
- to carry out such functions as the Synod may delegate to it.

Decision-Making Structure

Policy is formulated by the Bishop's Council for approval where required by Diocesan Synod. Strategic delivery of policy is the responsibility of the Diocesan Secretary. Bishop's Council may delegate any of its powers to the Business Committee.

Committee Structure

Bishop's Council
The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of eight ex-officio members (the Diocesan and Suffragan Bishops; two Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; the Executive Chair of the Board of Finance; the Chair of the Board of Education; the Chair of the Diocesan Mission and Pastoral Committee; six clergy elected by the House of Clergy from among their number (two from each Archdeaconry) and twelve lay persons elected by the members of the House of Laity (with at least three from each Archdeaconry) The maximum number of Directors shall not exceed 30.

Other statutory committees include:

Parsonages Committee - is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice. This includes setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board. From 21 May 2016 the Diocesan Board of Finance was designated as the Parsonage Board, which in turn delegates its functions to the Business Committee.

Diocesan Mission and Pastoral Committee - is responsible for the task of recommending pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. From 1 August 2015 this committee became coterminous with Bishop's Council, and the Chair is therefore the Bishop.

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

Derby Diocesan Board of Patronage - is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

In addition to the statutory committees Bishop's Council has set up the Business Committee, which has written terms of reference, to advise it on all governance and financial matters.

The Business Committee - meets approximately ten times each year and will work closely with the Diocesan Secretary. The Business Committee advises the Bishop's Council, in the discharge of the trustees' responsibilities for accounting policy, internal control, financial reporting and risk management. In addition, it provides strategic advice on the management of the Board's investment assets.

The Glebe Management Committee - is specifically tasked under the Endowments and Glebe Measure 1976 to manage diocesan glebe holdings to augment the diocesan stipends fund. From 12 July 2016 the Business Committee was designated as the Glebe Committee.

Remuneration Sub-Committee – is a sub-committee of the Business Committee and meets as and when required to make recommendations and decisions on clergy and lay employee remuneration.

Significant Control, Trustees and Management Personnel

Register of Persons of Significant Control
The Board maintains a Register of Persons of Significant Control.

Trustee Recruitment, Selection and Induction
The Trustees are the members of Bishop's Council and Directors of the company. Trustees are either ex-officio members or elected from the Diocesan Synod. Synod members are elected from representatives across the Diocese including clergy and lay people. Elections taking place every three years, with the last elections undertaken in 2021. Trustees are given induction training when first appointed and receive ongoing training, as appropriate. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

The Board has indemnity insurance for its trustees and key management personnel and £1,000,000 (2022 - £1,000,000) of cover is provided.

Remuneration of key management personnel
Emoluments of higher-paid employees are determined by a Remuneration Panel consisting of a sub-set of members of the Business Committee including the Executive Chair of the Board of Finance, meeting as and when required. The terms of reference for this group is established by the Bishop's Council and includes; regular appraisals, remuneration and salary benchmarking and recommendation of changes where necessary.

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

Funds held as Custodian Trustee
The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of separate bank accounts and accounting system. Further details of financial trust assets, whose market value amounted to £2.96million at 31 December 2023 (2022 - £2.71million), are available from the Board on request, and are summarised in note 30 of the financial statements. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the Board's solicitors.

Personnel

The efficient and effective running of the Diocese requires high quality staff across the DDBF. Our grateful thanks go to all the staff who supported the Diocese during 2023.

Although this report refers to employees of the Board and not parochial clergy, we would also like to thank the clergy who continue to deliver our mission across the Diocese.

General Synod Members
We would also like to acknowledge the General Synod representatives and thank them for their hard work acting as our elected members of General Synod. During 2023 our elected representatives were Kat Alldread, Revd Neil Barber, Sue Cavill, Revd Alicia Dring, Revd Julian Hollywell, Sian Kellogg (to 10 February 2023), and Peter Kelsey (from 19 June 2023).

Other Church Bodies

General Synod, Church Commissioners and Archbishop's Council
The Board has a duty to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops and cathedral clergy are borne by the Church Commissioners and are not reflected in these financial statements.

Parochial Church Councils (PCCs)
The Board is required by Measure to be custodian trustee in relation to PCC property, but the Company has no control over PCCs, which are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Other charities

Derby Diocesan Board of Education
Derby Diocesan Board of Education (DDBE) is the statutory education authority for the Church in the Diocese. Its purpose is to promote and assist in the promotion of education in the Diocese, consistent with the faith and practice of the Church of England including the promotion of religious education and worship in schools within the Diocese. In addition, its purpose is to promote church schools in the Diocese and to advise governors of such schools. Whilst the DDBE is incorporated as a separate legal entity, the DDBF provides significant resources to the DDBE to facilitate the shared vision for mission and ministry with children and young people.

The Board co-operates with certain other charities in pursuit of its charitable objects and details of payments to these are to be found in note 12 to the financial statements.

Fundraising standards information

The charity does not carry out any significant fundraising activity, and no complaints have been received.

TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware:

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

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

BY ORDER OF THE TRUSTEES

+Libby Derby

The Right Reverend Libby Lane
The Bishop of Derby
Chair
20 May 2024

Canon Mark Titterton
Executive Chair of the DDBF
20 May 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

Opinion

We have audited the financial statements of Derby Diocesan Board of Finance Limited (The) (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, statement of financial position, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

BHP LLP

Nicola Adams
Senior Statutory Auditor
for and on behalf of
BHP LLP
Statutory Auditor

One Waterside Place
Basin Square
Brimington Road
Chesterfield
Derbyshire
S41 7FH

Date: 23 May 2024

FINANCIAL STATEMENTS

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DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2023

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023	Total funds 2022
		£	£	£	£	£
Income and endowments from:						
Donations	2					
Common Fund		3,928,481	-	-	**3,928,481**	4,056,374
Archbishops' Council		1,259,557	595,428	-	**1,854,985**	2,246,149
Other donations		744,677	5,152	-	**749,829**	228,546
Charitable activities	3	430,767	1,668	-	**432,435**	479,892
Other activities	4	448,333	-	-	**448,333**	489,489
Investments	5	1,922,763	414,464	-	**2,337,227**	1,936,108
Other income	6	12,968	-	147,367	**160,335**	275,281
Total income and endowments		**8,747,546**	**1,016,712**	**147,367**	**9,911,625**	9,711,839
Expenditure on:						
Raising funds	7	161,524	-	-	**161,524**	282,410
Charitable activities	8	8,285,758	1,393,104	-	**9,678,862**	9,377,446
Clergy Pension Scheme Movement	25	-	-	-	**-**	(94,000)
Other expenditure	9	22,500	-	-	**22,500**	-
Total expenditure		**8,469,782**	**1,393,104**	**-**	**9,862,886**	9,565,856
Net income/(expenditure) before investment gains		**277,764**	**(376,392)**	**147,367**	**48,739**	145,983
Net gains/(losses) on investments		683,445	279,006	2,894,259	**3,856,710**	275,272
Net income/(expenditure)		**961,209**	**(97,386)**	**3,041,626**	**3,905,449**	421,255
Transfers between funds	15	**566,296**	**(462,296)**	**(104,000)**	**-**	-
Other recognised gains/(losses)						
Net gains/(losses) on revaluation of fixed assets	16	-	-	-	**-**	-
Net movement in funds		**1,527,505**	**(559,682)**	**2,937,626**	**3,905,449**	421,255
Reconciliation of funds						
Total funds at 1 January		18,672,319	8,518,360	76,408,048	**103,598,727**	103,177,472
Total funds at 31 December	26	**20,199,824**	**7,958,678**	**79,345,674**	**107,504,176**	103,598,727

All activities derive from continuing activities.

The notes on pages 29 to 48 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2023

	2023	2022
	£	£
Total income (less endowment)	**9,764,258**	9,448,628
Expenditure (less endowment)	**(9,862,886)**	(9,659,856)
Operating (deficit)/surplus for the year	**(98,628)**	(211,228)
Net gains/(losses) on investments	**962,451**	(1,825,990)
Net income for the year	**863,823**	(2,037,218)
Other comprehensive income/(expenditure):		
Net assets transferred from endowments	**104,000**	(132,000)
Net gains/(losses) on revaluation of fixed assets	**-**	-
Total comprehensive income:	**967,823**	(2,169,218)

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The notes on pages 29 to 48 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL POSITION COMPANY NUMBER 229700

For the year ended 31 December 2023

	Note	2023		2022	
		£	£	£	£
Fixed Assets					
Tangible assets	**16**	**32,044,603**		31,614,712	
Investments	**17**	**63,252,495**		59,395,784	
			95,297,098		91,010,496
Current Assets					
Debtors	**19**	**821,159**		917,495	
Cash on deposit		**12,233,117**		12,453,217	
Cash at bank and in hand		**30,231**		29,897	
		13,084,507		13,400,609	
Creditors: amounts falling due within one year	**20**	**(602,490)**		(537,440)	
Net Current Assets			**12,482,017**		12,863,169
Total Assets less Current Liabilities			**107,779,114**		103,873,665
Creditors: amounts falling due after more than one year	**20**				
Pension scheme liabilities		**-**		-	
Other creditors		**(274,938)**		(274,938)	
			(274,938)		(274,938)
Net Assets			**107,504,176**		103,598,727
The Funds of the Charity					
Unrestricted income funds					
General Fund		**5,873,015**		4,608,777	
(Including investment revaluation reserve of £1,964,642 (2022 - £1,703,916)					
Designated funds	**28**	**14,326,809**		14,063,542	
(Including investment revaluation reserve of £2,937,921 (2022 - £2,405,159)					
			20,199,824		18,672,319
Restricted income funds	**29**		**7,958,678**		8,518,360
(Including investment revaluation reserve of £1,577,710 (2022 - £1,379,258)					
Endowment funds	**30**		**79,345,674**		76,408,048
(Including investment revaluation reserve of £22,293,183 (2022 - £18,969,512)					
Total Funds			**107,504,176**		103,598,727

The financial statements were approved by the Board of Directors and authorised for issue on 20 May 2024 and signed on behalf of the Board by:

+Libby Derby

The Bishop of Derby - The Rt Revd Libby Lane

The notes on pages 29 to 48 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	2023	2022
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	**(2,240,755)**	(2,464,413)
Cash flows from investing activities:		
Dividends, interest and rent from investments	**2,337,227**	1,936,108
Royalty income and land transactions	**147,367**	263,211
Proceeds from the sale of property, plant and equipment	**-**	-
Proceeds from the sale of investment property	**-**	7,137,973
Proceeds from the sale of Brewin Dolphin investments	**-**	-
Purchase of property, plant and equipment	**(463,605)**	(409,373)
Purchase of investments securities	**-**	-
Net cash provided by investing activities	**2,020,989**	8,927,919
Change in cash and cash equivalents in the year	**(219,766)**	6,463,506
Cash and cash equivalents at 1 January	**12,483,114**	6,019,608
Cash and cash equivalents at 31 December	**12,263,348**	12,483,114

	2023	2022
	£	£
Reconciliation of net movement in funds to net cash outflow from operating activities		
Net movement in funds for the year ended 31 December	**3,905,449**	421,255
Adjustments for:		
Net (gains)/losses on investments	**(3,856,710)**	(275,272)
Net (gains)/losses on impairment of fixed assets	**22,500**	-
Depreciation charges	**11,214**	12,458
Dividends, interest and rent from investments	**(2,337,227)**	(1,936,108)
Royalty income and land transactions	**(147,367)**	(263,211)
Net (Profit) on the sale of fixed assets	**-**	-
Decrease/(Increase) in debtors	**96,336**	(152,351)
Increase/(Decrease) in creditors, excluding clergy pension scheme movement	**65,050**	(45,184)
Clergy pension scheme movement	**-**	(226,000)
	(6,146,204)	(2,885,668)
Net cash used in operating activities	**(2,240,755)**	(2,464,413)
Analysis of cash and cash equivalents		
Notice deposits (less than 3 months)	**12,233,117**	12,453,217
Cash in hand	**30,231**	29,897
	12,263,348	12,483,114

Analysis of Changes in Net Debt

The Diocese has no cash equivalents, repayable overdraft facilities, loans due or finance lease obligations at 31 December 2023 (2022 - Nil)
Movements in cash are reflected in the statement of cashflows above.

The notes on pages 29 to 48 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in c), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP (FRS 102)), the Companies Act 2006 and applicable accounting standards, Financial Reporting Standard (FRS) 102.

Derby Diocesan Board of Finance Limited meets the definition of a public benefit entity under FRS 102.
The financial statements are presented in £ sterling which is the functional currency of the entity and rounded to the nearest £1.

The principle accounting policies and estimation techniques are as follows:

a) Income

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

i) Common Fund is recognised as income of the year in respect of which it is receivable with contributions received by 31 January in the following financial year-end explicitly relating to the period under review included as debtors
ii) Rent receivable is recognised as income in the period in respect to which it relates.
iii) Interest and dividends are recognised as income when receivable.
iv) Grants received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
v) Grants received which are not subject to pre-conditions for entitlement specified by the donor are treated as income in the year
vi) Parochial fees are recognised as income of the year to which they relate.
vii) Donations other than grants are recognised when receivable.
viii) Gains on disposal of fixed assets for the Board's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
ix) Stipends fund income. The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.
x) Mineral royalty receipts are uncertain, however receipts are accounted for as income when they arise
xi) Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing and the income recognition criteria are met.

b) Expenditure

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

i) Costs of raising funds represent costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and diocesan projects.
iii) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
iv) Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on the basis of the estimated usage of resources at Church House.

The apportionment can be summarised as follows:
Resourcing ministry and mission (95.0%), Diocesan Projects (1.5%), Synodical Governance (3.5%)

1. Accounting Policies (continued)

v) Pension contributions. Some of the Board's staff are members of the Church Workers Pension Fund Pension Builder 2014 Scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 24). The pension costs charged as resources expended represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Board participates are accrued at current value in creditors distinguished between contributions falling due within one year and those falling due after more than one year.

c) Tangible fixed assets and depreciation

Freehold & leasehold houses and houses subject to value-linked loan
The primary purpose of residential property held in the benefice houses fund and as corporate houses is to house ministers and all such properties are held as functional fixed assets. Residential property is not held for investment purposes i.e. to generate an income or for capital gain.

Freehold houses and houses subject to value-linked loan are shown at cost, or deemed cost, where historic cost values are not readily available.

Where the Board acquires property on its own account, the expenditure is capitalised. Gains or losses arising from sales of corporate property are dealt with through the designated fund (corporate properties fund).

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not more than the recoverable amount.

Investment properties
Glebe properties which are held for investment purposes and rented out have been included at their fair value. Glebe agricultural land was valued as at 31 December 2022 by Savills, Chartered Surveyors, who manage the portfolio. For allotments and other small miscellaneous holdings, a valuation is provided by the Assistant Secretary (Property) (an employee of the Derby Diocesan Board of Finance Limited).

The fair value of a quarry was valued as at 31 December 2023 by Coke Turner & Co, Mineral Surveyors, who act as agents for the Board, based on the rent and royalty income streams likely to be achieved over the remaining term of the lease.

Parsonage houses
The Board has followed the requirements of FRS 102, in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. Parsonage houses are carried at their deemed or historical cost.
Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value.

d) Other tangible fixed assets

No provision for depreciation is provided in respect of Church House, as it is fully maintained with a view to ensuring that the total residual value is not less than the amount stated in the financial statements. Accordingly, any depreciation would be immaterial.

Church House car park is under a long term lease comprising of 23 spaces.

Depreciation on office equipment is calculated to write off the cost of each asset over its expected useful life by equal annual instalments at the rates below, (% p.a. on cost). Items costing less than £1,000 are not capitalised.

Computer hardware and software	33⅓%	straight line
Furniture & fittings	10%	straight line
Other office equipment	20%	straight line

1. Accounting Policies (continued)

e) Other accounting policies

i) Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

ii) Leases. The Board has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.

f) Fund balances

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

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

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the note 31 to the financial statements.

g) Financial instruments

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

h) Going concern

The Board have considered national and global financial impact on the charitable company's income and operating cost base. The Board are confident that they have in place plans to deal with potential future financial impact that may arise, as provided for when setting the 2024 and 2025 indicative budget.

The Board have prepared forecasts of income and expenditure and cash flow for the period to 31 December 2025 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary. The Board therefore continue to adopt the going concern basis of preparation for these financial statements

i) Employee Benefits

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

j) Debtors

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

k) Creditors & Provisions

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

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

l) Critical Accounting Estimates & Assumptions

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

The present values of Church of England Funded Pension Scheme depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liability.

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

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023	Total funds 2022
	£	£	£	£	£
2. Donations					
Common Fund					
The majority of donations are collected from the parishes of the diocese through the Common Fund system.					
Derbyshire Peak & Dales Archdeaconry	1,396,539	-	-	**1,396,539**	1,407,188
East Derbyshire Archdeaconry	1,405,686	-	-	**1,405,686**	1,441,432
Derby City & South Derbyshire Archdeaconry	1,029,257	-	-	**1,029,257**	1,119,013
	3,831,482	-	-	**3,831,482**	3,967,633
Other receipts	45,835	-	-	**45,835**	42,833
Receipts for previous years	51,164	-	-	**51,164**	45,908
	3,928,481	**-**	**-**	**3,928,481**	4,056,374
Total Common Fund receipts represent 68.7% of the amount allocated (2022 - 70.9%).					
Archbishops' Council					
Selective allocation	1,259,557	-	-	**1,259,557**	1,482,074
Restructure Funding	-	-	-	**-**	30,766
Strategic Ministry Funding	-	540,243	-	**540,243**	298,501
Strategic Capacity, Giving Advisor & MES Funding	-	40,185	-	**40,185**	36,808
Net Zero Carbon Funding	-	15,000	-	**15,000**	-
Energy Grants	-	-	-	**-**	398,000
	1,259,557	**595,428**	**-**	**1,854,985**	2,246,149
Other donations					
Benefact Trust grant	119,000	-	-	**119,000**	136,000
Legacy income	488,714	-	-	**488,714**	1,000
Other donations and grants	136,963	5,152	-	**142,115**	91,546
	744,677	**5,152**	**-**	**749,829**	228,546
3. Charitable activities					
Statutory fees	361,999	-	-	**361,999**	382,489
Other contributions and income	68,768	1,668	-	**70,436**	97,403
Sale of publications	-	-	-	**-**	-
	430,767	**1,668**	**-**	**432,435**	479,892
4. Other activities					
Rental income	448,333	-	-	**448,333**	489,489
	448,333	**-**	**-**	**448,333**	489,489
5. Investments					
Dividends receivable					
Central Board of Finance Investment Funds	947,886	215,014	-	**1,162,900**	1,162,894
Central Board of Finance Property Funds	289,407	71,075	-	**360,482**	360,482
Central Board of Finance Global Equity Funds	150,733	-	-	**150,733**	150,733
Interest on cash deposits					
CBF & Other Deposit Funds	400,890	128,375	-	**529,265**	112,894
National Westminster Bank	8,870	-	-	**8,870**	1,770
Rents receivable (glebe land and buildings)	124,977	-	-	**124,977**	147,335
	1,922,763	**414,464**	**-**	**2,337,227**	1,936,108
6. Other income					
Gain on disposal of physical assets	-	-	-	**-**	-
Glebe Mineral Royalties and Land Income	-	-	147,367	**147,367**	263,211
Lichfield Trust receipt	12,968	-	-	**12,968**	12,070
Coronavirus Job Retention Scheme Grant	-	-	-	**-**	-
	12,968	**-**	**147,367**	**160,335**	275,281
Total income and endowments	**8,747,546**	**1,016,712**	**147,367**	**9,911,625**	9,711,839

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023	Restated 2022
	£	£	£	£	£
7. Fund raising costs					
Glebe land agents' fees and other expenses	84,475	-	-	**84,475**	199,283
Other agents' commission and expenditure	77,049	-	-	**77,049**	83,127
	161,524	**-**	**-**	**161,524**	282,410
8. Charitable activities					
Contributions to Archbishops' Council					
Training for ministry	211,618	-	-	**211,618**	211,618
National Church responsibilities	152,308	-	-	**152,308**	156,306
Retired clergy housing costs (CHARM)	83,825	-	-	**83,825**	79,825
Pooling of ordinand candidates' costs	17,156	-	-	**17,156**	(36,535)
	464,907	**-**	**-**	**464,907**	411,214
Resourcing Ministry & Mission					
Parish ministry					
Stipends, salaries, national insurance and apprenticeship levy	2,990,051	708,862	-	**3,698,913**	3,607,757
Pension contributions	857,787	9,349	-	**867,136**	1,028,368
Housing costs	1,338,222	466,936	-	**1,805,158**	1,232,858
Removal, resettlement and other expenses	179,643	-	-	**179,643**	220,585
	5,365,703	**1,185,147**	**-**	**6,550,850**	6,089,568
Support for parish ministry	2,048,399	87,702	-	**2,136,101**	2,136,022
	7,414,102	**1,272,849**	**-**	**8,686,951**	8,225,590
Expenditure on Education & Diocesan Projects					
Diocesan Board of Education	268,380	-	-	**268,380**	277,420
Derby Cathedral	21,887	-	-	**21,887**	19,438
Church of North India Partnership	750	-	-	**750**	750
Clergy Widows & Orphans	-	7,000	-	**7,000**	7,000
Diocesan projects	-	18,834	-	**18,834**	6,205
Parishes (including energy grants in 2022)	82,982	94,421	-	**177,403**	321,079
Partner Organisations (inc clergy energy grants in 2022)	32,750	-	-	**32,750**	108,750
	406,749	**120,255**	**-**	**527,004**	740,642
Total charitable activities	**8,285,758**	**1,393,104**	**-**	**9,678,862**	9,377,446
9. Other expenditure					
Loss on impairment of properties	22,500	-	-	**22,500**	-
	22,500	**-**	**-**	**22,500**	**-**
Clergy Pension Scheme Movement (Note 25)	-	-	-	**-**	(94,000)
	-	**-**	**-**	**-**	**(94,000)**
Total expenditure	**8,469,782**	**1,393,104**	**-**	**9,862,886**	**9,565,856**

10. Analysis of expenditure (including allocation of support costs)

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs 2023	Restated costs 2022
	£	£	£	£	£
Raising Funds	161,524	-	-	**161,524**	282,410
Charitable activities					
Contributions to Archbishops' Council	-	464,907	-	**464,907**	411,214
Resourcing Ministry & Mission	7,922,780	279,675	484,496	**8,686,951**	8,233,340
Board of Education & Diocesan Projects	-	519,626	7,378	**527,004**	740,642
Clergy Pension Scheme Movement	-	-	-	**-**	(94,000)
Other Resources Expended	22,500	-	-	**22,500**	-
	8,106,804	**1,264,208**	**491,874**	**9,862,886**	9,573,606
2022 comparison	*7,679,191*	*1,436,338*	*450,327*	*9,565,856*	

11. Analysis of support costs

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2023	Total funds 2022
	General	Designated				
	£	£	£	£	£	£
Central Administration	419,696	-	-	-	**419,696**	382,150
Support for education & diocesan projects	7,378	-	-	-	**7,378**	6,755
Governance:						
External audit	23,697	-	-	-	**23,697**	23,288
Registrar and Chancellor	23,887	-	-	-	**23,887**	22,373
Synodical costs	17,216	-	-	-	**17,216**	15,761
	491,874	**-**	**-**	**-**	**491,874**	450,327

12. Analysis of grants made

	Grants to individuals	Grants to institutions	Total 2023	Restated 2022
	£	£	£	£
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council	-	464,907	**464,907**	411,214
From unrestricted funds:				
Removal, resettlement & first appointment grants	120,702	-	**120,702**	115,023
Training and Formation grants to clergy	24,465	-	**24,465**	25,922
Ordinands in training	134,508	-	**134,508**	183,964
Derby Diocesan Board of Education	-	268,380	**268,380**	277,420
Chaplaincies	-	32,750	**32,750**	7,750
Derby Cathedral Chapter	-	21,887	**21,887**	19,438
Church of North India Partnership	-	750	**750**	750
Parishes	-	101,816	**101,816**	78,705
Restricted income funds				
Clergy Widows & Orphans	-	7,000	**7,000**	7,000
Energy Grants	-	94,421	**94,421**	248,579
	279,675	**991,911**	**1,271,586**	1,375,765

Significant Grants to Institutions:

Archbishops Council - to support; national training for Ministry; responsibilities of the National Church; grants and provisions made by the National Church; Inter-diocesan support for clergy pension contributions; and housing assistance for retired ministry

Derby Diocese Board of Education - to support the DDBE vision of 'offering our children and young people life in all of its fullness' by; Growing - providing experiences rooted in faith, hope and love; Building Connections - valuing contributions to the community; Learning - pursuing the highest academic standards; and Healthy - providing safe places of welcome & belonging.

13 Remuneration

Employee costs during the year were as follows:

	2023	2022
	£	£
Wages & salaries	1,203,147	1,214,580
National insurance contributions	111,526	116,203
Pension costs:		
Church of England Funded Pensions Scheme	30,873	46,709
Church Workers Pension Fund Pension Builder 2014 Scheme	86,222	82,838
Other defined contribution pension schemes	5,051	8,683
	1,436,819	1,469,013

The average number of persons employed by the Board during the year:

	2023	2022
	Number	Number
Administration, property and financial management	13	12
Discipleship, Mission & Ministry (including Vocations)	11	13
Human resources, safeguarding & communications	11	10
Parochial, Deanery & Other	11	10
	46	45

Average number of persons employed by the Board during the year based on full-time equivalents:

	2023	2022
	Full-time equivalent	Full-time equivalent
Administration, property and financial management	10.9	10.3
Discipleship, Mission & Ministry (including Vocations)	8.3	10.4
Human resources, safeguarding & communications	8.7	8.0
Parochial, Deanery & Other	6.4	5.5
	34.3	34.2

The number of staff whose total emoluments (salary plus taxable benefits excluding pension contributions) exceeded £60,000 during the year :

	2023	2022
	(Number)	(Number)
£60,001 - £70,000	**2**	2
£70,001 - £80,000	**-**	-

Pension payments of £13,521 (2022 £15,571) were made for these employees.

Remuneration of key management personnel

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

Remuneration, employer's National Insurance contributions and employer's pension contributions for these employees amounted to £399,375 (2022 £384,101).

Settlement Agreement

During 2023 a balance of £2,802 (2022 £31,811) was paid in relation to a settlement agreement with an office holder made in 2022.

13 Remuneration (continued)

Remuneration of licensed stipendary clergy

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

The Board paid an average of 118.1 fte (2022 – 117.3 fte) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2023	2022
	£	£
Stipends	3,400,932	3,314,860
National insurance contributions and apprenticship levy	297,981	292,897
Pension costs (including deficit funding)	867,136	1,160,368
	4,566,049	4,768,125

The stipends of Bishops are paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishop are funded by the Church Commissioners and from 1 April 2023 are in the range £39,953 - £48,972 (1 April 2022 range, £38,050 - £46,640). The annual rate of stipend, funded by the Board, paid from 1 April 2023 to Archdeacons was in the range £39,058 - £40,565 (1 April 2022 range, £37,198 - £38,633) and other clergy who were Trustees were paid in the range £26,794 - £29,615 (1 April 2022 range, £25,518 - £28,205). The estimated value of church provided housing in 2023 was an average of £10,439 (2022 £10,510).

14 Trustees' emoluments

None of the trustees received any emoluments from the Board of Finance in respect of services performed as trustees (2022 - £nil). During the year 7 trustees (2022 - 9 trustees) claimed reimbursement for travel or out of pocket expenses totalling £613 (2022 - £406).

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

	Stipend	Housing
The Right Revd WM Macnaugton	No	Yes
The Venerable C Coslett	Yes	Yes
The Venerable K Hamblin	Yes	Yes
The Venerable M Trick	Yes	Yes
The Venerable N Fenton	Yes	Yes
The Revd J Hollywell	Yes	Yes
The Revd J Page	Yes	Yes
The Revd B J Stober	Yes	Yes
The Revd D Cooke	Yes	Yes

15. Analysis of transfers between funds

	Unrestricted funds	**Restricted funds**	**Endowment funds**	**Total 2023**
	£	**£**	**£**	**£**
Transfer to/(from):				
Benefice House transfer to Corporate Property (change of use)	104,000	-	(104,000)	**-**
Corporate Property transfer to Benefice Housing	-	-	-	**-**
Diocesan Pastoral Account used to purchase corporate houses	462,296	(462,296)	-	**-**
Benefice house sale proceeds to Diocesan Pastoral Account	-	-	-	**-**
Corporate Property sales to Diocesan Pastoral Account	-	-	-	**-**
Clergy pension scheme costs transfered to Stipends Fund Capital	-	-	-	**-**
	566,296	**(462,296)**	**(104,000)**	**-**

16. Tangible fixed assets

	Benefice houses	Freehold houses Glebe	Freehold houses Corporate	Leasehold houses Corporate	Church House Corporate	Office Equipment	**Total**
	£	£	£	£	£	£	**£**
Cost or deemed cost							
At 1 January 2023	21,520,577	170,000	8,968,097	309,478	630,000	115,693	**31,713,845**
Additions	-	-	462,297	-	-	1,308	**463,605**
Transfers	(104,000)	-	104,000	-	-	-	**-**
Disposals	-	-	-	-	-	-	**-**
Revaluation	-	-	-	-	-	-	**-**
Impairment	-	-	-	-	(22,500)	-	**(22,500)**
At 31 December 2023	**21,416,577**	**170,000**	**9,534,394**	**309,478**	**607,500**	**117,001**	**32,154,950**
Depreciation							
At 1 January 2023	-	-	-	-	-	99,133	**99,133**
Charge for the year	-	-	-	-	-	11,214	**11,214**
Disposals	-	-	-	-	-	-	**-**
At 31 December 2023	**-**	**-**	**-**	**-**	**-**	**110,347**	**110,347**
Net book value							
At 31 December 2023	**21,416,577**	**170,000**	**9,534,394**	**309,478**	**607,500**	**6,654**	**32,044,603**
Number of houses	**133**	**3**	**40**	**1**			**177**
At 31 December 2022	21,520,577	170,000	8,968,097	309,478	630,000	16,560	31,614,712
Number of houses	134	3	38	1			176

All the above assets are used for charitable purposes. In the opinion of the Directors the carrying value of land and buildings is less than the total market value. Church House includes the Diocesan Office and was revalued in 2023, by Gadsby Nichols Limited, to ensure the carrying amount was not overstated. An impairment charge was recognised following this valuation.

17. Fixed asset investments

	2023	2022
	£	£
Investment securities within the United Kingdom (market value)		
At 1 January 2023	**51,645,142**	58,690,255
Additions at cost	**-**	-
Disposals	**-**	-
Unrealised gains/(losses)	**4,026,711**	(7,045,113)
At 31 December 2023	**55,671,853**	51,645,142
Investment properties (market value)		
At 1 January 2023	**7,750,642**	7,568,230
Additions at cost	**-**	-
Disposals	**-**	(229,000)
Unrealised gains/(losses)	**(170,000)**	411,412
At 31 December 2023	**7,580,642**	7,750,642
Total fixed asset investments within the United Kingdom	**63,252,495**	59,395,784

Securities: Gains/(Losses): Unrestricted £683,446 [2022: (£1,286,252)], Restricted £279,006 [2022: (£539,738)], Endowment £3,064,260 [2022: (£5,219,123)]

Properties: Gains/(Losses) : Endowment (£170,000) [2022: £411,412]

Receipts on disposals of investment properties equated to £nil (Book value £nil)

17. Fixed asset investments (continued)

	2023		2022	
	£	£	£	£
	Cost	**Market value**	Cost	Market value
Unlisted investment securities				
CCLA Central Board of Finance of the Church of England				
Investment fund income shares	**19,155,397**	**42,798,361**	19,155,397	39,117,999
Global equity fund income shares	**3,200,000**	**6,089,680**	3,200,000	5,299,792
Property fund income shares	**6,920,845**	**6,783,812**	6,920,845	7,227,355
Total investment securities	**29,276,242**	**55,671,853**	29,276,242	51,645,146
Investment properties comprise:-				
Glebe agricultural land		**7,435,900**		7,605,900
Other property		**144,742**		144,742
Total investment properties		**7,580,642**		7,750,642

Due to their nature, the historic cost of investment properties is not known.

18. Debtors

	2023	2022
	£	£
Amounts due from PCCs (unsecured) - Common Fund	**185,979**	117,127
Amounts due from PCCs (unsecured) - Loans to Parishes	**10,058**	26,732
Other debtors and accrued income	**605,222**	759,869
Prepayments	**19,900**	13,767
Total debtors	**821,159**	917,495
Debtors comprise:		
Amounts due within one year	**782,350**	814,412
Amounts due after more than one year	**38,809**	103,083
	821,159	917,495

19. Creditors

	2023	2022
	£	£
Amounts falling due within one year		
Sundry creditors	**577,815**	514,190
Accruals	**24,675**	23,250
	602,490	537,440
Amounts falling due after more than one year		
Value-linked loans for houses with the Church Commissioners (see note below)	**274,938**	274,938
	274,938	274,938

Note
Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property.

20. Contingent liabilities

The Board is party to a mortgage with Derbyshire County Council totalling £20,000 (2022 - £20,000).

21. Capital commitments

There were no capital commitments at 31 December 2023 (2022 - nil)

22. Operating lease commitments

As at 31 December 2023 the Board had no annual commitments under non-cancellable operating leases (2022 - nil).

23. Events occurring after the end of the reporting period

No events occurred after the end of the reporting period which require disclosure.

24. Pensions

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

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of Financial Reporting Standard (FRS) 102 requires the Board to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the Board. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

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

The Board participates in the Church of England Funded Pensions Scheme which is administered by the Church of England Pensions Board and holds the assets of the Scheme separately from those of the employer and other participating employers. At the end of the year the Board was paying contributions for 124 members of the Scheme (2022 - 126 members). Each participating employer in the Scheme pays contributions at a common contribution rate applied to pensionable stipends. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities (SoFA) in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2021. This 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 adjustments 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 from 2013 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% p.a. and an allowance for 2020 data of 0% (ie w2020 = 0%)

24. Pensions (continued)

Following the 31 December 2018 valuation of the Scheme, a deficit recovery plan was put in place until 31 December 2022 and the deficit repair 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 stipend 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.

Percentage of pensionable stipends

	January 2018 to December 2020	**January 2021 to December 2022**	**January 2023 to December 2023**
Deficit repair contributions	**11.9%**	**7.1%**	**Nil**

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table above. 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 is no agreed deficit recovery payments from 1 January 2023, 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.

Church of England Funded Pension Scheme (continued)

Reconciliation of balance sheet liability

	2023	**2023**	2022	2022
	£	**£**	£	£
Balance sheet liability as at 1 January 2023		**-**		226,000
Deficit contribution paid	**-**		(132,000)	
Interest cost (recognised in SoFA)	**-**		-	
Remaining change to balance sheet liability * (recognised in SoFA)	**-**	**-**	(94,000)	(226,000)
Balance sheet liability as at 31 December 2023		**-**		-

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

Note		
Estimated amount due within one year	*0*	*0*
Estimated amount due after one year	*0*	*0*
	0	*0*

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 from 2022 onwards. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	2023	2022	2021
	%	%	%
Discount rate	**n/a**	n/a	0.0
Price inflation	**n/a**	n/a	n/a
Increase in total pensionable payroll	**n/a**	n/a	-1.5

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

Office holder pension contributions are shown in Note 13 and totalled £876,136 in 2023 (2022 £1,160,368)

Other clergy pension contributions, paid to ordained DBF staff are shown in Note 13 and totalled £30,873 in 2023 (2022 £46,709)

24. Pensions (continued)

Church Workers Pension Fund

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Church Workers Pension Fund - Pension Builder 2014

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2019. The next valuation is due at 31 December 2022. Calculations are currently under way.

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

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

Contributions made to The Church Workers Pension Schemes are shown in Note 13 and totalled £86,222 in 2023 (2022 £82,838)

Other Schemes

In addition to the Church of England Pension scheme, for those employees who have opted out of the scheme, contributions are made to individual pension schemes at the same rate.

Contributions made to opted out employees are shown in Note 13 and totalled £5,051 in 2023 (2022 £8,683)

25. Summary of fund movements

	As at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2023**
	£	£	£	£	£	**£**
Unrestricted income funds						
General Fund	4,608,777	6,892,352	(6,230,295)	375,412	226,769	**5,873,015**
Glebe funds (net of agent fees)	-	1,148,297	(1,148,297)	-	-	**-**
Designated funds						
Corporate Properties fund	9,632,637	-	(22,500)	-	566,296	**10,176,433**
Parsonages	432,896	509,814	(780,047)	(7,776)	(148,602)	**6,285**
Other designated funds	3,998,009	197,083	(288,643)	315,809	(78,167)	**4,144,091**
Pension reserve	-	-	-	-	-	**-**
	18,672,319	8,747,546	(8,469,782)	683,445	566,296	**20,199,824**
Restricted income funds						
Diocesan Pastoral Account	4,954,762	149,091	(450,228)	39,188	(462,296)	**4,230,517**
Local Mission Fund	21,240	-	(18,834)	-	-	**2,406**
Other restricted income funds	3,542,358	867,621	(924,042)	239,818	-	**3,725,755**
	8,518,360	1,016,712	(1,393,104)	279,006	(462,296)	**7,958,678**
Endowment funds						
Expendable endowment						
Benefice Houses	21,520,577	-	-	-	(104,000)	**21,416,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	49,910,245	147,367	-	2,427,209	-	**52,484,821**
Other permanent endowment funds	4,977,226	-	-	467,050	-	**5,444,276**
	76,408,048	147,367	-	2,894,259	(104,000)	**79,345,674**
Total funds	**103,598,727**	**9,911,625**	**(9,862,886)**	**3,856,710**	**-**	**107,504,176**

26. Summary of assets per fund at 31 December 2023

	Fixed assets		**Current**	**Creditors**	**Net**
	tangible	**investments**	**assets**		**assets**
	£	**£**	**£**	**£**	**£**
Unrestricted income funds					
General Fund	6,654	5,494,340	860,535	(488,513)	**5,873,015**
Designated funds (see note 28)					
Corporate Properties fund	10,451,372	-	-	(274,939)	**10,176,433**
Parsonages	-	(26,762)	147,023	(113,976)	**6,285**
Other designated funds	-	3,589,360	554,731		**4,144,091**
	10,458,026	9,056,938	1,562,289	(877,428)	**20,199,824**
Restricted income funds (see note 29)					
Diocesan Pastoral Account	-	2,171,467	2,059,050	-	**4,230,517**
Local Mission Fund	-	-	2,406	-	**2,406**
Other restricted income funds	-	3,427,549	298,206	-	**3,725,755**
	-	5,599,016	2,359,662	-	**7,958,678**
Endowment funds (see note 30)					
Expendable endowment funds					
Benefice Houses	21,416,577	-	-	-	**21,416,577**
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	43,165,288	9,149,533	-	**52,484,821**
Other permanent endowment funds	-	5,431,253	13,023	-	**5,444,276**
	21,586,577	48,596,541	9,162,556	-	**79,345,674**
Total funds	**32,044,603**	**63,252,495**	**13,084,507**	**(877,428)**	**107,504,176**

27. Designated funds

	As at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2023**
	£	£	£	£	£	**£**
Corporate Properties	9,632,637	-	(22,500)	-	566,296	**10,176,433**
Parsonages	432,896	509,814	(780,047)	(7,776)	(148,602)	**6,285**
Canon Ross Legacy	834,576	22,550	(82,465)	70,942	-	**845,603**
Ordinands' Support	599,906	93,941	(134,508)	52,930	(42,561)	**569,708**
Watts Legacy	1,034,682	30,943	(30,943)	97,347	-	**1,132,029**
Morley Fund	897,765	35,693	(87)	83,123	(35,606)	**980,888**
St Peter's Churchyard Loan Fund	454,153	13,956	-	11,467	-	**479,576**
Church Growth	176,927	-	(40,640)	-	-	**136,287**
Total designated funds	**14,063,542**	**706,897**	**(1,091,190)**	**308,033**	**339,527**	**14,326,809**

Corporate Properties - represents property transferred at no cost and gains less losses on the sale of corporate houses. The fund is designated for use to finance corporate property.
Parsonages - amounts transferred from unrestricted funds set aside for purposes of the Parsonages Committee.
Canon Ross Legacy - earmarked for expenditure on specific structural projects to support parish initiatives
Ordinands' Support - transfers from unrestricted funds made available for ordination candidates' support grants.
Watts Legacy - available for general purposes and designated for general income support.
Morley Fund - proceeds from the sale of Morley Retreat House set aside with a proportion of annual income to be made available for the Spirituality Group.
St Peter's Churchyard Loan Fund - sales proceeds designated for use to provide interest free loans of up to £10,000 to Parochial Church Councils.
Church Growth - amount set aside for seed-corn funding of strategic church growth projects.

28. Restricted income funds

	As at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2023**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	4,954,762	149,091	(450,228)	39,188	(462,296)	**4,230,517**
Local Mission Fund	21,240	-	(18,834)	-	-	**2,406**
Capital Resources	576,475	31,707	(31,707)	(8,466)	-	**568,009**
Milligan Pension Fund	759,975	24,227	(7,000)	59,724	-	**836,926**
Bishop Allen Legacy	476,786	18,041	(18,041)	44,251	-	**521,037**
Stafford Legacy (Church Trust Fund)	465,096	96,042	(96,042)	39,673	-	**504,769**
Poorer Clergy Fund	367,699	10,997	(10,997)	34,593	-	**402,292**
Benham Legacy	247,419	9,349	(9,349)	22,845	-	**270,264**
Faith in Action	108,718	2,645	-	8,320	-	**119,683**
Board of Readers	8,185	94	-	-	-	**8,279**
Clemson Legacy	-	51,360	(51,360)	-	-	**-**
Stipends Trusts	-	10,221	(10,221)	-	-	**-**
Strategic Ministry	-	552,995	(547,319)	-	-	**5,676**
Other restricted grants received and applied	-	47,585	(47,585)	-	-	**-**
Energy grants	94,421	-	(94,421)	-	-	**-**
Convent of St Laurence	437,584	12,358	-	38,878	-	**488,820**
Total restricted income funds	**8,518,360**	**1,016,712**	**(1,393,104)**	**279,006**	**(462,296)**	**7,958,678**

Diocesan Pastoral Account - represents the proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983. Parsonage house improvements are funded from the sale proceeds of redundant parsonage houses through the Diocesan Pastoral Account. Property purchases and sales are applied against this fund.
Local Mission Fund - Parish Mission Funding made available by the Archbishops' Council for "the additional provision for the cure of souls in parishes where such assistance is most required, in such a manner as shall be conducive to the efficiency of the Established Church" set aside for mission development.
Capital Resources - proceeds of sale from two former parsonage houses available for property expenditure.

28. Restricted income funds (continued)

Milligan Pension Fund - for clergy pensions and retired clergy.
Bishop Allen Legacy - for clergy welfare, ordination training, new halls and church repair.
Stafford Legacy (Church Trust Fund) - available for such charitable purposes as the Board in its absolute discretion shall decide.
Poorer Clergy Fund - available for stipend support.
Benham Legacy - available for clergy pension contribution support.
Faith in Action - historic balance of funds specifically available for 'social responsibility' purposes.
Board of Readers - historic balance of funds available for Readers and Reader Training.
Clemson Legacy - funds are for 'the maintenance of services' and are used to support the costs of stipendiary clergy.
Stipends Trusts - funds are made up of a number of historic trusts, the income of which is used to augment clergy stipends.
Strategic Ministry - grants to support additional curates, posts of first responsibility and Ministry Experience Scheme participants
Other restricted grants - grants to support DDBF staffing, Living Generously Advisor and Net Zero Carbon
Energy Grants - received from Archbishops Council to support clergy and parishes with rising energy costs
Convent of St Laurence - residual sale proceeds to be used for promotion of the spiritual life of the diocese, care of the elderly and other mission-orientated projects

29. Endowment funds

	As at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2023**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	21,520,577	-	-	-	(104,000)	**21,416,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	49,910,245	147,367	-	2,427,209	-	**52,484,821**
Stafford Legacy (Church Trust Fund)	2,336,626	-	-	218,661	-	**2,555,287**
Clemson Legacy Fund	1,717,370	-	-	161,576	-	**1,878,946**
Parsonages	457,693	-	-	43,061	-	**500,754**
Stipends Trusts	341,756	-	-	32,153	-	**373,909**
Partington Legacy	123,781	-	-	11,599	-	**135,380**
	76,408,048	**147,367**	**-**	**2,894,259**	**(104,000)**	**79,345,674**

Benefice Houses - represents the book value of parsonage houses at the balance sheet date. These houses are used to provide accommodation for ministers. The Board is not free to dispose of the houses except in accordance with appropriate measures.
Stipends Fund Capital (Glebe funds) - represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The fund generates income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.
Stafford Legacy (Church Trust Fund) - capital to be held as permanent endowment with income at the discretion of the Board.
Clemson Legacy fund - funds are for 'the maintenance of services' and income is used to support the costs of stipendiary clergy.
Parsonages - represents permanent endowment of the Parsonages Committee with income used to finance the repair and maintenance of parsonage houses.
Stipends Trusts - historic permanent endowment trusts with income for stipends.
Partington Legacy - funds are for 'general religious purposes' and annual income is mandated directly to unrestricted funds.

Comparative Fund Notes for the prior year are shown in Note 33.

30. Funds held as custodian trustee on behalf of others

The Board holds investments on behalf of Parochial Church Councils (PCCs) and others as custodian trustee. Each year an annual statement of financial investments held by the Board in its capacity as custodian trustee is made available to PCCs. The market value of investments held on behalf of PCCs and others is £2.96million (2022 - market value £2.7million), and all such investments are held separately from those of the Board. Historic cost figures are not available.

Financial investments held by the Board, in its capacity as custodian trustee, are broken down as follows:

	2023	2022
	£	£
CCLA Investment Management Ltd		
Central Board of Finance of the Church of England Funds:		
Investment fund income shares	**2,652,758**	2,424,639
Investment fund accumulation shares	**-**	-
Fixed Interest Securities Fund income shares	**62,208**	58,920
Deposit Fund	**72,457**	72,344
COIF Charities Funds:		
Investment fund income shares	**115,907**	106,153
Investment fund accumulation shares	**57,516**	50,108
Other common investment fund holdings	**1,095**	1,078
	2,961,941	2,713,242

31. Related party transactions & controlling parties

Diocesan governance is by Diocesan Synod, elected from both clergy and laity under the leadership of the Diocesan Bishop, who is appointed by the Church of England nationally.

The Board pays an annual grant to the Derby Diocesan Board of Education for salary and operating costs (see Note 12). The Rt Revd L Lane, The Rt Rev M McNaughton, The Venerable Archdeacon of Derbyshire Peak & Dales (Carol Coslett) and Canon J Cooper, were directors of both companies during the year.

Canon M Titterton, Executive Chairman and director of the Board, is also a member of Derby Cathedral Chapter (see Note 12 for payment of grant to Derby Cathedral Chapter).

The Board paid the following amounts to related parties in year:

Derby Cathedral £21,887 (2022 - £19,438) - in recognition of the place of the cathedral at the heart of the diocese

Derby Diocesan Board of Education £268,380 (2022 - £277,420) - to support the Diocese through the mission of the Board of Education

Bishop of Derby £nil (2022 - £151,000) - for distribution of grants to clergy for energy support and annual budgeted discretionary support

The Board was owed the following amounts from related parties as at 31 December 2023:

Derby Cathedral £4,576 (2022 - £nil)

Derby Diocesan Board of Education £nil (2022 - £nil)

Bishop of Derby £282 (2022 £35,564)

32. Prior year comparative Statement of Financial Activities for 2022

	Unrestricted funds £	Restricted funds £	Endowment funds £	**Total funds 2022 £**
Income and endowments from:				
Donations				
Common Fund	4,056,374	-	-	**4,056,374**
Archbishops' Council	1,482,074	764,075	-	**2,246,149**
Other donations	228,546	-	-	**228,546**
Charitable activities	479,769	123	-	**479,892**
Other activities	489,489	-	-	**489,489**
Investment income	1,615,650	320,458	-	**1,936,108**
Other income	12,070	-	263,211	**275,281**
Total income and endowments	8,363,972	1,084,656	263,211	**9,711,839**
Expenditure on:				
Raising funds	282,410	-	-	**282,410**
Charitable activities	8,281,037	1,096,409	-	**9,377,446**
Clergy Pension Scheme Movement	-	-	(94,000)	**(94,000)**
Other expenditure	-	-	-	**-**
Total expenditure	8,563,447	1,096,409	(94,000)	**9,565,856**
Net income/(expenditure) before investment gains and losses	(199,475)	(11,753)	357,211	**145,983**
Net gains on investments	(1,104,282)	(721,708)	2,101,262	**275,272**
Net income for the year	(1,303,757)	(733,461)	2,458,473	**421,255**
Transfers between funds	272,321	(404,321)	132,000	**-**
Other recognised gains/(losses)				
Net gains/(losses) on revaluation of fixed assets	-	-	-	**-**
Net movement in funds	(1,031,436)	(1,137,782)	2,590,473	**421,255**
Reconciliation of funds				
Total funds as at 1 January 2022	19,703,755	9,656,142	73,817,575	**103,177,472**
Total funds at 31 December 2022	18,672,319	8,518,360	76,408,048	**103,598,727**

33. Prior year comparative funds notes for 2022

Summary of fund movements 2022

	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2022**
	£	£	£	£	£	**£**
Unrestricted income funds						
General Fund	5,217,264	6,560,709	(6,611,093)	(614,703)	56,600	**4,608,777**
Glebe funds (net of agent fees)	-	1,034,607	(1,034,607)	-	-	**-**
Designated funds						
Corporate Properties fund	9,228,316	-	-	-	404,321	**9,632,637**
Parsonages	577,411	550,548	(539,785)	(29,525)	(125,753)	**432,896**
Other designated funds	4,680,764	218,108	(377,962)	(460,054)	(62,847)	**3,998,009**
Pension reserve	-	-	-	-	-	**-**
	19,703,755	8,363,972	(8,563,447)	(1,104,282)	272,321	**18,672,319**
Restricted income funds						
Diocesan Pastoral Account	5,783,920	83,604	(211,859)	(296,582)	(404,321)	**4,954,762**
Local Mission Fund	27,445	-	(6,205)	-	-	**21,240**
Other restricted income funds	3,844,777	1,001,052	(878,345)	(425,126)	-	**3,542,358**
	9,656,142	1,084,656	(1,096,409)	(721,708)	(404,321)	**8,518,360**
Endowment funds						
Expendable endowment						
Benefice Houses	21,520,577	-	-	-	-	**21,520,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	46,657,435	357,211	-	2,763,599	132,000	**49,910,245**
Other permanent endowment funds	5,639,563	-	-	(662,337)	-	**4,977,226**
	73,817,575	357,211	-	2,101,262	132,000	**76,408,048**
Total funds	**103,177,472**	**9,805,839**	**(9,659,856)**	**275,272**	**-**	**103,598,727**

Comparative summary of assets per fund at 31 December 2022

	Fixed assets		**Current**	**Creditors**	**Net Assets**
	tangible	**investments**	**assets**		
	£	**£**	**£**	**£**	**£**
Unrestricted income funds					
General Fund	16,560	4,626,679	409,799	(444,261)	**4,608,777**
Designated funds					
Corporate Properties fund	9,907,575	-	-	(274,938)	**9,632,637**
Parsonages	-	390,133	135,942	(93,179)	**432,896**
Other designated funds	-	3,356,680	641,329	-	**3,998,009**
	9,924,135	8,373,492	1,187,070	(812,378)	**18,672,319**
Restricted income funds					
Diocesan Pastoral Account	-	2,132,279	2,822,483	-	**4,954,762**
Local Mission Fund	-	-	21,240	-	**21,240**
Other restricted income funds	-	3,187,731	354,627	-	**3,542,358**
	-	5,320,010	3,198,350	-	**8,518,360**
Endowment funds					
Expendable endowment funds					
Benefice Houses	21,520,577	-	-	-	**21,520,577**
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	40,738,079	9,002,166	-	**49,910,245**
Other permanent endowment funds	-	4,964,203	13,023	-	**4,977,226**
	21,690,577	45,702,282	9,015,189	-	**76,408,048**
Total funds	**31,614,712**	**59,395,784**	**13,400,609**	**(812,378)**	**103,598,727**

Designated funds (2022)

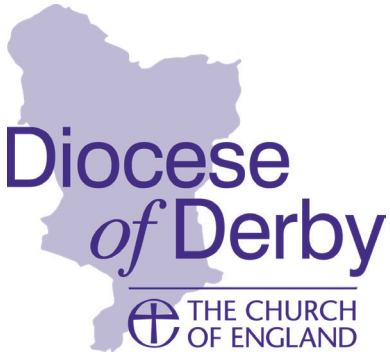
	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2022**
	£	£	£	£	£	**£**
Corporate Properties	9,228,316	-	-	-	404,321	**9,632,637**
Parsonages	577,411	550,548	(539,785)	(29,525)	(125,753)	**432,896**
Canon Ross Legacy	985,131	22,550	(72,500)	(100,605)	-	**834,576**
Ordinands' Support	778,578	128,093	(183,959)	(87,258)	(35,548)	**599,906**
Watts Legacy	1,172,733	30,943	(30,943)	(138,051)	-	**1,034,682**
Morley Fund	1,015,644	28,769	(1,470)	(117,879)	(27,299)	**897,765**
St Peter's Churchyard Loan Fund	462,661	7,753	-	(16,261)	-	**454,153**
Church Growth	266,017	-	(89,090)	-	-	**176,927**
Total designated funds	**14,486,491**	**768,656**	**(917,747)**	**(489,579)**	**215,721**	**14,063,542**

Restricted income funds (2022)

	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2022**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	5,783,920	83,604	(211,859)	(296,582)	(404,321)	**4,954,762**
Local Mission Fund	27,445	-	(6,205)	-	-	**21,240**
Capital Resources	649,503	26,022	(26,022)	(73,028)	-	**576,475**
Milligan Pension Fund	831,415	20,256	(7,000)	(84,696)	-	**759,975**
Bishop Allen Legacy	539,539	15,042	(15,042)	(62,753)	-	**476,786**
Stafford Legacy (Church Trust Fund)	521,357	80,275	(80,275)	(56,261)	-	**465,096**
Poorer Clergy Fund	416,757	10,996	(10,996)	(49,058)	-	**367,699**
Benham Legacy	279,816	7,775	(7,775)	(32,397)	-	**247,419**
Faith in Action	117,872	2,645	-	(11,799)	-	**108,718**
Board of Readers	8,158	27	-	-	-	**8,185**
Clemson Legacy	-	51,360	(51,360)	-	-	**-**
Stipends Trusts	-	10,221	(10,221)	-	-	**-**
Restructure Funding	-	30,766	(30,766)	-	-	**-**
Strategic Ministry, Capacity and Living Generou	-	335,309	(335,309)	-	-	**-**
Energy grants	-	398,000	(303,579)	-	-	**94,421**
Convent of St Laurence	480,360	12,358	-	(55,134)	-	**437,584**
Total restricted income funds	**9,656,142**	**1,084,656**	**(1,096,409)**	**(721,708)**	**(404,321)**	**8,518,360**

Endowment funds (2022)

	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2022**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	21,520,577	-	-	-	-	**21,520,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	46,657,435	357,211	-	2,763,599	132,000	**49,910,245**
Stafford Legacy (Church Trust Fund)	2,646,715	-	-	(310,089)	-	**2,336,626**
Clemson Legacy Fund	1,946,506	-	-	(229,136)	-	**1,717,370**
Parsonages	518,759	-	-	(61,066)	-	**457,693**
Stipends Trusts	387,354	-	-	(45,598)	-	**341,756**
Partington Legacy	140,229	-	-	(16,448)	-	**123,781**
	73,817,575	**357,211**	**-**	**2,101,262**	**132,000**	**76,408,048**



The Diocese of Derby
Derby Church House
Full Street
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www.derby.anglican.org

Transformed Lives | Growing Church | Building Community
THE KINGDOM OF GOD - GOOD NEWS FOR ALL

THE DERBY DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 249767

Accounts

Diocese of Derby
THE CHURCH OF ENGLAND

The Derby Diocesan Board of Finance Ltd

Annual Report and Financial Statements 2022









DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
Annual Report & Financial Statements for the year ended 31 December 2022

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ADMINISTRATIVE DETAILS

Derby Diocesan Board of Finance Limited (The) is a Charitable Trust Company Limited by Guarantee and not having a share capital. (Company No 229700 England, Registered Charity No 249767). Membership of the Board consists of those members of Derby Diocesan Synod who are not employed by the Board.

President:	The Bishop of Derby - The Right Reverend Libby Lane
Registered Office:	Church House, Full Street, Derby DE1 3DR
Telephone:	01332 388650 (For a list of direct dial telephone extensions see the diocesan website)
Email:	finance@derby.anglican.org
Website:	www.derby.anglican.org

Bishop's Council & Standing Committee of Diocesan Synod
(Being the financial executive of the Diocesan Synod and the Board of Directors of the Board of Finance)

The trustees (for the purpose of charity law) and directors (for the purpose of company law) during the year and as at the date of signing were as follows:

Chair
- The Right Reverend Libby Lane – The Bishop of Derby

Ex-Officio
- The Right Reverend the Bishop of Repton – The Rt Revd Malcolm Macnaughton
- The Venerable Archdeacon of Derbyshire Peak & Dales – The Ven Carol Coslett (to 31 March 2023)
- The Acting Archdeacon of Derbyshire Peak & Dales – The Revd Nicky Fenton (from 1 April 2023)
- The Venerable Archdeacon of East Derbyshire – The Ven Karen Hamblin (from 6 June 2022)
- The Venerable Archdeacon of Derby & South Derbyshire – The Ven Matthew Trick (from 6 June 2022)
- The Acting Archdeacon of Derby – The Revd Peter Walley (to 30 April 2022)
- The Dean of Derby – The Ven Dr Peter Robinson
- The Chair of the House of Clergy of the Diocesan Synod – The Revd Canon Julian Hollywell
- The Chair of the House of Laity of the Diocesan Synod – Mrs Christine McMullen
- The Executive Chair of the Board of Finance - Canon Mark Titterton
- The Chair of the Diocesan Board of Education – The Rt Revd Malcolm Macnaughton

Elected by Derby Diocesan Synod – following the implementation of three archdeaconries, two clergy members from each Archdeaconry and twelve lay members, with at least four from each Archdeaconry.

Clergy
Derbyshire Peak & Dales (2)
- The Revd BJ Stober
- The Revd J Page (to 31 March 2023)

East Derbyshire (2)
- The Revd D Cooke (from 18 May 2022)
- The Revd Karen Hamblin (to 5 June 2022)

Derby City & South Derbyshire (2)
- Vacancy
- Vacancy

Laity
Derbyshire Peak & Dales (at least 4)
- Canon J Cooper
- Mr P Kelsey
- The Hon D Legh

East Derbyshire (at least 4)
- Mr J Gascoyne (from 13 July 2022)
- Canon C Holmes-Elener (from 18 August 2022)
- Mr B Parker

Derby City & South Derbyshire (at least 4)
- Mrs M Goddard
- Mr B Martin
- Mr P Vincent
- Mr J Whiten

Principal Officers

- Diocesan Secretary: K Godfrey (to 2 August 2022)
- Acting Diocesan Secretary: M Marples (from 24 May 2022 to 8 May 2023)
- Diocesan Secretary: W Hagger (from 9 May 2023)
- Head of Finance: M Marples
- Director of Discipleship, Mission & Ministry: Revd Canon M Barnes
- Head of Property: G Webster
- Diocesan Safeguarding Advisor: H Hogg
- HR Manager: M Francis

Advisers

Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance: I Blaney M.A. LL.B. LL.M.

Bankers

National Westminster Bank, 58 St. Peter's Street, Derby, DE1 1XL

Investment Advisors

CCLA Investment Management Ltd; One Angel Lane, London, EC4R 3AB

Solicitors

Eddowes Waldron Solicitors,12 St. Peter's Churchyard, Derby, DE1 1TZ

Insurers

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

Land Agents

Savills, 2/3 Sherbrook House, Swan Mews, Lichfield, WS13 6TU

Mineral Surveyors

Coke Turner & Co, The Millyard, Rowsley, Matlock, DE4 2EB

Auditor

BHP LLP, 2 Rutland Park, Sheffield, South Yorkshire, S10 2PD

DIOCESAN VISION 2021-2025

VISION STATEMENT

To see **transformed lives:** through **growing church** and **building community**
as an expression of **'The Kingdom of God: Good News for All'**

MISSION STATEMENT

To proclaim afresh in this generation the good news of the Kingdom

VALUES

Generous Faith, Courageous Hope, Life-giving Love

MISSIONAL AIMS

Transformed Lives: Growing Church, Building Community

Transformed Lives - A Diocese committed to equipping a church of missionary disciples, centred on Christ Jesus and shaped by Him, transforming the lives of others, living out their baptismal calling in the '5 Marks of Mission'.

Growing Church - A Diocese committed to a mixed ecology of church that is more diverse, enabling people of every age and in every context to hear the good news of Jesus, where we grow and expand worshipping and witnessing communities (including Parishes, Schools, Chaplaincy, Plants and Fresh Expressions).

Building Community - A Diocese committed to being outward facing, rooted in and connected to its communities, working in partnership and networks for the common good, with particular care for poor, outcast, and vulnerable people. A church proclaiming the good news of the Kingdom in word and action making it tangible socially, economically, environmentally and in justice.

INTRODUCTION FROM THE BISHOP OF DERBY

The Rt Revd Libby Lane



Throughout 2022, across the length and breadth of the diocese, we have seen examples of our values of generous faith, courageous hope and life-giving love. As we continue through our worship, work and witness to offer good news for all across our towns, villages in Derbyshire and beyond, and in the city of Derby, there are signs of God's Kingdom all around us.

Such signs are not only in places that make headlines or have weight of numbers or lots of recognised activity. God is at work on the margins and in the shadows as well as in what might be described as in centre stage in the limelight. Jesus' stories of the Kingdom described ordinary people of all ages, from all backgrounds and in diverse circumstances in their everyday lives discovering the wonder of God's grace and mercy and making a difference to the world around them.

Jesus compared the Kingdom of God to someone sweeping their house, someone baking bread, someone ploughing a field, to a child. He said the Kingdom of God was like the smallest seed which when sown would grow into a strong tree providing shade and security for all the birds of the air.

We have been stretched and challenged by what has been a difficult year in many ways. The financial context and pressures are outlined elsewhere in this report, but we also have continued to face other implications of Covid recovery in our congregations and communities. The external environment has included political uncertainty nationally and global violence and disruption. We have become increasingly aware of the climate emergency and the need for urgent action to mitigate existing damage and protect the future flourishing of our planet.

It may seem that what we have achieved and what we have to offer is insignificant in the face of all that, but in our schools and chaplaincies, in our congregations and fresh expressions of church, together with other churches, others faith communities, statutory, voluntary and business partners seeds have been sown. And in depth of commitment to discipleship, in outreach of impact for common good, in numbers of people discovering and returning faith the Kingdom of God has been growing.

Perhaps you have recognised that in 2022 in a local food bank, in the provision of warm spaces, in caring for refugees, the isolated, those struggling with mental ill-health, the homeless; perhaps you have recognised that in messy church, or the achievement of an eco-church award, in an after-school group, in a joint choir offering deanery Evensong; perhaps you have seen that in someone returning to church after a funeral, family joining a congregation after a baptism, a commitment to Christ made through teaching and Bible study, a life turned around after addiction or abuse.

As we continue to love and serve the Lord into 2023, we give thanks – notwithstanding the challenges, disruptions and difficulties of the past year – for all that God has been doing in and through us and commit ourselves afresh to our vision of the Kingdom of God: Good News for all.

FOREWORD

Executive Chair, Canon Mark Titterton



The board anticipated continued recovery from the pandemic in 2022, however, the cost-of-living crisis has hit parishes hard, and common fund receipts remain lower than the level that is required to be fully sustainable. Despite these challenges, parishes contributed £3,967,633 to the common fund, with the board being grateful to them, as all this income goes directly towards funding clergy stipends across the diocese.

As we develop our plans for 2023 and beyond, it remains that our income, particularly from common fund needs to rise significantly to balance our annual budgets and support the levels of stipended clergy as we strive to achieve the objectives of our shared Diocesan vision.

When the Diocesan Synod agreed the 2022 annual budget in October 2021, we were prudent in our assumptions, anticipating and providing for a £1m+ deficit. The final position has been much better, with parochial fees in particular recovering better than expected, and the common fund broadly maintained at 2021 levels. We are grateful to the Church Commissioners for their sustainability funding of £206,000 to address our loss of income post-covid. 2022 also saw a period of transition in clergy deployment, with more vacancies starting to be filled towards the end of the year. The ongoing deployment strategy is absolutely vital in sustaining our future growth plans.

In the previous year our financial assets performed well, growing in value by around £7.4m, but largely due to the conflict in Eastern Europe the financial markets in 2022 were very different, with £7.0m of value being lost from our balance sheet. Despite this loss, we strategically disposed of some of our glebe land for development, including affordable housing, which provided the board with a financial gain of £6.9m, along with our land assets being revalued upwards by £0.4m. We have therefore maintained a strong asset base, poised to take advantage of future opportunities.

Looking forward, the board is reviewing all its resources to release funding to support the strategic priorities for the next 5-10 years. I must formally thank my colleague Martyn Marples and the professional support teams at Derby Church House who have once again filled the void of the Diocesan Secretary. As I write this, we are just a month away from welcoming Will Hagger joining us as the new Diocesan Secretary.

The board exists to support the parishes and people of this diocese and I would like to add my personal and sincere thanks for your continued support as we look to resource mission in this place.

TRUSTEES' REPORT

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

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

This combined report satisfies the legal requirements for:

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

Public Benefit Statement

The Directors of the DDBF are aware of the Charity Commission's guidance on public benefit and have had regard to it in their administration of the Board. The DDBF believes that, by promoting the work of the Church of England in the Diocese of Derby, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes. In doing so it provides a benefit to the public by providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Legal Objectives

Derby Diocesan Board of Finance Limited (The); (the Board), is a private charitable company which was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated in the UK on 16 April 1928 as a charitable company limited by membership guarantees and its governing document is the Memorandum and Articles of Association. The Board is registered in England with the Charity Commission. The registered office and number can be found on page 3.

The objects, for which the Board is established, are set out in Clause 3 of the Board's Memorandum of Association, dated April 1928. The primary object (or purpose) is to act as the financial executive of the Diocesan Synod. In addition, it is to act as the Parsonages Board for the Diocese, to act as the Diocesan Committee of the Diocese for the purposes of any Act of Parliament or Measure passed by the General Synod of the Church of England and to promote and assist the work and purposes of the Church in the Diocese and in particular to organise and provide funds in aid of the work of the Church.

The Board has the following statutory responsibilities:

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

The strategic priorities of the company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Derby (in respect of their responsibility for the provision of the cure of souls).

Objectives for the year 2022 and future plans for 2023

In terms of progression toward agreed objectives, 2022 was a successful and positive year in the DBF, in which the foundations for effective future working were set in place.

Key objectives included:

- Sharing, shaping and embedding the diocesan vision
- Implementing a three-archdeaconry model
- Permanent recruitment to the Diocesan Secretary position
- Return of operations to Church House as working restrictions started to ease
- Implementing the recommendations from the PCR2 review.

Following the publication of the national and diocesan independent PCR2 reports in 2022, a diocesan-wide action plan has been developed by the Diocesan Safeguarding Adviser, which will be reported through internal decision-making governance channels and be advised on by the Diocesan Safeguarding Advisory Panel (DSAP). The report from the DSAP Chair is included in this annual report.

Staff returned to Church House both in-year, prior to the return of winter restrictions, and substantively from early 2022. Flexible and hybrid working patterns which were successfully introduced as part of the response to Covid have been retained, supported by a significantly improved digital infrastructure.

Following a national recruitment drive, William Hagger was appointed as Diocesan Secretary, and will start in post on 1 May 2023 bringing with him diocesan experience. Our grateful thanks go to the Head of Finance, Martyn Marples, who held the Acting Diocesan Secretary position during 2022, and through to Will's start in May 2023. Martyn will continue to strategically support the DBF to ensure improved operational resilience and leadership capacity.

Lastly, and most importantly, 2022 saw the foundational work to identify our strategic priorities for the next 5-10 years. The strategic priorities will be completed and shared with Diocesan Synod during 2023.

An important change at the heart of our delivery has been the implementation of a three archidiaconal model, supporting a focus on 'contextual mission', with championship of rural, urban and post-industrial contexts within the diocese. The current Archdeacon of Chesterfield, the Ven Carol Coslett stepped into role as Archdeacon for Derbyshire Peak and Dales, with the Ven Karen Hamblin appointed as the Archdeacon for East Derbyshire, and the Ven Matthew Trick appointed as Archdeacon for Derby City and South Derbyshire. All three new roles commenced on 6 June 2022.

With the appointment of new archdeacons, the diocesan senior leadership team is restored to close to capacity and the diocese entered a new delivery-focused, phase.

Key objectives to be delivered in 2023 include:

- Implementation of strategic priorities for 2023 to 2031
- Operational and cultural development review of DBF staff operations
- Review of diocesan governance arrangements, and the Implementation of a new risk management strategy with DBF Trustees
- Movement towards a sustainable financial position, including a review of reserve funds and investments
- Developing a suite of support to parishes
- Commencing the implementation of Net Zero Carbon by 2030
- Submission of strategic funding bids to Church Commissioners, drawing on new internal capacity and linked to pursuit of our strategic objectives, in accordance with the diocesan vision.

2022 Delivery

Discipleship, Mission & Ministry Department (DM&M)
Key deliverables during 2022 included:

- Continued development of lay and ordained formational pathways and supporting licenced ministers in post once trained.
- Developing an integrated Growing Faith Diocesan response through unified partnership with Churches, Schools and homes.
- Supporting existing and new worshipping communities to exercise outward facing missional activity that is contextually appropriate making best use of their built resources.
- Promoting the care and safeguarding of God's creation by wise and effective stewardship of the assets entrusted to the church.
- Releasing a continued appreciation of the generosity of God and the call upon Christian disciples to reciprocate.
- Nurturing new vocations from within the church to respond to the call of licenced ministers in all its different expressions.

The Property Team
The Property Team completed some key actions during 2022, including;

- Completing on the purchase of a new home and are in the process of purchasing two other houses to replace housing that is no longer fit for purpose. There were no house disposals in 2022.
- Completing 36 quinquennial surveys out on our existing housing stock across the Diocese.
- Completing vacancy inspections and co-ordinated vacancy/improvement works to twelve parsonages or DDBF houses prior to new clergy moving in, or the houses being let on assured shorthold tenancies.
- Collecting rental income from let houses of £489,000, exceeding the budget of £388,000.
- Completing four glebe sales transactions. The total capital receipt generated from these sales was £7,137,973. compared with a total book value of £229,000, resulting in a net gain of £6,908,973. This included the sale of land for 180 affordable housing units.
- Agreeing heads of terms for an Option Agreement on eight acres of glebe land.
- Obtained Energy Performance Certificates for 99% of our housing portfolio and have started a detailed review of these properties, having regard to energy efficiency, sustainability and zero carbon targets.
- Instructed a review of our glebe portfolio. This looks at natural and social capital performance, having regard to the urgency around the effects of climate change, biodiversity loss and the introduction of 2020 rural land use legislation.

The Finance Team
On top of maintaining a statutory service for the Diocese, and supporting parishes with advice, during 2022 the finance team:

- Achieved a clean audit opinion from our external auditors for the 2021 annual accounts, and approval by Diocesan Synod.
- Reviewed annual budgets to reduce the deficit position and recommended approval of the 2023 budget through Bishops Council and Diocesan Synod.
- Successfully secured £206,000 of sustainability funding from Church Commissioners and achieved additional curate and posts of first responsibility grants, in conjunction with the DM&M Team.
- Managed the receipt and allocation of a series of energy grants for clergy and parishes. Thanks also go to the Bishop's Office for their support on clergy energy grants.
- Achieved a 90%+ response for Return of Parish Finance data.
- Delivered council tax rebates directly to clergy living in tied housing, where the local council policy allowed.
- Managed 14 parish project grant applications in conjunction with the DM&M team, totalling £120,652, with £76,205 provided for completed projects during 2022.

The Safeguarding Team
During 2022, we received 214 new concerns, an increase of 64% from 2021, which indicates that the principles of safeguarding are beginning to be embedded.

In addition to casework, the key areas of activity have been:

- Past Cases Review 2 (PCR2)**:** PCR2 has remained a key focus this year with publication of the executive summary of our local report on 5 October. The recommendations from the report have been developed into a quality improvement plan which we are now implementing. We also continue to work through the cases of concern which were identified to resolve the issues raised.
- DBS checks: 136 parishes have registered for completing DBS checks on behalf of those who hold roles within the parish. The safeguarding team retains responsibility for DBS checks for all current and retired clergy and those parishes which have not yet registered. Across the diocese, 1,627 DBS applications have been submitted during 2022, with 1,134 of those being submitted by parishes. This is an overall increase of nearly 500 on the number for 2021, due to changes in national requirements for DBS checks to be renewed every three years.

- Training**:** This year a hybrid model for training delivery has been implemented – online courses (Basic Awareness, Foundation and a short period of Domestic Abuse Awareness), zoom sessions and in person sessions at various venues across the diocese. A breakdown of the courses delivered can be seen below. In addition, 741 people have completed the online Basic Awareness training and 668 people have completed the Foundation module online.
- Working with our PSOs: The support for our PSOs has been developed over the last 12 months. In June and September, annual PSO events were held, one in person and one online. Quarterly newsletter continues to be produced and a single point of contact has been introduced. With monthly drop-in session for PSOs.
- Parish Dashboard: The parish dashboard enables churches to evidence and audit their safeguarding compliance and produce an action plan and annual report for their PCC at the press of a button. A series of dashboard events have taken place across the diocese and a slight increase in its use has been noted. The dashboard continues to be promoted, with bespoke advice and training provided as required.
- Survivors: In support of the national campaign against gender-based violence, the national team using two poems written by one of our team members to start and end their annual event. The long-term strategy for survivors continues to be developed in line with the new national guidance. This will be a key area of development during 2023.

Diocesan Safeguarding Advisory Panel (DSAP) – report from the Independent Chair

The DSAP exists to provide independent advice and expertise on effective Safeguarding policy, procedure and practice, and to advise the Bishop and diocesan leadership on the work of safeguarding in the cathedral and diocese. The panel consists of safeguarding leads from the diocese and the cathedral together with external partners including Police, Local Authorities, Health, Probation and Local Safeguarding Board Leads, all of whom contribute their safeguarding expertise.

The DSAP is led by the Independent Chair Helen Jebb who has a leading role in the regional network and has developed good relationships with several National Safeguarding Team leads around survivors, quality and good practice.

Key elements in 2022 include:

- Governance and membership: The DSAP has now moved to 'in person' quarterly meetings, a hybrid approach where there is an opportunity to continue to build working relationships. Meetings continue to be well attended and an informal review of membership took place during the year. This year we have welcomed new members; Det Supt Darren De'Ath (Police), Ben Griffiths (Vocations), Liz Seymour (Education) and the two new Archdeacons, Ven Karen Hamblin and Ven Matthew Trick. Our survivor representative sadly stood down and establishing a survivor lead is a priority for 2023. Visitors to the Panel this year included Alex Dann who talked about the work of the Parish Safeguarding Officer at St Walburg's and Nick Harding the training officer who shared the progress on the delivery of Training and Development framework. The Strategic Safeguarding Core Group, meeting quarterly, has provided an opportunity to understand the context of the diocese and the challenges, share thoughts about future safeguarding priorities and set the agenda for DSAP.

- Progress: Following an in year DSAP development session, a forward plan has helped to steer the work of the panel, improving the understanding of safeguarding work in the diocese. The panel is well placed to ask the right questions to bring scrutiny, provide assurance and share learning. This year the panel has heard a series of case studies presented by the Safeguarding Team to illustrate safeguarding in practice and demonstrate policy compliance. This has included the use of safeguarding agreements, survivor developments and engagement at Parish level. During 2022 DSAP has specifically focused on; Responding Well to Victims and Survivors (May 22), Guidance for Responding to, assessing and managing allegations (Sept 22), Training & Development Framework (Sept 22). Lessons learned continue to be reported upon, and a clearer focus developed to demonstrate how the learning has been implemented. The DSA Hannah Hogg continues to provide regular updates on DBS, training delivery, parish dashboard and partnership work as well as key national developments.

- PCR2: The work to deliver PCR2 began in January 2021, the final Derby Diocese report being completed in December 2021. Work to deliver the recommendations began immediately and agreement was reached that the progress would be reported to DSAP as a standing item. The national PCR2 Report was published in October 2022 which included further recommendations at a national and local level. A Quality Improvement Plan has been developed by the diocese which sets out the actions being taken to deliver on the recommendations; this is managed by the diocese. DSAP will want to continue to ensure robust oversight of this important work as it will make significant improvements to safeguarding practice.

- The future and next steps: The DSAP looks forward to hearing more about survivor engagement and delivery of the PCR2 recommendations as well as wider quality improvement.

Thanks go to all those who attend DSAP to share their safeguarding expertise. Particular thanks to all those who work hard to ensure that safeguarding is everyone's business, especially the DSA Hannah Hogg and safeguarding team.

Financial Review

Statement of financial activities and financial position

Total income was £9.7million (2021 - £10.2million) and expenditure £9.6million (2021 - £9.4million, giving net income before investment gains of £0.1million (2021 – net income of £0.8million).

After the addition of net gains on investment assets of £0.3million (2021 – net gain of £7.2million), the net increase in funds amounted to £0.4million (2021 – £8.0million).

During the year, total fund balances increased from £103.2million to £103.6million and there was an overall net cash inflow of £6.5million mainly through the sale of investment land (2021– cash inflow £1.5million).

This gives the total picture, but a further breakdown is needed to fully understand the financial position of the Diocese.

Of the total funds of £103.6m, £76.4m are tied up in endowment funds, with £21.5m in Benefice Houses, £49.9m in Stipends Fund Capital (Glebe funds) and £5.0m in other permanent endowment funds. A further £8.5m are represented by restricted funds which can only be used in accordance with the terms of the restriction placed on them. Designated funds total £14.1m and are mainly made up of corporate properties and investments, the latter of which are used to produce income to fund our activities. This leaves our general funds of £4.6m. As reported elsewhere our free reserves at 31 December 2022 amount to £4.6m out of our total funds of £103.6m.

Regarding the operational results, it cost £8,563,447 in 2022 to carry out our unrestricted fund activities. This was funded by income of £8,363,972 giving an operational loss of £199,475. Additional support as a result of the pandemic brought in £206,000 from the Archbishops Council's Sustainability Fund, without which the operational deficit would have been £405,475.

Performance against budget

The annual budget is presented to Diocesan Synod for approval and sets out the framework for our financial decision-making. The 2022 budget set an operational deficit of £1,191,439, reflecting an uncertainty of income recovery post covid.

Budget plans for 2022 included:

- A Common Fund request increase of 2%, with 2022 being the final year of a three-year transitional formula arrangement
- Additional funding for approved new posts including extra curates funded by Church Commissioners
- Parochial Fees predictions remaining low
- Continued grant funding from Benefact Trust (formerly Allchurches Trust)
- Stipend and salary levels increased by 1% (subsequently implemented at 2%)
- Clergy numbers held at 131fte
- Gross housing expenditure estimated to be £1.367m (£1.403m in 2021).

The table below sets out performance against the budget plan:

MANAGEMENT ACCOUNTS 2022	Budget £	Actual £	Difference £
INCOME			
Common Fund	3,775,019	4,056,374	281,355
Church Commissioners	1,629,468	1,795,383	165,915
Net Return on Investments	2,114,862	2,100,148	(14,714)
Other income including fees and grants	389,090	540,313	151,223
TOTAL INCOME	**7,908,440**	**8,492,218**	**583,779**
EXPENDITURE			
Ministerial Staffing	5,320,145	4,703,969	616,176
Ministerial Housing & Other Ministerial costs	1,087,015	1,101,664	(14,648)
Parish Support (excluding funding contributions)	1,836,397	1,820,137	16,259
Contributions and Sector Support (incl. DDBE)	424,920	470,675	(45,775)
National Church	431,402	417,028	14,374
TOTAL EXPENDITURE	**9,099,879**	**8,513,473**	**586,386**
SURPLUS / (DEFICIT)	**(1,191,439)**	**(21,255)**	**1,170,183**

Common Fund, the money given by parishes to the Diocese to fund mission and ministry across the Diocese, is the main source of income and accounted for around 48% of total Diocesan income. In 2022 the total amount paid was £4,056,374, which was an increase of £45,372 over the previous year (2021 - total Common Fund £4,011,002). Receipts were £281,355 greater than budgeted, due to the prudent budget position, which has been increased for 2023.

A total of £1.8million came from the National Church Institutions, including £0.206m from the Sustainability Fund to address the impact of COVID-19 on income, indicating the Board's dependence on this valuable source of income.

Returns on investments were £130,583 higher than in 2021, due to an increase in property rental income.

Benefact Trust (formerly Allchurches Trust) annual distribution amounted to £136,000 and the Board acknowledges with thanks the receipt of this grant. Parochial fees were £146,241 higher than budgeted as activity returned to pre-pandemic levels.

Ministerial staffing costs were considerably under budget due to vacancy levels arising from clergy movements post-covid. This is a temporary position as appointment to vacant posts is being accelerated and actively managed, up to the budgeted level available.

During the year, the DBF approved and were able to fund an additional £46,000 for clergy energy support, matching the initial funding received from Church Commissioners.

Unrestricted funds movement

Management Accounts Reconciliation to Statutory Accounts	
	£
Deficit per Management Accounts 2022	**(21,255)**
Operational Adjustments	
Raymond Ross Fund – grants to parishes	(72,500)
Church Growth – Resourcing Derby City	(8,568)
Legacy income received	1,000
Partner contribution funded from restricted reserves	7,000
Other designated fund movements (net)	(161,301)
Other movements	(172)
Investment Movements	
Derby St Peters Dividend income	7,753
Adjustment to returns on investment income	(83,433)
Net gains/(losses) on investment assets	(1,104,282)
Transfer from Pastoral account for purchase of property	404,321
Net movement in Unrestricted Funds	**(1,031,436)**

[Per statement of financial activities on page 25 of the financial statements]

Grant-Making (Beneficiary-Selection)
Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (see note 12 of the financial statements). Grants are paid to other connected charities and to other charitable projects which support the furtherance of the Board's objects.

Review of the statement of financial position
The Trustees consider that the Statement of Financial Position together with details in note 27 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the Statement of Financial Position date totalled £103.6million (2021 - £103.2million) it must be remembered that included in this total are tangible fixed assets, mostly in use for the ministry, whose total value amounted to £31.6million (2021 - £31.2million). Many of the remaining assets shown in the Statement of Financial Position are held in funds which cannot necessarily be used for the general purposes of the Board.

Significant property and associated land transactions
During the year the Board sold four plots of land, with total sales receipts of £7,137,973 (2021 £2,000,180).

Investment policies and strategy

The Board's investment policies are kept under review and based on two key policies:

- Ethical investment - this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders. All investment managers are mandated to follow ethical considerations as determined by the Church of England Ethical Investment Advisory Group.
- Long-term responsibilities – the Board manages its investment assets with the principal aim of generating income to achieve the maximum contribution possible to clergy stipends, whilst maintaining the real value of Diocesan capital but with the possible need to realise investments to meet operational needs. The trustees are aware of their long-term responsibilities particularly in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Financial Investment Strategy

The current strategy is to manage investments for sustainable income and to achieve modest capital growth over the longer term. The Board recognises that performance in this area is vital to the direct relief of the demands on Common Fund. Financial investments are held with CCLA Investment Management Ltd (for the Church of England).

Glebe Investment Strategy

Glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Investments are mainly held in agricultural land and financial investments with CCLA Investment Management Ltd.

Unrestricted and Restricted Fund Investments

Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital. Funds which may be needed for working capital in the short-term are held as deposits with CCLA Investment Management Ltd and the Board's bankers National Westminster Bank.

Investment performance

The value of the Board's financial investment assets decreased by £7.0million in 2022 (2021 – increase in valuation of £7.4million).

CCLA Investment Management Ltd - financial investment managers

At the Statement of Financial Position date, the majority of the Board's investment with CCLA was in CBF Church of England Investment Fund income shares together with a holding of CBF Church of England Property Fund income shares and CBF Church of England Global Equity income shares.

The table below sets out holdings in each fund at 31 December 2022:

CCLA Investment Management Ltd Funds	Funds at 31/12/22	Portfolio Split	Income yield in year	Total return in year (net)
	£	%	%	%
CBF Church of England Investment Fund	39,117,999	75.7	+3.0	-9.2
CBF Church of England Global Equity Income Fund	5,299,792	10.3	+2.8	-11.6
CBF Church of England Property Fund	7,227,355	14.0	+5.0	-7.8
	51,645,146	**100.0**		

Total return performance for each fund in 2022 against its comparator is set out in the table below:

Longer term total return performance 12 months to 31 December 2022	Fund %	Comparator %
CBF Church of England Investment Fund (net)	-9.2	-10.1
CBF Church of England Global Equity Income Fund (net)	-11.6	-7.8
CBF Church of England Property Fund (net)	-7.8	-8.7

Investment properties – including glebe agricultural land

Holdings in the portfolio are predominantly agricultural in nature, amounting to approximately 1,300 acres. Agricultural property has been valued by the Board and is based on a desktop valuation provided by Savills, our glebe land agents, as at 31 December 2022. Other small miscellaneous holdings were also valued by Savills in 2022.

The current valuation of the portfolio is £7.8million (2021 - £7.3million). There were 4 sales during the period reducing the book value by £229,000. Receipts for these plots of land totalled £7,137,973. The revaluation at 31 December 2022 increased the book value by £761,412. However, the value of the investment held in Wormhill Quarry decreased by £0.35m through a combination of activity during the year and a revaluation at 31 December 2022.

Equity (value-linked) loans

Equity loans have been used to purchase houses for ministers on a shared equity basis. In the event of a sale of any of the houses purchased with value-linked loans (VLL), the whole, or a proportionate part, of the net sale proceeds would go to the Church Commissioners.

Total value-linked loans advanced at 31 December 2022 amounted to £274,938 for 5 loans (2021 - £274,938, 5 loans).

Investment gains and (losses)

Net investment movement on the statement of financial activity in the year was £275,272. Unrestricted: (£1,104,282) losses in funds from falling financial investment values. Restricted: (£721,708) losses in funds from falling financial investment values; Endowment: (£5,219,123) losses in funds from falling financial investment values; £7,137,973 from land sale receipts, (£229,000) relating to land disposals, and £411,412 from net land revaluations [See note 17].

Reserves Policy

Free reserves

The Board has considerable responsibilities including the remuneration of around 130 stipendiary clergy posts, the upkeep of 176 houses and the employment of approximately 45 full or part-time staff. Most of the Board's income is voluntary and the Board has noted that a substantial proportion of its voluntary income is from Common Fund with the balance made up of grant income from the Church Commissioners and income from investments and other sources.

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the course of the financial year, the policy is to hold a balance of readily realisable assets in the general fund equivalent to three months budgeted unrestricted expenditure. At 31 December 2022 the amount required under this policy totalled £2.28m (2021 - £2.35million). Actual free reserves as at 31 December 2022 totalled £4.6million (2021 - £5.2million). With the continuing impact of COVID-19, and the cost of living crisis it is considered appropriate to hold reserves above the policy level.

The aim of Bishop's Council is to ensure that financial plans over a three-year period are in step with the ability to raise income and that spending plans are affordable.

Reserves tied up in fixed assets

The Statement of Financial Position comprises net fixed assets amounting to £31.6million of which £16,560 is held as office equipment (Note 16).

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in Note 28 of the financial statements. At 31 December 2022 total designated reserves were £14.1m (2021 - £14.5million) of which £9.9m is held in tangible fixed assets as corporate property (2021 - £9.5million).

Restricted and endowment funds

As set out in Notes 29 and 30, the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2022 restricted funds totalled £8.5m (2021 - £9.7m) and endowment funds totalled £76.4m (2021 - £73.8m). Neither restricted or endowment funds are available for the general purposes of the Board.

Principal risks and uncertainties

The trustees confirm that the major risks, to which the Board is exposed, as identified by the trustees and employees, have been reviewed and that systems and procedures have been established to manage those risks.

The risk register identifies several risks and action plans are developed to mitigate risks to reduce the probability of the risk arising, or the impact should the risk arise. The following areas are where the risk of either failure to act or the impact of the events is considered 'very high':

- **Common Fund:** *'collection is considerably less than financial plans'*
- **Stipendiary Numbers:** *'impact on deployment could affect the budget position'*
- **Cashflow***: 'physical and economic market conditions severely affect cash inflow and the ability to achieve the approved budget position'*
- **Financial markets***: current volatility in asset valuations could affect use of funds to support mission.*

Management and mitigation

The Management and mitigation of these ongoing risks are considered regularly by Diocesan Officers and reported to Trustees. Common Fund is reviewed monthly with regular dialogue between the Finance Team, Parishes, Area Deans and Archdeacons. Stipendiary deployment is reviewed monthly by the Bishops and her Executive Staff. The budget and cashflow impact is constantly being reviewed to minimise monthly and year-end impact including; freezing non-essential spend, maximising government funding support where appropriate, and advance receipts from Church Commissioners.

Structure and Governance

Summary information about the structure of the Church of England

The Church of England is organised as two provinces, each led by an Archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses of which there are 42 in total. Each diocese is divided into parishes. Each parish is overseen by a parish priest (often called a vicar or rector). From ancient times through to today, they and their Bishop are responsible for the 'cure of souls' in their parish.

His Majesty the King succeeded Her Late Majesty, Queen Elizabeth II, during 2022 as the Supreme Governor of the Church of England. They appoint Archbishops, Bishops and Deans of Cathedrals on the advice of the Prime Minister. The two Archbishops and 24 senior Bishops sit in the House of Lords.

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

The Three National Church Institutions

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

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

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pension authority to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations. The Pensions Board, which reports to the General Synod, is the trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Pensions Board its central responsibilities for retirement welfare, the Pensions Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

Derby Cathedral

The cathedral church is legally constituted as a separate entity currently exempt from Charity Commission registration and supervision. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Derby Cathedral Office, Cathedral Centre, 18-19 Iron Gate, Derby DE1 3GP.

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

Parochial Church Council (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church, though it may have more than one designated place of worship. The PCC is made up of the vicar (or rector) as chair, the churchwardens and a number of elected and ex-officio members. Each PCC is a charity and is currently excepted from registration with the Charity Commission, subject to the Charities Act 2006, under which those PCCs with gross income over £100,000 for the year are required to register. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC are prepared by the relevant PCC treasurer.

Parishes and Benefices

A benefice is a parish or group of parishes served by an incumbent who typically receives a stipend or part stipend, though some may not, and, usually, the benefit of free occupation and use of a parsonage house from the Diocese for carrying out spiritual duties.

Deanery and Archdeaconry

A deanery is a group of parishes supported by an Area Dean, Deanery Administrator and Deanery leadership Team, and an archdeaconry is a group of deaneries for which an Archdeacon is responsible. The Diocese is then the principal pastoral and in turn financial and administrative resource of the Church of England, encompassing the various archdeaconries under the leadership of the Diocesan Bishop.

Deanery Synods

Deanery Synods have two houses, laity and clergy, and their role is to:

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

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan Bishop, the Suffragan Bishop and Archdeacons. Its role is to:

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

Organisational structure

The Diocese of Derby is one of 42 administrative units of the Church of England, covering the whole of Derbyshire and a few parishes on the fringes of the county in Staffordshire. It is administered through Derby Diocesan Board of Finance Limited (The); (the Board), a charitable trust company limited by guarantee.

During 2022 the Diocese moved from being arranged as two archdeaconries, Chesterfield covering the north part with four deaneries and Derby the south with four deaneries, to Derbyshire Peak & Dales with the three deaneries of Peak, Carsington and Dove & Derwent, East Derbyshire with the three deaneries of North Derbyshire, Hardwick and South East, and Derby City and South Derbyshire with the deaneries of Derby City and Mercia. There are some 259 parishes within the Diocese.

Diocesan governance

Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods. The standing committee have the right to nominate persons for co-option by the House of Clergy or the House of Laity or otherwise to determine who else may nominate such persons but in other respects the procedure for co-opting members shall be determined by the respective houses. The Diocesan Synod usually meets three to four times a year.

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council as the Standing Committee of Diocesan Synod.

The Bishop's Council (and Standing Committee of the Diocesan Synod)

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

- to plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- to initiate proposals for action by the Synod and to advise it on matters on policy which are placed before it
- to advise the President, being the Diocesan Bishop, on any matters which they may refer to the Committee
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- to appoint members of committees or nominate individuals for election to committees, subject to the directions of the Synod
- to carry out such functions as the Synod may delegate to it.

Decision-Making Structure

Policy is formulated by the Bishop's Council for approval where required by Diocesan Synod. Strategic delivery of policy is the responsibility of the Diocesan Secretary. Bishop's Council may delegate any of its powers to the Business Committee.

Committee Structure

Bishop's Council
The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of eight ex-officio members (the Diocesan and Suffragan Bishops; two Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; the Executive Chair of the Board of Finance; the Chair of the Board of Education; the Chair of the Diocesan Mission and Pastoral Committee; six clergy elected by the House of Clergy from among their number (two from each Archdeaconry) and twelve lay persons elected by the members of the House of Laity (with at least three from each Archdeaconry) The maximum number of Directors shall not exceed 30.

Other statutory committees include:

Parsonages Committee - is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice. This includes setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board. From 21 May 2016 the Diocesan Board of Finance was designated as the Parsonage Board, which in turn delegates its functions to the Business Committee.

Diocesan Mission and Pastoral Committee - is responsible for the task of recommending pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. From 1 August 2015 this committee became coterminous with Bishop's Council, and the Chair is therefore the Bishop.

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

Derby Diocesan Board of Patronage - is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

In addition to the statutory committees Bishop's Council has set up the Business Committee, which has written terms of reference, to advise it on all governance and financial matters.

The Business Committee - meets approximately ten times each year and will work closely with the Diocesan Secretary. The Business Committee advises the Bishop's Council, in the discharge of the trustees' responsibilities for accounting policy, internal control, financial reporting and risk management. In addition, it provides strategic advice on the management of the Board's investment assets.

The Glebe Management Committee - is specifically tasked under the Endowments and Glebe Measure 1976 to manage diocesan glebe holdings to augment the diocesan stipends fund. From 12 July 2016 the Business Committee was designated as the Glebe Committee.

Remuneration Sub-Committee – is a sub-committee of the Business Committee and meets as and when required to make recommendations and decisions on clergy and lay employee remuneration.

Significant Control, Trustees and Management Personnel

Register of Persons of Significant Control
The Board maintains a Register of Persons of Significant Control.

Trustee Recruitment, Selection & Induction
The Trustees are the members of Bishop's Council and Directors of the company. Trustees are either ex-officio members or elected from the Diocesan Synod. Synod members are elected from representatives across the Diocese including clergy and lay people. Elections taking place every three years, with the last elections undertaken in 2021. Trustees are given induction training when first appointed and receive ongoing training, as appropriate. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

The Board has indemnity insurance for its trustees and key management personnel and £1,000,000 (2021 - £1,000,000) of cover is provided.

Remuneration of key management personnel
Emoluments of higher-paid employees are determined by a Remuneration Panel consisting of a sub-set of members of the Business Committee including the Executive Chair of the Board of Finance, meeting as and when required. The terms of reference for this group is established by the Bishop's Council and includes; regular appraisals, remuneration and salary benchmarking and recommendation of changes where necessary.

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

Funds held as Custodian Trustee
The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of separate bank accounts and accounting system. Further details of financial trust assets, whose market value amounted to £2.7million at 31 December 2022 (2021 - £3.1million), are available from the Board on request, and are summarised in note 31 of the financial statements. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the Board's solicitors.

Personnel

The efficient and effective running of the Diocese requires high quality staff across the DDBF. Our grateful thanks go to all the staff who supported the Diocese during 2022.

Although this report refers to employees of the Board and not parochial clergy, we would also like to thank the clergy who continue to deliver our mission across the Diocese.

General Synod Members
We would also like to acknowledge the General Synod representatives and thank them for their hard work acting as our elected members of General Synod. During 2022 our elected representatives were; Kat Alldread, Revd Neil Barber, Sue Cavill, Revd Alicia Dring, Revd Julian Hollywell, and Sian Kellogg.

The trustees approve their Annual Report and, in their capacity as company directors, also approve the Strategic Report incorporated therein.

Related parties

General Synod, Church Commissioners and Archbishop's Council
The Board has a duty to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops and cathedral clergy are borne by the Church Commissioners and are not reflected in these financial statements.

Parochial Church Councils (PCCs)
The Board is required by Measure to be custodian trustee in relation to PCC property, but the Company has no control over PCCs, which are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Other charities

Derby Diocesan Board of Education
Derby Diocesan Board of Education (DDBE) is the statutory education authority for the Church in the Diocese. Its purpose is to promote and assist in the promotion of education in the Diocese, consistent with the faith and practice of the Church of England including the promotion of religious education and worship in schools within the Diocese. In addition, its purpose is to promote church schools in the Diocese and to advise governors of such schools. Whilst the DDBE is incorporated as a separate legal entity, the DDBF provides significant resources to the DDBE to facilitate the shared vision for mission and ministry with children and young people.

The Board co-operates with certain other charities in pursuit of its charitable objects and details of payments to these are to be found in note 12 to the financial statements.

Fundraising standards information

The charity does not carry out any significant fundraising activity.

TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware:

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

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

BY ORDER OF THE TRUSTEES

+Libby Derby

The Right Reverend Libby Lane
The Bishop of Derby
Chair
22 May 2023

Canon Mark Titterton
Executive Chair of the DDBF
22 May 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

Opinion

We have audited the financial statements of Derby Diocesan Board of Finance Limited (The) (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, statement of financial position, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

1. give a true and fair view of the state of the charitable company's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

1. the information given in the Trustees' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
2. the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

1. 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;
2. we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the charity sector;
3. we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety, data protection laws, Church of England Measures, the Companies Act 2006 and the Charities Act 2011;
4. we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
5. we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

6. making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
7. 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

8. performed analytical procedures to identify any unusual or unexpected relationships;
9. tested journal entries to identify unusual transactions;
10. assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
11. 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:

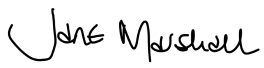
12. agreeing financial statement disclosures to underlying supporting documentation;
13. reading the minutes of meetings of those charged with governance; and
14. enquiring of management as to actual and potential litigation and claims.

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

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

Use of our report

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



Jane Marshall (Senior Statutory Auditor)

for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park Sheffield
South Yorkshire S10 2PD

Date: 30 May 2023

FINANCIAL STATEMENTS

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DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2022

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
		£	£	£	£	£
Income and endowments from:						
Donations	2					
Common Fund		4,056,374	-	-	**4,056,374**	4,011,002
Archbishops' Council		1,482,074	764,075	-	**2,246,149**	1,728,934
Other donations		228,546	-	-	**228,546**	367,990
Charitable activities	3	479,769	123	-	**479,892**	474,076
Other activities	4	489,489	-	-	**489,489**	382,891
Investments	5	1,615,650	320,458	-	**1,936,108**	1,751,928
Other income	6	12,070	-	263,211	**275,281**	1,473,959
Total income and endowments		**8,363,972**	**1,084,656**	**263,211**	**9,711,839**	10,190,780
Expenditure on:						
Raising funds	7	282,410	-	-	**282,410**	129,231
Charitable activities	8	8,281,037	1,096,409	-	**9,377,446**	9,315,555
Clergy Pension Scheme Movement	25	-	-	(94,000)	**(94,000)**	(27,000)
Other expenditure	9	-	-	-	**-**	1,091
Total expenditure		**8,563,447**	**1,096,409**	**(94,000)**	**9,565,856**	9,418,877
Net income/(expenditure) before investment gains		**(199,475)**	**(11,753)**	**357,211**	**145,983**	771,903
Net gains/(losses) on investments		(1,104,282)	(721,708)	2,101,262	**275,272**	7,229,759
Net income/(expenditure)		**(1,303,757)**	**(733,461)**	**2,458,473**	**421,255**	8,001,662
Transfers between funds	15	**272,321**	**(404,321)**	**132,000**	**-**	-
Other recognised gains/(losses)						
Net gains/(losses) on revaluation of fixed assets	16	-	-	-	**-**	(6,254)
Net movement in funds		**(1,031,436)**	**(1,137,782)**	**2,590,473**	**421,255**	7,995,408
Reconciliation of funds						
Total funds at 1 January		19,703,755	9,656,142	73,817,575	**103,177,472**	95,182,064
Total funds at 31 December	26	**18,672,319**	**8,518,360**	**76,408,048**	**103,598,727**	103,177,472

All activities derive from continuing activities.

The notes on pages 29 to 49 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2022

	2022	2021 (restated)
	£	£
Total income (less endowment)	**9,448,628**	8,742,025
Resources expended (less endowment)	**(9,659,856)**	(9,445,877)
Operating (deficit)/surplus for the year	**(211,228)**	(703,852)
Net gains/(losses) on investments	**(1,825,990)**	1,941,541
Income for the year	**(2,037,218)**	1,237,689
Other comprehensive income/(expenditure):		
Net assets transferred from endowments	**(132,000)**	(86,419)
Net gains/(losses) on revaluation of fixed assets	**-**	(6,254)
Total comprehensive income:	**(2,169,218)**	1,145,016

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The notes on pages 29 to 49 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL POSITION COMPANY NUMBER 229700

For the year ended 31 December 2022

	Note	2022		2021 (restated)	
		£	£	£	£
Fixed Assets					
Tangible assets	**16**	**31,614,712**		31,217,797	
Investments	**17**	**59,395,784**		66,258,485	
			91,010,496		97,476,282
Current Assets					
Debtors	**19**	**917,495**		765,144	
Cash on deposit		**12,453,217**		5,989,461	
Cash at bank and in hand		**29,897**		30,147	
		13,400,609		6,784,752	
Creditors: amounts falling due within one year	**20**	**(537,440)**		(721,624)	
Net Current Assets			**12,863,169**		6,063,128
Total Assets less Current Liabilities			**103,873,665**		103,539,410
Creditors: amounts falling due after more than one year	**20**				
Pension scheme liabilities		**-**		(87,000)	
Other creditors		**(274,938)**		(274,938)	
			(274,938)		(361,938)
Net Assets			**103,598,727**		103,177,472
The Funds of the Charity					
Unrestricted income funds					
General Fund		**4,608,777**		5,217,264	
(Including investment revaluation reserve of £1,703,916 (2021 - £2,221,329)					
Designated funds	**28**	**14,063,542**		14,486,491	
(Including investment revaluation reserve of £2,405,159 (2021 - £3,118,864)					
			18,672,319		19,703,755
Restricted income funds	**29**		**8,518,360**		9,656,142
(Including investment revaluation reserve of £1,379,258 (2021 - £1,974,130)					
Endowment funds	**30**		**76,408,048**		73,817,575
(Including investment revaluation reserve of £18,969,512 (2021 - £24,188,635)					
Total Funds			**103,598,727**		103,177,472

The financial statements were approved by the Board of Directors and authorised for issue on 22 May 2023 and signed on behalf of the Board by:



The Bishop of Derby - The Rt Revd Libby Lane

The notes on pages 29 to 49 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	2022	2021
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	**(2,464,413)**	(2,515,368)
Cash flows from investing activities:		
Dividends, interest and rent from investments	**1,936,108**	1,751,928
Royalty income and land transactions	**263,211**	322,575
Proceeds from the sale of property, plant and equipment	**-**	2,000,180
Proceeds from the sale of investment property	**7,137,973**	-
Proceeds from the sale of Brewin Dolphin investments	**-**	-
Purchase of property, plant and equipment	**(409,373)**	(19,160)
Purchase of investments securities	**-**	-
Net cash provided by investing activities	**8,927,919**	4,055,523
Change in cash and cash equivalents in the year	**6,463,506**	1,540,155
Cash and cash equivalents at 1 January	**6,019,608**	4,479,453
Cash and cash equivalents at 31 December	**12,483,114**	6,019,608

	2022	2021
	£	£
Reconciliation of net movement in funds to net cash outflow from operating activities		
Net movement in funds for the year ended 31 December	**421,255**	7,995,408
Adjustments for:		
Net (gains)/losses on investments	**(275,272)**	(7,229,759)
Net (gains)/losses on revaluation of fixed assets	**-**	6,254
Depreciation charges	**12,458**	10,271
Dividends, interest and rent from investments	**(1,936,108)**	(1,751,928)
Royalty income and land transactions	**(263,211)**	(322,575)
Net (Profit) on the sale of fixed assets	**-**	(1,138,216)
Decrease/(Increase) in debtors	**(152,351)**	159,777
Increase/(Decrease) in creditors, excluding clergy pension scheme movement	**(45,184)**	13,400
Clergy pension scheme movement	**(226,000)**	(258,000)
	(2,885,668)	(10,510,776)
Net cash used in operating activities	**(2,464,413)**	(2,515,368)
Analysis of cash and cash equivalents		
Notice deposits (less than 3 months)	**12,453,217**	5,989,461
Cash in hand	**29,897**	30,147
	12,483,114	6,019,608

Analysis of Changes in Net Debt

The Diocese has no cash equivalents, repayable overdraft facilities, loans due or finance lease obligations at 31 December 2022 (2021 - Nil)
Movements in cash are reflected in the statement of cashflows above.

The notes on pages 29 to 49 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in c), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP (FRS 102)), the Companies Act 2006 and applicable accounting standards, Financial Reporting Standard (FRS) 102.

Derby Diocesan Board of Finance Limited meets the definition of a public benefit entity under FRS 102.

The principle accounting policies and estimation techniques are as follows:

a) Income

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

i) Common Fund is recognised as income of the year in respect of which it is receivable with contributions received by 31 January in the following financial year-end explicitly relating to the period under review included as debtors.
ii) Rent receivable is recognised as income in the period in respect to which it relates.
iii) Interest and dividends are recognised as income when receivable.
iv) Grants received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
v) Grants received which are not subject to pre-conditions for entitlement specified by the donor are treated as income in the year.
vi) Parochial fees are recognised as income of the year to which they relate.
vii) Donations other than grants are recognised when receivable.
viii) Gains on disposal of fixed assets for the Board's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
ix) Stipends fund income. The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.
x) Mineral royalty receipts are uncertain, however receipts are accounted for as income when they arise.
xi) Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing.

b) Expenditure

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

i) Costs of raising funds represent costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and diocesan projects.
iii) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
iv) Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on the basis of the estimated usage of resources at Church House.

The apportionment can be summarised as follows:

Resourcing ministry and mission (95.0%), Diocesan Projects (1.5%), Synodical Governance (3.5%)

v) Pension contributions. Some of the Board's staff are members of the Church Workers Pension Fund Pension Builder 2014 Scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 25). The pension costs charged as resources expended represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Board participates are accrued at current value in creditors distinguished between contributions falling due within one year and those falling due after more than one year.

c) Tangible fixed assets and depreciation

Freehold & leasehold houses and houses subject to value-linked loan

The primary purpose of residential property held in the benefice houses fund and as corporate houses is to house ministers and all such properties are held as functional fixed assets. Residential property is not held for investment purposes i.e. to generate an income or for capital gain.

Freehold houses and houses subject to value-linked loan are shown at cost, or deemed cost, where historic cost values are not readily available.

Where the Board acquires property on its own account, the expenditure is capitalised. Gains or losses arising from sales of corporate property are dealt with through the designated fund (corporate properties fund).

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not more than the recoverable amount.

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value. Glebe agricultural land was valued as at 31 December 2022 by Savills, Chartered Surveyors, who manage the portfolio. For allotments and other small miscellaneous holdings, a valuation is provided by the Assistant Secretary (Property) (an employee of the Derby Diocesan Board of Finance Limited).

The fair value of a quarry was valued as at 31 December 2022 by Coke Turner & Co, Mineral Surveyors, who act as agents for the Board, based on the rent and royalty income streams likely to be achieved over the remaining term of the lease.

Parsonage houses

The Board has followed the requirements of FRS 102, in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. Parsonage houses are carried at their deemed or historical cost.

d) Other tangible fixed assets

No provision for depreciation is provided in respect of Church House, as it is fully maintained with a view to ensuring that the total residual value is not less than the amount stated in the financial statements. Accordingly, any depreciation would be immaterial.

Depreciation on office equipment is calculated to write off the cost of each asset over its expected useful life by equal annual instalments at the rates below, (% p.a. on cost). Items costing less than £1,000 are not capitalised.

Computer hardware and software	33⅓%	straight line
Furniture & fittings	10%	straight line
Other office equipment	20%	straight line

e) Other accounting policies

i) Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

ii) Leases. The Board has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.

f) Fund balances

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

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

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the note 31 to the financial statements.

g) Financial instruments

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

h) Going concern

The Board have considered the continuing impact of COVID-19 and the global energy crisi on the charitable company’s income and operating cost base. The Board are confident that they have in place plans to deal with potential future financial impact that may arise, as provided for when setting the 2023 budget.

The Board have prepared forecasts of income and expenditure and cash flow for the period to 31 December 2024 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary. The Board therefore continue to adopt the going concern basis of preparation for these financial statements

i) Employee Benefits

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

j) Debtors

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

k) Creditors & Provisions

Creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Any losses arising from impairment are recognised in expenditure.

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

l) Critical Accounting Estimates & Assumptions

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

The present values of Church of England Funded Pension Scheme depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liability**.**

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

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
	£	£	£	£	£
2. Donations					
Common Fund					
The majority of donations are collected from the parishes of the diocese through the Common Fund system.					
Derbyshire Peak & Dales Archdeaconry	1,407,188	-	-	**1,407,188**	1,451,419
East Derbyshire Archdeaconry	1,441,432	-	-	**1,441,432**	1,426,402
Derby City & South Derbyshire Archdeaconry	1,119,013	-	-	**1,119,013**	1,063,131
	3,967,633	-	-	**3,967,633**	3,940,952
Other receipts	42,833	-	-	**42,833**	52,617
Receipts for previous years	45,908	-	-	**45,908**	17,433
	4,056,374	**-**	**-**	**4,056,374**	4,011,002
Total Common Fund receipts represent 70.9% of the amount allocated (2021 - 71.5%).					
Archbishops' Council					
Selective allocation	1,482,074	-	-	**1,482,074**	1,547,214
Restructure Funding	-	30,766	-	**30,766**	63,523
Strategic Ministry Funding	-	298,501	-	**298,501**	118,197
Strategic Capacity & Giving Advisor Funding	-	36,808	-	**36,808**	-
Energy Grants	-	398,000	-	**398,000**	-
	1,482,074	**764,075**	**-**	**2,246,149**	1,728,934
Other donations					
Allchurches Trust grant	136,000	-	-	**136,000**	137,000
Legacy income	1,000	-	-	**1,000**	37,892
Other donations and grants	91,546	-	-	**91,546**	193,098
	228,546	**-**	**-**	**228,546**	367,990
3. Charitable activities					
Statutory fees	382,489	-	-	**382,489**	326,280
Other contributions and income	97,280	123	-	**97,403**	147,432
Sale of publications	-	-	-	**-**	364
	479,769	**123**	**-**	**479,892**	474,076
4. Other activities					
Rental income	489,489	-	-	**489,489**	382,891
	489,489	**-**	**-**	**489,489**	382,891
5. Investments					
Dividends receivable					
Central Board of Finance Investment Funds	947,881	215,013	-	**1,162,894**	1,127,043
Central Board of Finance Property Funds	289,407	71,075	-	**360,482**	360,482
Central Board of Finance Global Equity Funds	150,733	-	-	**150,733**	147,714
Interest on cash deposits					
CBF & Other Deposit Funds	78,524	34,370	-	**112,894**	3,715
National Westminster Bank	1,770	-	-	**1,770**	138
Rents receivable (glebe land and buildings)	147,335	-	-	**147,335**	112,836
	1,615,650	**320,458**	**-**	**1,936,108**	1,751,928
6. Other income					
Gain on disposal of physical assets	-	-	-	**-**	1,140,136
Glebe Mineral Royalties and Land Income	-	-	263,211	**263,211**	322,575
Lichfield Trust receipt	12,070	-	-	**12,070**	10,537
Coronavirus Job Retention Scheme Grant	-	-	-	**-**	711
	12,070	**-**	**263,211**	**275,281**	1,473,959
Total income and endowments	**8,363,972**	**1,084,656**	**263,211**	**9,711,839**	10,190,780

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
	£	£	£	£	£
7. Fund raising costs					
Glebe land agents' fees and other expenses	199,283	-	-	**199,283**	68,103
Other agents' commission and expenditure	83,127	-	-	**83,127**	61,128
	282,410	**-**	**-**	**282,410**	129,231
8. Charitable activities					
Contributions to Archbishops' Council					
Training for ministry	211,618	-	-	**211,618**	211,619
National Church responsibilities	156,306	-	-	**156,306**	175,434
Retired clergy housing costs (CHARM)	79,825	-	-	**79,825**	77,878
Pooling of ordinand candidates' costs	(36,535)	-	-	**(36,535)**	22,319
	411,214	**-**	**-**	**411,214**	487,250
Resourcing Ministry & Mission					
Parish ministry					
Stipends, salaries, national insurance and apprenticeship levy	3,156,405	451,352	-	**3,607,757**	3,769,836
Pension contributions	1,020,593	7,775	-	**1,028,368**	1,055,903
Housing costs	999,990	232,868	-	**1,232,858**	1,331,926
Removal, resettlement and other expenses	220,585	-	-	**220,585**	197,583
	5,397,573	**691,995**	**-**	**6,089,568**	6,355,248
Support for parish ministry	2,056,142	87,630	-	**2,143,772**	2,091,425
	7,453,715	**779,625**	**-**	**8,233,340**	8,446,673
Expenditure on Education & Diocesan Projects					
Diocesan Board of Education	277,420	-	-	**277,420**	327,898
Derby Cathedral	19,438	-	-	**19,438**	18,530
Church of North India Partnership	750	-	-	**750**	750
Clergy Widows & Orphans	-	7,000	-	**7,000**	6,605
Diocesan projects	-	6,205	-	**6,205**	-
Parishes (including energy grants in 2022)	72,500	248,579	-	**321,079**	27,849
Partner Organisations (clergy energy grants in 2022)	46,000	55,000	-	**101,000**	-
	416,108	**316,784**	**-**	**732,892**	381,632
Total charitable activities	**8,281,037**	**1,096,409**	**-**	**9,377,446**	9,315,555
9. Other expenditure					
Loss on disposal of properties	-	-	-	**-**	1,091
	-	**-**	**-**	**-**	**1,091**
Clergy Pension Scheme Movement (Note 25)	-	-	(94,000)	**(94,000)**	(27,000)
	-	**-**	**(94,000)**	**(94,000)**	**(27,000)**
Total expenditure	**8,563,447**	**1,096,409**	**(94,000)**	**9,565,856**	**9,418,877**

10. Analysis of expenditure (including allocation of support costs)

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs 2022	Total costs 2021
	£	£	£	£	£
Raising Funds	282,410	-	-	**282,410**	129,231
Charitable activities					
Contributions to Archbishops' Council	-	411,214	-	**411,214**	487,250
Resourcing Ministry & Mission	7,490,781	298,987	443,572	**8,233,340**	8,446,673
Board of Education & Diocesan Projects	-	726,137	6,755	**732,892**	381,632
Clergy Pension Scheme Movement	(94,000)	-	-	**(94,000)**	(27,000)
Other Resources Expended	-	-	-	**-**	1,091
	7,679,191	**1,436,338**	**450,327**	**9,565,856**	9,418,877
2021 comparison	*7,729,636*	*1,257,934*	*431,307*	*9,418,877*	

11. Analysis of support costs

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
	General	Designated				
	£	£	£	£	£	£
Central Administration	382,150	-	-	-	**382,150**	365,927
Support for education & diocesan projects	6,755	-	-	-	**6,755**	6,470
Governance:						
External audit	23,288	-	-	-	**23,288**	20,140
Registrar and Chancellor	22,373	-	-	-	**22,373**	23,779
Synodical costs	15,761	-	-	-	**15,761**	14,991
	450,327	**-**	**-**	**-**	**450,327**	431,307

12. Analysis of grants made

	Grants to individuals	Grants to institutions	Total Grants 2022	Total Grants 2021
	£	£	£	£
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council	-	411,214	**411,214**	487,250
From unrestricted funds:				
Removal, resettlement & first appointment grants	115,023	-	**115,023**	110,218
Ordinands in training	183,964	-	**183,964**	278,834
Derby Diocesan Board of Education	-	277,420	**277,420**	327,898
Derby Cathedral Chapter	-	19,438	**19,438**	18,530
Church of North India Partnership	-	750	**750**	750
Parishes	-	72,500	**72,500**	27,849
Restricted income funds				
Clergy Widows & Orphans	-	7,000	**7,000**	6,605
Energy Grants	-	248,579	**248,579**	-
	298,987	**1,036,901**	**1,335,888**	1,257,934

Significant Grants to Institutions:

Archbishops Council - to support; national training for Ministry; responsibilities of the National Church; grants and provisions made by the National Church; Inter-diocesan support for clergy pension contributions; and housing assistance for retired ministry

Derby Diocese Board of Education - to support the DDBE vision of 'offering our children and young people life in all of its fullness' by; Growing - providing experiences rooted in faith, hope and love; Building Connections - valuing contributions to the community; Learning - pursuing the highest academic standards; and Healthy - providing safe places of welcome & belonging.

13 Staff costs

Employee costs during the year were as follows:

	2022	2021
	£	£
Wages & salaries	1,214,580	1,092,963
National insurance contributions	116,203	104,887
Pension costs:		
Church of England Funded Pensions Scheme	46,709	39,481
Church Workers Pension Fund Pension Builder 2014 Scheme	82,838	82,857
Other defined contribution pension schemes	8,683	8,400
	1,469,013	1,328,588

The average number of persons employed by the Board during the year:

	2022	2021
	Number	Number
Administration, property and financial management	12	13
Discipleship, Mission & Ministry (including Vocations)	13	12
Human resources, safeguarding & communications	10	10
Parochial, Deanery & Other	10	9
	45	44

Average number of persons employed by the Board during the year based on full-time equivalents:

	2022	2021
	Full-time equivalent	Full-time equivalent
Administration, property and financial management	10.3	11.3
Discipleship, Mission & Ministry (including Vocations)	10.4	9.0
Human resources, safeguarding & communications	8.0	7.6
Parochial, Deanery & Other	5.5	4.8
	34.2	32.7

The number of staff whose total emoluments (salary plus taxable benefits excluding pension contributions) exceeded £60,000 during the year :

	2022	2021
	(Number)	(Number)
£60,001 - £70,000	**2**	1
£70,001 - £80,000	**-**	1

Pension payments of £15,571 (2021 £17,436) were made for these employees.

Remuneration of key management personnel

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

Remuneration, employer's National Insurance contributions and employer's pension contributions for these employees amounted to £384,101 (2021 £367,338).

During 2022, a settlement agreement totalling £31,811 (2021 £55,175) was made in respect of termination of duties of key management personnel.

14 Trustees' emoluments

None of the trustees received any emoluments from the Board of Finance in respect of services performed as trustees (2021 - £nil). During the year 9 trustees claimed reimbursement for travel or out of pocket expenses totalling £406 (2021 - no trustees claimed expenses).

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

	Stipend	Housing
The Venerable Carol Coslett	Yes	Yes
The Revd K Hamblin	Yes	Yes
The Revd J Hollywell	Yes	Yes
The Right Revd WM Macnaugton	No	Yes
The Revd J Page	Yes	Yes
The Revd B J Stober	Yes	Yes
The Venerable Matthew Trick	Yes	Yes
The Revd P Walley	Yes	Yes

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

The Board paid an average of 117.3 fte (2021 – 122.4 fte) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2022	2021
	£	£
Stipends	3,314,860	3,465,854
National insurance contributions and apprenticship levy	292,897	287,593
Pension costs (including deficit funding)	1,160,368	1,286,904
	4,768,125	5,040,351

The stipends of Bishops are paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishop are funded by the Church Commissioners and from 1 April 2022 are in the range £38,050 - £46,640 (1 April 2021 range, £37,670 - £46,560). The annual rate of stipend, funded by the Board, paid from 1 April 2022 to Archdeacons was in the range £37,198 - £38,633 (1 April 2021 range, £36,830 - £38,250) and other clergy who were Trustees were paid in the range £25,518 - £28,205 (1 April 2021 range, £25,265 - £27,650). The estimated value of church provided housing in 2022 was an average of £10,510 (2021 £10,882).

15. Analysis of transfers between funds

	Unrestricted funds	**Restricted funds**	**Endowment funds**	**Total 2022**
	£	**£**	**£**	**£**
Transfer to/(from):				
Benefice House transfer to Corporate Property	-	-	-	**-**
Corporate Property transfer to Benefice Housing	-	-	-	**-**
Diocesan Pastoral Account to purchase corporate houses	404,321	(404,321)	-	**-**
Benefice house sale proceeds to Diocesan Pastoral Account	-	-	-	**-**
Corporate Property sales to Diocesan Pastoral Account	-	-	-	**-**
Clergy pension scheme costs transfered to Stipends Fund Capital	(132,000)	-	132,000	**-**
	272,321	**(404,321)**	**132,000**	**-**

16. Tangible fixed assets

	Benefice houses	Freehold houses Glebe	Freehold houses Corporate	Leasehold houses Corporate	Church House Corporate	Office Equipment	**Total**
	£	£	£	£	£	£	**£**
Cost or deemed cost							
At 1 January 2022 (restated)	21,520,577	170,000	8,563,776	309,478	630,000	110,641	**31,304,472**
Additions	-	-	404,321	-	-	5,052	**409,373**
Transfers	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	**-**
Revalued	-	-	-	-	-	-	**-**
At 31 December 2022	**21,520,577**	**170,000**	**8,968,097**	**309,478**	**630,000**	**115,693**	**31,713,845**
Depreciation							
At 1 January 2022	-	-	-	-	-	86,675	**86,675**
Charge for the year	-	-	-	-	-	12,458	**12,458**
Disposals	-	-	-	-	-	-	**-**
At 31 December 2022	**-**	**-**	**-**	**-**	**-**	**99,133**	**99,133**
Net book value							
At 31 December 2022	**21,520,577**	**170,000**	**8,968,097**	**309,478**	**630,000**	**16,560**	**31,614,712**
Number of houses	**134**	**3**	**38**	**1**			**176**
At 31 December 2021 (restated	21,520,577	170,000	8,563,776	309,478	630,000	23,966	30,965,452
Number of houses (restated)	134	3	37	1			175

All the above assets are used for charitable purposes. In the opinion of the Directors the carrying value of land and buildings is less than the total market value. Church House includes the Diocesan Office and was revalued in 2021, by Milner Commercial Chartered Surveyors.

17. Fixed asset investments

	2022	2021 restated
	£	£
Investment securities within the United Kingdom (market value)		
At 1 January 2022	**58,690,255**	51,260,493
Additions at cost	**-**	-
Disposals	**-**	-
Unrealised gains/(losses)	**(7,045,113)**	7,429,762
At 31 December 2022	**51,645,142**	58,690,255
Investment properties (market value)		
At 1 January 2022	**7,568,230**	7,768,230
Additions at cost	**-**	-
Disposals	**(229,000)**	-
Unrealised gains/(losses)	**411,412**	(200,000)
Treated as 'Held for Sale'	**-**	-
At 31 December 2022	**7,750,642**	7,568,230
Total fixed asset investments within the United Kingdom	**59,395,784**	66,258,485

Securities: Gains/(Losses) : Unrestricted (£1,286,252) [2021: £1,367,562], Restricted (£539,738) [2021: £573,981], Endowment (£5,219,123) [2021: £5,488,219]
Properties: Gains/(Losses) : Endowment £429,412 [2021: (£200,000)]

Receipts on disposals of investment properties equated to £7,137,973 (Book value £229,000)

17. Fixed asset investments (continued)

	2022		2021	
	£	£	£	£
	Cost	**Market value**	Cost	Market value
Unlisted investment securities				
CCLA Central Board of Finance of the Church of England				
Investment fund income shares	**19,155,397**	**39,117,999**	19,155,397	44,337,224
Global equity fund income shares	**3,200,000**	**5,299,792**	3,200,000	6,164,946
Property fund income shares	**6,920,845**	**7,227,355**	6,920,845	8,188,085
Total investment securities	**29,276,242**	**51,645,146**	29,276,242	58,690,255
Investment properties comprise:-				
Glebe agricultural land		**7,605,900**		7,423,430
Other property		**144,742**		144,800
Total investment properties		**7,750,642**		7,568,230

Due to their nature, the historic cost of investment properties is not known.

18. Assets Held for Sale

For assets to be classified as 'Held for Sale' they must satisfy a number of conditions including the availability of immediate sale and that the sale is highly probable. To be highly probable; the organisation must be committed to a plan to sell the assets; an active programme to find a buyer must have been initiated; the asset must be actively marketed for sale at a price reasonable to its current fair value; the sale is expected to be completed within 1 year from the date of classification, and significant changes to the plan should be unlikely.
Assets held for sale remain as fixed assets under FRS102.

At 31 December 2022, there were no assets classified as 'Held for Sale, with a book value of £nil (2021: 4 plots of land with a book value of £2

19. Debtors

	2022	2021
	£	£
Amounts due from PCCs (unsecured) - Common Fund	**117,127**	119,248
Amounts due from PCCs (unsecured) - Loans to Parishes	**26,732**	33,172
Other debtors and accrued income	**759,869**	598,564
Prepayments	**13,767**	14,160
Total debtors	**917,495**	765,144
Debtors comprise:		
Amounts due within one year	**814,412**	724,701
Amounts due after more than one year	**103,083**	40,443
	917,495	765,144

20. Creditors

	2022	2021
	£	£
Amounts falling due within one year		
Sundry creditors	**514,190**	563,624
Accruals	**23,250**	19,000
Church of England Funded Pension Scheme liability	**-**	139,000
	537,440	721,624
Amounts falling due after more than one year		
Church of England Funded Pension Scheme liability	**-**	87,000
Value-linked loans for houses with the Church Commissioners (see note below)	**274,938**	274,938
	274,938	361,938

Note
Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property.

21. Contingent liabilities

The Board is party to a mortgage with Derbyshire County Council totalling £20,000 (2021 - £20,000).

22. Capital commitments

Capital expenditure:

	2022	2021
	£	£
Contracted for but not provided for in the Financial Statements:		
Purchase of property	-	-
	-	-

23. Operating lease commitments

As at 31 December the Board had annual commitments under non-cancellable operating leases as set out below:

	2022	2021
	£	£
Operating leases which expire:		
Not later than 1 year	-	-
	-	-

The amount charged to the Statement of Financial Activities in 2022 was £nil (2021 - £nil).

24. Events occurring after the end of the reporting period

No events occurred after the end of the reporting period which require disclosure.

25. Pensions

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

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of Financial Reporting Standard (FRS) 102 requires the Board to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the Board. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

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

The Board participates in the Church of England Funded Pensions Scheme which is administered by the Church of England Pensions Board and holds the assets of the Scheme separately from those of the employer and other participating employers. At the end of the year the Board was paying contributions for 126 members of the Scheme (2021 - 132 members). Each participating employer in the Scheme pays contributions at a common contribution rate applied to pensionable stipends. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities (SoFA) in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

25. Pensions (continued)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2021. This 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 adjustments 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% p.a. and an allowancefor 2020 data of 0% (ie w2020 = 0%)

Following the 31 December 2018 valuation of the Scheme, a deficit recovery plan was put in place until 31 December 2022 and the deficit repair 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 stipend 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.

Percentage of pensionable stipends

	January 2018 to December 2020	**January 2021 to December 2022**
Deficit repair contributions	**11.9%**	**7.1%**

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table above.

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 is no agreed deficit recovery payments from 1 January 2023, the balance sheet liability as at 31 December 2022 is £nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

Reconciliation of balance sheet liability

	2022	**2022**	2021	2021
	£	**£**	£	£
Balance sheet liability as at 1 January 2022		**226,000**		484,000
Deficit contribution paid	**(132,000)**		(232,000)	
Interest cost (recognised in SoFA)	**-**		1,000	
Remaining change to balance sheet liability * (recognised in SoFA)	**(94,000)**	**(226,000)**	(27,000)	(258,000)
Balance sheet liability as at 31 December 2022		**-**		226,000

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

Note

Estimated amount due within one year	*0*	*139,000*
Estimated amount due after one year	*0*	*87,000*
	0	*226,000*

25. Pensions (continued)

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 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed since pensionable stipends for the remainder of the recovery plan were already known.

	2022	2021	2020	2019	2018
	%	**%**	%	%	%
Discount rate	**n/a**	0.0	0.2	1.1	2.1
Price inflation	**n/a**	n/a	3.1	2.8	3.1
Increase in total pensionable payroll	**n/a**	-1.5	1.6	1.3	1.6

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

Office holder pension contributions are shown in Note 14 and totalled £1,160,368 in 2022 (2021 £1,286,904)

Other clergy pension contributions, paid to ordained DBF staff are shown in Note 13 and totalled £46,709 in 2022 (2021 £39,481)

Church Workers Pension Fund

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Church Workers Pension Fund - Pension Builder 2014

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme.

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

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

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

Contributions made to The Church Workers Pension Schemes are shown in Note 13 and totalled £82,838 in 2022 (2021 £82,857)

Other Schemes

In addition to the Church of England Pension scheme, for those employees who have opted out of the scheme, contributions are made to individual pension schemes at the same rate.

Contributions made to opted out employees are shown in Note 13 and totalled £8,683 in 2022 (2021 £8,400)

26. Summary of fund movements

	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2022**
	£	£	£	£	£	**£**
Unrestricted income funds						
General Fund	5,217,264	6,560,709	(6,611,093)	(614,703)	56,600	**4,608,777**
Glebe funds (net of agent fees)	-	1,034,607	(1,034,607)	-	-	**-**
Designated funds						
Corporate Properties fund	9,228,316	-	-	-	404,321	**9,632,637**
Parsonages	577,411	550,548	(539,785)	(29,525)	(125,753)	**432,896**
Other designated funds	4,680,764	218,108	(377,962)	(460,054)	(62,847)	**3,998,009**
Pension reserve	-	-	-	-	-	**-**
	19,703,755	8,363,972	(8,563,447)	(1,104,282)	272,321	**18,672,319**
Restricted income funds						
Diocesan Pastoral Account	5,783,920	83,604	(211,859)	(296,582)	(404,321)	**4,954,762**
Local Mission Fund	27,445	-	(6,205)	-	-	**21,240**
Other restricted income funds	3,844,777	1,001,052	(878,345)	(425,126)	-	**3,542,358**
	9,656,142	1,084,656	(1,096,409)	(721,708)	(404,321)	**8,518,360**
Endowment funds						
Expendable endowment						
Benefice Houses	21,520,577	-	-	-	-	**21,520,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	46,657,435	357,211	-	2,763,599	132,000	**49,910,245**
Other permanent endowment funds	5,639,563	-	-	(662,337)	-	**4,977,226**
	73,817,575	357,211	-	2,101,262	132,000	**76,408,048**
Total funds	**103,177,472**	**9,805,839**	**(9,659,856)**	**275,272**	**-**	**103,598,727**

27. Summary of assets per fund at 31 December 2022

	Fixed assets		**Current**	**Creditors**	**Net**
	tangible	**investments**	**assets**		**assets**
	£	**£**	**£**	**£**	**£**
Unrestricted income funds					
General Fund	16,560	4,626,679	409,799	(444,261)	**4,608,777**
Designated funds (see note 28)					
Corporate Properties fund	9,907,575	-	-	(274,938)	**9,632,637**
Parsonages	-	390,133	135,942	(93,179)	**432,896**
Other designated funds	-	3,356,680	641,329	-	**3,998,009**
	9,924,135	8,373,492	1,187,070	(812,378)	**18,672,319**
Restricted income funds (see note 29)					
Diocesan Pastoral Account	-	2,132,279	2,822,483	-	**4,954,762**
Local Mission Fund	-	-	21,240	-	**21,240**
Other restricted income funds	-	3,187,731	354,627	-	**3,542,358**
	-	5,320,010	3,198,350	-	**8,518,360**
Endowment funds (see note 30)					
Expendable endowment funds					
Benefice Houses	21,520,577	-	-	-	**21,520,577**
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	40,738,079	9,002,166	-	**49,910,245**
Other permanent endowment funds	-	4,964,203	13,023	-	**4,977,226**
	21,690,577	45,702,282	9,015,189	-	**76,408,048**
Total funds	**31,614,712**	**59,395,784**	**13,400,609**	**(812,378)**	**103,598,727**

28. Designated funds

	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2022**
	£	£	£	£	£	**£**
Corporate Properties	9,228,316	-	-	-	404,321	**9,632,637**
Parsonages	577,411	550,548	(539,785)	(29,525)	(125,753)	**432,896**
Canon Ross Legacy	985,131	22,550	(72,500)	(100,605)	-	**834,576**
Ordinands' Support	778,578	128,093	(183,959)	(87,258)	(35,548)	**599,906**
Watts Legacy	1,172,733	30,943	(30,943)	(138,051)	-	**1,034,682**
Morley Fund	1,015,644	28,769	(1,470)	(117,879)	(27,299)	**897,765**
St Peter's Churchyard Loan Fund	462,661	7,753	-	(16,261)	-	**454,153**
Church Growth	266,017	-	(89,090)	-	-	**176,927**
Total designated funds	**14,486,491**	**768,656**	**(917,747)**	**(489,579)**	**215,721**	**14,063,542**

Corporate Properties - represents property transferred at no cost and gains less losses on the sale of corporate houses. The fund is designated for use to finance corporate property.

Parsonages - amounts transferred from unrestricted funds set aside for purposes of the Parsonages Committee.

Canon Ross Legacy - earmarked for expenditure on specific structural projects to support parish initiatives

Ordinands' Support - transfers from unrestricted funds made available for ordination candidates' support grants.

Watts Legacy - available for general purposes and designated for general income support.

Morley Fund - proceeds from the sale of Morley Retreat House set aside with a proportion of annual income to be made available for the Spirituality Group.

St Peter's Churchyard Loan Fund - sales proceeds designated for use to provide interest free loans of up to £10,000 to Parochial Church C

Church Growth - amount set aside for seed-corn funding of strategic church growth projects.

29. Restricted income funds

	As at 1 January 2022	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2022**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	5,783,920	83,604	(211,859)	(296,582)	(404,321)	**4,954,762**
Local Mission Fund	27,445	-	(6,205)	-	-	**21,240**
Capital Resources	649,503	26,022	(26,022)	(73,028)	-	**576,475**
Milligan Pension Fund	831,415	20,256	(7,000)	(84,696)	-	**759,975**
Bishop Allen Legacy	539,539	15,042	(15,042)	(62,753)	-	**476,786**
Stafford Legacy (Church Trust Fund)	521,357	80,275	(80,275)	(56,261)	-	**465,096**
Poorer Clergy Fund	416,757	10,996	(10,996)	(49,058)	-	**367,699**
Benham Legacy	279,816	7,775	(7,775)	(32,397)	-	**247,419**
Faith in Action	117,872	2,645	-	(11,799)	-	**108,718**
Board of Readers	8,158	27	-	-	-	**8,185**
Clemson Legacy	-	51,360	(51,360)	-	-	**-**
Stipends Trusts	-	10,221	(10,221)	-	-	**-**
Restructure Funding	-	30,766	(30,766)	-	-	**-**
Strategic Ministry, Capacity and Living Generou	-	335,309	(335,309)	-	-	**-**
Energy grants	-	398,000	(303,579)	-	-	**94,421**
Convent of St Laurence	480,360	12,358	-	(55,134)	-	**437,584**
Total restricted income funds	**9,656,142**	**1,084,656**	**(1,096,409)**	**(721,708)**	**(404,321)**	**8,518,360**

Diocesan Pastoral Account - represents the proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983. Parsonage house improvements are funded from the sale proceeds of redundant parsonage houses through the Diocesan Pastoral Account. Property purchases and sales are applied against this fund.

Local Mission Fund - Parish Mission Funding made available by the Archbishops' Council for "the additional provision for the cure of souls in parishes where such assistance is most required, in such a manner as shall be conducive to the efficiency of the Established Church" set aside for mission development.

Capital Resources - proceeds of sale from two former parsonage houses available for property expenditure.

Milligan Pension Fund - for clergy pensions and retired clergy.

29. Restricted income funds (continued)

Bishop Allen Legacy - for clergy welfare, ordination training, new halls and church repair.
Stafford Legacy (Church Trust Fund) - available for such charitable purposes as the Board in its absolute discretion shall decide.
Poorer Clergy Fund - available for stipend support.
Benham Legacy - available for clergy pension contribution support.
Faith in Action - historic balance of funds specifically available for 'social responsibility' purposes.
Board of Readers - historic balance of funds available for Readers and Reader Training.
Clemson Legacy - funds are for 'the maintenance of services' and are used to support the costs of stipendiary clergy.
Stipends Trusts - funds are made up of a number of historic trusts, the income of which is used to augment clergy stipends.
Restructure Funding - funds received from Church Commissioners to fund Parish Support strategic resilience programmes
Strategic Ministry, Capacity and Living Generously - grants to support additional curates, DDBF staff and the Living Generously Advisor.
Energy Grants - received from Archbishops Council to support clergy and parishes with rising energy costs
Convent of St Laurence - residual sale proceeds to be used for promotion of the spiritual life of the diocese, care of the elderly and other mission-orientated projects

30. Endowment funds

	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2022**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	21,520,577	-	-	-	-	**21,520,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	46,657,435	357,211	-	2,763,599	132,000	**49,910,245**
Stafford Legacy (Church Trust Fund)	2,646,715	-	-	(310,089)	-	**2,336,626**
Clemson Legacy Fund	1,946,506	-	-	(229,136)	-	**1,717,370**
Parsonages	518,759	-	-	(61,066)	-	**457,693**
Stipends Trusts	387,354	-	-	(45,598)	-	**341,756**
Partington Legacy	140,229	-	-	(16,448)	-	**123,781**
	73,817,575	**357,211**	**-**	**2,101,262**	**132,000**	**76,408,048**

Benefice Houses - represents the book value of parsonage houses at the balance sheet date. These houses are used to provide accommodation for ministers. The Board is not free to dispose of the houses except in accordance with appropriate measures.

Stipends Fund Capital (Glebe funds) - represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The fund generates income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.

Stafford Legacy (Church Trust Fund) - capital to be held as permanent endowment with income at the discretion of the Board.

Clemson Legacy fund - funds are for 'the maintenance of services' and income is used to support the costs of stipendiary clergy.

Parsonages - represents permanent endowment of the Parsonages Committee with income used to finance the repair and maintenance of parsonage houses.

Stipends Trusts - historic permanent endowment trusts with income for stipends.

Partington Legacy - funds are for 'general religious purposes' and annual income is mandated directly to unrestricted funds.

Comparative Fund Notes for the prior year are shown in Note 34.

31. Funds held as custodian trustee on behalf of others

The Board holds investments on behalf of Parochial Church Councils (PCCs) and others as custodian trustee. Each year an annual statement of financial investments held by the Board in its capacity as custodian trustee is made available to PCCs. The market value of investments held on behalf of PCCs and others is £2.7million (2021 - market value £3.1million), and all such investments are held separately from those of the Board. Historic cost figures are not available.

Financial investments held by the Board, in its capacity as custodian trustee, are broken down as follows:

	2022	2021
	£	£
CCLA Investment Management Ltd		
Central Board of Finance of the Church of England Funds:		
Investment fund income shares	**2,424,639**	2,777,134
Investment fund accumulation shares	**-**	-
Fixed Interest Securities Fund income shares	**58,920**	81,123
Deposit Fund	**72,344**	75,031
COIF Charities Funds:		
Investment fund income shares	**106,153**	120,121
Investment fund accumulation shares	**50,108**	55,062
Other common investment fund holdings	**1,078**	1,358
	2,713,242	3,109,829

32. Related party transactions & controlling parties

Diocesan governance is by Diocesan Synod, elected from both clergy and laity under the leadership of the Diocesan Bishop, who is appointed by the Church of England nationally.

The Board pays an annual grant to the Derby Diocesan Board of Education for salary and operating costs (see Note 12). The Rt Revd L Lane, The Rt Rev M McNaughton, The Venerable Archdeacon of Derbyshire Peak & Dales (Carol Coslett) and Canon J Cooper, were directors of both companies during the year.

Canon M Titterton, Executive Chairman and director of the Board, is also a member of Derby Cathedral Chapter (see Note 12 for payment of grant to Derby Cathedral Chapter).

The Board paid the following amounts to related parties in year:

Derby Cathedral £19,438 (2021 - £18,530) - in recognition of the place of the cathedral at the heart of the diocese

Derby Diocesan Board of Education £277,420 (2021 - £327,898) - to support the Diocese through the mission of the Board of Education

Bishop of Derby £151,000 (2021 - £50,000) - for distribution of grants to clergy for energy support and annual budgeted discretionary support

The Board was owed the following amounts from related parties as at 31 December 2022:

Derby Cathedral £nil (2021 - £nil)

Derby Diocesan Board of Education £nil (2021 - £8,030)

Bishop of Derby £35,564 (2021 £nil)

33. Prior year comparative Statement of Financial Activities for 2021 (restated)

	Unrestricted funds	Restricted funds	Endowment funds	**Total funds 2021**
	£	£	£	**£**
Income and endowments from:				
Donations				
Common Fund	4,011,002	-	-	**4,011,002**
Archbishops' Council	1,547,214	181,720	-	**1,728,934**
Other donations	367,990	-	-	**367,990**
Charitable activities	469,076	5,000	-	**474,076**
Other activities	382,891	-	-	**382,891**
Investment income	1,471,127	280,801	-	**1,751,928**
Other income	25,204	-	1,448,755	**1,473,959**
Total income and endowments	8,274,504	467,521	1,448,755	**10,190,780**
Expenditure on:				
Raising funds	129,231	-	-	**129,231**
Charitable activities	8,774,143	541,412	-	**9,315,555**
Clergy Pension Scheme Movement	-	-	(27,000)	**(27,000)**
Other expenditure	1,091	-	-	**1,091**
Total expenditure	8,904,465	541,412	(27,000)	**9,418,877**
Net income/(expenditure) before investment gains and losses	(629,961)	(73,891)	1,475,755	**771,903**
Net gains on investments	1,311,062	630,479	5,288,218	**7,229,759**
Net income for the year	681,101	556,588	6,763,973	**8,001,662**
Transfers between funds	(2,086,599)	2,000,180	86,419	**-**
Other recognised gains/(losses)				
Net gains/(losses) on revaluation of fixed assets	(6,254)	-	-	**(6,254)**
Net movement in funds	(1,411,752)	2,556,768	6,850,392	**7,995,408**
Reconciliation of funds				
Total funds as at 1 January 2021	21,115,507	7,099,374	66,967,183	**95,182,064**
Total funds at 31 December 2021	19,703,755	9,656,142	73,817,575	**103,177,472**

34. Prior year comparative funds notes for 2021

Summary of fund movements 2021 (restated)

	As at 1 Jan 21	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 Dec 21**
	£	£	£	£	£	**£**
Unrestricted income funds						
General Fund	4,893,382	6,370,520	(6,702,585)	710,934	(54,987)	**5,217,264**
Glebe funds (net of agent fees)	-	1,103,697	(1,103,697)	-	-	**-**
Designated funds						
Corporate Properties fund	11,077,304	13,956	(1,091)	(6,254)	(1,855,599)	**9,228,316**
Parsonages	804,704	442,079	(652,937)	105,403	(121,838)	**577,411**
Other designated funds	4,340,117	344,252	(444,155)	494,725	(54,175)	**4,680,764**
Pension reserve	-	-	-	-	-	**-**
	21,115,507	8,274,504	(8,904,465)	1,304,808	(2,086,599)	**19,703,755**
Restricted income funds						
Diocesan Pastoral Account	3,709,374	60,426	(164,516)	178,456	2,000,180	**5,783,920**
Local Mission Fund	22,445	5,000	-	-	-	**27,445**
Other restricted income funds	3,367,555	402,095	(376,896)	452,023	-	**3,844,777**
	7,099,374	467,521	(541,412)	630,479	2,000,180	**9,656,142**
Endowment funds						
Expendable endowment						
Benefice Houses	20,538,978	1,126,180	-	-	(144,581)	**21,520,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	41,492,808	322,575	27,000	4,584,052	231,000	**46,657,435**
Other permanent endowment funds	4,935,397	-	-	704,166	-	**5,639,563**
	66,967,183	1,448,755	27,000	5,288,218	86,419	**73,817,575**
Total funds	**95,182,064**	**10,190,780**	**(9,418,877)**	**7,223,505**	**-**	**103,177,472**

Comparative summary of assets per fund at 31 December 2021 (restated)

	Fixed assets		**Current**	**Creditors**	**Net Assets**
	tangible	**investments**	**assets**		
	£	**£**	**£**	**£**	**£**
Unrestricted income funds					
General Fund	23,966	5,003,623	542,002	(352,327)	**5,217,264**
Designated funds					
Corporate Properties fund	9,503,254	-	-	(274,938)	**9,228,316**
Parsonages	-	566,003	241,705	(230,297)	**577,411**
Other designated funds	-	3,908,148	772,616	-	**4,680,764**
	9,527,220	9,477,774	1,556,323	(857,562)	**19,703,755**
Restricted income funds					
Diocesan Pastoral Account	-	2,428,861	3,355,059	-	**5,783,920**
Local Mission Fund	-	-	27,445	-	**27,445**
Other restricted income funds	-	3,612,857	231,920	-	**3,844,777**
	-	6,041,718	3,614,424	-	**9,656,142**
Endowment funds					
Expendable endowment funds					
Benefice Houses	21,520,577	-	-	-	**21,520,577**
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	45,112,453	1,600,982	(226,000)	**46,657,435**
Other permanent endowment funds	-	5,626,540	13,023	-	**5,639,563**
	21,690,577	50,738,993	1,614,005	(226,000)	**73,817,575**
Total funds	**31,217,797**	**66,258,485**	**6,784,752**	**(1,083,562)**	**103,177,472**

Designated funds (2021 - restated)

	As at 1 Jan 21	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 Dec 21**
	£	£	£	£	£	**£**
Corporate Properties	11,077,304	13,956	(1,091)	(6,254)	(1,855,599)	**9,228,316**
Parsonages	804,704	442,079	(652,937)	105,403	(121,838)	**577,411**
Canon Ross Legacy	884,128	21,893	(27,849)	106,959	-	**985,131**
Ordinands' Support	725,067	263,573	(278,836)	98,385	(29,611)	**778,578**
Watts Legacy	1,025,964	30,042	(30,042)	146,769	-	**1,172,733**
Morley Fund	890,320	25,784	(1,220)	125,324	(24,564)	**1,015,644**
St Peter's Churchyard Loan Fund	442,413	2,960	-	17,288	-	**462,661**
Church Growth	372,225	-	(106,208)	-	-	**266,017**
Total designated funds	**16,222,125**	**800,287**	**(1,098,183)**	**593,874**	**(2,031,612)**	**14,486,491**

Restricted income funds (2021)

	As at 1 Jan 21	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 Dec 21**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	3,709,374	60,426	(164,516)	178,456	2,000,180	**5,783,920**
Local Mission Fund	22,445	5,000	-	-	-	**27,445**
Capital Resources	571,821	24,092	(24,092)	77,682	-	**649,503**
Milligan Pension Fund	729,480	18,495	(6,605)	90,045	-	**831,415**
Bishop Allen Legacy	472,823	13,706	(13,706)	66,716	-	**539,539**
Stafford Legacy (Church Trust Fund)	462,802	71,975	(73,234)	59,814	-	**521,357**
Poorer Clergy Fund	364,601	10,676	(10,676)	52,156	-	**416,757**
Benham Legacy	245,373	7,076	(7,076)	34,443	-	**279,816**
Faith in Action	102,759	2,568	-	12,545	-	**117,872**
Board of Readers	8,156	2	-	-	-	**8,158**
Clemson Legacy	-	49,864	(49,864)	-	-	**-**
Stipends Trusts	-	9,923	(9,923)	-	-	**-**
Restructure Funding	-	63,523	(63,523)	-	-	**-**
Strategic Ministry, Capacity and Living Generously	-	118,197	(118,197)	-	-	**-**
Convent of St Laurence	409,740	11,998	-	58,622	-	**480,360**
Total restricted income funds	**7,099,374**	**467,521**	**(541,412)**	**630,479**	**2,000,180**	**9,656,142**

Endowment funds (2021 - restated)

	As at 1 Jan 21	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 Dec 21**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	20,538,978	1,126,180	-	-	(144,581)	**21,520,577**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	41,492,808	322,575	27,000	4,584,052	231,000	**46,657,435**
Stafford Legacy (Church Trust Fund)	2,317,043	-	-	329,672	-	**2,646,715**
Clemson Legacy Fund	1,702,899	-	-	243,607	-	**1,946,506**
Parsonages	453,836	-	-	64,923	-	**518,759**
Stipends Trusts	338,876	-	-	48,478	-	**387,354**
Partington Legacy	122,743	-	-	17,486	-	**140,229**
	66,967,183	**1,448,755**	**27,000**	**5,288,218**	**86,419**	**73,817,575**

35. Prior Year Adjustment

The following adjustments have been made to the prior year comparative figures:

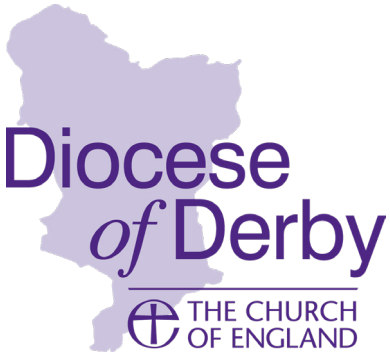
1. Transfer of assets held for sale back into investment properties in line with FRS102
2. Transfer of Corporate Properties to Benefice Houses in previous years (3 properties)

Note that there is no overall effect on the 2021 SOFA or total fund balances of these restatements

	2021
1. Assets held for sale	
Previous balance on investments	66,011,485
Add back transfer from assets held for sale	247,000
Restated balance	66,258,485
Previous balance on assets held for sale	247,000
Add transfer to investment	-247,000
Restated balance	0
2. Transfer of corporate properties to Benefice Houses	
Previous balance on Corporate Properties	10,613,915
Less Transfer to Benefice Houses	(1,385,599)
Restated balance	**9,228,316**
Previous balance on Benefice Houses	20,134,978
Add Transfer from Corporate Properties	1,385,599
Restated balance	**21,520,577**
Previous balance on Designated funds	15,872,090
Less Transfer to Benefice Houses	(1,385,599)
Restated balance	**14,486,491**
Previous balance on Endowment Funds	72,431,976
Add Transfer from Corporate Properties	1,385,599
Restated balance	**73,817,575**

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Transformed Lives | Growing Church | Building Community
THE KINGDOM OF GOD - GOOD NEWS FOR ALL

THE DERBY DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 249767

Accounts

Diocese of Derby

Annual Report and Financial Statements 2021









DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
Annual Report & Financial Statements for the year ended 31 December 2021

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ADMINISTRATIVE DETAILS

Derby Diocesan Board of Finance Limited (The) is a Charitable Trust Company Limited by Guarantee and not having a share capital. (Company No 229700 England, Registered Charity No 249767). Membership of the Board consists of those members of Derby Diocesan Synod who are not employed by the Board.

President:	The Bishop of Derby - The Right Reverend Libby Lane
Registered Office:	Church House, Full Street, Derby DE1 3DR
Telephone:	01332 388650
Email:	finance@derby.anglican.org
Website:	www.derby.anglican.org

For a list of direct dial telephone extensions see the diocesan website.

Bishop's Council & Standing Committee of Diocesan Synod

(Being the financial executive of the Diocesan Synod and the Board of Directors of the Board of Finance)

The trustees (for the purpose of charity law) and directors (for the purpose of company law) during the year and as at the date of signing were as follows:

Chair

The Right Reverend Libby Lane – The Bishop of Derby

Ex-Officio

- The Right Reverend the Bishop of Repton – The Rt Revd Malcolm Macnaughton (from 18 April 2021)
- The Venerable Archdeacon of Chesterfield – The Ven Carol Coslett
- The Acting Archdeacon of Derby – The Revd Canon Peter Walley
- The Dean of Derby – The Very Revd Dr Peter Robinson
- The Chair of the House of Clergy of the Diocesan Synod – The Revd Canon Julian Hollywell
- The Chair of the House of Laity of the Diocesan Synod – Mrs Christine McMullen
- The Executive Chair of the Board of Finance - Canon Mark Titterton
- The Chair of the Diocesan Board of Education – The Ven Carol Coslett (to 21 June 2021), The Rt Revd Malcolm Macnaughton (from 22 June 2021)

Elected by Derby Diocesan Synod - two clergy members from each Archdeaconry and nine lay members, with at least three from each Archdeaconry.

Clergy

Chesterfield Archdeaconry (2)

- The Revd D Ballard (to 12 October 2021)
- The Revd C Pearson (to 5 June 2021)
- The Revd Canon K Hamblin (from 4 November 2021)
- Vacancy (from 13 October 2021)

Derby Archdeaconry (2)

- The Revd J Page (from 22 November 2021)
- The Revd BJ Stober
- The Revd Dr J Ward (to 12 October 2021)

Laity

Chesterfield Archdeaconry (at least 3)

- Mr A Collie (to 12 October 2021)
- Canon J Cooper
- Mr J Gascoyne (to 12 October 2021)
- Miss H Hawkins (to 12 October 2021)
- Canon C Holmes-Elener (to 12 October 2021)
- Mr P Kelsey (from 13 October 2021)
- Mrs Christine McMullen (from 13 October 2021)

Derby Archdeaconry (at least 3)

- Mrs M Goddard
- The Honourable Mr D Legh (from 1 November 2021)
- Mr B Martin (from 1 November 2021)
- Mr B Parker
- Mr P Vincent
- Mr J Whiten

Principal Officers

- Diocesan Secretary: K Godfrey (from 1 December 2021)
- Diocesan Secretary: R Morris (to 28 February 2021)
- Acting Diocesan Secretary: M Marples (to 30 November 2021)
- Head of Finance: M Marples
- Director of Discipleship, Mission & Ministry: Revd Canon M Barnes
- Head of Property: G Webster
- Diocesan Safeguarding Advisor: H Hogg
- HR Manager: M Francis

Advisers

Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance: N Waldron BA TEP (to 30 September 2021)
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance: I Blaney M.A. LL.B. LL.M. (from 1 October 2021)

Bankers

National Westminster Bank, 58 St. Peter's Street, Derby, DE1 1XL

Investment Advisors

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

Solicitors

Eddowes Waldron Solicitors,12 St. Peter's Churchyard, Derby, DE1 1TZ

Insurers

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

Land Agents

Savills, 2/3 Sherbrook House, Swan Mews, Lichfield, WS13 6TU

Mineral Surveyors

Coke Turner & Co, The Millyard, Rowsley, Matlock, DE4 2EB

Auditor

BHP LLP, 2 Rutland Park, Sheffield, South Yorkshire, S10 2PD

DIOCESAN VISION 2021-2025

VISION STATEMENT

To see **transformed lives:** through **growing church** and **building community**
as an expression of **'The Kingdom of God: Good News for All'**

MISSION STATEMENT

To proclaim afresh in this generation the good news of the Kingdom

VALUES

Generous Faith, Courageous Hope, Life-giving Love

MISSIONAL AIMS

Transformed Lives: Growing Church, Building Community

Transformed Lives - A Diocese committed to equipping a church of missionary disciples, centred on Christ Jesus and shaped by Him, transforming the lives of others, living out their baptismal calling in the '5 Marks of Mission'.

Growing Church - A Diocese committed to a mixed ecology of church that is more diverse, enabling people of every age and in every context to hear the good news of Jesus, where we grow and expand worshipping and witnessing communities (including Parishes, Schools, Chaplaincy, Plants and Fresh Expressions).

Building Community - A Diocese committed to being outward facing, rooted in and connected to its communities, working in partnership and networks for the common good, with particular care for poor, outcast, and vulnerable people. A church proclaiming the good news of the Kingdom in word and action making it tangible socially, economically, environmentally and in justice.

INTRODUCTION FROM THE BISHOP OF DERBY

The Rt Revd Libby Lane



2021 was hard: already worn down from all 2020 demanded of us we faced continuing and new challenges. I want to acknowledge our shared weariness and anxiety, but also to give thanks for the examples of generous faith, courageous hope and life-giving love we have seen and shared through this past year. This annual report might seem to be far from the Kingdom of God, being about numbers, data, statistics, process, systems, and organisation. It is about those things, (and all that is itself work of the Kingdom - the Bible reminds us that administration is a spiritual gift) but this annual report also holds within it countless stories of everyday, everywhere, faith at work the length and breadth of our diocese if only we have eyes to see.

Through 2021 the Diocese of Derby, in its struggles as much as its successes, has been a signpost to and symbol of the Kingdom of God: in every parish, every congregation, every chaplaincy, every pioneer context, every school, every department of Church House - individually and together - we have been striving to 'proclaim afresh in this generation the Kingdom of God'.

So, thank you all for your faithful ministry supporting congregations and communities through 2021. As we carefully now emerge from Covid. I am inspired and encouraged by the ways our congregations, schools and worshipping communities, supported by our diocesan Officers and staff, adapt and transition, reimagining life, church, mission and community engagement. With creativity and resilience, we are transforming lives, growing church and building community and it is a privilege to partner with you in being good news to all.

As Jesus said in Luke's Gospel, "I tell you, the kingdom of God has come near".

FOREWORD

Executive Chair, Canon Mark Titterton



In many ways 2021 was a greater challenge for income than in the first year of the pandemic in 2020. Clearly common fund receipts were a real stretch for many parishes, particularly those that did not have strong, regular giving and where fund raising was traditionally a significant element of how parishes contribute to our common life as a diocese. Despite this challenge, parishes overall contributed £3,940,952 to the common fund, with the board being grateful to them, as all this income goes directly towards funding clergy stipends across the diocese. This income stream will potentially not return to pre pandemic levels without intervention, the board has therefore, with funding from National Church employed a living generously advisor who is available to assist parishes in increasing their income to improve sustainability.

Our investments once again performed well ahead of expectations, which coupled with a grant from the National Church and several stipendiary vacancies helped cushion the overall position to that of an operating loss of £629,961.

Whilst this is a pleasing performance against the agreed budget, it is not something in which we should rejoice, as we have not been able to grow the Kingdom of God in our diocese as much as we desire.

Looking forward, the board is undertaking a review of our investments with the intention of releasing an element of historically accrued interest along with a review of the common fund formula.

We welcomed Kate Godfrey as Diocesan Secretary in December who is eager to visit many parishes during the year. I would like to place on record my own personal thanks on behalf of the board to Martyn Marples, who was acting Diocesan Secretary during the vacancy.

The board exists to support the parishes and people of the diocese and I would like to add my thanks for your continued support as we look to fund and resource mission in this place.

TRUSTEES' REPORT

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

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

This combined report satisfies the legal requirements for:

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

Legal Objectives

Derby Diocesan Board of Finance Limited (The); (the Board), is a private charitable company which was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated in the UK on 16 April 1928 as a charitable company limited by membership guarantees and its governing document is the Memorandum and Articles of Association. The Board is registered in England with the Charity Commission. The registered office and number can be found on page 3.

The objects, for which the Board is established, are set out in Clause 3 of the Board's Memorandum of Association, dated April 1928. The primary object (or purpose) is to act as the financial executive of the Diocesan Synod. In addition, it is to act as the Parsonages Board for the Diocese, to act as the Diocesan Committee of the Diocese for the purposes of any Act of Parliament or Measure passed by the General Synod of the Church of England and to promote and assist the work and purposes of the Church in the Diocese and in particular to organise and provide funds in aid of the work of the Church.

The Board has the following statutory responsibilities:

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

The strategic priorities of the company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Derby (in respect of their responsibility for the provision of the cure of souls).

Objectives for the year 2021 and future plans for 2022

In terms of progression toward agreed objectives, 2021 was a successful and positive year in the DBF, in which the foundations for effective future working were set in place.

Defined objectives included:

- Sharing, shaping and embedding the diocesan vision
- Consultation and progression toward a three-archdeaconry model
- Permanent recruitment to the Diocesan Secretary position
- Replacing the outgoing Diocesan Registrar
- Return of operations to Church House as working restrictions started to ease
- Completing the PCR2 review.

Taking these objectives in reverse order, the PCR2 programme to independently review safeguarding was concluded in 2021, and the independent report presented to the Bishop at the end of year. A diocesan-wide action plan has been developed by the Diocesan Safeguarding Adviser, with an aspiration to make measurable progress by release of the national PCR2 report in May 2022. It is expected that work on PCR2 will continue throughout 2022.

Staff returned to Church House both in-year, prior to the return of winter restrictions, and substantively from early 2022. Flexible and hybrid working patterns which were successfully introduced as part of the response to Covid will be retained, together with a significantly improved digital infrastructure. A new phase of monitoring has now been initiated, as the DBF seeks to understand working expectations and challenges in the post-Covid environment, including potential impact on staff retention and availability.

Recruitment to two leadership roles within the DBF was successfully carried through. Following the retirement of Nadine Waldron, who had been Diocesan Registrar for 17 years, a recruitment process was completed and Ian Blaney, of Lee Bolton Monier-Williams (LBMW) appointed from 1 October 2021.

Following a national recruitment drive, Kate Godfrey was appointed as Diocesan Secretary in December 2021, and brings significant additional operational and strategic capacity to the diocese's work.

Following completion of his fourteen-month appointment as Interim Diocesan Secretary, our grateful thanks go to Head of Finance, Martyn Marples. In 2022 Martyn Marples will continue to strategically support the DBF to ensure improved operational resilience and leadership capacity.

Lastly, and most importantly, 2021 saw the completion of significant structural and foundational work designed to secure our ability to work toward strategic objectives. Throughout the late summer and autumn, work continued as part of the sharing of the diocesan vision.

The Bishop carried out deanery visits across the diocese, supporting churches with practical opportunities to design mission in their localities. Additional resources to support clergy and laity in implementing the vision were provided to the Discipleship, Mission and Ministry Team, and included appointments to the new roles of Ordained Ministry Development Office and Lay Ministry Development Officer.

An important change at the heart of our delivery is the transition from two archdeaconry areas to three, supporting a focus on 'contextual mission,' the championship of rural, urban and post-industrial contexts within the diocese. The proposal to move to three archdeaconries was consulted on and reviewed under governance processes, before being agreed by the Bishop for implementation in early 2022. Work on recruitment to two of the new archdeaconry posts commenced in late 2021 (The current Archdeacon of Chesterfield, the Ven Carol Coslett steps into role as Archdeacon for Derbyshire Peak and Dales).

With the recruitment of new archdeacons, the diocesan senior leadership team is restored to close to capacity and the diocese enters a new delivery-focused, phase.

An early priority in 2022 to support this new chapter of our work is completion of recruitment of an internal change and organisational development lead, or 'Change Director.'

Key objectives to be delivered in 2022 therefore include:

- Completion of implementation and recruitment to the new archdeaconries
- Understand and respond to changes to the post-Covid working environment
- Complete design and commence a programme of operational and cultural development, with the appointment to the change management role; and to include external governance review.

Other objectives for 2022 include:

- To show measurable progress against the strategic priorities identified by the new Diocesan Secretary, and which include sustainability, digital infrastructure and housing
- To create a strategy for Living Generously, with the support of the national church, regional advisors and the newly appointed diocesan Living Generously Adviser
- To support churches and parishes in their pursuit of missional improvements, through the application of the Mission Action Toolkit
- To review the finances of the diocese, and in particular the use of reserve funds and investments
- Implementation of a new risk management strategy with DBF Trustees; and
- Submission of strategic funding bids to Church Commissioners, drawing on new internal capacity and linked to pursuit of our strategic objectives, in accordance with the diocesan vision.

2021 Delivery

Discipleship, Mission & Ministry Department (DM&M)

The department for Discipleship, Mission & Ministry continues to be loosely organised into three teams (Mission & Evangelism, Ministry Development and Discipleship & Learning) and supports both core/statutory work as well as more project and campaign-based activity. As the (post)-pandemic environment continued to be increasingly challenging for parishes throughout 2021 the need for central support to assist churches in navigating a complex and new missional landscape, often with fewer resources, increased.

Delivery of key activity during 2021 has been significantly enhanced by the long-awaited re-appointment of core staff. The arrival of Lay Ministries (Jo Henderson-Merrygold) and Ordained Ministries (Dwayne Engh) Development officers have seen significant improvement to the support offered for IME2 (curacy) and Licenced Lay Ministers (Readers). The growth in our Diocesan Certificate in Mission & Ministry and LLM Reader training programmes continued during 2021 and is now nationally recognised as a ground-breaking approach to nurturing and training new lay leaders. The expansion and support of a new and revised Mission Action Toolkit (pioneered by Jason Kennedy) to help parishes create achievable Mission Action Plans has been very positively received and forms a significant part of diocesan mission strategy going into 2022.

Vocation enquiries have been unsurprisingly suppressed during 2021, the reappointment of a permanent Ordained Vocations Officer [DDO] (Ben Griffiths), working with our Lay Vocations Officer (Kat Alldread), has begun to look at strategies to address this. Closer engagement with the Archdeacons and Diocesan Advisory Committee (DAC) officers saw the department offer support to church buildings (strategic buildings review, buildings for mission), church officers (bite-sized learning, networks and forums) and contribute thinking towards ministry and deployment frameworks.

Again, Derby continues to be a national lead in developing Fresh Expressions, the diocesan FX Greenhouses proving to be very popular. We are grateful for the secondment of Mark Broomhead during 2021 to help nurture thinking and practice around new worshipping communities. The department has resourced several applications during 2021 to central church funds (including the Strategic Ministry Fund and Giving Advisor Fund) generating hundreds of thousands of pounds worth of benefit to the diocese. The department is fully committed to helping to navigate the numerous culture shifts necessary to achieve our diocesan vision. Whilst not underestimating the enormous challenges and changes that lie ahead the department remain positive and confident that the Kingdom of God, (is) Good News for All!

The Safeguarding Team

In addition to our casework (130 new cases – up 30% from 2020), our key areas of activity have been:

Past Cases Review 2 (PCR2)

PCR2 has been a key focus this year. It is important not only to identify local learning and inform practice moving forward, but also to feed into the national review which will be published later in 2022. The file reviews were completed between April – October 2021, with 1,164 files reviewed by two independent reviewers. The review involved both safeguarding files and other files which fell within the scope of the review. This has been a significant piece of work and we are now in process of planning our next steps, to share the learning and action the recommendations made.

DBS checks

We now have 129 parishes registered for completing DBS checks on behalf of those who hold roles within the parish. This has resulted in a quicker, more efficient process for the completion of checks. The safeguarding team retains responsibility for DBS checks for all current and retired clergy and those parishes which have not yet registered. Across the diocese, 1,131 DBS applications have been submitted during 2021, with 801 of those being submitted by parishes. This is a considerable increase on the number for 2020, due to churches re-opening as restrictions were eased during the pandemic. The requirements for renewal of DBS certificates have changed from five yearly to three yearly and we have commenced a programme of work to ensure all those with certificates of three years plus are renewed as quickly as possible.

Training

Despite ongoing covid restrictions, we have continued to deliver safeguarding training virtually and have recently recommenced a small number of face-to-face sessions for those who cannot access the technology required for remote learning, with 134 sessions offered and 1,299 attendees. Our training continues to be led by Nick Harding, supported by a number of volunteer training supporters, whose contribution is greatly valued.

Communications:

We have started work on improving our communication across the diocese, particularly with our parish safeguarding officers (PSOs). This has included sending a regular newsletter, improving accessibility on our website and running two PSO events over zoom, with a powerful presentation on predatory marriage. We aim to continue to improve our support for our PSOs during 2022.

Parish Dashboard

We have continued to roll out the Parish Dashboard across the diocese and now have 233 churches registered on the system, with 68% of dashboards actively being used. The system enables churches to evidence and audit their safeguarding compliance and produce an action plan and annual report for their PCC at the press of a button.

Survivors

We developed a survivors strategy for use during our PCR2 and continue to work on a long term strategy for the diocese. We have engaged with the national team and have started work towards complying with the new national guidance which comes into force in April 2022. This will now be a key area of development.

Diocesan Safeguarding Advisory Panel (DSAP) – report from the Independent Chair

Purpose

The DSAP exists to offer independent advice and expertise on sound Safeguarding policy, procedure and practice, and to advise the Bishop and Diocesan leadership on the work of safeguarding in the diocese. The panel consists of safeguarding leads from the diocese and the cathedral together with external partners, including the Probation Service, Police, Children's and Adults Services and Health, all of whom contribute their safeguarding expertise. The DSAP is led by the Independent Chair Helen Jebb.

Governance

During 2021 the DSAP has continued to meet remotely via Teams/Zoom, quarterly, with good attendance from members. There are plans to move to a hybrid meeting arrangement as soon as restrictions allow. Visitors from the NST and Survivor Groups have joined meetings to share their experiences.

During the year new independent members joined DSAP as well as new members from the diocese, providing effective representation. Significant efforts were made to secure appropriate Survivor representation with limited success. All have received induction and a meeting with the Chair to enable them to contribute effectively.

This year a Safeguarding Core Group has also been established to provide a forum for the discussion of strategic safeguarding issues. Attendees include the Bishop, Diocesan Secretary, DSA and Independent Chair. Acting on behalf of DSAP the Chair also meets on a regular basis with the DSA, to support the development of safeguarding practice, particularly focusing upon matters of relevance and interest to DSAP.

The Chair has also continued to build links with Regional DSAP Chairs, the Cathedral, Local Adults and Children's Safeguarding Boards as well as the Faith and Safeguarding group, to develop relationships with others in the field.

Achievements and progress

During 2021 DSAP had an opportunity to contribute to developments in a number of areas critical to safeguarding in the diocese including:

- The development of a safeguarding strategy
- Information sharing agreements
- Partnership agreements
- Survivor strategy

This is in addition to receiving regular updates from the DSA on training delivery, DBS, casework, parish dashboard and engagement with Parish Safeguarding Officers. The Chair also responds to NST consultations on behalf of DSAP.

PCR2

The work of PCR2 began in January 2021 and has been ongoing throughout the year. On behalf of DSAP, the Chair supported the DSA in the preparation work. The Chair established the PCR2 reference group and ensured that governance and effective monitoring was in place, meeting regularly with the PCR2 Reference Group Chair. Regular updates have been brought to DSAP for broader oversight.

More recently DSAP have had an opportunity to bring oversight to the publication and handling of the final report prior to submission to the NST by the Bishop. This important work will prioritise key safeguarding issues for action in 2022.

The future and next steps

In September 2021 consultation began with DSAP members into 'What makes an excellent DSAP?', the aim being to develop a work plan for the panel. This will form a forward plan now for work in 2022/23 helping DSAP members to understand the work of safeguarding in the church better and then asking the right questions to bring scrutiny, provide assurance and share learning.

The Property Team

The Property Team completed some key actions during 2021, despite the continued impact of the pandemic, including;

- Completion on the sale of five properties.
- We secured planning for six town houses on part of a parsonage garden and sold the land.
- Twenty-Seven quinquennial surveys were carried out on our existing housing stock.
- We carried out vacancy inspections and co-ordinated vacancy/improvement works to thirteen parsonages or DDF houses prior to new clergy moving in and taking up their appointments.
- We carried out a further twenty two vacancy inspections and co-ordinated works prior to the houses being let on assured shorthold tenancies.
- Rental income exceeded budget by 35% despite difficult conditions due to the pandemic.
- Preparation for five land sales which are either sold subject to contract or under option and are scheduled to complete during 2022.
- We are negotiating heads of terms for an Option Agreement on eight acres of glebe land.
- Securing an option agreement on 12.9 acres of glebe land for housing development.

Financial Review

Statement of financial activities and financial position

Total income was £10.2million (2020 - £9.9million) and expenditure £9.4million (2020 - £9.0million, giving net income before investment gains of £0.8million (2020 - £0.9million).

After the addition of net gains on investment assets of £7.2million (2020 – net gain of £3.3million), the net increase in funds amounted to £8.0million (2019 – £4.2million).

During the year, total fund balances increased from £95.2million to £103.2million and there was an overall net cash inflow of £1.5million (2010– cash inflow £0.1million).

This gives the total picture, but a further breakdown is needed to fully understand the financial position of the Diocese.

Of the total funds of £103.2m, £72.4m are tied up in endowment funds, with £20.1m in Benefice Houses, £46.7m in Stipends Fund Capital – Glebe funds and £5.6m in other permanent endowment funds. A further £9.7m are represented by restricted funds which can only be used in accordance with the terms of the restriction placed on them. Designated funds total £15.9m and are mainly made up of corporate properties and investments, the latter of which are used to produce income to fund our activities. This leaves our general funds of £5.2m. As reported elsewhere our free reserves at 31 December 2021 amount to £5.2m out of our total funds of £103.2m.

Regarding the operational results, it cost £9.0m this year to carry out our unrestricted fund activities. This was funded by income of £8.4m giving an operational loss of £629,961. Additional support as a result of the pandemic brought in £221,000 from the Sustainability Fund, without which the operational deficit would have been £850,961.

Performance against budget

The annual budget is presented to Diocesan Synod for approval and sets out the framework for our financial decision-making. The 2021 budget set an operational deficit of £1,437,330.

Budget plans for 2021 included:

- A Common Fund increase of 2%, with 2021 being the middle year of a three-year transitional formula arrangement
- A £1.1m reduction in the Common Fund budget reflecting a drop in parish receipts
- Additional funding for approved new posts including extra curates funded by Church Commissioners
- Parochial Fees assumed to be maintained at past levels
- Continued grant funding from Allchurches Trust
- Stipend and salary levels held at 2020/21 levels
- Clergy numbers reducing from 134fte to 131fte
- Gross housing expenditure estimated to be £1.403m (£1.582m in 2020).

The table below sets out performance against the budget plan:

MANAGEMENT ACCOUNTS 2021	Budget £	Actual £	Difference £
INCOME			
Common Fund	3,818,629	4,011,002	192,373
Church Commissioners	1,528,523	1,665,411	136,888
Net Return on Investments	2,033,068	1,969,565	(63,503)
Other income including fees and grants	529,000	479,293	(49,707)
TOTAL INCOME	**7,909,220**	**8,125,271**	**216,051**
EXPENDITURE			
Ministerial Staffing	5,452,105	4,999,832	452,273
Ministerial Housing & Other Ministerial costs	1,108,571	1,235,278	(126,707)
Parish Support (excluding funding contributions)	1,827,879	1,614,180	213,699
Contributions and Sector Support (incl. DDBE)	489,064	461,784	27,280
National Church	468,931	468,122	809
TOTAL EXPENDITURE	**9,346,550**	**8,779,196**	**567,354**
SURPLUS / (DEFICIT)	**(1,437,330)**	**(653,925)**	**783,405**

Common Fund, the money given by parishes to the Diocese to fund mission and ministry across the Diocese, is the main source of income and accounted for around 49% of total Diocesan income. In 2021 the total amount paid was £4,011,002, which was a decrease of £150,905 over the previous year (2020 - total Common Fund £4,161,907). Receipts were £192,373 greater than budgeted.

A total of £1.7million came from the National Church Institutions, including £0.221m from the Sustainability Fund to address the impact of COVID-19 on income, indicating the Board's dependence on this valuable source of income.

Returns on investments were broadly in line with 2020.

Allchurches Trust annual distribution amounted to £137,000 and the Board acknowledges with thanks the receipt of this grant. Parochial fees were £43,955 less than budgeted as activity struggled to return to pre-pandemic levels.

Ministerial Housing costs rose from the previous year levels as activity started to recommence and included the rental costs of additional properties for new curates. The financial position was further offset by savings in Parish Support costs, mainly through vacancies during the year.

Unrestricted funds movement

Management Accounts Reconciliation to Statutory Accounts	
	£
Deficit per Management Accounts 2021	**(653,925)**
Operational Adjustments	
Raymond Ross Fund – grants to parishes	(27,849)
Church Growth – Resourcing Derby City	(25,714)
Gain/(losses) on sale of fixed assets	12,865
Other designated fund movements (net)	(108,873)
Investment Movements	
Derby St Peters Dividend income	2,960
Adjustment to returns on investment income	(60,427)
Gains/(losses) on investment assets	1,311,064
Transfer to Pastoral account for sale of property	(470,000)
Net loss on revaluation of fixed assets	(6,254)
Net movement in Unrestricted Funds	**(26,153)**

[Per statement of financial activities on page 26 of the financial statements]

Grant-Making (Beneficiary-Selection)
Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (see note 12 of the financial statements). Grants are paid to other connected charities and to other charitable projects which support the furtherance of the Board's objects.

Local Mission Fund
The Local Mission Fund received income which is given to dioceses for the specific purpose of enabling distinctive mission opportunities. The fund has a year-end balance of £27,445 (2020 - £22,445) with no grants paid during the year (2020 – £1,000 in grants). The Fund's future purpose has been redirected towards 'Building Community' initiatives.

Review of the statement of financial position
The Trustees consider that the Statement of Financial Position together with details in note 27 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the Statement of Financial Position date totalled £103.2million (2019 - £95.2million) it must be remembered that included in this total are fixed assets, mostly in use for the ministry, whose total value amounted to £31.2million (2020 - £31.5million). Many of the remaining assets shown in the Statement of Financial Position are held in funds which cannot necessarily be used for the general purposes of the Board.

Significant property and associated land transactions
During the year the Board sold five properties, with one additional associated parsonage land sale. Total sales receipted £2,000,180 (2020 - 1 sold, £578,220). In addition, a further four plots of land with a book value of £247,000 were 'held for sale' to be sold during 2022.

Investment policies and strategy

The Board's investment policies are kept under review and based on two key policies:

- Ethical investment - this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders. All investment managers are mandated to follow ethical considerations as determined by the Church of England Ethical Investment Advisory Group.
- Long-term responsibilities – the Board manages its investment assets with the principal aim of generating income to achieve the maximum contribution possible to clergy stipends, whilst maintaining the real value of Diocesan capital but with the possible need to realise investments to meet operational needs. The trustees are aware of their long-term responsibilities particularly in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Financial Investment Strategy

The current strategy is to manage investments for sustainable income and to achieve modest capital growth over the longer term. The Board recognises that performance in this area is vital to the direct relief of the demands on Common Fund. Financial investments are held with CCLA Investment Management Ltd (for the Church of England).

Glebe Investment Strategy

Glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Investments are mainly held in agricultural land and financial investments with CCLA Investment Management Ltd.

Unrestricted and Restricted Fund Investments

Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital. Funds which may be needed for working capital in the short-term are held as deposits with CCLA Investment Management Ltd and the Board's bankers National Westminster Bank.

Investment performance

The value of the Board's financial investment assets increased by £7.4million in 2021 (2020 – increase in valuation of £3.0million).

CCLA Investment Management Ltd - financial investment managers

At the Statement of Financial Position date, the majority of the Board's investment with CCLA was in CBF Church of England Investment Fund income shares together with a holding of CBF Church of England Property Fund income shares and CBF Church of England Global Equity income shares.

The table below sets out holdings in each fund at 31 December 2021:

CCLA Investment Management Ltd Funds	Funds at 31/12/21 £	Portfolio Split %	Income yield in year %	Total return in year (net) %
CBF Church of England Investment Fund	44,337,224	75.5	+2.6	+17.5
CBF Church of England Global Equity Income Fund	6,164,946	10.4	+2.4	+19.2
CBF Church of England Property Fund	8,188,085	14.0	+4.4	+19.7
	58,690,255	**100.0**		

Total return performance for each fund in 2021 against its comparator is set out in the table below:

Longer term total return performance 12 months to 31 December 2021	Fund %	Comparator %
CBF Church of England Investment Fund (net)	+17.5	+17.0
CBF Church of England Global Equity Income Fund (net)	+19.2	+22.9
CBF Church of England Property Fund (net)	+19.7	+17.8

Brewin Dolphin

A residual holding from the Canon Raymond Ross legacy was held as cash by Brewin Dolphin. This was redeemed during 2021.

Investment properties – including glebe agricultural land

Holdings in the portfolio are predominantly agricultural in nature, amounting to approximately 1,300 acres. Agricultural property has been valued by the Board and is based on a desktop valuation provided by Savills, our glebe land agents, as at 31 December 2020. Other small miscellaneous holdings were valued internally in 2015.

The value of the investment held in Wormhill Quarry decreased by £0.2m in 2021 through a combination of activity during the year and a revaluation at 31 December 2021.

The current valuation of the portfolio is £7.3million (2020 - £7.8million). There were no sales during the period and no purchases (2020 – one sale generating £46,042).

Equity (value-linked) loans

Equity loans have been used to purchase houses for ministers on a shared equity basis. In the event of a sale of any of the houses purchased with value-linked loans (VLL), the whole, or a proportionate part, of the net sale proceeds would go to the Church Commissioners.

Total value-linked loans advanced at 31 December 2021 amounted to £274,938 for 5 loans (2020 - £274,938, 5 loans).

Reserves Policy

Free reserves

The Board has considerable responsibilities including the remuneration of around 130 stipendiary clergy posts, the upkeep of 175 houses and the employment of approximately 44 full or part-time staff. Most of the Board's income is voluntary and the Board has noted that a substantial proportion of its voluntary income is from Common Fund with the balance made up of grant income from the Church Commissioners and income from investments and other sources.

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the course of the financial year, the policy is to hold a balance of readily realisable assets in the general fund equivalent to three months budgeted unrestricted expenditure. At 31 December 2021 the amount required under this policy totalled £2.35m (2020 - £2.35million). Actual free reserves as at 31 December 2021 totalled £5.2million (2020 - £4.9million). With the continuing impact of COVID-19, it is considered appropriate to hold reserves above the policy level.

The aim of Bishop's Council is to ensure that financial plans over a three-year period are in step with the ability to raise income and that spending plans are affordable.

Reserves tied up in fixed assets

The Statement of Financial Position comprises net fixed assets amounting to £31.2million of which £23,966 is held as office equipment (Note 16).

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in Note 28 of the financial statements. At 31 December 2021 total designated reserves were £15.9m (2020 - £16.2million) of which £10.9m is held in tangible fixed assets as corporate property (2020 - £11.1million).

Restricted and endowment funds

As set out in Notes 29 and 30, the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2021 restricted funds totalled £9.7m (2020 - £7.1m) and endowment funds totalled £72.4m (2020 - £67.0m). Neither restricted or endowment funds are available for the general purposes of the Board.

Principal risks and uncertainties

The trustees confirm that the major risks, to which the Board is exposed, as identified by the trustees and employees, have been reviewed and that systems and procedures have been established to manage those risks.

The risk register identifies several risks and action plans are developed to mitigate risks to reduce the probability of the risk arising, or the impact should the risk arise. Dioceses initially identified two areas where the risk of either failure to act or the impact of the events is considered 'very high'. These areas are:

- **Common Fund:** *'collection is considerably less than financial plans'*
- **Stipendiary Numbers:** *'impact on deployment could affect the budget position'*

Management and mitigation

The Management and mitigation of these ongoing risks are considered regularly by Diocesan Officers and reported to Trustees. Common Fund is reviewed monthly with regular dialogue between the Finance Team, Parishes, Area Deans and Archdeacons. Stipendiary deployment is reviewed monthly by the Bishops and her Executive Staff.

Following the development of the Coronavirus pandemic (COVID-19), the principle risks above remained relevant and become higher risk, with new risks as outlined below:

- **Overall income impact and cashflow:** 'physical and economic market conditions severely affect cash inflow and the ability to achieve the approved budget position'
- **Government restrictions on working:** 'restrictions affect service delivery, with uncertainty of the length of impact'
- Managing a remote workforce: 'remote working creates complexity, in an organisation predominantly unfamiliar with such practises'
- **Maintaining services to key stakeholders:** 'the timing of support to parishes and clergy may be delayed'

Management and mitigation

The Management and mitigation of these new risks are considered by Diocesan Officers and reported regularly to Trustees:

- **Cashflow** – the budget is constantly being reviewed to minimise monthly and year-end impact including; freezing non-essential spend, maximising government funding support where appropriate, and advance receipts from Church Commissioners
- **Restrictions on working** – Heads of Service review service delivery and adjust as necessary
- **Remote Working** – Use of remote video conferencing at Heads and individual Team level supports continued delivery where possible, and supports staff wellbeing
- **Maintaining Service** – regular updates from the Bishop keep stakeholders informed and guide them on new ways of operating

Structure and Governance

Summary information about the structure of the Church of England

The Church of England is organised as two provinces, each led by an Archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses of which there are 42 in total. Each diocese is divided into parishes. Each parish is overseen by a parish priest (often called a vicar or rector). From ancient times through to today, they and their Bishop are responsible for the 'cure of souls' in their parish.

Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints Archbishops, Bishops and Deans of Cathedrals on the advice of the Prime Minister. The two Archbishops and 24 senior Bishops sit in the House of Lords.

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

The Three National Church Institutions

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

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

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pension authority to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations. The Pensions Board, which reports to the General Synod, is the trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Pensions Board its central responsibilities for retirement welfare, the Pensions Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

Derby Cathedral

The cathedral church is legally constituted as a separate entity currently exempt from Charity Commission registration and supervision. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Derby Cathedral Office, Cathedral Centre, 18-19 Iron Gate, Derby DE1 3GP.

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

Parochial Church Council (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church, though it may have more than one designated place of worship. The PCC is made up of the vicar (or rector) as chair, the churchwardens and a number of elected and ex-officio members. Each PCC is a charity and is currently excepted from registration with the Charity Commission, subject to the Charities Act 2006, under which those PCCs with gross income over £100,000 for the year are required to register. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC are prepared by the relevant PCC treasurer.

Parishes and Benefices

A benefice is a parish or group of parishes served by an incumbent who typically receives a stipend or part stipend, though some may not, and, usually, the benefit of free occupation and use of a parsonage house from the Diocese for carrying out spiritual duties.

Deanery and Archdeaconry

A deanery is a group of parishes supported by an Area Dean, Deanery Administrator and Deanery leadership Team, and an archdeaconry is a group of deaneries for which an Archdeacon is responsible. The Diocese is then the principal pastoral and in turn financial and administrative resource of the Church of England, encompassing the various archdeaconries under the leadership of the Diocesan Bishop.

Deanery Synods

Deanery Synods have two houses, laity and clergy, and their role is to:

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

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan Bishop, the Suffragan Bishop and Archdeacons. Its role is to:

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

Organisational structure

The Diocese of Derby is one of 42 administrative units of the Church of England, covering the whole of Derbyshire and a few parishes on the fringes of the county in Staffordshire. It is administered through Derby Diocesan Board of Finance Limited (The); (the Board), a charitable trust company limited by guarantee.

During 2021 the Diocese was arranged as two archdeaconries, Chesterfield covering the north part with four deaneries and Derby the south with four deaneries. There are some 259 parishes within the Diocese.

Diocesan governance

Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods. The standing committee have the right to nominate persons for co-option by the House of Clergy or the House of Laity or otherwise to determine who else may nominate such persons but in other respects the procedure for co-opting members shall be determined by the respective houses. The Diocesan Synod usually meets three to four times a year.

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council as the Standing Committee of Diocesan Synod.

The Bishop's Council (and Standing Committee of the Diocesan Synod)

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

- to plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- to initiate proposals for action by the Synod and to advise it on matters on policy which are placed before it
- to advise the President, being the Diocesan Bishop, on any matters which they may refer to the Committee
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- to appoint members of committees or nominate individuals for election to committees, subject to the directions of the Synod
- to carry out such functions as the Synod may delegate to it.

Decision-Making Structure

Policy is formulated by the Bishop's Council for approval where required by Diocesan Synod. Strategic delivery of policy is the responsibility of the Diocesan Secretary. Bishop's Council may delegate any of its powers to the Business Committee.

Committee Structure

Bishop's Council
The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of eight ex-officio members (the Diocesan and Suffragan Bishops; two Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; the Executive Chair of the Board of Finance; the Chair of the Board of Education; the Chair of the Diocesan Mission and Pastoral Committee; four clergy elected by the House of Clergy from among their number (two from each of the Archdeaconry of Chesterfield and Derby) and nine lay persons elected by the members of the House of Laity (with at least three from each Archdeaconry) The maximum number of Directors shall not exceed 30.

Other statutory committees include:

Parsonages Committee - is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice. This includes setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board. From 21 May 2016 the Diocesan Board of Finance was designated as the Parsonage Board, which in turn delegates its functions to the Business Committee.

Diocesan Mission and Pastoral Committee - is responsible for the task of recommending pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. From 1 August 2015 this committee became coterminous with Bishop's Council, and the Chair is therefore the Bishop.

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

Derby Diocesan Board of Patronage - is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

In addition to the statutory committees Bishop's Council has set up the Business Committee, which has written terms of reference, to advise it on all governance and financial matters.

The Business Committee - meets approximately ten times each year and will work closely with the Diocesan Secretary. The Business Committee advises the Bishop's Council, in the discharge of the trustees' responsibilities for accounting policy, internal control, financial reporting and risk management. In addition, it provides strategic advice on the management of the Board's investment assets.

The Glebe Management Committee - is specifically tasked under the Endowments and Glebe Measure 1976 to manage diocesan glebe holdings to augment the diocesan stipends fund. From 12 July 2016 the Business Committee was designated as the Glebe Committee.

Remuneration Sub-Committee – is a sub-committee of the Business Committee and meets as and when required to make recommendations and decisions on clergy and lay employee remuneration.

Significant Control, Trustees and Management Personnel

Register of Persons of Significant Control
The Board maintains a Register of Persons of Significant Control.

Trustee Recruitment, Selection & Induction
The Trustees are the members of Bishop's Council and Directors of the company. Trustees are either ex-officio members or elected from the Diocesan Synod. Synod members are elected from representatives across the Diocese including clergy and lay people. Elections taking place every three years, with the last elections undertake in 2021. Trustees are given induction training when first appointed and receive ongoing training, as appropriate. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

The Board has indemnity insurance for its trustees and key management personnel and £1,000,000 (2020 - £1,000,000) of cover is provided.

Remuneration of key management personnel
Emoluments of higher-paid employees are determined by a Remuneration Panel consisting of a sub-set of members of the Business Committee including the Executive Chair of the Board of Finance, meeting as and when required. The terms of reference for this group is established by the Bishop's Council and includes; regular appraisals, remuneration and salary benchmarking and recommendation of changes where necessary.

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

Funds held as Custodian Trustee
The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of separate bank accounts and accounting system. Further details of financial trust assets, whose market value amounted to £3.1million at 31 December 2021 (2020 - £2.8million), are available from the Board on request, and are summarised in note 31 of the financial statements. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the Board's solicitors.

Personnel

The efficient and effective running of the Diocese requires high quality staff across the DDBF. Our grateful thanks go to all the staff who supported the Diocese during 2021.

Although this report refers to employees of the Board and not parochial clergy, we would also like to thank the clergy who continue to deliver our mission across the Diocese.

General Synod Members
We would also like to acknowledge the General Synod representatives and thank them for their hard work acting as our elected members of General Synod. During 2021 our elected representatives were; Kat Alldread, Revd Neil Barber (from 14 October 2021) Revd Mark Broomhead (to 13 October 2021), Sue Cavill (from 14 October 2021), Revd Alicia Dring, Revd Julian Hollywell, Sian Kellogg, and Rhodri Williams (to 13 October 2021).

The trustees approve their Annual Report and, in their capacity as company directors, also approve the Strategic Report incorporated therein.

Related parties

General Synod, Church Commissioners and Archbishop's Council
The Board has a duty to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops and cathedral clergy are borne by the Church Commissioners and are not reflected in these financial statements.

Parochial Church Councils (PCCs)
The Board is required by Measure to be custodian trustee in relation to PCC property, but the Company has no control over PCCs, which are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Other charities

Derby Diocesan Board of Education
Derby Diocesan Board of Education (DDBE) is the statutory education authority for the Church in the Diocese. Its purpose is to promote and assist in the promotion of education in the Diocese, consistent with the faith and practice of the Church of England including the promotion of religious education and worship in schools within the Diocese. In addition, its purpose is to promote church schools in the Diocese and to advise governors of such schools. Whilst the DDBE is incorporated as a separate legal entity, the DDBF provides significant resources to the DDBE to facilitate the shared vision for mission and ministry with children and young people.

The Board co-operates with certain other charities in pursuit of its charitable objects and details of payments to these are to be found in note 12 to the financial statements.

Fundraising standards information

The charity does not carry out any significant fundraising activity.

TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

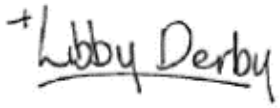
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

STATEMENT OF DISCLOSURE TO AUDITORS

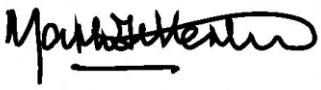
In so far as the trustees are aware:

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

BY ORDER OF THE TRUSTEES



The Right Reverend Libby Lane
The Bishop of Derby
Chair
23 May 2022



Canon Mark Titterton
Executive Chair of the DDBF
23 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

Opinion

We have audited the financial statements of Derby Diocesan Board of Finance Limited (The) (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

1. the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
2. the strategic report and the directors' report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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



Jane Marshall (Senior Statutory Auditor)

for and on behalf of BHP LLP
2 Rutland Park
Sheffield
South Yorkshire
S10 2PD

Date: 25 May 2022

FINANCIAL STATEMENTS

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DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2021

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
		£	£	£	£	£
Income and endowments from:						
Donations	2					
Common Fund		4,011,002	-	-	**4,011,002**	4,161,907
Archbishops' Council		1,665,411	63,523	-	**1,728,934**	1,820,277
Other donations		367,990	-	-	**367,990**	317,912
Charitable activities	3	469,076	5,000	-	**474,076**	783,715
Other activities	4	382,891	-	-	**382,891**	344,002
Investments	5	1,471,127	280,801	-	**1,751,928**	1,718,271
Other incoming resources	6	25,204	-	1,448,755	**1,473,959**	772,715
Total income and endowments		**8,392,701**	**349,324**	**1,448,755**	**10,190,780**	9,918,799
Expenditure on:						
Raising funds	7	129,231	-	-	**129,231**	100,020
Charitable activities	8	8,892,340	423,215	-	**9,315,555**	8,843,396
Clergy Pension Scheme Movement	25	-	-	(27,000)	**(27,000)**	24,000
Other resources expended	9	1,091	-	-	**1,091**	-
Total expenditure		**9,022,662**	**423,215**	**(27,000)**	**9,418,877**	8,967,416
Net income/(expenditure) before investment gains		**(629,961)**	**(73,891)**	**1,475,755**	**771,903**	951,383
Net gains/(losses) on investments		1,311,062	630,479	5,288,218	**7,229,759**	3,268,112
Net income/(expenditure)		**681,101**	**556,588**	**6,763,973**	**8,001,662**	4,219,495
Transfers between funds	15	**(701,000)**	**2,000,180**	**(1,299,180)**	**-**	-
Other recognised gains/(losses)						
Net gains/(losses) on revaluation of fixed assets	16	(6,254)	-	-	**(6,254)**	-
Net movement in funds		**(26,153)**	**2,556,768**	**5,464,793**	**7,995,408**	4,219,495
Reconciliation of funds						
Total funds at 1 January		21,115,507	7,099,374	66,967,183	**95,182,064**	90,962,569
Total funds at 31 December	26	**21,089,354**	**9,656,142**	**72,431,976**	**103,177,472**	95,182,064

All activities derive from continuing activities.

The notes on pages 30 to 51 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2021

	2021	2020
	£	£
Total income (less endowment)	**8,742,025**	9,207,862
Resources expended (less endowment)	**(9,445,877)**	(8,943,416)
Operating (deficit)/surplus for the year	**(703,852)**	264,446
Net gains/(losses) on investments	**1,941,541**	631,257
Income for the year	**1,237,689**	895,703
Other comprehensive income/(expenditure):		
Net assets transferred from endowments	**1,299,180**	193,220
Net gains/(losses) on revaluation of fixed assets	**(6,254)**	-
Total comprehensive income:	**2,530,615**	1,088,923

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The notes on pages 30 to 51 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL POSITION COMPANY NUMBER 229700

As at 31 December 2021

	Note		2021		2020
		£	£	£	£
Fixed Assets					
Tangible assets	**16**	**31,217,797**		31,462,085	
Investments	**17**	**66,011,485**		59,028,723	
			97,229,282		90,490,808
Current Assets					
Assets held for sale	**18**	**247,000**		615,044	
Debtors	**19**	**765,144**		924,921	
Cash on deposit		**5,989,461**		4,454,311	
Cash at bank and in hand		**30,147**		25,142	
		7,031,752		6,019,418	
Creditors: amounts falling due within one year	**20**	**(721,624)**		(921,224)	
Net Current Assets			**6,310,128**		5,098,194
Total Assets less Current Liabilities			**103,539,410**		95,589,002
Creditors: amounts falling due after more than one year	**20**				
Pension scheme liabilities		**(87,000)**		(132,000)	
Other creditors		**(274,938)**		(274,938)	
			(361,938)		(406,938)
Net Assets			**103,177,472**		95,182,064
The Funds of the Charity					
Unrestricted income funds					
General Fund		**5,217,264**		4,893,382	
(Including investment revaluation reserve of £2,221,329 (2020 - £1,671,170)					
Designated funds	**28**	**15,872,090**		16,222,125	
(Including investment revaluation reserve of £3,118,864 (2020 - £2,044,896)					
			21,089,354		21,115,507
Restricted income funds	**29**		**9,656,142**		7,099,374
(Including investment revaluation reserve of £1,974,130 (2020 - £1,341,527)					
Endowment funds	**30**		**72,431,976**		66,967,183
(Including investment revaluation reserve of £24,188,635 (2020 - £18,968,943)					
Total Funds			**103,177,472**		95,182,064

The financial statements were approved by the Board of Directors and authorised for issue on 23 May 2022 and signed on behalf of the Board by:

+Libby Derby

The Bishop of Derby - The Rt Revd Libby Lane

The notes on pages 30 to 51 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	**(2,515,368)**	(1,943,376)
Cash flows from investing activities:		
Dividends, interest and rent from investments	**1,751,928**	1,718,271
Royalty income and land transactions	**322,575**	272,717
Proceeds from the sale of property, plant and equipment	**2,000,180**	578,220
Proceeds from the sale of investment property	**-**	46,042
Proceeds from the sale of Brewin Dolphin investments	**-**	4,904
Purchase of property, plant and equipment	**(19,160)**	(563,551)
Purchase of investments securities	**-**	-
Net cash provided by investing activities	**4,055,523**	2,056,603
Change in cash and cash equivalents in the year	**1,540,155**	113,227
Cash and cash equivalents at 1 January	**4,479,453**	4,366,226
Cash and cash equivalents at 31 December	**6,019,607**	4,479,453

	2021	2020
	£	£
Reconciliation of net movement in funds to net cash outflow from operating activities		
Net movement in funds for the year ended 31 December	**7,995,408**	4,219,495
Adjustments for:		
Net (gains)/losses on investments	**(7,229,759)**	(3,268,112)
Net (gains)/losses on revaluation of fixed assets	**6,254**	-
Depreciation charges	**10,271**	11,579
Dividends, interest and rent from investments	**(1,751,928)**	(1,718,271)
Royalty income and land transactions	**(322,575)**	(272,717)
Net (Profit) on the sale of fixed assets	**(1,138,216)**	(438,220)
Decrease/(Increase) in debtors	**159,777**	(19,832)
Increase/(Decrease) in creditors, excluding clergy pension scheme movement	**13,400**	(96,298)
Clergy pension scheme movement	**(258,000)**	(361,000)
	(10,510,776)	(6,162,871)
Net cash used in operating activities	**(2,515,368)**	(1,943,376)
Analysis of cash and cash equivalents		
Notice deposits (less than 3 months)	**5,989,461**	4,454,311
Cash in hand	**30,147**	25,142
	6,019,608	4,479,453

Analysis of Changes in Net Debt

The Diocese has no cash equivalents, repayable overdraft facilities, loans due or finance lease obligations at 31 December 2021 (2020 - Nil)
Movements in cash are reflected in the statement of cashflows above.

The notes on pages 30 to 51 form part of these financial statements

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in c), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP (FRS 102)), the Companies Act 2006 and applicable accounting standards, Financial Reporting Standard (FRS) 102.

Derby Diocesan Board of Finance Ltd meets the definition of a public benefit entity under FRS 102.

The principle accounting policies and estimation techniques are as follows:

a) Income

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

i) Common Fund is recognised as income of the year in respect of which it is receivable with contributions received by 31 January in the following financial year-end explicitly relating to the period under review included as debtors
ii) Rent receivable is recognised as income in the period in respect to which it relates.
iii) Interest and dividends are recognised as income when receivable.
iv) Grants received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
v) Grants received which are not subject to pre-conditions for entitlement specified by the donor are treated as income in the year
vi) Parochial fees are recognised as income of the year to which they relate.
vii) Donations other than grants are recognised when receivable.
viii) Gains on disposal of fixed assets for the Board's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
ix) Stipends fund income. The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.
x) Mineral royalty receipts are uncertain, however receipts are accounted for as income when they arise
xi) Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing.

b) Expenditure

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

i) Costs of raising funds represent costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and diocesan projects.
iii) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
iv) Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on the basis of the estimated usage of resources at Church House.

The apportionment can be summarised as follows:

Resourcing ministry and mission (95.0%), Diocesan Projects (1.5%), Synodical Governance (3.5%)

v) Pension contributions. Some of the Board's staff are members of the Church Workers Pension Fund Pension Builder 2014 Scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 25). The pension costs charged as resources expended represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Board participates are accrued at current value in creditors distinguished between contributions falling due within one year and those falling due after more than one year.

c) Tangible fixed assets and depreciation

Freehold & leasehold houses and houses subject to value-linked loan

The primary purpose of residential property held in the benefice houses fund and as corporate houses is to house ministers and all such properties are held as functional fixed assets. Residential property is not held for investment purposes i.e. to generate an income or for capital gain.

Freehold houses and houses subject to value-linked loan are shown at cost, or deemed cost, where historic cost values are not readily available.

Where the Board acquires property on its own account, the expenditure is capitalised. Gains or losses arising from sales of corporate property are dealt with through the designated fund (corporate properties fund).

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not more than the recoverable amount.

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value. Glebe agricultural land was valued as at 31 December 2020 by Savills, Chartered Surveyors, who manage the portfolio. For allotments and other small miscellaneous holdings, a valuation is provided by the Assistant Secretary (Property) (an employee of the Derby Diocesan Board of Finance Limited).

The fair value of a quarry was valued as at 31 December 2021 by Coke Turner & Co, Mineral Surveyors, who act as agents for the Board, based on the rent and royalty income streams likely to be achieved over the remaining term of the lease.

Parsonage houses

The Board has followed the requirements of FRS 102, in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. Parsonage houses are carried at their deemed or historical cost.

d) Other tangible fixed assets

No provision for depreciation is provided in respect of Church House, as it is fully maintained with a view to ensuring that the total residual value is not less than the amount stated in the financial statements. Accordingly, any depreciation would be immaterial.

Depreciation on office equipment is calculated to write off the cost of each asset over its expected useful life by equal annual instalments at the rates below, (% p.a. on cost). Items costing less than £1,000 are not capitalised.

Computer hardware and software	33⅓%	straight line
Furniture & fittings	10%	straight line
Other office equipment	20%	straight line

e) Other accounting policies

i) Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

ii) Leases. The Board has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.

f) Fund balances

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

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

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the note 31 to the financial statements.

g) Financial instruments

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

h) Going concern

The Board have considered the continuing impact of COVID-19 on the charitable company's income and operating cost base. It is believed that the duration and extent of the disruption has started to ease, and the Board are confident that they have in place plans to deal with any future financial losses that may arise, as provided for when setting the 2022 and indicative 2023 budget.

The Board have prepared forecasts of income and expenditure and cash flow for the period to 31 December 2023 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. They will continue to monitor the impact on income and take appropriate action as necessary. The Board therefore continue to adopt the going concern basis of preparation for these financial statements

i) Employee Benefits

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

j) Debtors

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

k) Creditors & Provisions

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

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

l) Critical Accounting Estimates & Assumptions

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

The present values of Church of England Funded Pension Scheme depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liability**.**

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

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	£	£	£	£	£
2. Donations					
Common Fund					
The majority of donations are collected from the parishes of the diocese through the Common Fund system.					
Chesterfield Archdeaconry	1,942,541	-	-	**1,942,541**	2,064,387
Derby Archdeaconry	1,998,411	-	-	**1,998,411**	2,055,735
	3,940,952	-	-	**3,940,952**	4,120,122
Other receipts	52,617	-	-	**52,617**	41,785
Receipts for previous years	17,433	-	-	**17,433**	-
	4,011,002	**-**	**-**	**4,011,002**	4,161,907
Total Common Fund receipts represent 71.5% of the amount allocated (2020 - 75.6%).					
Archbishops' Council					
Selective allocation	1,547,214	-	-	**1,547,214**	1,632,889
Restructure Funding	-	63,523	-	**63,523**	187,388
Strategic Ministry Funding	118,197	-	-	**118,197**	-
	1,665,411	**63,523**	**-**	**1,728,934**	1,820,277
Other donations					
Allchurches Trust grant	137,000	-	-	**137,000**	138,000
Legacy income	37,892	-	-	**37,892**	-
Other donations and grants	193,098	-	-	**193,098**	179,912
	367,990	**-**	**-**	**367,990**	317,912
3. Charitable activities					
Statutory fees	326,280	-	-	**326,280**	240,725
Church Commissioners	-	-	-	**-**	-
Other contributions and income	142,432	5,000	-	**147,432**	541,338
Sale of publications	364	-	-	**364**	1,652
	469,076	**5,000**	**-**	**474,076**	783,715
4. Other activities					
Rental income	382,891	-	-	**382,891**	344,002
	382,891	**-**	**-**	**382,891**	344,002
5. Investments					
Dividends receivable					
Central Board of Finance Investment Funds	919,551	207,492	-	**1,127,043**	1,096,051
Central Board of Finance Property Funds	289,407	71,075	-	**360,482**	335,010
Central Board of Finance Global Equity Funds	147,714	-	-	**147,714**	144,897
Interest on cash deposits					
CBF & Other Deposit Funds	1,481	2,234	-	**3,715**	14,336
National Westminster Bank	138	-	-	**138**	2,131
Rents receivable (glebe land and buildings)	112,836	-	-	**112,836**	125,846
	1,471,127	**280,801**	**-**	**1,751,928**	1,718,271
6. Other incoming resources					
Gain on disposal of physical assets	13,956	-	1,126,180	**1,140,136**	438,220
Glebe Mineral Royalties & Land Income	-	-	322,575	**322,575**	272,717
Lichfield Trust receipt	10,537	-	-	**10,537**	8,000
Coronavirus Job Retention Scheme Grant	711	-	-	**711**	53,778
	25,204	**-**	**1,448,755**	**1,473,959**	772,715
Total income and endowments	**8,392,701**	**349,324**	**1,448,755**	**10,190,780**	9,918,799

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	£	£	£	£	£
7. Fund raising costs					
Glebe land agents' fees and other expenses	68,103	-	-	**68,103**	47,161
Other agents' commission and expenditure	61,128	-	-	**61,128**	52,859
	129,231	**-**	**-**	**129,231**	100,020
8. Charitable activities					
Contributions to Archbishops' Council					
Training for ministry	211,619	-	-	**211,619**	211,623
National Church responsibilities	175,434	-	-	**175,434**	184,826
Retired clergy housing costs (CHARM)	77,878	-	-	**77,878**	75,979
Pooling of ordinand candidates' costs	22,319	-	-	**22,319**	34,611
	487,250	**-**	**-**	**487,250**	507,039
Resourcing Ministry & Mission					
Parish ministry					
Stipends, salaries and national insurance	3,626,140	143,696	-	**3,769,836**	3,851,540
Pension contributions	1,048,827	7,076	-	**1,055,903**	921,631
Housing costs	1,150,878	181,048	-	**1,331,926**	1,026,688
Removal, resettlement and other expenses	197,583	-	-	**197,583**	144,027
	6,023,428	**331,820**	**-**	**6,355,248**	5,943,886
Support for parish ministry	2,006,635	84,790	-	**2,091,425**	1,933,078
	8,030,063	**416,610**	**-**	**8,446,673**	7,876,964
Expenditure on Education & Diocesan Projects					
Diocesan Board of Education	327,898	-	-	**327,898**	327,368
Derby Cathedral	18,530	-	-	**18,530**	18,275
Church of North India Partnership	750	-	-	**750**	750
Clergy Widows & Orphans	-	6,605	-	**6,605**	7,000
Diocesan projects	-	-	-	**-**	1,000
Parishes	27,849	-	-	**27,849**	105,000
	375,027	**6,605**	**-**	**381,632**	459,393
Total charitable activities	**8,892,340**	**423,215**	**-**	**9,315,555**	8,843,396
9. Other resources expended					
Loss on disposal of properties	1,091	-	-	**1,091**	-
	1,091	**-**	**-**	**1,091**	**-**
Clergy Pension Scheme Movement (Note 25)	-	-	(27,000)	**(27,000)**	24,000
	-	**-**	**(27,000)**	**(27,000)**	**24,000**
Total expenditure	**9,022,662**	**423,215**	**(27,000)**	**9,418,877**	**8,967,416**

10. Analysis of expenditure (including allocation of support costs)

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs 2021	Total costs 2020
	£	£	£	£	£
Raising Funds	129,231	-	-	**129,231**	100,020
Charitable activities					
Contributions to Archbishops' Council	-	487,250	-	**487,250**	507,039
Resourcing Ministry & Mission	7,626,314	389,052	431,307	**8,446,673**	7,876,964
Board of Education & Diocesan Projects	-	381,632	-	**381,632**	459,393
Clergy Pension Scheme Movement	(27,000)	-	-	**(27,000)**	24,000
Other Resources Expended	1,091	-	-	**1,091**	-
	7,729,636	**1,257,934**	**431,307**	**9,418,877**	8,967,416
2020 comparison	*7,223,577*	*1,280,679*	*463,160*	*8,967,416*	

11. Analysis of support costs

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	General	Designated				
	£	£	£	£	£	£
Central Administration	372,397	-	-	-	**372,397**	408,429
Governance:						
External audit	20,140	-	-	-	**20,140**	15,450
Registrar and Chancellor	23,779	-	-	-	**23,779**	16,123
Synodical costs	14,991	-	-	-	**14,991**	16,211
	431,307	**-**	**-**	**-**	**431,307**	456,213

12. Analysis of grants made

	Grants to individuals	Grants to institutions	Total Grants 2021	Total Grants 2020
	£	£	£	£
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council	-	487,250	**487,250**	507,039
From unrestricted funds:				
Removal, resettlement & first appointment grants	110,218	-	**110,218**	68,865
Ordinands in training	278,834	-	**278,834**	252,329
Derby Diocesan Board of Education	-	327,898	**327,898**	327,368
Derby Cathedral Chapter	-	18,530	**18,530**	18,275
Church of North India Partnership	-	750	**750**	750
Parishes	-	27,849	**27,849**	105,000
Restricted income funds				
Clergy Widows & Orphans	-	6,605	**6,605**	7,000
Diocesan projects	-	-	**-**	1,000
	389,052	**868,882**	**1,257,934**	1,287,626

Significant Grants to Institutions:

Archbishops Council - to support; national training for Ministry; responsibilities of the National Church; grants and provisions made by the National Church; Inter-diocesan support for clergy pension contributions; and housing assistance for retired ministry

Derby Diocese Board of Education - to support the DDBE vision of 'offering our children and young people life in all of its fullness' by; Growing - providing experiences rooted in faith, hope and love; Building Connections - valuing contributions to the community; Learning - pursuing the highest academic standards; and Healthy - providing safe places of welcome & belonging.

13 Staff costs

Employee costs during the year were as follows:

	2021	2020 (restated)
	£	£
Wages & salaries	1,092,963	1,092,226
National insurance contributions	104,887	96,660
Pension costs:		
Church of England Funded Pensions Scheme	39,481	22,150
Church Workers Pension Fund Pension Builder 2014 Scheme	82,857	86,587
Other defined contribution pension schemes	8,400	8,379
	1,328,588	1,306,002

The average number of persons employed by the Board during the year:

	2021	2020
	Number	Number
Administration, property and financial management	13	14
Discipleship, Mission & Ministry (including Vocations)	12	9
Human resources, safeguarding & communications	10	11
Parochial, Deanery & Other	9	9
	44	43

Average number of persons employed by the Board during the year based on full-time equivalents:

	2021	2020
	Full-time equivalent	Full-time equivalent
Administration, property and financial management	11.3	11.6
Discipleship, Mission & Ministry (including Vocations)	9.0	7.2
Human resources, safeguarding & communications	7.6	7.8
Parochial, Deanery & Other	4.8	4.8
	32.7	31.4

The number of staff whose total emoluments (salary plus taxable benefits excluding pension contributions) exceeded £60,000 during the year is as follows:

	2021	2020
	(Number)	(Number)
£60,001 - £70,000	**1**	1
£70,001 - £80,000	**1**	1

Pension payments of £17,436 (2020 - £13,345) were made for these employees.

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary (to 28 February 2021)	Ms R Morris
Diocesan Secretary and Company Secretary (from 01 Dec 2021)	Ms K Godfrey
Head of Finance (and Acting Diocesan Secretary to 30 Nov 2021)	Mr M Marples
Director of Discipleship, Mission & Ministry	Revd Canon M Barnes
Diocesan Safeguarding Advisor	Mrs H Hogg
HR Manager	Mrs M Francis
Head of Property	Mr G Webster

Remuneration, employer's National Insurance contributions and employer's pension contributions for these employees amounted to £367,338 (2020 - £299,570)

NB: Derby Cathedral contributed £2,215 (2020: £13,290) to DBF as a share of the cost of the former Diocesan Secretary in their joint role as Chapter Steward.

14 Trustees' emoluments

None of the trustees received any emoluments from the Board of Finance in respect of services performed as trustees (2020 - £nil). During the year no trustee claimed reimbursement for travel or out of pocket expenses (2020 - 2 trustees claimed expenses totalling £97).

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

	Stipend	Housing
The Revd D Ballard	Yes	Yes
The Venerable Carol Coslett	Yes	Yes
The Revd K Hamblin	Yes	Yes
The Revd J Hollywell	Yes	Yes
The Revd J Page	Yes	Yes
The Revd C Pearson	Yes	Yes
The Revd B J Stober	Yes	Yes
The Revd P Walley	Yes	Yes
The Revd J Ward	Yes	Yes

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

The Board paid an average of 122.4 fte (2020 – 128.5 fte) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2021	2020
	£	£
Stipends	3,465,854	3,545,031
National insurance contributions	287,593	292,724
Pension costs (including deficit funding)	1,286,904	1,306,631
	5,040,351	5,144,386

The stipends of Bishops are paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishop are funded by the Church Commissioners and from 1 April 2021 are in the range £37,670 - £46,560 (1 April 2020 range, £37,670 - £46,560). The annual rate of stipend, funded by the Board, paid from 1 April 2021 to Archdeacons was in the range £36,830 - £38,250 (1 April 2020 range, £36,830 - £38,250) and other clergy who were Trustees were paid in the range £25,265 - £27,650 (1 April 2020 range, £25,265 - £27,650). The estimated value of church provided housing in 2021 was an average of £10,882 (2020 - £7,990).

15. Analysis of transfers between funds

	Unrestricted funds	**Restricted funds**	**Endowment funds**	**Total 2021**
	£	**£**	**£**	**£**
Transfer to/(from):				
Benefice House transfer to Corporate Property	-	-	-	**-**
Corporate Property transfer to Benefice Housing	-	-	-	**-**
Diocesan Pastoral Account to purchase corporate houses	-	-	-	**-**
Benefice house sale proceeds (3) to Diocesan Pastoral Account	-	1,530,180	(1,530,180)	**-**
Corporate Property sale proceeds (2) to Diocesan Pastoral Account	(470,000)	470,000	-	**-**
Clergy pension scheme costs transfered to Stipends Fund Capital	(231,000)	-	231,000	**-**
	(701,000)	**2,000,180**	**(1,299,180)**	**-**

16. Tangible fixed assets

	Parsonages	Freehold houses Glebe	Freehold houses Corporate	Leasehold houses Corporate	Church House Corporate	Office Equipment	**Total**
	£	£	£	£	£	£	**£**
Cost or deemed cost							
At 1 January 2021	20,194,978	170,000	10,136,720	309,478	635,000	92,313	**31,538,489**
Unheld for sale	-	-	-	-	-	-	**-**
Additions	-	-	-	-	-	19,160	**19,160**
Transfers	-	-	-	-	-	-	**-**
Disposals	(60,000)	-	(186,091)	-	-	(832)	**(246,923)**
Revalued	-	-	(1,254)	-	(5,000)	-	**(6,254)**
Treated as 'Held for Sale'	-	-	-	-	-	-	**-**
At 31 December 2021	**20,134,978**	**170,000**	**9,949,375**	**309,478**	**630,000**	**110,641**	**31,304,472**
Depreciation							
At 1 January 2021	-	-	-	-	-	76,404	**76,404**
Charge for the year	-	-	-	-	-	10,271	**10,271**
Disposals	-	-	-	-	-	-	**-**
At 31 December 2021	**-**	-	**-**	**-**	**-**	**86,675**	**86,675**
Net book value							
At 31 December 2021	**20,134,978**	**170,000**	**9,949,375**	**309,478**	**630,000**	**23,966**	**31,217,797**
Number of houses	**131**	**3**	**40**	**1**			**175**
At 31 December 2020	20,194,978	170,000	10,136,720	309,478	635,000	15,909	31,462,085
Number of houses	132	3	41	1			177

All the above assets are used for charitable purposes. In the opinion of the Directors the carrying value of land and buildings is less than the total market value. Church House includes the Diocesan Office and was revalued in 2021, by Milner Commercial Chartered Surveyors.

17. Fixed asset investments

	2021	2020
	£	£
Investment securities within the United Kingdom (market value)		
At 1 January 2021	**51,260,493**	48,295,800
Additions at cost	**-**	-
Disposals	**-**	(4,810)
Unrealised gains/(losses)	**7,429,762**	2,969,503
At 31 December 2021	**58,690,255**	51,260,493
Investment properties (market value)		
At 1 January 2021	**7,768,230**	7,515,757
Additions at cost	**-**	-
Unrealised gains/(losses)	**(200,000)**	252,473
Treated as 'Held for Sale'	**(247,000)**	-
At 31 December 2021	**7,321,230**	7,768,230
Total fixed asset investments within the United Kingdom	**66,011,485**	59,028,723

Securities: Gains/(Losses) by Fund: Unrestricted £1,367,562 [2020 - £537,562], Restricted £573,981 [2020 - £93,599], Endowment £5,488,219 [2020 - £2,338,342]

Properties: Gains/(Losses) by Fund: Endowment £Nil [2020 - (£252,473)]

17. Fixed asset investments (continued)

	2021		2020	
	£ Cost	£ Market value	£ Cost	£ Market value
Unlisted investment securities				
CCLA Central Board of Finance of the Church of England				
Investment fund income shares	**19,155,397**	**44,337,224**	19,155,397	38,788,372
Global equity fund income shares	**3,200,000**	**6,164,946**	3,200,000	5,306,232
Property fund income shares	**6,920,845**	**8,188,085**	6,920,845	7,165,889
Total investment securities	**29,276,242**	**58,690,255**	29,276,242	51,260,493
Investment properties comprise:-				
Glebe agricultural land		**7,176,430**		7,623,430
Other property		**144,800**		144,800
Total investment properties		**7,321,230**		7,768,230

Due to their nature the historic cost of investment properties is not known.

18. Assets Held for Sale

Non current Assets Held for Sale and Discontinued Operations requires properties in the process of being sold to be treated separately from assets held for continuing activities. For assets to be classified as 'Held for Sale' they must satisfy a number of conditions including the availability of immediate sale and that the sale is highly probable. To be highly probable; the organisation must be committed to a plan to sell the assets; an active programme to find a buyer must have been initiated; the asset must be actively marketed for sale at a price reasonable to its current fair value; the sale is expected to be completed within 1 year from the date of classification, and significant changes to the plan should be unlikely.

At 31 December 2021, there were 4 plots of land classified as 'Held for Sale, with a book value of £247,000 (2020 - 3 properties, £615,044).

19. Debtors

	2021	2020
	£	£
Amounts due from PCCs (unsecured) - Common Fund	**119,248**	154,904
Amounts due from PCCs (unsecured) - Loans to Parishes	**33,172**	53,917
Other debtors	**598,564**	640,914
Prepayments & accrued income	**14,160**	75,186
Total debtors	**765,144**	924,921
Debtors comprise:		
Amounts due within one year	**724,701**	873,023
Amounts due after more than one year	**40,443**	51,898
	765,144	924,921

20. Creditors

	2021	2020
	£	£
Amounts falling due within one year		
Sundry creditors	**563,624**	553,774
Accruals	**19,000**	15,450
Church of England Funded Pension Scheme liability	**139,000**	352,000
	721,624	921,224
Amounts falling due after more than one year		
Church of England Funded Pension Scheme liability	**87,000**	132,000
Value-linked loans for houses with the Church Commissioners (see note below)	**274,938**	274,938
	361,938	406,938

Note
Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property.

21. Contingent liabilities

The Board is party to a mortgage with Derbyshire County Council totalling £20,000 (2020 - £20,000).

22. Capital commitments

Capital expenditure:

	2021	2020
	£	£
Contracted for but not provided for in the Financial Statements:		
Purchase of property	-	-
	-	-

23. Operating lease commitments

As at 31 December the Board had annual commitments under non-cancellable operating leases as set out below:

	2021	2020
	£	£
Operating leases which expire:		
Not later than 1 year	-	-
	-	**-**

The amount charged to the Statement of Financial Activities in 2021 was £nil (2020 - £nil).

24. Events occurring after the end of the reporting period

In 2021 the value of financial investment assets increased by £7.5m as per note 17. The impact of conflict in Eastern Europe has had a detrimental effect on the value of financial investment assets since 31 December 2021, reducing them by £2.6m in Q1 of 2022. This is a non-adjusting post balance sheet item under FRS102. The users of the financial statements attention is drawn to this, as the value of the financial investment assets is volatile and affected by global economic, political and social events.

25. Pensions

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

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of Financial Reporting Standard (FRS) 102 requires the Board to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the Board. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

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

The Board participates in the Church of England Funded Pensions Scheme which is administered by the Church of England Pensions Board and holds the assets of the Scheme separately from those of the employer and other participating employers. At the end of the year the Board was paying contributions for 132 members of the Scheme (2020 - 138 members). Each participating employer in the Scheme pays contributions at a common contribution rate applied to pensionable stipends. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities (SoFA) in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

25. Pensions (continued)

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

- an average discount rate of 3.2% p.a.
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% p.a.

Following the 31 December 2018 valuation of the Scheme, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions payable (as a percentage of pensionable stipends) are set out in the table below.

Percentage of pensionable stipends

	January 2018 to December 2020	**January 2021 to December 2022**
Deficit repair contributions	**11.9%**	**7.1%**

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

Post scheme valuation, the deficit recovery contribution from 1 April 2022 has been lowered from 7.1% to 3.2%.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

Reconciliation of balance sheet liability

	2021	**2021**	2020	2020
	£	**£**	£	£
Balance sheet liability as at 1 January 2021		**484,000**		845,000
Deficit contribution paid	**(232,000)**		(392,000)	
Interest cost (recognised in SoFA)	**1,000**		7,000	
Remaining change to balance sheet liability * (recognised in SoFA)	**(27,000)**	**(258,000)**	24,000	(361,000)
Balance sheet liability as at 31 December 2021		**226,000**		484,000

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

Note		
Estimated amount due within one year	*139,000*	*352,000*
Estimated amount due after one year	*87,000*	*132,000*
	226,000	*484,000*

25. Pensions (continued)

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

	2021	2020	2019	2018	2017
	%	**%**	%	%	%
Discount rate	**0.0**	0.2	1.1	2.1	1.4
Price inflation	**n/a**	3.1	2.8	3.1	3.0
Increase in total pensionable payroll	**-1.5**	1.6	1.3	1.6	1.5

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

Office holder pension contributions are shown in Note 14 and totalled £1,286,904 in 2021 (2020 £1,306,631)

Other clergy pension contributions, paid to ordained DBF staff are shown in Note 13 and totalled £39,481 in 2021 (2020 £22,150)

Church Workers Pension Fund

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Church Workers Pension Fund - Pension Builder 2014

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme.

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

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

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

Contributions made to The Church Workers Pension Schemes are shown in Note 13 and totalled £82,857 in 2021 (2020 £86,587)

Other Schemes

In addition to the Church of England Pension scheme, for those employees who have opted out of the scheme, contributions are made to individual pension schemes at the same rate.

Contributions made to opted out employees are shown in Note 13 and totalled £8,400 in 2021 (2020 £8,379)

26. Summary of fund movements

	As at 1 January 2021	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2021**
	£	£	£	£	£	**£**
Unrestricted income funds						
General Fund	4,893,382	6,488,717	(6,820,782)	710,934	(54,987)	**5,217,264**
Glebe funds (net of agent fees)	-	1,103,697	(1,103,697)	-	-	**-**
Designated funds						
Corporate Properties fund	11,077,304	13,956	(1,091)	(6,254)	(470,000)	**10,613,915**
Parsonages	804,704	442,079	(652,937)	105,403	(121,838)	**577,411**
Other designated funds	4,340,117	344,252	(444,155)	494,725	(54,175)	**4,680,764**
Pension reserve	-	-	-	-	-	**-**
	21,115,507	8,392,701	(9,022,662)	1,304,808	(701,000)	**21,089,354**
Restricted income funds						
Diocesan Pastoral Account	3,709,374	60,426	(164,516)	178,456	2,000,180	**5,783,920**
Local Mission Fund	22,445	5,000	-	-	-	**27,445**
Other restricted income funds	3,367,555	283,898	(258,699)	452,023	-	**3,844,777**
	7,099,374	349,324	(423,215)	630,479	2,000,180	**9,656,142**
Endowment funds						
Expendable endowment						
Benefice Houses	20,538,978	1,126,180	-	-	(1,530,180)	**20,134,978**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	41,492,808	322,575	27,000	4,584,052	231,000	**46,657,435**
Other permanent endowment funds	4,935,397	-	-	704,166	-	**5,639,563**
	66,967,183	1,448,755	27,000	5,288,218	(1,299,180)	**72,431,976**
Total funds	**95,182,064**	**10,190,780**	**(9,418,877)**	**7,223,505**	**-**	**103,177,472**

27. Summary of assets per fund at 31 December 2021

	Fixed assets		Current	Creditors	Net
	tangible	investments	assets		assets
	£	£	£	£	£
Unrestricted income funds					
General Fund	23,966	5,003,623	542,002	(352,327)	**5,217,264**
Designated funds (see note 28)					
Corporate Properties fund	10,888,853	-	-	(274,938)	**10,613,915**
Parsonages	-	566,003	241,705	(230,297)	**577,411**
Other designated funds	-	3,908,148	772,616	-	**4,680,764**
	10,912,819	9,477,774	1,556,323	(857,562)	**21,089,354**
Restricted income funds (see note 29)					
Diocesan Pastoral Account	-	2,428,861	3,355,059	-	**5,783,920**
Local Mission Fund	-	-	27,445	-	**27,445**
Other restricted income funds	-	3,612,857	231,920	-	**3,844,777**
	-	6,041,718	3,614,424	-	**9,656,142**
Endowment funds (see note 30)					
Expendable endowment funds					
Benefice Houses	20,134,978	-	-	-	**20,134,978**
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	44,865,453	1,847,982	(226,000)	**46,657,435**
Other permanent endowment funds	-	5,626,540	13,023	-	**5,639,563**
	20,304,978	50,491,993	1,861,005	(226,000)	**72,431,976**
Total funds	**31,217,797**	**66,011,485**	**7,031,752**	**(1,083,562)**	**103,177,472**

28. Designated funds

	As at 1 January 2021	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2021**
	£	£	£	£	£	**£**
Corporate Properties	11,077,304	13,956	(1,091)	(6,254)	(470,000)	**10,613,915**
Parsonages	804,704	442,079	(652,937)	105,403	(121,838)	**577,411**
Canon Ross Legacy	884,128	21,893	(27,849)	106,959	-	**985,131**
Ordinands' Support	725,067	263,573	(278,836)	98,385	(29,611)	**778,578**
Watts Legacy	1,025,964	30,042	(30,042)	146,769	-	**1,172,733**
Morley Fund	890,320	25,784	(1,220)	125,324	(24,564)	**1,015,644**
St Peter's Churchyard Loan Fund	442,413	2,960	-	17,288	-	**462,661**
Church Growth	372,225	-	(106,208)	-	-	**266,017**
Total designated funds	**16,222,125**	**800,287**	**(1,098,183)**	**593,874**	**(646,013)**	**15,872,090**

Corporate Properties - represents property transferred at no cost and gains less losses on the sale of corporate houses. The fund is designated for use to finance corporate property.

Parsonages - amounts transferred from unrestricted funds set aside for purposes of the Parsonages Committee.

Canon Ross Legacy - earmarked for expenditure on specific structural projects to support parish initiatives

Ordinands' Support - transfers from unrestricted funds made available for ordination candidates' support grants.

Watts Legacy - available for general purposes and designated for general income support.

Morley Fund - proceeds from the sale of Morley Retreat House set aside with a proportion of annual income to be made available for the Spirituality Group.

St Peter's Churchyard Loan Fund - sales proceeds designated for use to provide interest free loans of up to £10,000 to Parochial Church Councils.

Church Growth - amount set aside for seed-corn funding of strategic church growth projects.

29. Restricted income funds

	As at 1 January 2021	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2021**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	3,709,374	60,426	(164,516)	178,456	2,000,180	**5,783,920**
Local Mission Fund	22,445	5,000	-	-	-	**27,445**
Capital Resources	571,821	24,092	(24,092)	77,682	-	**649,503**
Milligan Pension Fund	729,480	18,495	(6,605)	90,045	-	**831,415**
Bishop Allen Legacy	472,823	13,706	(13,706)	66,716	-	**539,539**
Stafford Legacy (Church Trust Fund)	462,802	71,975	(73,234)	59,814	-	**521,357**
Poorer Clergy Fund	364,601	10,676	(10,676)	52,156	-	**416,757**
Benham Legacy	245,373	7,076	(7,076)	34,443	-	**279,816**
Faith in Action	102,759	2,568	-	12,545	-	**117,872**
Board of Readers	8,156	2	-	-	-	**8,158**
Clemson Legacy	-	49,864	(49,864)	-	-	**-**
Stipends Trusts	-	9,923	(9,923)	-	-	**-**
Restructure Funding	-	63,523	(63,523)	-	-	**-**
Convent of St Laurence	409,740	11,998	-	58,622	-	**480,360**
Total restricted income funds	**7,099,374**	**349,324**	**(423,215)**	**630,479**	**2,000,180**	**9,656,142**

Diocesan Pastoral Account - represents the proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983. Parsonage house improvements are funded from the sale proceeds of redundant parsonage houses through the Diocesan Pastoral Account.

Local Mission Fund - Parish Mission Funding made available by the Archbishops' Council for "the additional provision for the cure of souls in parishes where such assistance is most required, in such a manner as shall be conducive to the efficiency of the Established Church" set aside for mission development.

Capital Resources - proceeds of sale from two former parsonage houses available for property expenditure.

Milligan Pension Fund - for clergy pensions and retired clergy.

Bishop Allen Legacy - for clergy welfare, ordination training, new halls and church repair.

Stafford Legacy (Church Trust Fund) - available for such charitable purposes as the Board in its absolute discretion shall decide.

Poorer Clergy Fund - available for stipend support.

Benham Legacy - available for clergy pension contribution support.

Faith in Action - historic balance of funds specifically available for 'social responsibility' purposes.

Board of Readers - historic balance of funds available for Readers and Reader Training.

Clemson Legacy - funds are for 'the maintenance of services' and are used to support the costs of stipendiary clergy.

Stipends Trusts - funds are made up of a number of historic trusts, the income of which is used to augment clergy stipends.

Restructure Funding - funds received from Church Commissioners to fund Parish Support strategic resilience programmes

Convent of St Laurence - residual sale proceeds to be used for promotion of the spiritual life of the diocese, care of the elderly and other mission-orientated projects

30. Endowment funds

	As at 1 January 2021	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2021**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	20,538,978	1,126,180	-	-	(1,530,180)	**20,134,978**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	41,492,808	322,575	27,000	4,584,052	231,000	**46,657,435**
Stafford Legacy (Church Trust Fund)	2,317,043	-	-	329,672	-	**2,646,715**
Clemson Legacy Fund	1,702,899	-	-	243,607	-	**1,946,506**
Parsonages	453,836	-	-	64,923	-	**518,759**
Stipends Trusts	338,876	-	-	48,478	-	**387,354**
Partington Legacy	122,743	-	-	17,486	-	**140,229**
	66,967,183	**1,448,755**	**27,000**	**5,288,218**	**(1,299,180)**	**72,431,976**

Benefice Houses - represents the value of parsonage houses at the balance sheet date. These houses are used to provide accommodation for ministers. The Board is not free to dispose of the houses except in accordance with appropriate measures.

Stipends Fund Capital (Glebe funds) - represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The fund generates income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.

Stafford Legacy (Church Trust Fund) - capital to be held as permanent endowment with income at the discretion of the Board.

Clemson Legacy fund - funds are for 'the maintenance of services' and income is used to support the costs of stipendiary clergy.

Parsonages - represents permanent endowment of the Parsonages Committee with income used to finance the repair and maintenance of parsonage houses.

Stipends Trusts - historic permanent endowment trusts with income for stipends.

Partington Legacy - funds are for 'general religious purposes' and annual income is mandated directly to unrestricted funds.

Comparative Fund Notes for the prior year are shown in Note 34.

31. Funds held as custodian trustee on behalf of others

The Board holds investments on behalf of Parochial Church Councils (PCCs) and others as custodian trustee. Each year an annual statement of financial investments held by the Board in its capacity as custodian trustee is made available to PCCs. The market value of investments held on behalf of PCCs and others is £3.1million (2020 - market value £2.8million), and all such investments are held separately from those of the Board. Historic cost figures are not available.

Financial investments held by the Board, in its capacity as custodian trustee, are broken down as follows:

	2021	2020
	£	£
CCLA Investment Management Ltd		
Central Board of Finance of the Church of England Funds:		
Investment fund income shares	**2,777,134**	1,904,741
Investment fund accumulation shares	**-**	588,572
Fixed Interest Securities Fund income shares	**81,123**	86,729
Deposit Fund	**75,031**	82,375
COIF Charities Funds:		
Investment fund income shares	**120,121**	105,198
Investment fund accumulation shares	**55,062**	46,360
Other common investment fund holdings	**1,358**	1,454
	3,109,829	2,815,429

32. Related party transactions & controlling parties

Diocesan governance is by Diocesan Synod, elected from both clergy and laity under the leadership of the Diocesan Bishop, who is appointed by the Church of England nationally.

The Board pays an annual grant to the Derby Diocesan Board of Education for salary and operating costs (see Note 12). The Rt Revd L Lane, The Rt Rev M McNaughton, The Venerable Archdeacon of Chesterfield, Canon C Holmes-Elener and Canon J Cooper, were directors of both companies during the year.

Canon M Titterton, Executive Chairman and director of the Board, is also a member of Derby Cathedral Chapter (see Note 12 for payment of grant to Derby Cathedral Chapter).

The Board paid the following amounts to related parties in year:

Derby Cathedral £18,530 (2020 - £18,275) - in recognition of the place of the cathedral at the heart of the diocese

Derby Diocesan Board of Education £327,898 (2020 - £327,368) - to support the Diocese through the mission of the Board of Education

The Board was owed the following amounts from related parties as at 31 December 2021:

Derby Cathedral £nil (2020 - £nil)

Derby Diocesan Board of Education £8,030 (2020 - £3,882)

33. Prior year comparative Statement of Financial Activities for 2020

	Unrestricted funds	Restricted funds	Endowment funds	**Total funds 2020**
	£	£	£	**£**
Income and endowments from:				
Donations				
Common Fund	4,161,907	-	-	**4,161,907**
Archbishops' Council	1,632,889	187,388	-	**1,820,277**
Other donations	317,912	-	-	**317,912**
Charitable activities	373,975	409,740	-	**783,715**
Other activities	344,002	-	-	**344,002**
Investment income	1,453,370	264,901	-	**1,718,271**
Other incoming resources	61,778	-	710,937	**772,715**
Total income and endowments	8,345,833	862,029	710,937	**9,918,799**
Expenditure on:				
Raising funds	100,020	-	-	**100,020**
Charitable activities	8,361,214	482,182	-	**8,843,396**
Clergy Pension Scheme Movement	-	-	24,000	**24,000**
Other resources expended	-	-	-	**-**
Total expenditure	8,461,234	482,182	24,000	**8,967,416**
Net income/(expenditure) before investment gains and losses	(115,401)	379,847	686,937	**951,383**
Net gains on investments	538,610	92,647	2,636,855	**3,268,112**
Net income for the year	423,209	472,494	3,323,792	**4,219,495**
Transfers between funds	165,672	27,548	(193,220)	**-**
Other recognised gains/(losses)				
Net gains/(losses) on revaluation of fixed assets	-	-	-	**-**
Net movement in funds	588,881	500,042	3,130,572	**4,219,495**
Reconciliation of funds				
Total funds as at 1 January 2020	20,526,626	6,599,332	63,836,611	**90,962,569**
Total funds at 31 December 2020	21,115,507	7,099,374	66,967,183	**95,182,064**

34. Prior year analysis of transfers between funds for 2020

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Transfer to/(from):				
Benefice House transfer to Corporate Property	-	-	-	**-**
Corporate Property transfer to Benefice Housing	-	-	-	**-**
Diocesan Pastoral Account to purchase corporate houses (x2)	550,672	(550,672)	-	**-**
Benefice house sale proceeds (x1) to Diocesan Pastoral Account	-	578,220	(578,220)	**-**
Corporate Property sale proceeds to Diocesan Pastoral Account	-	-	-	**-**
Clergy pension scheme costs transfered to Stipends Fund Capital	(385,000)	-	385,000	**-**
	165,672	**27,548**	**(193,220)**	**-**

35. Prior year comparative funds notes for 2020

Summary of fund movements 2020

	As at 1 January 2020 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	**As at 31 December 2020 £**
Unrestricted income funds						
General Fund	4,878,142	6,535,382	(6,419,671)	257,948	(358,419)	**4,893,382**
Glebe funds (net of agent fees)	-	1,116,250	(1,116,250)	-	-	**-**
Designated funds						
Corporate Properties fund	10,526,632	-	-	-	550,672	**11,077,304**
Parsonages	787,117	401,483	(441,443)	57,547	-	**804,704**
Other designated funds	4,334,735	292,718	(483,870)	223,115	(26,581)	**4,340,117**
Pension reserve	-	-	-	-	-	**-**
	20,526,626	8,345,833	(8,461,234)	538,610	165,672	**21,115,507**
Restricted income funds						
Diocesan Pastoral Account	3,763,958	61,129	(103,609)	(39,652)	27,548	**3,709,374**
Local Mission Fund	23,445	-	(1,000)	-	-	**22,445**
Other restricted income funds	2,811,929	800,900	(377,573)	132,299	-	**3,367,555**
	6,599,332	862,029	(482,182)	92,647	27,548	**7,099,374**
Endowment funds						
Expendable endowment						
Benefice Houses	20,678,978	438,220	-	-	(578,220)	**20,538,978**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	38,538,954	272,717	(24,000)	2,320,137	385,000	**41,492,808**
Other permanent endowment funds	4,618,679	-	-	316,718	-	**4,935,397**
	63,836,611	710,937	(24,000)	2,636,855	(193,220)	**66,967,183**
Total funds	**90,962,569**	**9,918,799**	**(8,967,416)**	**3,268,112**	**-**	**95,182,064**

35. Prior year comparative funds notes for 2020 (continued)

Comparative summary of assets per fund at 31 December 2020

	Fixed assets		Current	Creditors	Net
	tangible	investments	assets		assets
	£	£	£	£	£
Unrestricted income funds					
General Fund	15,909	4,971,614	335,465	(429,606)	**4,893,382**
Designated funds					
Corporate Properties fund	11,081,198	-	271,044	(274,938)	**11,077,304**
Parsonages	-	736,801	175,181	(107,278)	**804,704**
Other designated funds	-	3,458,295	914,162	(32,340)	**4,340,117**
	11,097,107	9,166,710	1,695,852	(844,162)	**21,115,507**
Restricted income funds					
Diocesan Pastoral Account	-	1,250,405	2,458,969	-	**3,709,374**
Local Mission Fund	-	-	22,445	-	**22,445**
Other restricted income funds	-	3,160,834	206,721	-	**3,367,555**
	-	4,411,239	2,688,135	-	**7,099,374**
Endowment funds					
Expendable endowment funds					
Benefice Houses	20,194,978	-	344,000	-	**20,538,978**
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	40,528,400	1,278,408	(484,000)	**41,492,808**
Other permanent endowment funds	-	4,922,374	13,023	-	**4,935,397**
	20,364,978	45,450,774	1,635,431	(484,000)	**66,967,183**
Total funds	**31,462,085**	**59,028,723**	**6,019,418**	**(1,328,162)**	**95,182,064**

Designated funds (2020)

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2020
	£	£	£	£	£	£
Corporate Properties	10,526,632	-	-	-	550,672	**11,077,304**
Parsonages	787,117	401,483	(441,443)	57,547	-	**804,704**
Canon Ross Legacy	919,626	21,302	(105,000)	48,200	-	**884,128**
Ordinands' Support	720,087	212,285	(252,064)	44,759	-	**725,067**
Watts Legacy	959,951	29,165	(29,165)	66,013	-	**1,025,964**
Morley Fund	833,954	25,333	1,248	56,366	(26,581)	**890,320**
St Peter's Churchyard Loan Fund	430,003	4,633	-	7,777	-	**442,413**
Church Growth	471,114	-	(98,889)	-	-	**372,225**
Total designated funds	**15,648,484**	**694,201**	**(925,313)**	**280,662**	**524,091**	**16,222,125**

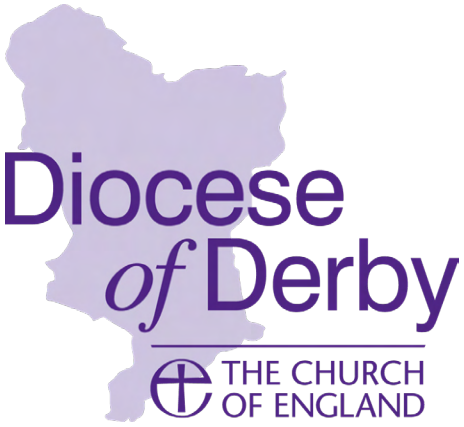
35. Prior year comparative funds notes for 2020 (continued)

Restricted income funds (2020)

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2020**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	3,763,958	61,129	(103,609)	(39,652)	27,548	**3,709,374**
Local Mission Fund	23,445	-	(1,000)	-	-	**22,445**
Capital Resources	581,527	22,809	(22,809)	(9,706)	-	**571,821**
Milligan Pension Fund	677,893	18,087	(7,000)	40,500	-	**729,480**
Bishop Allen Legacy	442,815	13,410	(13,410)	30,008	-	**472,823**
Stafford Legacy (Church Trust Fund)	435,899	71,633	(71,633)	26,903	-	**462,802**
Poorer Clergy Fund	341,141	10,364	(10,364)	23,460	-	**364,601**
Benham Legacy	229,881	6,926	(6,926)	15,492	-	**245,373**
Faith in Action	94,624	2,493	-	5,642	-	**102,759**
Board of Readers	8,149	7	-	-	-	**8,156**
Clemson Legacy	-	48,409	(48,409)	-	-	**-**
Stipends Trusts	-	9,633	(9,633)	-	-	**-**
Restructure Funding	-	187,389	(187,389)	-	-	**-**
Convent of St Laurence	-	409,740	-	-	-	**409,740**
Total restricted income funds	**6,599,332**	**862,029**	**(482,182)**	**92,647**	**27,548**	**7,099,374**

Endowment funds (2020)

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2020**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	20,678,978	438,220	-	-	(578,220)	**20,538,978**
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	38,538,954	272,717	(24,000)	2,320,137	385,000	**41,492,808**
Stafford Legacy (Church Trust Fund)	2,168,764	-	-	148,279	-	**2,317,043**
Clemson Legacy Fund	1,593,330	-	-	109,569	-	**1,702,899**
Parsonages	424,636	-	-	29,200	-	**453,836**
Stipends Trusts	317,072	-	-	21,804	-	**338,876**
Partington Legacy	114,877	-	-	7,866	-	**122,743**
	63,836,611	**710,937**	**(24,000)**	**2,636,855**	**(193,220)**	**66,967,183**



Diocese of Derby
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THE DERBY DIOCESAN BOARD OF FINANCE LIMITED

England & Wales - Charity number 249767

Accounts

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

Annual Report and Financial Statements 2020











DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)
Annual Report & Financial Statements for the year ended 31 December 2020

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ADMINISTRATIVE DETAILS

Derby Diocesan Board of Finance Limited (The) is a Charitable Trust Company Limited by Guarantee and not having a share capital. (Company No 229700 England, Registered Charity No 249767). Membership of the Board consists of those members of Derby Diocesan Synod who are not employed by the Board.

President: The Bishop of Derby - The Right Reverend Libby Lane

Registered Office: Church House, Full Street, Derby DE1 3DR
Telephone: 01332 388650
Email: finance@derby.anglican.org
Website: www.derby.anglican.org

For a list of direct dial telephone extensions see the diocesan website.

Bishop's Council & Standing Committee of Diocesan Synod
(Being the financial executive of the Diocesan Synod and the Board of Directors of the Board of Finance)

The trustees (for the purpose of charity law) and directors (for the purpose of company law) during the year and as at the date of signing were as follows:

Chair
The Right Reverend Libby Lane – The Bishop of Derby

Ex-Officio
- The Right Reverend the Bishop of Repton – The Rt Revd Janet McFarlane (to 31 March 2020)
- The Venerable Archdeacon of Chesterfield – The Ven Carol Coslett
- The Venerable Archdeacon of Derby – The Ven Christopher Cunliffe
- The Dean of Derby – The Ven Dr Peter Robinson (from 19 July 2020)
- The Acting Dean of Derby - Reverend Canon Dr Elizabeth Thomson (to 18 July 2020)
- The Chair of the House of Clergy of the Diocesan Synod – The Revd Julian Hollywell
- The Chair of the House of Laity of the Diocesan Synod – Mrs Christine McMullen
- The Executive Chair of the Board of Finance - Canon Mark Titterton
- The Chair of the Diocesan Board of Education – The Ven Carol Coslett

Elected by Derby Diocesan Synod - two clergy members from each Archdeaconry and nine lay members, with at least three from each Archdeaconry.

Clergy
Chesterfield Archdeaconry (2)
- The Revd D Ballard
- The Revd C Pearson

Derby Archdeaconry (2)
- The Revd BJ Stober
- The Revd Dr J Ward

Laity
- Chesterfield Archdeaconry (at least 3)
- Mr A Collie
- Canon J Cooper
- Mr J Gascoyne
- Miss H Hawkins
- Canon C Holmes-Elener

Derby Archdeaconry (at least 3)
- Mrs M Goddard
- Mr B Parker
- Mr P Vincent
- Mr J Whiten

Principal Officers

- Diocesan Secretary: R Morris (until 28 February 2021)
- Acting Diocesan Secretary: M Marples (from 01 October 2020)
- Director of Discipleship, Mission & Ministry: Revd Canon M Barnes
- HR Manager: M Francis
- Head of Property: G Webster
- Head of Finance: M Marples
- Diocesan Safeguarding Advisor: H Hogg (from 05 October 2020)

Advisers
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance: N Waldron BA TEP

Bankers
National Westminster Bank, 7 Market Place, Derby, DE1 3ZF

Investment Advisors
CCLA Investment Management Ltd; Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Solicitors
Eddowes Waldron Solicitors,12 St Peter's Churchyard, Derby, DE1 1TZ

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

Land Agents
Savills, 2/3 Sherbrook House, Swan Mews, Lichfield, WS13 6TU

Mineral Surveyors
Coke Turner & Co, The Millyard, Rowsley, Matlock, DE4 2EB

Auditor
BHP LLP, 2 Rutland Park, Sheffield, South Yorkshire, S10 2PD

DIOCESAN VISION 2021-2025

VISION STATEMENT

To see **transformed lives:** through **growing church** and **building community**
as an expression of **'The Kingdom of God: Good News for All'**

MISSION STATEMENT

To proclaim afresh in this generation the good news of the Kingdom

VALUES

Generous Faith, Courageous Hope, Life-giving Love

MISSIONAL AIMS

Transformed Lives: Growing Church, Building Community

Transformed Lives - A Diocese committed to equipping a church of missionary disciples, centred on Christ Jesus and shaped by Him, transforming the lives of others, living out their baptismal calling in the '5 Marks of Mission'.

Growing Church - A Diocese committed to a mixed ecology of church that is more diverse, enabling people of every age and in every context to hear the good news of Jesus, where we grow and expand worshipping and witnessing communities (including Parishes, Schools, Chaplaincy, Plants and Fresh Expressions).

Building Community - A Diocese committed to being outward facing, rooted in and connected to its communities, working in partnership and networks for the common good, with particular care for poor, outcast, and vulnerable people. A church proclaiming the good news of the Kingdom in word and action making it tangible socially, economically, environmentally and in justice.

INTRODUCTION FROM THE BISHOP OF DERBY

The Rt Revd Libby Lane



'Strive first for the kingdom of God and its righteousness, and all these things will be given to you as well.' (Matthew 6)

My prayer for our Diocese through the extraordinary year of 2020 was that, knowing we are loved beyond measure in Christ, we would, with generous faith and courageous hope, be able to offer life-giving love without restraint. This gift of love, transforming our lives and translated into love passed on, is how I understand the Kingdom of God.

We know that the coming of the Kingdom is God's business: the world is God's creation; the Church is the Body of Christ; lives are transformed by the work of the Spirit. The coming of the Kingdom does not depend on any strategy and is not constrained by any schedule. But wonderfully, God invites us to join in. This is an undeserved privilege which we are to treasure beyond price – so we do take seriously our planning and management and take due care about our choices and decisions.

In this annual report, and its record of activity and outcomes, is an account of the coming of the Kingdom of God across our diocese. We thank God for the love beyond measure we have known In Christ through pandemic, loss, anxiety, and uncertainty. I am deeply grateful for the responding faithfulness of every one of the thousands of people across our diocese – lay and ordained, paid and voluntary, of every age and in every context – seen every day in the love of Christ passed on.

Our vision is the Kingdom of God: good news for all – I hope you see signs of such good news of the Kingdom woven through this report.

FOREWORD

Executive Chairman, Canon Mark Titterton



2020 was one of the most financially challenging years in recent history, as a result of the COVID-19 pandemic. Parishes suffered from the loss of irregular giving, including the inability to undertake fundraising activities in the normal way, and loss of their own rental income. This impacts on the DDBF through a reduction in Common Fund receipts. Despite this, we remain sincerely grateful to our Parishes in doing all they could to support their giving to the Diocese so that our collective mission can be maintained.

Despite the initial financial shock on investment markets in late March 2020, stocks rallied during the following months to a year end position which showed net growth in our financial assets. These assets and the funds held by the Diocese create a solid base which provides annual income and ensure we have good quality housing stock for our clergy. Of our £95m balance sheet, £59m of assets are held for investment and £32m held as fixed assets.

Thanks to Church Commissioners for providing additional sustainability funding, and close financial management during the year, our year end position (despite being a deficit) is better than first anticipated.

Looking to 2021, we remain in unprecedented times, with the first six months of the year under some level of national restriction. The likely effect of this pandemic on DDBF income is ongoing, as our Parishes feel the compounded impact on their own resources. The DDBF does have adequate financial reserves to weather the storm in the medium term, as outlined in its five-year budget plans.

The Board exists to manage the financial and corporate requirements of the Diocese, assisting the Synod, Bishops Council, Deaneries and Parishes to further their mission and deliver the Diocesan Vision. On behalf of the Board, I would like to offer grateful thanks to team members at Church House and other DDBF staff, Clergy, Wardens and PCCs across the Diocese.

TRUSTEES' REPORT

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

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

This combined report satisfies the legal requirements for:

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

Legal Objectives

Derby Diocesan Board of Finance Limited (The); (the Board), is a private charitable company which was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated in the UK on 16 April 1928 as a charitable company limited by membership guarantees and its governing document is the Memorandum and Articles of Association. The Board is registered in England with the Charity Commission. The registered office and number can be found on page 3.

The objects, for which the Board is established, are set out in Clause 3 of the Board's Memorandum of Association, dated April 1928. The primary object (or purpose) is to act as the financial executive of the Diocesan Synod. In addition, it is to act as the Parsonages Board for the Diocese, to act as the Diocesan Committee of the Diocese for the purposes of any Act of Parliament or Measure passed by the General Synod of the Church of England and to promote and assist the work and purposes of the Church in the Diocese and in particular to organise and provide funds in aid of the work of the Church.

The Board has the following statutory responsibilities:

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

The strategic priorities of the company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Derby (in respect of their responsibility for the provision of the cure of souls).

Objectives for the year 2020

The key objectives during 2020 were:

- To discern and implement a new Diocesan Vision
- Following articulation, commence the implementation of the identified strategic priorities
- To ensure a planned and affordable governance process
- Complete all objectives on the Strategic Development Funded projects
- To explore opportunities to move the Diocesan Support Office to more appropriate premises.

Following the development of the Coronavirus pandemic (COVID-19), the priority plans were adapted to include:

- Managing a remote workforce
- Maintaining cashflow during a period of anticipated income reductions
- Maintaining and enhancing support to Parishes and key frontline clergy

Key actions, activities & achievements in the year

2020 has been a very challenging time as patterns of work have been significantly disrupted by the COVID-19 pandemic. Between March and July, a significant number (around half) of all DDBF staff were furloughed under the Government Coronavirus Job Retention Scheme which clearly had an impact on the services which could be offered.

All staff returned to work around August 2020, with remote working being the primary way of working during the continuation of the pandemic. Despite being closed to the public, Church House remained open for key operations and observed government pandemic guidelines.

Several IT improvements were made during the year, which not only stabilised the infrastructure at Church House, but has allowed effective and speedy transition for officers to work remotely. This pattern, including the introduction of remote meeting availability has allowed, and in some cases improved, the working arrangements for staff and our trustees.

The Communications Team worked closely with the Bishops Office to deliver regular COVID-19 Updates to help parishes navigate the ever-changing situation.

Staff wellbeing became a heightened pressure during the pandemic, with several initiatives implemented to support staff, including more regular individual discussions with the HR Manager.

The Discipleship, Mission & Ministry Team

Since returning from furlough leave, the team have continued to support parishes, and other church contexts, navigate positive approaches to engaging in a primarily 'remote' forms of ministry. Whilst the refocusing of ministry has been stressful and should not be underestimated, the possibilities that many parishes have discovered to minister in new ways have also been significant. Digital worship, community activism, vocations exploration and e-learning have all flourished during lockdown. To illustrate this, the team is currently supporting five times more Readers-in-training than normal (this coincided with the ending of our partnership with the All Saints Centre and the launching of our new in-house direct-to-learner e-learning platform) and we have a significant growth in enquirers wishing to explore a vocation to ordained ministry.

In addition to the team's regular workload supporting over 40 initiatives, projects, and interventions the team have produced discussion documents and reports in support of Diocesan policy and direction serving to help shape thinking around the new Diocesan Vision. Data gathering for the Strategic Building Review has now been completed and the publication of this important work will be available in early 2021.

We are grateful to our associate team members who work alongside us holding significant portfolio roles which have been invaluable in plugging the gaps left as team members have moved on. Permission granted towards the end of 2020 to replace key posts vacated over the last 18 months will give greater capacity within the team to support the Diocesan vision going forward.

The Safeguarding Team

The Safeguarding Team has seen several changes during 2020 with the departure of the former Diocesan Safeguarding Adviser (DSA). Our new DSA, Hannah Hogg, started at the beginning of October. We have also been fortunate to appoint a new Independent Chair for our Diocesan Safeguarding Advisory Panel, Helen Jebb. Helen has extensive experience in safeguarding and will help to lead the important work of the Panel, supporting safeguarding work across the Diocese. The Panel is once again up to full strength, with new members and has already revised and agreed its terms of reference.
The Diocese has also appointed James Gormley as the chair of the Past Cases Review 2 (PCR2) Reference Group which will oversee and lead the PCR2 project work in the Diocese. James has extensive social work and legal experience and will be able to provide support and insight in this key role.

Key activity of the Diocesan Safeguarding Team (DST) has included:

- 93 cases were referred to DST and a total of 104 remain active.
- 453 DBS certificates were issued (lower than 2019 due to the impact of the pandemic on the numbers of applications being made). The streamlining of the DBS checks has also gathered pace towards the end of 2020 with Parish Safeguarding Officers being supported to submit applications without the need to liaise with the DST. It is hoped that this will make it an easier process for all those concerned and also reduce delays in making applications. This has been facilitated via the Safer Recruitment training with a follow up session being provided to attendees - this work will be concluded during 2021.
- Continuing to roll out the Parish Dashboard, which supports parishes in ensuring their safeguarding policies and procedures are fully compliant, with work will continuing into 2021.
- Re-establishing the programme of training, currently being run very successfully over Zoom.
- The publication of IICSA in October 2020 provided an opportunity to reflect on the learning identified and we will be using this learning to assure ourselves around our safeguarding practices. The DSA produced a briefing on the key findings, and this can be found on the safeguarding area of the website.
- Finally, the DST has commenced significant preparatory work for the forthcoming PCR2 instigated by the National Church. This work will continue until the review commences sometime during 2020.

The Property Team

The Property Team completed some key actions during 2020, despite the delays as a result of the pandemic, including;

- Completion on the sale of one property and the purchase of two properties
- Progression of three further property sales to be completed in 2021
- Surplus parsonage garden land with planning for six townhouses is sold subject to contract.
- Seventeen quinquennial surveys were carried out on our existing housing stock.
- We carried out vacancy inspections and co-ordinated vacancy/improvement works to ten parsonages or DDBF houses prior to new clergy moving in and taking up their appointments.
- We carried out a further twenty-two vacancy inspections and co-ordinated works prior to the houses being let on assured shorthold tenancies.
- Planning permission has been secured for 180 houses on glebe land.
- Negotiations have started for securing an option agreement on 12.9 acres of glebe land for housing development.
- Rental income exceeded budget by 20% despite difficult conditions due to the pandemic.
- Property budgets achieved a significant underspend in 2020.

Financial Review

Statement of financial activities and financial position

Total income was £9.9million (2019 - £11.0million) and expenditure £9.0million including a small movement in the clergy pension scheme liability (2019 - £8.3million, after a decrease in the clergy pension scheme liability of £1.4million) giving net income before investment gains of £0.9million (2019 - £2.7million).

After the addition of net gains on investment assets of £3.3million (2019 – net gain of £6.4million and net loss on the revaluation of fixed assets of £0.3million), the net increase in funds amounted to £4.2million (2019 – £8.8million).

During the year, total fund balances increased from £91.0million, to £95.2million and there was an overall net cash inflow of £0.1million (2019 – cash outflow £0.1million).

This gives the total picture, but a further breakdown is needed to fully understand the financial position of the Diocese.

Of the total funds of £95m, £67m are tied up in endowment funds, with £21m in Benefice Houses, £41m in Stipends Fund Capital – Glebe funds and £5m in permanent endowment funds. A further £7m are represented by restricted funds which can only be used in accordance with the terms of the restriction placed on them. Designated funds total £16m and are mainly made up of corporate properties and investments, the latter of which are used to produce income to fund our activities. This leaves our general funds of £5m. As reported elsewhere our free reserves at 31 December 2020 amount to £4.9m out of our total funds of £95.2m.

Regarding the operational results, it cost £8.5m this year to carry out our general fund activities. This was funded by income of £8.3m giving an operational loss of £115,401. Additional support as a result of the pandemic brought in £250,000 from the Sustainability Fund and £54,000 from the Coronavirus Job Retention Scheme. Without these funds the operational deficit would have been £419,000.

Performance against budget

The annual budget is presented to Diocesan Synod for approval and sets out the framework for our financial decision-making. The 2020 budget set an operational deficit of £467,000.

Budget plans for 2020 included:

- A Common Fund increase of 2%, with 2020 being the first year of a further three-year transitional formula arrangement. The Common Fund Formula was maintained but uplifted to the latest available three year USAA data (2016-18). With transition from 2019 baseline to the revised parish request applied for three years.
- A reduction in Church Commissioner funding
- A reduction in expected income return from property as houses are sold or held vacant for sale. Expected increase in financial asset investment returns through reinvestment of cash from property sales.
- Parochial Fees assumed to be maintained at current levels
- Expected grant from Allchurches Trust
- A provision for stipend and salary increases of +2.0%
- Clergy numbers maintained at 134 fte
- Gross housing expenditure estimated to be £1.582m (£1.405m in 2019)
- Additional clergy support fund on top maintained clergy staffing cost figure
- Reduced level of financial support to DDBE

The table below sets out performance against the budget plan:

MANAGEMENT ACCOUNTS 2020	Budget £	Actual £	Difference £
INCOME			
Common Fund	4,909,790	4,161,907	(747,883)
Church Commissioners	1,414,004	1,632,889	218,885
Net Return on Investments	2,020,596	1,937,033	(83,563)
Other income including fees and grants	585,372	438,453	(146,919)
TOTAL INCOME	**8,929,762**	**8,170,282**	**(759,480)**
EXPENDITURE			
Ministerial Staffing	5,320,861	5,129,691	191,170
Ministerial Housing & Other Ministerial costs	1,209,874	1,044,479	165,395
Parish Support (excluding funding contributions)	1,742,279	1,372,715	369,564
Contributions and Sector Support (incl. DDBE)	643,321	458,482	184,839
National Church	480,427	479,108	1,319
TOTAL EXPENDITURE	**9,396,762**	**8,484,475**	**912,287**
SURPLUS / (DEFICIT)	**(467,000)**	**(314,193)**	**152,807**

Common Fund, the money given by parishes to the Diocese to fund mission and ministry across the Diocese, is the main source of income and accounted for around 55% of total Diocesan income. In 2020 the total amount paid was £4,161,907, which was a decrease of £605,663 over the previous year (2019 - total Common Fund £4,767,570). Receipts were £747,883 lower than budgeted.

A total of £1.6million came from the National Church Institutions, including £0.25m from the Sustainability Fund to address the impact of COVID-19 on income, indicating the Board's dependence on this valuable source of income.

Despite maintaining a steady income stream, overall returns on investments were lower than budgeted due to a delay in investment activity because of the requirement to hold cash deposits to address anticipated losses in 2020 and during the next few years.

Allchurches Trust annual distribution amounted to £138,000 and the Board acknowledges with thanks the receipt of this grant. Parochial fees were £208,697 less than budgeted as activity substantially reduced. Losses on parish fees during the first national lockdown were supported by the Diocese. Coronavirus Job Retention Scheme income totalling £53,778 was received to support 80% of furloughed employee staff costs.

There was a saving on Ministerial Housing through close management of the property stock during the year which partly offset the shortfall in Common Fund. This was further offset by savings in Parish Support costs, mainly through vacancies during the year.

Unrestricted funds movement

Management Accounts Reconciliation to Statutory Accounts	£
Deficit per Management Accounts 2020	**(314,193)**
Operational Adjustments	
Derby St Peters Dividend income	4,633
Church Growth and Parish Grant allocations	(129,750)
Other unrestricted and designated fund movement (net)	38
Investment Movements	
Adjustment to returns on investment income	(61,129)
Gains/(losses) on investment assets	538,610
Transfer from Pastoral account for purchase of property	550,672
Net movement in Unrestricted Funds	**588,881**

[Per statement of financial activities on page 24 of the financial statements]

During the year, total fund balances increased from £91.0million, to £95.2million and there was an overall net cash inflow of £0.1million (2019 – cash outflow £0.1million).

Grant-Making (Beneficiary-Selection)
Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (see note 12 of the financial statements). Grants are paid to other connected charities and to other charitable projects which support the furtherance of the Board's objects.

Local Mission Fund
The Local Mission Fund received income from the Church Commissioners Parish Mission Funding which is given to dioceses for the specific purpose of enabling distinctive mission opportunities. The fund has a year-end balance of £22,445 (2019 - £23,445) with one grant of £1,000 paid during the year (2019 – no grants). The Fund's future purpose has been redirected towards 'Building Community' initiatives.

Review of the statement of financial position
The Trustees consider that the Statement of Financial Position together with details in note 27 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the Statement of Financial Position date totalled £95.2million (2019 - £91.0million) it must be remembered that included in this total are fixed assets, mostly in use for the ministry, whose total value amounted to £31.5million (2019 - £31.5million). Many of the remaining assets shown in the Statement of Financial Position are held in funds which cannot necessarily be used for the general purposes of the Board.

Significant property transactions

During the year the Board sold one property and purchased two properties. Total purchases and additions to property were £550,672 (2019 – purchases and additions, £1,262,594) and sales were £578,220 (2019 - 7 sold, £2,374,125). In addition, a further three properties were 'held for sale' to be sold during 2021.

Investment policies and strategy

The Board's investment policies are kept under review and based on two key policies:

- Ethical investment - this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders. All investment managers are mandated to follow ethical considerations as determined by the Church of England Ethical Investment Advisory Group.
- Long-term responsibilities – the Board manages its investment assets with the principal aim of generating income to achieve the maximum contribution possible to clergy stipends, whilst maintaining the real value of Diocesan capital but with the possible need to realise investments to meet operational needs. The trustees are aware of their long-term responsibilities particularly in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

Financial Investment Strategy

The current strategy is to manage investments for sustainable income and to achieve modest capital growth over the longer term. The Board recognises that performance in this area is vital to the direct relief of the demands on Common Fund. Financial investments are held with CCLA Investment Management Ltd (for the Church of England).

Glebe Investment Strategy

Glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Investments are mainly held in agricultural land and financial investments with CCLA Investment Management Ltd.

Unrestricted and Restricted Fund Investments

Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital. Funds which may be needed for working capital in the short-term are held as deposits with CCLA Investment Management Ltd and the Board's bankers National Westminster Bank.

Investment performance

The value of the Board's financial investment assets increased by £3.0million in 2019 (2019 – increase in valuation of £6.2million).

CCLA Investment Management Ltd - financial investment managers

At the Statement of Financial Position date, the majority of the Board's investment with CCLA was in CBF Church of England Investment Fund income shares together with a holding of CBF Church of England Property Fund income shares and CBF Church of England Global Equity income shares.

The table below sets out holdings in each fund at 31 December 2020:

CCLA Investment Management Ltd Funds	Funds at 31/12/20	Portfolio Split	Income yield in year	Total return in year (net)
	£	%	%	%
CBF Church of England Investment Fund	38,788,372	75.6	+2.8	+10.2
CBF Church of England Global Equity Income Fund	5,306,232	10.4	+2.7	+22.7
CBF Church of England Property Fund	7,165,889	14.0	+4.6	-0.5
	51,260,493	**100.0**		

Total return performance for each fund in 2020 against its comparator is set out in the table below:

Longer term total return performance 12 months to 31 December 2020	Fund %	Comparator %
CBF Church of England Investment Fund (net)	+10.2	+4.0
CBF Church of England Global Equity Income Fund (net)	+22.7	+12.3
CBF Church of England Property Fund (net)	-0.5	-1.0

Brewin Dolphin

A residual holding from the Canon Raymond Ross legacy is held by Brewin Dolphin. The value of the holding at 31 December 2020 is cash only of £40,981 as investments have now all been sold in line with the terms of the agreement and held as a cash balance. No cash was redeemed during 2020.

Investment properties – including glebe agricultural land

Holdings in the portfolio are predominantly agricultural in nature, amounting to approximately 1,300 acres. Agricultural property has been valued by the Board and is based on a desktop valuation provided by Savills, our glebe land agents, as at 31 December 2020. Other small miscellaneous holdings were valued internally in 2015.

The value of the investment held in Wormhill Quarry increased by £0.05m in 2020 through a combination of activity during the year and a revaluation at 31 December 2020.

The current valuation of the portfolio is £7.8million (2019 - £7.5million). There was one sale during the year generating £46,042 and no purchases (2019 – one sale and three part-sales of glebe land during the year generating £257,385).

Equity (value-linked) loans

Equity loans have been used to purchase houses for ministers on a shared equity basis. In the event of a sale of any of the houses purchased with value-linked loans (VLL), the whole, or a proportionate part, of the net sale proceeds would go to the Church Commissioners.

Total value-linked loans advanced at 31 December 2020 amounted to £274,938 for 5 loans (2019 - £274,938, 5 loans).

Reserves Policy

Free reserves

The Board has considerable responsibilities including the remuneration of around 130 stipendiary clergy posts, the upkeep of 177 houses and the employment of approximately 43 full or part-time staff. Most of the Board's income is voluntary and the Board has noted that a substantial proportion of its voluntary income is from Common Fund with the balance made up of grant income from the Church Commissioners and income from investments and other sources.

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the course of the financial year, the policy is to hold a balance of readily realisable assets in the general fund equivalent to three months budgeted unrestricted expenditure. At 31 December 2020 the amount required under this policy totalled £2.35m (2019 - £2.35million). Actual free reserves as at 31 December 2020 totalled £4.9million (2019 - £4.9million). With the impact of COVID-19, it is considered appropriate to hold reserves above the policy level.

The aim of Bishop's Council is to ensure that financial plans over a three-year period are in step with the ability to raise income and that spending plans are affordable.

Reserves tied up in fixed assets

The Statement of Financial Position comprises net fixed assets amounting to £31.5million of which £15,909 is held as office equipment (Note 16).

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in Note 28 of the financial statements. At 31 December 2020 total designated reserves were £16.2m (2019 - £15.6million) of which £11.1m is held in tangible fixed assets as corporate property (2019 - £10.8million).

Restricted and endowment funds

As set out in Notes 29 and 30, the Board holds and administers a large number of restricted and endowment funds. As at 31 December 2020 restricted funds totalled £7.1m (2019 - £6.6m) and endowment funds totalled £67.0m (2019 - £63.8m). Neither restricted or endowment funds are available for the general purposes of the Board.

Principal risks and uncertainties

The trustees confirm that the major risks, to which the Board is exposed, as identified by the trustees and employees, have been reviewed and that systems and procedures have been established to manage those risks.

The risk register identifies several risks and action plans are developed to mitigate risks to reduce the probability of the risk arising, or the impact should the risk arise. Dioceses initially identified two areas where the risk of either failure to act or the impact of the events is considered 'very high'. These areas are:

- **Common Fund:** *'collection is considerably less than financial plans'*
- **Stipendiary Numbers:** *'impact on deployment could affect the budget position'*

Management and mitigation

The Management and mitigation of these ongoing risks are considered regularly by Diocesan Officers and reported to Trustees. Common Fund is reviewed monthly with regular dialogue between the Finance Team, Parishes, Area Deans and Archdeacons. Stipendiary deployment is reviewed monthly by the Bishops and her Executive Staff.

Following the development of the Coronavirus pandemic (COVID-19), the principle risks above remained relevant and become higher risk, with new risks as outlined below:

- **Overall income impact and cashflow:** 'physical and economic market conditions severely affect cash inflow and the ability to achieve the approved budget position'
- **Government restrictions on working:** 'restrictions affect service delivery, with uncertainty of the length of impact'
- Managing a remote workforce: 'remote working creates complexity, in an organisation predominantly unfamiliar with such practises'
- **Maintaining services to key stakeholders:** 'the timing of support to parishes and clergy may be delayed'

Management and mitigation

The Management and mitigation of these new risks are considered by Diocesan Officers and reported regularly to Trustees:

- **Cashflow** – the budget is constantly being reviewed to minimise monthly and year-end impact including; freezing non-essential spend, maximising government funding support where appropriate, and advance receipts from Church Commissioners
- **Restrictions on working** – Heads of Service meet remotely to review service delivery and adjust as necessary
- **Remote Working** – Use of remote video conferencing at Heads and individual Team level supports continued delivery where possible, and supports staff wellbeing
- **Maintaining Service** – regular updates from the Bishop keep stakeholders informed and guide them on new ways of operating

Outline financial scenario planning has been undertaken to manage the impact and financing of the risks arising from COVID-19 across 2021 and 2022.

Future plans

We have identified the following key areas of DDBF function for development during 2021:

- Sharing, shaping, and beginning to develop and embed the Diocesan Vision
- Shape and commence a programme of strategic change across our services
- Consult on Archdeaconry restructure proposal
- Recruit to the vacant Diocesan Secretary position
- Replace the Diocesan Registrar Service
- Bid for and commence objectives within Strategic Funded projects with Church Commissioners
- To return operations to Church House (subject to pandemic restrictions), and to explore opportunities to move the Diocesan Support Office to more appropriate premises.
- Review investments in line with supporting the vision.

Structure and Governance

Summary information about the structure of the Church of England

The Church of England is organised as two provinces, each led by an Archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses of which there are 42 in total. Each diocese is divided into parishes. Each parish is overseen by a parish priest (often called a vicar or rector). From ancient times through to today, they and their Bishop are responsible for the 'cure of souls' in their parish.

Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints Archbishops, Bishops and Deans of Cathedrals on the advice of the Prime Minister. The two Archbishops and 24 senior Bishops sit in the House of Lords.

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

The Three National Church Institutions

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

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

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pension authority to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations. The Pensions Board, which reports to the General Synod, is the trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Pensions Board its central responsibilities for retirement welfare, the Pensions Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

Derby Cathedral

The cathedral church is legally constituted as a separate entity currently exempt from Charity Commission registration and supervision. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Derby Cathedral Office, Cathedral Centre, 18-19 Iron Gate, Derby DE1 3GP.

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

Parochial Church Council (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church, though it may have more than one designated place of worship. The PCC is made up of the vicar (or rector) as chair, the churchwardens and a number of elected and ex-officio members. Each PCC is a charity and is currently excepted from registration with the Charity Commission, subject to the Charities Act 2006, under which those PCCs with gross income over £100,000 for the year are required to register. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC are prepared by the relevant PCC treasurer.

Parishes and Benefices

A benefice is a parish or group of parishes served by an incumbent who typically receives a stipend or part stipend, though some may not, and, usually, the benefit of free occupation and use of a parsonage house from the Diocese for carrying out spiritual duties.

Deanery and Archdeaconry

A deanery is a group of parishes supported by an Area Dean, Deanery Administrator and Deanery leadership Team, and an archdeaconry is a group of deaneries for which an Archdeacon is responsible. The Diocese is then the principal pastoral and in turn financial and administrative resource of the Church of England, encompassing the various archdeaconries under the leadership of the Diocesan Bishop.

Deanery Synods

Deanery Synods have two houses, laity and clergy, and their role is to:

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

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan Bishop, the Suffragan Bishop and Archdeacons. Its role is to:

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

Organisational structure

The Diocese of Derby is one of 42 administrative units of the Church of England, covering the whole of Derbyshire and a few parishes on the fringes of the county in Staffordshire. It is administered through Derby Diocesan Board of Finance Limited (The); (the Board), a charitable trust company limited by guarantee.

The Diocese is arranged as two archdeaconries, Chesterfield covering the north part with four deaneries and Derby the south with four deaneries. There are some 259 parishes within the Diocese.

Diocesan governance

Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods. The standing committee have the right to nominate persons for co-option by the House of Clergy or the House of Laity or otherwise to determine who else may nominate such persons but in other respects the procedure for co-opting members shall be determined by the respective houses. The Diocesan Synod usually meets three to four times a year.

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council as the Standing Committee of Diocesan Synod.

The Bishop's Council (and Standing Committee of the Diocesan Synod)

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

- to plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- to initiate proposals for action by the Synod and to advise it on matters on policy which are placed before it
- to advise the President, being the Diocesan Bishop, on any matters which they may refer to the Committee
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- to appoint members of committees or nominate individuals for election to committees, subject to the directions of the Synod
- to carry out such functions as the Synod may delegate to it.

Decision-Making Structure

Policy is formulated by the Bishop's Council for approval where required by Diocesan Synod. Strategic delivery of policy is the responsibility of the Diocesan Secretary. Bishop's Council may delegate any of its powers to the Business Committee.

Committee Structure

Bishop's Council
The members of the Bishop's Council are the Board of Trustees and Directors of the Company. Bishop's Council consists of eight ex-officio members (the Diocesan and Suffragan Bishops; two Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; the Executive Chair of the Board of Finance; the Chair of the Board of Education; the Chair of the Diocesan Mission and Pastoral Committee; four clergy elected by the House of Clergy from among their number (two from each of the Archdeaconry of Chesterfield and Derby) and nine lay persons elected by the members of the House of Laity (with at least three from each Archdeaconry) The maximum number of Directors shall not exceed 30.

Other statutory committees include:

Parsonages Committee - is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice. This includes setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board. From 21 May 2016 the Diocesan Board of Finance was designated as the Parsonage Board, which in turn delegates its functions to the Business Committee.

Diocesan Mission and Pastoral Committee - is responsible for the task of recommending pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. From 1 August 2015 this committee became coterminous with Bishop's Council, and the Chair is therefore the Bishop.

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

Derby Diocesan Board of Patronage - is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

In addition to the statutory committees Bishop's Council has set up the Business Committee, which has written terms of reference, to advise it on all governance and financial matters.

The Business Committee - meets approximately ten times each year and will work closely with the Diocesan Secretary. The Business Committee advises the Bishop's Council, in the discharge of the trustees' responsibilities for accounting policy, internal control, financial reporting and risk management. In addition, it provides strategic advice on the management of the Board's investment assets.

The Glebe Management Committee - is specifically tasked under the Endowments and Glebe Measure 1976 to manage diocesan glebe holdings to augment the diocesan stipends fund. From 12 July 2016 the Business Committee was designated as the Glebe Committee.

Remuneration Sub-Committee – is a sub-committee of the Business Committee and meets as and when required to make recommendations and decisions on clergy and lay employee remuneration.

Significant Control, Trustees and Management Personnel

Register of Persons of Significant Control
The Board maintains a Register of Persons of Significant Control.

Trustee Recruitment, Selection & Induction
The Trustees are the members of Bishop's Council and Directors of the company. Trustees are either ex-officio members or elected from the Diocesan Synod. Synod members are elected from representatives across the Diocese including clergy and lay people. Elections taking place every three years, with the next elections due in 2021. Trustees are given induction training when first appointed and receive ongoing training, as appropriate. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

The Board has indemnity insurance for its trustees and key management personnel and £1,000,000 (2019 - £1,000,000) of cover is provided.

Remuneration of key management personnel
Emoluments of higher-paid employees are determined by a Remuneration Panel consisting of a sub-set of members of the Business Committee including the Executive Chair of the Board of Finance, meeting as and when required. The terms of reference for this group is established by the Bishop's Council and includes; regular appraisals, remuneration and salary benchmarking and recommendation of changes where necessary.

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

Funds held as Custodian Trustee
The Board is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the Board does not control them, and they are segregated from the Board's own assets by means of separate bank accounts and accounting system. Further details of financial trust assets, whose market value amounted to £2.8million at 31 December 2020 (2019 - £2.6million), are available from the Board on request, and are summarised in note 31 of the financial statements. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the Board's solicitors.

Personnel

The efficient and effective running of the Diocese requires high quality staff across the DDBF. Our grateful thanks go to all the staff who supported the Diocese during 2020.

Resources were reviewed during 2020 and enhanced where necessary to provide stronger governance and to support key areas of risk.

Although this report refers to employees of the Board and not parochial clergy, we would also like to thank the clergy who continue to deliver our mission across the Diocese.

General Synod Members
We would also like to acknowledge the General Synod representatives and thank them for their hard work acting as our elected members of General Synod. During 2020, our elected representatives were; Revd Mark Broomhead, Revd Alicia Dring, Revd Julian Hollywell, Kat Alldread, Sian Kellogg and Rhodri Williams.

The trustees approve their Annual Report and, in their capacity as company directors, also approve the Strategic Report incorporated therein.

Related parties

General Synod, Church Commissioners and Archbishop's Council
The Board has a duty to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops and cathedral clergy are borne by the Church Commissioners and are not reflected in these financial statements.

Parochial Church Councils (PCCs)
The Board is required by Measure to be custodian trustee in relation to PCC property, but the Company has no control over PCCs, which are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Other charities

Derby Diocesan Board of Education
Derby Diocesan Board of Education (DDBE) is the statutory education authority for the Church in the Diocese. Its purpose is to promote and assist in the promotion of education in the Diocese, consistent with the faith and practice of the Church of England including the promotion of religious education and worship in schools within the Diocese. In addition, its purpose is to promote church schools in the Diocese and to advise governors of such schools. Whilst the DDBE is incorporated as a separate legal entity, the DDBF provides significant resources to the DDBE to facilitate the shared vision for mission and ministry with children and young people.

The Board co-operates with certain other charities in pursuit of its charitable objects and details of payments to these are to be found in note 12 to the financial statements.

Fundraising standards information

The charity does not carry out any significant fundraising activity.

TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

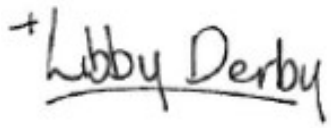
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

STATEMENT OF DISCLOSURE TO AUDITORS

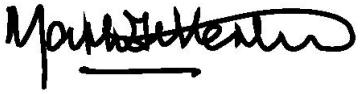
In so far as the trustees are aware:

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

BY ORDER OF THE TRUSTEES



The Bishop of Derby
Chair
24 May 2021



Canon Mark Titterton
Executive Chairman of the DDBF
24 May 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

Opinion

We have audited the financial statements of Derby Diocesan Board of Finance Limited (The) (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, statement of financial position, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

1. the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
2. the strategic report and the directors' report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

1. We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk.
2. We focused on laws and regulations relevant to the charitable company which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, trustees, and those staff with direct responsibility for the compliance of laws and regulations. We also reviewed legal expenses.
3. We addressed the risk of management override of internal controls, including the testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by management or the trustees that represented a risk of material misstatement due to fraud.

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

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

Use of our report

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



Jane Marshall (Senior Statutory Auditor)

For and on behalf of BHP LLP
2 Rutland Park
Sheffield
South Yorkshire
S10 2PD

Date: 3 June 2020

FINANCIAL STATEMENTS

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DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
		£	£	£	£	£
Income and endowments from:						
Donations	2					
Common Fund		4,161,907	-	-	**4,161,907**	4,767,570
Archbishops' Council		1,632,889	187,388	-	**1,820,277**	1,600,517
Other donations		317,912	-	-	**317,912**	286,265
Charitable activities	3	373,975	409,740	-	**783,715**	559,313
Other activities	4	344,002	-	-	**344,002**	280,807
Investments	5	1,453,370	264,901	-	**1,718,271**	1,777,445
Other incoming resources	6	61,778	-	710,937	**772,715**	1,678,212
Total income and endowments		**8,345,833**	**862,029**	**710,937**	**9,918,799**	10,950,129
Expenditure on:						
Raising funds	7	100,020	-	-	**100,020**	98,352
Charitable activities	8	8,361,214	482,182	-	**8,843,396**	9,590,847
Clergy Pension Scheme Movement	25	-	-	24,000	**24,000**	(1,379,000)
Other resources expended	9	-	-	-	**-**	-
Total expenditure		**8,461,234**	**482,182**	**24,000**	**8,967,416**	8,310,199
Net income/(expenditure) before investment gains		**(115,401)**	**379,847**	**686,937**	**951,383**	2,639,930
Net gains/(losses) on investments		538,610	92,647	2,636,855	**3,268,112**	6,406,720
Net income/(expenditure)		**423,209**	**472,494**	**3,323,792**	**4,219,495**	9,046,650
Transfers between funds	15	**165,672**	**27,548**	**(193,220)**	**-**	-
Other recognised gains/(losses)						
Net gains/(losses) on revaluation of fixed assets		-	-	-	**-**	(288,783)
Net movement in funds		**588,881**	**500,042**	**3,130,572**	**4,219,495**	8,757,867
Reconciliation of funds						
Total funds at 1 January		20,526,626	6,599,332	63,836,611	**90,962,569**	82,204,702
Total funds at 31 December	26	**21,115,507**	**7,099,374**	**66,967,183**	**95,182,064**	90,962,569

All activities derive from continuing activities.

The notes on pages 28 to 48 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2020

	2020	2019
	£	£
Total income (less endowment)	**9,207,862**	10,223,897
Resources expended (less endowment)	**(8,943,416)**	(9,689,199)
Operating surplus for the year	**264,446**	534,698
Net gains/(losses) on investments	**631,257**	1,581,104
Income for the year	**895,703**	2,115,802
Other comprehensive income/(expenditure):		
Net assets transferred from endowments	**193,220**	(89,569)
Net gains/(losses) on revaluation of fixed assets	**-**	(288,783)
Total comprehensive income:	**1,088,923**	1,737,450

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

The notes on pages 28 to 48 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF FINANCIAL POSITION COMPANY NUMBER 229700

as at 31 December 2020

	Note		2020		2019
		£	£	£	£
Fixed Assets					
Tangible assets	16	**31,462,085**		31,525,157	
Investments	17	**59,028,723**		55,811,557	
			90,490,808		87,336,714
Current Assets					
Assets held for sale	18	**615,044**		140,000	
Debtors	19	**924,921**		905,089	
Cash on deposit		**4,454,311**		4,336,078	
Cash at bank and in hand		**25,142**		30,148	
		6,019,418		5,411,315	
Creditors: amounts falling due within one year	20	**(921,224)**		(1,017,522)	
Net Current Assets			**5,098,194**		4,393,793
Total Assets less Current Liabilities			**95,589,002**		91,730,507
Creditors: amounts falling due after more than one year	20				
Pension scheme liabilities		**(132,000)**		(493,000)	
Other creditors		**(274,938)**		(274,938)	
			(406,938)		(767,938)
Net Assets			**95,182,064**		90,962,569
The Funds of the Charity					
Unrestricted income funds					
General Fund		**4,893,382**		4,878,142	
(Including investment revaluation reserve of £1,671,170 (2019 - £2,046,776)					
Designated funds	28	**16,222,125**		15,648,484	
(Including investment revaluation reserve of £2,044,896 (2019 - £1,751,724)					
			21,115,507		20,526,626
Restricted income funds	29		**7,099,374**		6,599,332
(Including investment revaluation reserve of £1,341,527 (2019 - £1,247,928)					
Endowment funds	30		**66,967,183**		63,836,611
(Including investment revaluation reserve of £18,968,943 (2019 - £17,330,601)					
Total Funds			**95,182,064**		90,962,569

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2021 and signed on behalf of the Board by:

+ Libby Derby

The Bishop of Derby - The Rt Revd Libby Lane

The notes on pages 28 to 48 form part of these financial statements

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	2020	2019
	£	£
Cash flows from operating activities:		
Net cash used in operating activities	**(1,943,376)**	(2,471,464)
Cash flows from investing activities:		
Dividends, interest and rent from investments	**1,718,271**	1,777,445
Royalty income	**272,717**	199,228
Proceeds from the sale of property, plant and equipment	**578,220**	2,655,511
Proceeds from the sale of investment property	**46,042**	-
Proceeds from the sale of Brewin Dolphin investments	**4,904**	23,875
Purchase of property, plant and equipment	**(563,551)**	(1,265,186)
Purchase of investments securities	**-**	(1,000,000)
Net cash provided by investing activities	**2,056,603**	2,390,873
Cash flows from financing activities		
Net cash provided by financing activities	**-**	-
Change in cash and cash equivalents in the year	**113,227**	(80,591)
Cash and cash equivalents at 1 January	**4,366,226**	4,446,818
Cash and cash equivalents at 31 December	**4,479,453**	4,366,226

	2020	2019
	£	£
Reconciliation of net movement in funds to net cash outflow from operating activities		
Net movement in funds for the year ended 31 December	**4,219,495**	8,757,867
Adjustments for:		
Net (gains)/losses on investments	**(3,268,112)**	(6,406,720)
Net (gains)/losses on revaluation of fixed assets	**-**	288,783
Depreciation charges	**11,579**	13,771
Dividends, interest and rent from investments	**(1,718,271)**	(1,777,445)
Royalty income	**(272,717)**	(199,228)
Net (Profit) on the sale of fixed assets	**(438,220)**	(1,470,669)
(Increase) in debtors	**(19,832)**	(90,984)
(Decrease)/Increase in creditors, excluding clergy pension scheme movement	**(96,298)**	144,161
Clergy pension scheme movement	**(361,000)**	(1,731,000)
	(6,162,871)	(11,229,331)
Net cash used in operating activities	**(1,943,376)**	(2,471,464)
Analysis of cash and cash equivalents		
Notice deposits (less than 3 months)	**4,454,311**	4,336,078
Cash in hand	**25,142**	30,148
	4,479,453	4,366,226

Analysis of Changes in Net Debt

The Diocese has no cash equivalents, repayable overdraft facilities, loans due or finance lease obligations at 31 December 2020 (2019 - Nil)
Movements in cash are reflected in the statement of cashflows above

The notes on pages 28 to 48 form part of these financial statements

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

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at cost or deemed cost, investment properties which are included at fair value, and fixed asset investments which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP (FRS 102)), the Companies Act 2006 and applicable accounting standards, Financial Reporting Standard (FRS) 102.

Derby Diocesan Board of Finance Ltd meets the definition of a public benefit entity under FRS 102.

The principle accounting policies and estimation techniques are as follows:

a) Income

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

i) Common Fund is recognised as income of the year in respect of which it is receivable with contributions received by 31 January in the following financial year-end explicitly relating to the period under review included as debtors
ii) Rent receivable is recognised as income in the period in respect to which it relates.
iii) Interest and dividends are recognised as income when receivable.
iv) Grants received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
v) Grants received which are not subject to pre-conditions for entitlement specified by the donor are treated as income in the year
vi) Parochial fees are recognised as income of the year to which they relate.
vii) Donations other than grants are recognised when receivable.
viii) Gains on disposal of fixed assets for the Board's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
ix) Stipends fund income. The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.
x) Mineral royalty receipts are uncertain, however receipts are accounted for as income when they arise
xi) Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing.

b) Expenditure

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

i) Costs of raising funds represent costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and diocesan projects.
iii) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
iv) Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on the basis of the estimated usage of resources at Church House.

The apportionment can be summarised as follows:
Resourcing ministry and mission (95.0%), Diocesan Projects (1.5%), Governance (3.5%)

v) Pension contributions. Some of the Board's staff are members of the Church Workers Pension Fund Pension Builder 2014 Scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 25). The pension costs charged as resources expended represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Board participates are accrued at current value in creditors distinguished between contributions falling due within one year and those falling due after more than one year.

c) Tangible fixed assets and depreciation

Freehold & leasehold houses and houses subject to value-linked loan

The primary purpose of residential property held in the benefice houses fund and as corporate houses is to house ministers and all such properties are held as functional fixed assets. Residential property is not held for investment purposes i.e. to generate an income or for capital gain.

Freehold houses and houses subject to value-linked loan are shown at cost, or deemed cost, where historic cost values are not readily available.

Where the Board acquires property on its own account, the expenditure is capitalised. Gains or losses arising from sales of corporate property are dealt with through the designated fund (corporate properties fund).

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not more than the recoverable amount.

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value. Glebe agricultural land was valued as at 31 December 2020 by Savills, Chartered Surveyors, who manage the portfolio. For allotments and other small miscellaneous holdings, a valuation is provided by the Assistant Secretary (Property) (an employee of the Derby Diocesan Board of Finance Limited).

The fair value of a quarry was valued as at 31 December 2020 by Coke Turner & Co, Mineral Surveyors, who act as agents for the Board, based on the rent and royalty income streams likely to be achieved over the remaining term of the lease.

Parsonage houses

The Board has followed the requirements of FRS 102, in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. Parsonage houses are carried at their deemed or historical cost.

d) Other tangible fixed assets

No provision for depreciation is provided in respect of Church House, as it is fully maintained with a view to ensuring that the total residual value is not less than the amount stated in the financial statements. Accordingly, any depreciation would be immaterial.

Depreciation on office equipment is calculated to write off the cost of each asset over its expected useful life by equal annual instalments at the rates below, (% p.a. on cost). Items costing less than £1,000 are not capitalised.

Computer hardware and software	33⅓%	straight line
Furniture & fittings	10%	straight line
Other office equipment	20%	straight line

e) Other accounting policies

i) Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

ii) Leases. The Board has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.

f) Fund balances

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

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

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the note 31 to the financial statements.

g) Financial instruments

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

h) Going concern

For the year ended 31 December 2020 the charitable company made an operating surplus of £951,383 and after taking account of gains and losses made an overall surplus of £4.2m. Free reserves at 31 December 2020 are £4.87m

The Board have considered the ongoing impact of COVID-19 on the charitable company's income and operating cost base. They recognise that whilst the government has set out its roadmap to recovery, it is still not considered practical to accurately assess the duration and extent of the disruption.

The Board have prepared forecasts of income and expenditure for the period to 31 December 2022 that show deficit budgets. Due to the level of free reserves and cash resources held they are confident that they have in place plans to deal with the deficit budgets and any further financial losses that may arise.

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

i) Employee Benefits

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

j) Debtors

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

k) Creditors & Provisions

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

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

l) Critical Accounting Estimates & Assumptions

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

The present values of Church of England Funded Pension Scheme depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liability**.**

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
	£	£	£	£	£
2. Donations					
Common Fund					
The majority of donations are collected from the parishes of the diocese through the Common Fund system.					
Chesterfield Archdeaconry	2,064,387	-	-	**2,064,387**	2,378,139
Derby Archdeaconry	2,055,735	-	-	**2,055,735**	2,376,287
	4,120,122	-	-	**4,120,122**	4,754,426
Other receipts	41,785	-	-	**41,785**	6,188
Receipts for previous years	-	-	-	**-**	6,956
	4,161,907	**-**	**-**	**4,161,907**	4,767,570
Total Common Fund receipts represent 75.6% of the amount allocated (2019 - 87.6%).					
Archbishops' Council					
Selective allocation	1,632,889	-	-	**1,632,889**	1,446,298
Restructure Funding	-	187,388	-	**187,388**	154,219
	1,632,889	**187,388**	**-**	**1,820,277**	1,600,517
Other donations					
Allchurches Trust grant	138,000	-	-	**138,000**	139,000
Legacy income	-	-	-	**-**	-
Other donations and grants	179,912	-	-	**179,912**	147,265
	317,912	**-**	**-**	**317,912**	286,265
3. Charitable activities					
Statutory fees	240,725	-	-	**240,725**	388,578
Church Commissioners	-	-	-	**-**	-
Other contributions and income	131,598	409,740	-	**541,338**	160,350
Sale of publications	1,652	-	-	**1,652**	10,385
	373,975	**409,740**	**-**	**783,715**	559,313
4. Other activities					
Rental income	344,002	-	-	**344,002**	280,807
	344,002	**-**	**-**	**344,002**	280,807
5. Investments					
Dividends receivable					
Central Board of Finance Investment Funds	905,039	191,012	-	**1,096,051**	1,055,252
Central Board of Finance Property Funds	268,957	66,053	-	**335,010**	411,426
Central Board of Finance Global Equity Funds	144,897	-	-	**144,897**	142,079
Interest on cash deposits					
CBF & Other Deposit Funds	6,500	7,836	-	**14,336**	13,568
National Westminster Bank	2,131	-	-	**2,131**	8,702
Rents receivable (glebe land and buildings)	125,846	-	-	**125,846**	146,418
	1,453,370	**264,901**	**-**	**1,718,271**	1,777,445
6. Other incoming resources					
Gain on disposal of properties	-	-	438,220	**438,220**	1,470,669
Glebe Mineral Royalties	-	-	272,717	**272,717**	199,228
Lichfield Trust receipt	8,000	-	-	**8,000**	8,315
Coronavirus Job Retention Scheme Grant	53,778	-	-	**53,778**	**-**
	61,778	**-**	**710,937**	**772,715**	1,678,212
Total income and endowments	**8,345,833**	**862,029**	**710,937**	**9,918,799**	10,950,129

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
	£	£	£	£	£
7. Fund raising costs					
Glebe land agents' fees and other expenses	47,161	-	-	**47,161**	57,227
Other agents' commission and expenditure	52,859	-	-	**52,859**	41,125
	100,020	**-**	**-**	**100,020**	98,352
8. Charitable activities					
Contributions to Archbishops' Council					
Training for ministry	211,623	-	-	**211,623**	211,624
National Church responsibilities	184,826	-	-	**184,826**	188,441
Mission agency pension costs	-	-	-	**-**	-
Retired clergy housing costs (CHARM)	75,979	-	-	**75,979**	72,361
Pooling of ordinand candidates' costs	34,611	-	-	**34,611**	13,071
	507,039	**-**	**-**	**507,039**	485,497
Resourcing Ministry & Mission					
Parish ministry					
Stipends, salaries and national insurance	3,711,500	140,040	-	**3,851,540**	3,880,330
Pension contributions	914,705	6,926	-	**921,631**	963,871
Housing costs	910,270	116,418	-	**1,026,688**	1,448,406
Removal, resettlement and other expenses	144,027	-	-	**144,027**	161,177
	5,680,502	**263,384**	**-**	**5,943,886**	6,453,784
Support for parish ministry	1,722,280	210,798	-	**1,933,078**	1,986,320
	7,402,782	**474,182**	**-**	**7,876,964**	8,440,104
Expenditure on Education & Diocesan Projects					
Diocesan Board of Education	327,368	-	-	**327,368**	548,616
Derby Cathedral	18,275	-	-	**18,275**	17,844
Church of North India Partnership	750	-	-	**750**	750
Clergy Widows & Orphans	-	7,000	-	**7,000**	7,000
Diocesan projects	-	1,000	-	**1,000**	-
Parishes	105,000	-	-	**105,000**	91,036
	451,393	**8,000**	**-**	**459,393**	665,246
Total charitable activities	**8,361,214**	**482,182**	**-**	**8,843,396**	9,590,847
9. Other resources expended					
Loss on disposal of properties	-	-	-	**-**	-
	-	**-**	**-**	**-**	**-**
Clergy Pension Scheme Movement (Note 25)	-	-	24,000	**24,000**	(1,379,000)
	-	**-**	**24,000**	**24,000**	**(1,379,000)**
Total expenditure	**8,461,234**	**482,182**	**24,000**	**8,967,416**	**8,310,199**

10. Analysis of expenditure (including allocation of support costs)

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs 2020	Total costs 2019
	£	£	£	£	£
Raising Funds	100,020	-	-	**100,020**	98,352
Charitable activities					
Contributions to Archbishops' Council	-	507,039	-	**507,039**	485,497
Resourcing Ministry & Mission	7,099,557	321,194	456,213	**7,876,964**	8,440,104
Board of Education & Diocesan Projects	-	452,446	6,947	**459,393**	665,246
Clergy Pension Scheme Movement	24,000	-	-	**24,000**	(1,379,000)
Other Resources Expended	-	-	-	**-**	-
	7,223,577	**1,280,679**	**463,160**	**8,967,416**	8,310,199

11. Analysis of support costs

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
	General	Designated				
	£	£	£	£	£	£
Central Administration	408,429	-	-	-	**408,429**	438,910
Support for education & diocesan projects	6,947	-	-	-	**6,947**	7,541
Governance:						
External audit	15,450	-	-	-	**15,450**	15,296
Registrar and Chancellor	16,123	-	-	-	**16,123**	23,409
Synodical costs	16,211	-	-	-	**16,211**	17,596
	463,160	**-**	**-**	**-**	**463,160**	502,752

12. Analysis of grants made

	Grants to individuals	Grants to institutions	Total Grants 2020	Total Grants 2019
	£	£	£	£
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council	-	507,039	**507,039**	485,497
From unrestricted funds:				
Removal, resettlement & first appointment grants	68,865	-	**68,865**	111,979
Ordinands in training	252,329	-	**252,329**	200,324
Derby Diocesan Board of Education	-	327,368	**327,368**	548,616
Derby Cathedral Chapter	-	18,275	**18,275**	17,844
Church of North India Partnership	-	750	**750**	750
Parishes	-	105,000	**105,000**	91,036
Restricted income funds				
Clergy Widows & Orphans	-	7,000	**7,000**	7,000
Diocesan projects	-	1,000	**1,000**	-
	321,194	**966,432**	**1,287,626**	1,463,046

Significant Grants to Institutions:

Archbishops Council - to support; national training for Ministry; responsibilities of the National Church; grants and provisions made by the National Church; Inter-diocesan support for clergy pension contributions; and housing assistance for retired ministry

Derby Diocese Board of Education - to support the DDBE vision of *'offering our children and young people life in all of its fullness'* by; **Growing** - providing experiences rooted in faith, hope and love; **Outward Facing** - valuing their contribution to the community; **Learning** - ensuring the highest academic standards; and **Healthy** - providing safe places of welcome & belonging.

13 Staff costs

Employee costs during the year were as follows:

	2020	2019
	£	£
Wages & salaries	1,092,226	1,090,648
National insurance contributions	96,660	60,661
Pension costs:		
Church of England Funded Pensions Scheme	12,656	21,755
Church Workers Pension Fund Pension Builder 2014 Scheme	86,587	83,611
Other defined contribution pension schemes	8,379	8,287
	1,296,508	1,264,962

The average number of persons employed by the Board during the year:

	2020	2019
	Number	Number (restated)
Administration, property and financial management	14	15
Diocesan Director of Vocations	1	2
Mission & Ministry	8	9
Human resources, safeguarding & communications	11	11
Parochial, Deanery & Other	9	10
	43	47

Average number of persons employed by the Board during the year based on full-time equivalents:

	2020	2019
	Full-time equivalent	Full-time equivalent
Administration, property and financial management	11.6	12.1
Diocesan Director of Vocations	0.6	1.5
Mission & Ministry	6.6	6.4
Human resources, safeguarding & communications	7.8	8.4
Parochial, Deanery & Other	4.8	4.8
	31.4	33.2

The number of staff whose total emoluments (salary plus taxable benefits excluding pension contributions) exceeded £60,000 during the year is as follows:

	2020	2019
	(Number)	(Number)
£60,001 - £70,000	**1**	-
£70,001 - £80,000	**1**	1

Pension payments of £13,345 (2019 - £7,176) were made for these employees.

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary (until 28 Feb 2021)	Ms R Morris
Head of Finance (and Acting Diocesan Secretary from 1 Oct 2020)	Mr M Marples
Director of Discipleship, Mission & Ministry	Revd Canon M Barnes
Diocesan Safeguarding Advisor (from 5 Oct 2020)	Mrs H Hogg
HR Manager	Mrs M Francis
Head of Property	Mr G Webster

Remuneration, employer's National Insurance contributions and employer's pension contributions for these employees amounted to £299,570 (2019 - £320,683)

NB: Derby Cathedral contributed £13,290 (2019: £13,163) to DBF as a share of the cost of the Diocesan Secretary in their joint role as Chapter Steward.

14 Trustees' emoluments

None of the trustees received any emoluments from the Board of Finance in respect of services performed as trustees (2019 - £nil). During the year 2 trustees claimed reimbursement for travel or out of pocket expenses totalling £97 (2019 - 5 trustees claimed expenses totalling £728).

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

	Stipend	Housing
The Venerable Carol Coslett	Yes	Yes
The Venerable Christopher Cunliffe	Yes	Yes
The Revd J Hollywell	Yes	Yes
The Revd D Ballard	Yes	Yes
The Revd C Pearson	Yes	Yes
The Revd B J Stober	Yes	Yes
The Revd J Ward	Yes	Yes

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

The Board paid an average of 128.5 fte (2019 – 130.9 fte) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2020	2019
	£	£
Stipends	3,545,031	3,563,870
National insurance contributions	292,724	299,523
Pension costs (including deficit funding)	1,306,631	1,315,871
	5,144,386	5,179,264

The stipends of Bishops are paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishop are funded by the Church Commissioners and from 1 April 2020 are in the range £37,670 - £46,560 (1 April 2019 range, £36,930 - £45,640). The annual rate of stipend, funded by the Board, paid from 1 April 2020 to Archdeacons was in the range £36,830 - £38,250 (1 April 2019 range, £36,100 - £37,500) and other clergy who were Trustees were paid in the range £25,265 - £27,650 (1 April 2019 range, £24,900 - £27,110). The estimated value of church provided housing in 2020 was an average of £7,990 (2019 - £8,309).

15. Analysis of transfers between funds

	Unrestricted funds	**Restricted funds**	**Endowment funds**	**Total 2020**
	£	**£**	**£**	**£**
Transfer to/(from):				
Benefice House transfer to Corporate Property	-	-	-	**-**
Corporate Property transfer to Benefice Housing	-	-	-	**-**
Diocesan Pastoral Account to purchase corporate houses (x2)	550,672	(550,672)	-	**-**
Benefice house sale proceeds (x1) to Diocesan Pastoral Account	-	578,220	(578,220)	**-**
Corporate Property sale proceeds to Diocesan Pastoral Account	-	-	-	**-**
Clergy pension scheme costs transfered to Stipends Fund Capital	(385,000)	-	385,000	**-**
	165,672	**27,548**	**(193,220)**	**-**

16. Tangible fixed assets

	Parsonages	Freehold houses Glebe	Freehold houses Corporate	Leasehold houses Corporate	Church House Corporate	Office Equipment	**Total**
	£	£	£	£	£	£	**£**
Cost or deemed cost							
At 1 January 2020	20,538,978	170,000	9,857,092	309,478	635,000	79,434	**31,589,982**
Unheld for sale	-	-	-	-	-	-	**-**
Additions	-	-	550,672	-	-	12,879	**563,551**
Transfers	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	**-**
Revalued	-	-	-	-	-	-	**-**
Treated as 'Held for Sale'	(344,000)	-	(271,044)	-	-	-	**(615,044)**
At 31 December 2020	**20,194,978**	**170,000**	**10,136,720**	**309,478**	**635,000**	**92,313**	**31,538,489**
Depreciation							
At 1 January 2020	-	-	-	-	-	64,825	**64,825**
Charge for the year	-	-	-	-	-	11,579	**11,579**
Disposals	-	-	-	-	-	-	**-**
At 31 December 2020	**-**	-	**-**	**-**	**-**	**76,404**	**76,404**
Net book value							
At 31 December 2020	**20,194,978**	**170,000**	**10,136,720**	**309,478**	**635,000**	**15,909**	**31,462,085**
Number of houses	**132**	**3**	**41**	**1**			**177**
At 31 December 2019	20,538,978	170,000	9,857,092	309,478	635,000	14,609	31,525,157
Number of houses	134	3	40	1			178

All the above assets are used for charitable purposes. In the opinion of the Directors the carrying value of land and buildings is less than the total market value. Church House includes the Diocesan Office and was revalued in 2019.

17. Fixed asset investments

	2020	2019
	£	£
Investment securities within the United Kingdom (market value)		
At 1 January 2020	**48,295,800**	41,120,340
Additions at cost	**-**	1,000,000
Disposals	**(4,810)**	(23,875)
Unrealised gains/(losses)	**2,969,503**	6,199,335
At 31 December 2020	**51,260,493**	48,295,800
Investment properties (market value)		
At 1 January 2020	**7,515,757**	7,589,757
Additions at cost	**-**	-
Disposals	**-**	(24,000)
Unrealised gains/(losses)	**252,473**	(50,000)
At 31 December 2020	**7,768,230**	7,515,757
Total fixed asset investments within the United Kingdom	**59,028,723**	55,811,557

Securities: Unrealised Gains/(Losses) by Fund: Unrestricted £537,562 [2019 - £1,237,323], Restricted £93,599 [2019 - £343,781], Endowment £2,338,342 [2019 - £4,618,231]

Properties: Unrealised Gains/(Losses) by Fund: Endowment £252,473 [2019 - (£50,000)]

17. Fixed asset investments (continued)

	2020		2019	
	£	£	£	£
	Cost	**Market value**	Cost	Market value
Unlisted investment securities				
CCLA Central Board of Finance of the Church of England				
Investment fund income shares	**19,155,397**	**38,788,372**	19,155,397	36,292,639
Global equity fund income shares	**3,200,000**	**5,306,232**	3,200,000	4,457,581
Property fund income shares	**6,920,845**	**7,165,889**	6,920,845	7,540,770
Brewin Dolphin	**-**	**-**	29,489	4,810
Total investment securities	**29,276,242**	**51,260,493**	29,305,731	48,295,800
Investment properties comprise:-				
Glebe agricultural land		**7,623,430**		7,370,957
Other property		**144,800**		144,800
Total investment properties		**7,768,230**		7,515,757

Due to their nature the historic cost of investment properties is not known.

18. Assets Held for Sale

Non current Assets Held for Sale and Discontinued Operations requires properties in the process of being sold to be treated separately from assets held for continuing activities. For assets to be classified as 'Held for Sale' they must satisfy a number of conditions including the availability of immediate sale and that the sale is highly probable. To be highly probable; the organisation must be committed to a plan to sell the assets; an active programme to find a buyer must have been initiated; the asset must be actively marketed for sale at a price reasonable to its current fair value; the sale is expected to be completed within 1 year from the date of classification, and significant changes to the plan should be unlikely.

At 31 December 2020, there were three properties classified as 'Held for Sale, with a book value of £615,044 (2019 - one property, £140,000)

19. Debtors

	2020	2019
	£	£
Amounts due from PCCs (unsecured) - Common Fund	**154,904**	165,713
Amounts due from PCCs (unsecured) - Loans to Parishes	**53,917**	72,663
Other debtors	**640,914**	644,870
Prepayments & accrued income	**75,186**	21,843
Total debtors	**924,921**	905,089
Debtors comprise:		
Amounts due within one year	**873,023**	834,445
Amounts due after more than one year	**51,898**	70,644
	924,921	905,089

20. Creditors

	2020	2019
	£	£
Amounts falling due within one year		
Sundry creditors	**553,774**	650,522
Accruals	**15,450**	15,000
Church of England Funded Pension Scheme liability	**352,000**	352,000
	921,224	1,017,522
Amounts falling due after more than one year		
Church of England Funded Pension Scheme liability	**132,000**	493,000
Value-linked loans for houses with the Church Commissioners (see note below)	274,938	274,938
	406,938	767,938

Notes

Deferred income within 2020 sundry creditors: b/f (£0), released in year (£0), deferred in year (£32,340), balance c/f (£32,340)

Deferred income relates to Ordinand grant received from Church Commissioners for Ordinands no longer in training

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property.

21. Contingent liabilities

The Board is party to a mortgage with Derbyshire County Council totalling £20,000 (2019 - £20,000).

22. Capital commitments

Capital expenditure:

	2020	2019
	£	£
Contracted for but not provided for in the Financial Statements:		
Purchase of property	-	-
	-	-

23. Operating lease commitments

As at 31 December the Board had annual commitments under non-cancellable operating leases as set out below:

	2020	2019
	£	£
Operating leases which expire:		
Not later than 1 year	-	-
	-	**-**

The amount charged to the Statement of Financial Activities in 2020 was £nil (2019 - £nil).

24. Events occurring after the end of the reporting period

None

25. Pensions

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

These schemes are multi-employer last man standing defined benefit pension schemes for which the Board is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of Financial Reporting Standard (FRS) 102 requires the Board to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the Board. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme

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

The Board participates in the Church of England Funded Pensions Scheme which is administered by the Church of England Pensions Board and holds the assets of the Scheme separately from those of the employer and other participating employers. At the end of the year the Board was paying contributions for 138 members of the Scheme (2019 - 140 members). Each participating employer in the Scheme pays contributions at a common contribution rate applied to pensionable stipends. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities (SoFA) in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

25. Pensions (continued)

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

- an average discount rate of 3.2% p.a.
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% p.a.

Following the 31 December 2018 valuation of the Scheme, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions payable (as a percentage of pensionable stipends) are set out in the table below.

Percentage of pensionable stipends

	January 2018 to December 2020	**January 2021 to December 2022**
Deficit repair contributions	**11.9%**	**7.1%**

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

Church of England Funded Pension Scheme (continued)

Reconciliation of balance sheet liability

	2020	**2020**	2019	2019
	£	**£**	£	£
Balance sheet liability as at 1 January 2020		**845,000**		2,576,000
Deficit contribution paid	**(392,000)**		(402,000)	
Interest cost (recognised in SoFA)	**7,000**		50,000	
Remaining change to balance sheet liability * (recognised in SoFA)	**24,000**	**(361,000)**	(1,379,000)	(1,731,000)
Balance sheet liability as at 31 December 2020		**484,000**		845,000

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

Note

Estimated amount due within one year	*352,000*
Estimated amount due after one year	*132,000*
	484,000

25. Pensions (continued)

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

	2020	2019	2018	2017	2016
	%	%	%	%	%
Discount rate	**0.2**	1.1	2.1	1.4	1.5
Price inflation	**3.1**	2.8	3.1	3.0	3.1
Increase in total pensionable payroll	**1.6**	1.3	1.6	1.5	1.6

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

Office holder pension contributions are shown in Note 14 and totalled £1,306,631 in 2020 (2019 £1,315,871)

Other clergy pension contributions, paid to ordained DBF staff are shown in Note 13 and totalled £12,656 in 2020 (2019 £21,755)

Church Workers Pension Fund

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Church Workers Pension Fund - Pension Builder 2014

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

Contributions made to The Church Workers Pension Schemes are shown in Note 13 and totalled £86,587 in 2020 (2019 £83,611)

Other Schemes

In addition to the Church of England Pension scheme, for those employees who have opted out of the scheme, contributions are made to individual pension schemes at the same rate.

Contributions made to opted out employees are shown in Note 13 and totalled £8,379 in 2020 (2019 £8,287)

26. Summary of fund movements

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2020**
	£	£	£	£	£	**£**
Unrestricted income funds						
General Fund	4,878,142	6,535,382	(6,419,671)	257,948	(358,419)	**4,893,382**
Glebe funds (net of agent fees)	-	1,116,250	(1,116,250)	-	-	**-**
Designated funds						
Corporate Properties fund	10,526,632	-	-	-	550,672	**11,077,304**
Parsonages	787,117	401,483	(441,443)	57,547	-	**804,704**
Other designated funds	4,334,735	292,718	(483,870)	223,115	(26,581)	**4,340,117**
Pension reserve	-	-	-	-	-	**-**
	20,526,626	8,345,833	(8,461,234)	538,610	165,672	**21,115,507**
Restricted income funds						
Diocesan Pastoral Account	3,763,958	61,129	(103,609)	(39,652)	27,548	**3,709,374**
Local Mission Fund	23,445	-	(1,000)	-	-	**22,445**
Other restricted income funds	2,811,929	800,900	(377,573)	132,299	-	**3,367,555**
	6,599,332	862,029	(482,182)	92,647	27,548	**7,099,374**
Endowment funds						
Expendable endowment						
Benefice Houses	20,678,978	438,220	-	-	(578,220)	**20,538,978**
Stipends Fund Capital (Glebe funds)	38,538,954	272,717	(24,000)	2,320,137	385,000	**41,492,808**
Permanent endowment funds	4,618,679	-	-	316,718	-	**4,935,397**
	63,836,611	710,937	(24,000)	2,636,855	(193,220)	**66,967,183**
Total funds	**90,962,569**	**9,918,799**	**(8,967,416)**	**3,268,112**	**-**	**95,182,064**

27. Summary of assets per fund at 31 December 2020

	Fixed assets		**Current**	**Creditors**	**Net**
	tangible	**investments**	**assets**		**assets**
	£	**£**	**£**	**£**	**£**
Unrestricted income funds					
General Fund	15,909	4,971,614	335,469	(429,606)	**4,893,386**
Designated funds (see note 28)					
Corporate Properties fund	11,081,198	-	271,044	(274,938)	**11,077,304**
Parsonages	-	736,801	175,181	(107,278)	**804,704**
Other designated funds	-	3,458,295	914,159	(32,340)	**4,340,114**
	11,097,107	9,166,710	1,695,853	(844,162)	**21,115,507**
Restricted income funds (see note 29)					
Diocesan Pastoral Account	-	1,250,405	2,458,969	-	**3,709,374**
Local Mission Fund	-	-	22,445	-	**22,445**
Other restricted income funds	-	3,160,834	206,720	-	**3,367,554**
	-	4,411,239	2,688,134	-	**7,099,374**
Endowment funds (see note 30)					
Expendable endowment funds					
Benefice Houses	20,194,978	-	344,000	-	**20,538,978**
Stipends Fund Capital (Glebe funds)	170,000	40,528,400	1,278,408	(484,000)	**41,492,808**
Permanent endowment funds	-	4,922,374	13,023	-	**4,935,397**
	20,364,978	45,450,774	1,635,431	(484,000)	**66,967,183**
Total funds	**31,462,085**	**59,028,723**	**6,019,418**	**(1,328,162)**	**95,182,064**

28. Designated funds

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2020**
	£	£	£	£	£	**£**
Corporate Properties	10,526,632	-	-	-	550,672	**11,077,304**
Parsonages	787,117	401,483	(441,443)	57,547	-	**804,704**
Canon Ross Legacy	919,626	21,302	(105,000)	48,200	-	**884,128**
Ordinands' Support	720,087	212,285	(252,064)	44,759	-	**725,067**
Watts Legacy	959,951	29,165	(29,165)	66,013	-	**1,025,964**
Morley Fund	833,954	25,333	1,248	56,366	(26,581)	**890,320**
St Peter's Churchyard Loan Fund	430,003	4,633	-	7,777	-	**442,413**
Church Growth	471,114	-	(98,889)	-	-	**372,225**
Total designated funds	**15,648,484**	**694,201**	**(925,313)**	**280,662**	**524,091**	**16,222,125**

Corporate Properties - represents property transferred at no cost and gains less losses on the sale of corporate houses. The fund is designated for use to finance corporate property.

Parsonages - amounts transferred from unrestricted funds set aside for purposes of the Parsonages Committee.

Canon Ross Legacy - earmarked for expenditure on specific structural projects to support parish initiatives

Ordinands' Support - transfers from unrestricted funds made available for ordination candidates' support grants.

Watts Legacy - available for general purposes and designated for general income support.

Morley Fund - proceeds from the sale of Morley Retreat House set aside with a proportion of annual income to be made available for the Spirituality Group.

St Peter's Churchyard Loan Fund - sales proceeds designated for use to provide interest free loans of up to £10,000 to Parochial Church Councils.

Church Growth - amount set aside for seed-corn funding of strategic church growth projects.

29. Restricted income funds

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2020**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	3,763,958	61,129	(103,609)	(39,652)	27,548	**3,709,374**
Local Mission Fund	23,445	-	(1,000)	-	-	**22,445**
Capital Resources	581,527	22,809	(22,809)	(9,706)	-	**571,821**
Milligan Pension Fund	677,893	18,087	(7,000)	40,500	-	**729,480**
Bishop Allen Legacy	442,815	13,410	(13,410)	30,008	-	**472,823**
Stafford Legacy (Church Trust Fund)	435,899	71,633	(71,633)	26,903	-	**462,802**
Poorer Clergy Fund	341,141	10,364	(10,364)	23,460	-	**364,601**
Benham Legacy	229,881	6,926	(6,926)	15,492	-	**245,373**
Faith in Action	94,624	2,493	-	5,642	-	**102,759**
Board of Readers	8,149	7	-	-	-	**8,156**
Clemson Legacy	-	48,409	(48,409)	-	-	**-**
Stipends Trusts	-	9,633	(9,633)	-	-	**-**
Restructure Funding	-	187,388	(187,388)	-	-	**-**
Convent of St Laurence	-	409,740	-	-	-	**409,740**
Total restricted income funds	**6,599,332**	**862,029**	**(482,182)**	**92,647**	**27,548**	**7,099,374**

Diocesan Pastoral Account - represents the proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983. Parsonage house improvements are funded from the sale proceeds of redundant parsonage houses through the Diocesan Pastoral Account.

Local Mission Fund - Parish Mission Funding made available by the Archbishops' Council for "the additional provision for the cure of souls in parishes where such assistance is most required, in such a manner as shall be conducive to the efficiency of the Established Church" set aside for mission development.

Capital Resources - proceeds of sale from two former parsonage houses available for property expenditure.

Milligan Pension Fund - for clergy pensions and retired clergy.

29. Restricted income funds (continued)

Bishop Allen Legacy - for clergy welfare, ordination training, new halls and church repair.

Stafford Legacy (Church Trust Fund) - 10% of the permanent endowment income made available to a specific parish with the balance available for such charitable purposes as the Board in its absolute discretion shall decide.

Poorer Clergy Fund - available for stipend support.

Benham Legacy - available for clergy pension contribution support.

Faith in Action - historic balance of funds specifically available for 'social responsibility' purposes.

Board of Readers - historic balance of funds available for Readers and Reader Training.

Clemson Legacy - funds are for 'the maintenance of services' and are used to support the costs of stipendiary clergy.

Stipends Trusts - funds are made up of a number of historic trusts, the income of which is used to augment clergy stipends.

Restructure Funding - funds received from Church Commissioners to fund Parish Support strategic resilience programmes

Convent of St Laurence - residual sale proceeds to be used for promotion of the spiritual life of the diocese, care of the elderly and other mission-orientated projects

30. Endowment funds

	As at 1 January 2020	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2020**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	20,678,978	438,220	-	-	(578,220)	**20,538,978**
Stipends Fund Capital (Glebe funds)	38,538,954	272,717	(24,000)	2,320,137	385,000	**41,492,808**
Permanent endowment funds						
Stafford Legacy (Church Trust Fund)	2,168,764	-	-	148,279	-	**2,317,043**
Clemson Legacy Fund	1,593,330	-	-	109,569	-	**1,702,899**
Parsonages	424,636	-	-	29,200	-	**453,836**
Stipends Trusts	317,072	-	-	21,804	-	**338,876**
Partington Legacy	114,877	-	-	7,866	-	**122,743**
	63,836,611	**710,937**	**(24,000)**	**2,636,855**	**(193,220)**	**66,967,183**

Benefice Houses - represents the value of parsonage houses at the balance sheet date. These houses are used to provide accommodation for ministers. The Board is not free to dispose of the houses except in accordance with appropriate measures.

Stipends Fund Capital (Glebe funds) - represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The fund generates income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.

Stafford Legacy (Church Trust Fund) - capital to be held as permanent endowment with income at the discretion of the Board.

Clemson Legacy fund - funds are for 'the maintenance of services' and income is used to support the costs of stipendiary clergy.

Parsonages - represents permanent endowment of the Parsonages Committee with income used to finance the repair and maintenance of parsonage houses.

Stipends Trusts - historic permanent endowment trusts with income for stipends.

Partington Legacy - funds are for 'general religious purposes' and annual income is mandated directly to unrestricted funds.

Comparative Fund Notes for the prior year are shown in Note 35

31. Funds held as custodian trustee on behalf of others

The Board holds investments on behalf of Parochial Church Councils (PCCs) and others as custodian trustee. Each year an annual statement of financial investments held by the Board in its capacity as custodian trustee is made available to PCCs. The market value of investments held on behalf of PCCs and others is £2.8million (2019 - market value £2.6million), and all such investments are held separately from those of the Board. Historic cost figures are not available.

Financial investments held by the Board, in its capacity as custodian trustee, are broken down as follows:

	2020	2019
	£	£
CCLA Investment Management Ltd		
Central Board of Finance of the Church of England Funds:		
Investment fund income shares	**1,904,741**	1,788,632
Investment fund accumulation shares	**588,572**	534,089
Fixed Interest Securities Fund income shares	**86,729**	83,607
Deposit Fund	**82,375**	85,132
COIF Charities Funds:		
Investment fund income shares	**105,198**	98,874
Investment fund accumulation shares	**46,360**	41,568
Other common investment fund holdings	**1,454**	1,407
	2,815,429	2,633,309

32. Related party transactions & controlling parties

Diocesan governance is by Diocesan Synod, elected from both clergy and laity under the leadership of the Diocesan Bishop, who is appointed by the Church of England nationally.

The Board pays an annual grant to the Derby Diocesan Board of Education for salary and operating costs (see Note 12). The Rt Revd L Lane, The Venerable Archdeacon of Chesterfield, Canon C Holmes-Elener and Canon J Cooper, were directors of both companies.

Canon M Titterton, Executive Chairman and director of the Board, is also a member of Derby Cathedral Chapter (see Note 12).

The Board was owed the following amounts from related parties as at 31 December 2020:

Derby Cathedral £nil (2019 - £31,800)

Derby Diocesan Board of Education £3,882 (2019 - £8,924)

33. Prior year comparative Statement of Financial Activities for 2019

	Unrestricted funds	Restricted funds	Endowment funds	**Total funds 2019**
	£	£	£	**£**
Income and endowments from:				
Donations				
Common Fund	4,767,570	-	-	**4,767,570**
Archbishops' Council	1,446,298	154,219	-	**1,600,517**
Other donations	286,265	-	-	**286,265**
Charitable activities	552,986	6,327	-	**559,313**
Other activities	280,807	-	-	**280,807**
Investment income	1,504,494	272,951	-	**1,777,445**
Other incoming resources	951,980	-	726,232	**1,678,212**
Total income and endowments	9,790,400	433,497	726,232	**10,950,129**
Expenditure on:				
Raising funds	98,352	-	-	**98,352**
Charitable activities	8,965,156	625,691	-	**9,590,847**
Clergy Pension Scheme Movement	-	-	(1,379,000)	**(1,379,000)**
Other resources expended	-	-	-	**-**
Total expenditure	9,063,508	625,691	(1,379,000)	**8,310,199**
Net income/(expenditure) before investment gains and losses	726,892	(192,194)	2,105,232	**2,639,930**
Net gains on investments	1,237,323	343,781	4,825,616	**6,406,720**
Net income for the year	1,964,215	151,587	6,930,848	**9,046,650**
Transfers between funds	(1,067,807)	978,238	89,569	**-**
Other recognised gains/(losses)				
Net gains/(losses) on revaluation of fixed assets	(288,783)	-	-	**(288,783)**
Net movement in funds	607,625	1,129,825	7,020,417	**8,757,867**
Reconciliation of funds				
Total funds as at 1 January 2019	19,919,001	5,469,507	56,816,194	**82,204,702**
Total funds at 31 December 2019	20,526,626	6,599,332	63,836,611	**90,962,569**

34. Prior Year analysis of transfers between funds for 2019

	Unrestricted funds	Restricted funds	Endowment funds	Total 2019
	£	£	£	£
Transfer to/(from):				
Benefice House transfer to Corporate Property	-	-	-	**-**
Corporate Property transfer to Benefice Housing	(463,280)	-	463,280	**-**
Diocesan Pastoral Account to purchase corporate houses (x3)	1,272,594	(1,272,594)	-	**-**
Benefice house sale proceeds (x2) to Diocesan Pastoral Account	-	725,711	(725,711)	**-**
Corporate Property sale proceeds (x4) to Diocesan Pastoral Account	(1,525,121)	1,525,121	-	**-**
Clergy pension scheme costs transfered to Stipends Fund Capital	(352,000)	-	352,000	**-**
	(1,067,807)	**978,238**	**89,569**	**-**

35. Prior year comparative funds notes for 2019

Summary of fund movements 2019

	As at 1 January 2019	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2019**
	£	£	£	£	£	**£**
Unrestricted income funds						
General Fund	4,144,809	7,120,368	(6,917,598)	550,536	(19,973)	**4,878,142**
Glebe funds (net of agent fees)	-	1,124,919	(1,124,919)	-	-	**-**
Designated funds						
Corporate Properties fund	10,597,556	943,666	-	(288,783)	(725,807)	**10,526,632**
Parsonages	1,137,663	349,001	(680,634)	231,087	(250,000)	**787,117**
Other designated funds	4,038,973	252,446	(340,357)	455,700	(72,027)	**4,334,735**
Pension reserve	-	-	-	-	-	**-**
	19,919,001	9,790,400	(9,063,508)	948,540	(1,067,807)	**20,526,626**
Restricted income funds						
Diocesan Pastoral Account	2,991,978	69,503	(281,310)	5,549	978,238	**3,763,958**
Local Mission Fund	23,445	-	-	-	-	**23,445**
Other restricted income funds	2,454,084	363,994	(344,381)	338,232	-	**2,811,929**
	5,469,507	433,497	(625,691)	343,781	978,238	**6,599,332**
Endowment funds						
Expendable endowment						
Benefice Houses	20,459,697	481,712	-	-	(262,431)	**20,678,978**
Stipends Fund Capital (Glebe funds)	32,463,561	244,520	1,379,000	4,099,873	352,000	**38,538,954**
Permanent endowment funds	3,892,936	-	-	725,743	-	**4,618,679**
	56,816,194	726,232	1,379,000	4,825,616	89,569	**63,836,611**
Total funds	**82,204,702**	**10,950,129**	**(8,310,199)**	**6,117,937**	**-**	**90,962,569**

35. Prior year comparative funds notes for 2019 (continued)

Comparative summary of assets per fund at 31 December 2019

	Fixed assets		Current	Creditors	Net
	tangible	investments	assets		assets
	£	£	£	£	£
Unrestricted income funds					
General Fund	14,609	4,957,918	124,540	(218,925)	**4,878,142**
Designated funds					
Corporate Properties fund	10,801,570	-	-	(274,938)	**10,526,632**
Parsonages	-	836,848	150,118	(199,849)	**787,117**
Other designated funds	-	3,247,980	1,086,755	-	**4,334,735**
	10,816,179	9,042,746	1,361,413	(693,712)	**20,526,626**
Restricted income funds					
Diocesan Pastoral Account	-	1,290,057	2,473,901	-	**3,763,958**
Local Mission Fund	-	-	23,445	-	**23,445**
Other restricted income funds	-	2,618,795	439,882	(246,748)	**2,811,929**
	-	3,908,852	2,937,228	(246,748)	**6,599,332**
Endowment funds					
Expendable endowment funds					
Benefice Houses	20,538,978	-	140,000	-	**20,678,978**
Stipends Fund Capital (Glebe funds)	170,000	38,254,303	959,651	(845,000)	**38,538,954**
Permanent endowment funds	-	4,605,656	13,023	-	**4,618,679**
	20,708,978	42,859,959	1,112,674	(845,000)	**63,836,611**
Total funds	**31,525,157**	**55,811,557**	**5,411,315**	**(1,785,460)**	**90,962,569**

Designated funds (2019)

	As at 1 January 2019	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2019**
	£	£	£	£	£	**£**
Corporate Properties	10,597,556	943,666	-	(288,783)	(725,807)	**10,526,632**
Parsonages	1,137,663	349,001	(680,634)	231,087	(250,000)	**787,117**
Canon Ross Legacy	1,008,955	6,908	(91,036)	(5,201)	-	**919,626**
Ordinands' Support	618,613	186,911	(198,589)	162,652	(49,500)	**720,087**
Watts Legacy	808,685	28,314	(28,314)	151,266	-	**959,951**
Morley Fund	704,790	24,899	(2,372)	129,164	(22,527)	**833,954**
St Peter's Churchyard Loan Fund	406,770	5,414	-	17,819	-	**430,003**
Church Growth	491,160	-	(20,046)	-	-	**471,114**
Total designated funds	**15,774,192**	**1,545,113**	**(1,020,991)**	**398,004**	**(1,047,834)**	**15,648,484**

35. Prior year comparative funds notes for 2019 (continued)

Restricted income funds (2019)

	As at 1 January 2019	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2019**
	£	£	£	£	£	**£**
Diocesan Pastoral Account	2,991,978	69,503	(281,310)	5,549	978,238	**3,763,958**
Local Mission Fund	23,445	-	-	-	-	**23,445**
Capital Resources	568,687	26,929	(26,929)	12,840	-	**581,527**
Milligan Pension Fund	574,431	17,658	(7,000)	92,804	-	**677,893**
Bishop Allen Legacy	374,055	13,101	(13,101)	68,760	-	**442,815**
Stafford Legacy (Church Trust Fund)	374,252	69,953	(69,953)	61,647	-	**435,899**
Poorer Clergy Fund	287,387	10,062	(10,062)	53,754	-	**341,141**
Benham Legacy	194,383	6,769	(6,769)	35,498	-	**229,881**
Faith in Action	79,275	2,420	-	12,929	-	**94,624**
Board of Readers	1,614	6,535	-	-	-	**8,149**
Clemson Legacy	-	46,996	(46,996)	-	-	**-**
Stipends Trusts	-	9,352	(9,352)	-	-	**-**
Restructure Funding	-	154,219	(154,219)	-	-	**-**
Total restricted income funds	**5,469,507**	**433,497**	**(625,691)**	**343,781**	**978,238**	**6,599,332**

Endowment funds (2019)

	As at 1 January 2019	Income	Expenditure	Gains/ (losses)	Transfers	**As at 31 December 2019**
	£	£	£	£	£	**£**
Expendable endowment						
Benefice Houses	20,459,697	481,712	-	-	(262,431)	**20,678,978**
Stipends Fund Capital (Glebe funds)	32,463,561	244,520	1,379,000	4,099,873	352,000	**38,538,954**
Permanent endowment funds						
Stafford Legacy (Church Trust Fund)	1,828,990	-	-	339,774	-	**2,168,764**
Clemson Legacy Fund	1,342,259	-	-	251,071	-	**1,593,330**
Parsonages	357,723	-	-	66,913	-	**424,636**
Stipends Trusts	267,109	-	-	49,963	-	**317,072**
Partington Legacy	96,855	-	-	18,022	-	**114,877**
	56,816,194	**726,232**	**1,379,000**	**4,825,616**	**89,569**	**63,836,611**