

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](mailto:finance@derby.anglican.org)  
Website: [www.derby.anglican.org](http://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:

<b>MANAGEMENT ACCOUNTS 2022</b>			
	Budget £	Actual £	Difference £
<b><u>INCOME</u></b>			
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
<b>TOTAL INCOME</b>	<b>7,908,440</b>	<b>8,492,218</b>	<b>583,779</b>
<b><u>EXPENDITURE</u></b>			
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
<b>TOTAL EXPENDITURE</b>	<b>9,099,879</b>	<b>8,513,473</b>	<b>586,386</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(1,191,439)</b>	<b>(21,255)</b>	<b>1,170,183</b>

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

<b>Management Accounts Reconciliation to Statutory Accounts</b>	
	£
<b>Deficit per Management Accounts 2022</b>	<b>(21,255)</b>
<u>Operational Adjustments</u>	
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)
<u>Investment Movements</u>	
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
<b>Net movement in Unrestricted Funds</b>	<b>(1,031,436)</b>

*[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:

<b>CCLA Investment Management Ltd Funds</b>	<b>Funds at 31/12/22</b>	<b>Portfolio Split</b>	<b>Income yield in year</b>	<b>Total return in year (net)</b>
	£	%	%	%
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	<u>7,227,355</u>	<u>14.0</u>	<u>+5.0</u>	<u>-7.8</u>
	<b><u>51,645,146</u></b>	<b><u>100.0</u></b>		

Total return performance for each fund in 2022 against its comparator is set out in the table below:

<b>Longer term total return performance 12 months to 31 December 2022</b>	<b>Fund %</b>	<b>Comparator %</b>
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

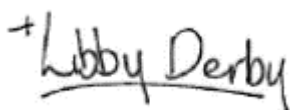
## **STATEMENT OF DISCLOSURE TO AUDITORS**

In so far as the trustees are aware:

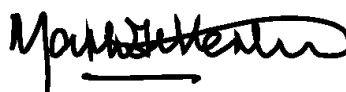
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

## **BY ORDER OF THE TRUSTEES**



**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:

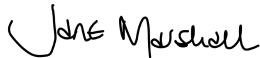
12. agreeing financial statement disclosures to underlying supporting documentation;
13. reading the minutes of meetings of those charged with governance; and
14. enquiring of management as to actual and potential litigation and claims.

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

		Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
	Note	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations	2					
Common Fund		4,056,374	-	-	<b>4,056,374</b>	4,011,002
Archbishops' Council		1,482,074	764,075	-	<b>2,246,149</b>	1,728,934
Other donations		228,546	-	-	<b>228,546</b>	367,990
Charitable activities	3	479,769	123	-	<b>479,892</b>	474,076
Other activities	4	489,489	-	-	<b>489,489</b>	382,891
Investments	5	1,615,650	320,458	-	<b>1,936,108</b>	1,751,928
Other income	6	12,070	-	263,211	<b>275,281</b>	1,473,959
<b>Total income and endowments</b>		<b>8,363,972</b>	<b>1,084,656</b>	<b>263,211</b>	<b>9,711,839</b>	10,190,780
<b>Expenditure on:</b>						
Raising funds	7	282,410	-	-	<b>282,410</b>	129,231
Charitable activities	8	8,281,037	1,096,409	-	<b>9,377,446</b>	9,315,555
Clergy Pension Scheme Movement	25	-	-	(94,000)	<b>(94,000)</b>	(27,000)
Other expenditure	9	-	-	-	-	1,091
<b>Total expenditure</b>		<b>8,563,447</b>	<b>1,096,409</b>	<b>(94,000)</b>	<b>9,565,856</b>	9,418,877
<b>Net income/(expenditure) before investment gains</b>		<b>(199,475)</b>	<b>(11,753)</b>	<b>357,211</b>	<b>145,983</b>	771,903
Net gains/(losses) on investments		(1,104,282)	(721,708)	2,101,262	<b>275,272</b>	7,229,759
<b>Net income/(expenditure)</b>		<b>(1,303,757)</b>	<b>(733,461)</b>	<b>2,458,473</b>	<b>421,255</b>	8,001,662
<b>Transfers between funds</b>	15	<b>272,321</b>	<b>(404,321)</b>	<b>132,000</b>	-	-
<b>Other recognised gains/(losses)</b>						
Net gains/(losses) on revaluation of fixed assets	16	-	-	-	-	(6,254)
<b>Net movement in funds</b>		<b>(1,031,436)</b>	<b>(1,137,782)</b>	<b>2,590,473</b>	<b>421,255</b>	7,995,408
<b>Reconciliation of funds</b>						
Total funds at 1 January		19,703,755	9,656,142	73,817,575	<b>103,177,472</b>	95,182,064
<b>Total funds at 31 December</b>	26	<b>18,672,319</b>	<b>8,518,360</b>	<b>76,408,048</b>	<b>103,598,727</b>	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)	<u>(9,659,856)</u>	<u>(9,445,877)</u>
<b>Operating (deficit)/surplus for the year</b>	<b>(211,228)</b>	<b>(703,852)</b>
Net gains/(losses) on investments	<u>(1,825,990)</u>	<u>1,941,541</u>
<b>Income for the year</b>	<b>(2,037,218)</b>	<b>1,237,689</b>
<b>Other comprehensive income/(expenditure):</b>		
Net assets transferred from endowments	(132,000)	(86,419)
Net gains/(losses) on revaluation of fixed assets	-	(6,254)
<b>Total comprehensive income:</b>	<u><b>(2,169,218)</b></u>	<u><b>1,145,016</b></u>

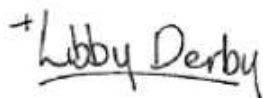
The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended 31 December 2022

COMPANY NUMBER 229700

	Note	2022		2021 (restated)	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	16	31,614,712		31,217,797	
Investments	17	<u>59,395,784</u>		<u>66,258,485</u>	
			91,010,496		97,476,282
<b>Current Assets</b>					
Debtors	19	917,495		765,144	
Cash on deposit		12,453,217		5,989,461	
Cash at bank and in hand		<u>29,897</u>		<u>30,147</u>	
		13,400,609		6,784,752	
<b>Creditors: amounts falling due within one year</b>	20	<u>(537,440)</u>		<u>(721,624)</u>	
<b>Net Current Assets</b>			<u>12,863,169</u>		<u>6,063,128</u>
<b>Total Assets less Current Liabilities</b>			103,873,665		103,539,410
<b>Creditors: amounts falling due after more than one year</b>	20				
Pension scheme liabilities		-		(87,000)	
Other creditors		<u>(274,938)</u>		<u>(274,938)</u>	
			(274,938)		(361,938)
<b>Net Assets</b>			<u><u>103,598,727</u></u>		<u><u>103,177,472</u></u>
<b>The Funds of the Charity</b>					
<b>Unrestricted income funds</b>					
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))					
			<u>18,672,319</u>		<u>19,703,755</u>
<b>Restricted income funds</b>	29	8,518,360			9,656,142
(Including investment revaluation reserve of £1,379,258 (2021 - £1,974,130))					
<b>Endowment funds</b>	30	76,408,048			73,817,575
(Including investment revaluation reserve of £18,969,512 (2021 - £24,188,635))					
<b>Total Funds</b>			<u><u>103,598,727</u></u>		<u><u>103,177,472</u></u>

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
	£	£
<b>Cash flows from operating activities:</b>		
Net cash used in operating activities	(2,464,413)	(2,515,368)
<b>Cash flows from investing activities:</b>		
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
<b>Change in cash and cash equivalents in the year</b>	<b>6,463,506</b>	<b>1,540,155</b>
<b>Cash and cash equivalents at 1 January</b>	<b>6,019,608</b>	<b>4,479,453</b>
<b>Cash and cash equivalents at 31 December</b>	<b>12,483,114</b>	<b>6,019,608</b>

	2022	2021
	£	£
<b>Reconciliation of net movement in funds to net cash outflow from operating activities</b>		
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)
<b>Net cash used in operating activities</b>	<b>(2,464,413)</b>	<b>(2,515,368)</b>
<b>Analysis of cash and cash equivalents</b>		
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%)

**DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2022

- 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**

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

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2022

**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 crisis 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.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
	£	£	£	£	£
<b>2. Donations</b>					
<b>Common Fund</b>					
The majority of donations are collected from the parishes of the diocese through the Common Fund system.					
Derbyshire Peak & Dales Archdeaconry	1,407,188	-	-	<b>1,407,188</b>	1,451,419
East Derbyshire Archdeaconry	1,441,432	-	-	<b>1,441,432</b>	1,426,402
Derby City & South Derbyshire Archdeaconry	1,119,013	-	-	<b>1,119,013</b>	1,063,131
	3,967,633	-	-	<b>3,967,633</b>	3,940,952
Other receipts	42,833	-	-	<b>42,833</b>	52,617
Receipts for previous years	45,908	-	-	<b>45,908</b>	17,433
	<b>4,056,374</b>	-	-	<b>4,056,374</b>	4,011,002
<i>Total Common Fund receipts represent 70.9% of the amount allocated (2021 - 71.5%).</i>					
<b>Archbishops' Council</b>					
Selective allocation	1,482,074	-	-	<b>1,482,074</b>	1,547,214
Restructure Funding	-	30,766	-	<b>30,766</b>	63,523
Strategic Ministry Funding	-	298,501	-	<b>298,501</b>	118,197
Strategic Capacity & Giving Advisor Funding	-	36,808	-	<b>36,808</b>	-
Energy Grants	-	398,000	-	<b>398,000</b>	-
	<b>1,482,074</b>	<b>764,075</b>	-	<b>2,246,149</b>	1,728,934
<b>Other donations</b>					
Allchurches Trust grant	136,000	-	-	<b>136,000</b>	137,000
Legacy income	1,000	-	-	<b>1,000</b>	37,892
Other donations and grants	91,546	-	-	<b>91,546</b>	193,098
	<b>228,546</b>	-	-	<b>228,546</b>	367,990
<b>3. Charitable activities</b>					
Statutory fees	382,489	-	-	<b>382,489</b>	326,280
Other contributions and income	97,280	123	-	<b>97,403</b>	147,432
Sale of publications	-	-	-	-	364
	<b>479,769</b>	<b>123</b>	-	<b>479,892</b>	474,076
<b>4. Other activities</b>					
Rental income	489,489	-	-	<b>489,489</b>	382,891
	<b>489,489</b>	-	-	<b>489,489</b>	382,891
<b>5. Investments</b>					
Dividends receivable					
Central Board of Finance Investment Funds	947,881	215,013	-	<b>1,162,894</b>	1,127,043
Central Board of Finance Property Funds	289,407	71,075	-	<b>360,482</b>	360,482
Central Board of Finance Global Equity Funds	150,733	-	-	<b>150,733</b>	147,714
Interest on cash deposits					
CBF & Other Deposit Funds	78,524	34,370	-	<b>112,894</b>	3,715
National Westminster Bank	1,770	-	-	<b>1,770</b>	138
Rents receivable (glebe land and buildings)	147,335	-	-	<b>147,335</b>	112,836
	<b>1,615,650</b>	<b>320,458</b>	-	<b>1,936,108</b>	1,751,928
<b>6. Other income</b>					
Gain on disposal of physical assets	-	-	-	-	1,140,136
Glebe Mineral Royalties and Land Income	-	-	263,211	<b>263,211</b>	322,575
Lichfield Trust receipt	12,070	-	-	<b>12,070</b>	10,537
Coronavirus Job Retention Scheme Grant	-	-	-	-	711
	<b>12,070</b>	-	<b>263,211</b>	<b>275,281</b>	1,473,959
<b>Total income and endowments</b>	<b>8,363,972</b>	<b>1,084,656</b>	<b>263,211</b>	<b>9,711,839</b>	10,190,780



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	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2022	Total funds 2021
	£	£	£	£	£
<b>7. Fund raising costs</b>					
Glebe land agents' fees and other expenses	199,283	-	-	<b>199,283</b>	68,103
Other agents' commission and expenditure	83,127	-	-	<b>83,127</b>	61,128
	<b>282,410</b>	-	-	<b>282,410</b>	129,231
<b>8. Charitable activities</b>					
<b>Contributions to Archbishops' Council</b>					
Training for ministry	211,618	-	-	<b>211,618</b>	211,619
National Church responsibilities	156,306	-	-	<b>156,306</b>	175,434
Retired clergy housing costs (CHARM)	79,825	-	-	<b>79,825</b>	77,878
Pooling of ordinand candidates' costs	(36,535)	-	-	<b>(36,535)</b>	22,319
	<b>411,214</b>	-	-	<b>411,214</b>	487,250
<b>Resourcing Ministry &amp; Mission</b>					
Parish ministry					
Stipends, salaries, national insurance and apprenticeship levy	3,156,405	451,352	-	<b>3,607,757</b>	3,769,836
Pension contributions	1,020,593	7,775	-	<b>1,028,368</b>	1,055,903
Housing costs	999,990	232,868	-	<b>1,232,858</b>	1,331,926
Removal, resettlement and other expenses	220,585	-	-	<b>220,585</b>	197,583
	<b>5,397,573</b>	<b>691,995</b>	-	<b>6,089,568</b>	6,355,248
Support for parish ministry	2,056,142	87,630	-	<b>2,143,772</b>	2,091,425
	<b>7,453,715</b>	<b>779,625</b>	-	<b>8,233,340</b>	8,446,673
<b>Expenditure on Education &amp; Diocesan Projects</b>					
Diocesan Board of Education	277,420	-	-	<b>277,420</b>	327,898
Derby Cathedral	19,438	-	-	<b>19,438</b>	18,530
Church of North India Partnership	750	-	-	<b>750</b>	750
Clergy Widows & Orphans	-	7,000	-	<b>7,000</b>	6,605
Diocesan projects	-	6,205	-	<b>6,205</b>	-
Parishes (including energy grants in 2022)	72,500	248,579	-	<b>321,079</b>	27,849
Partner Organisations (clergy energy grants in 2022)	46,000	55,000	-	<b>101,000</b>	-
	<b>416,108</b>	<b>316,784</b>	-	<b>732,892</b>	381,632
<b>Total charitable activities</b>	<b>8,281,037</b>	<b>1,096,409</b>	-	<b>9,377,446</b>	9,315,555
<b>9. Other expenditure</b>					
Loss on disposal of properties	-	-	-	-	1,091
	-	-	-	-	<b>1,091</b>
Clergy Pension Scheme Movement (Note 25)	-	-	(94,000)	<b>(94,000)</b>	(27,000)
	-	-	<b>(94,000)</b>	<b>(94,000)</b>	<b>(27,000)</b>
<b>Total expenditure</b>	<b>8,563,447</b>	<b>1,096,409</b>	<b>(94,000)</b>	<b>9,565,856</b>	<b>9,418,877</b>

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)  
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**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
<u>Charitable activities</u>					
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
	<b>7,679,191</b>	<b>1,436,338</b>	<b>450,327</b>	<b>9,565,856</b>	<b>9,418,877</b>
<i>2021 comparison</i>	<i>7,729,636</i>	<i>1,257,934</i>	<i>431,307</i>	<i>9,418,877</i>	

**11. Analysis of support costs**

	Unrestricted funds		Restricted funds	Endowment funds	Total funds	Total funds
	General	Designated			2022	2021
	£	£	£	£	£	£
Central Administration	382,150	-	-	-	382,150	365,927
Support for education & diocesan projects	6,755	-	-	-	6,755	6,470
<u>Governance:</u>						
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
	<b>450,327</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>450,327</b>	<b>431,307</b>

**12. Analysis of grants made**

	Grants to		Total Grants	Total Grants
	individuals	institutions	2022	2021
	£	£	£	£
<b><u>From unrestricted funds for National Church responsibilities:</u></b>				
Contributions to Archbishops' Council	-	411,214	411,214	487,250
<b><u>From unrestricted funds:</u></b>				
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
<b><u>Restricted income funds</u></b>				
Clergy Widows & Orphans	-	7,000	7,000	6,605
Energy Grants	-	248,579	248,579	-
	<b>298,987</b>	<b>1,036,901</b>	<b>1,335,888</b>	<b>1,257,934</b>

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.

**DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)**  
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### 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
	<b>1,469,013</b>	<b>1,328,588</b>

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
	<b>45</b>	<b>44</b>

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
	<b>34.2</b>	<b>32.7</b>

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.

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#### 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 Macnaughton	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 apprenticeship levy	292,897	287,593
Pension costs (including deficit funding)	1,160,368	1,286,904
	<b>4,768,125</b>	<b>5,040,351</b>

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
	£	£	£	£
<b>Transfer to/(from):</b>				
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 transferred to Stipends Fund Capital	(132,000)	-	132,000	-
	<b>272,321</b>	<b>(404,321)</b>	<b>132,000</b>	<b>-</b>

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)  
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**16. Tangible fixed assets**

	Benefice houses	Freehold houses	Freehold houses	Leasehold houses	Church House	Office Equipment	Total
		Glebe	Corporate	Corporate	Corporate		
	£	£	£	£	£	£	£
<b>Cost or deemed cost</b>							
At 1 January 2022 (restated)	21,520,577	170,000	8,563,776	309,478	630,000	110,641	<b>31,304,472</b>
Additions	-	-	404,321	-	-	5,052	<b>409,373</b>
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Revalued	-	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>21,520,577</b>	<b>170,000</b>	<b>8,968,097</b>	<b>309,478</b>	<b>630,000</b>	<b>115,693</b>	<b>31,713,845</b>
<b>Depreciation</b>							
At 1 January 2022	-	-	-	-	-	86,675	<b>86,675</b>
Charge for the year	-	-	-	-	-	12,458	<b>12,458</b>
Disposals	-	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,133</b>	<b>99,133</b>
<b>Net book value</b>							
<b>At 31 December 2022</b>	<b>21,520,577</b>	<b>170,000</b>	<b>8,968,097</b>	<b>309,478</b>	<b>630,000</b>	<b>16,560</b>	<b>31,614,712</b>
<b>Number of houses</b>	<b>134</b>	<b>3</b>	<b>38</b>	<b>1</b>			<b>176</b>
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 £
<b>Investment securities within the United Kingdom (market value)</b>		
At 1 January 2022	<b>58,690,255</b>	51,260,493
Additions at cost	-	-
Disposals	-	-
Unrealised gains/(losses)	<b>(7,045,113)</b>	7,429,762
<b>At 31 December 2022</b>	<b>51,645,142</b>	58,690,255
<b>Investment properties (market value)</b>		
At 1 January 2022	<b>7,568,230</b>	7,768,230
Additions at cost	-	-
Disposals	<b>(229,000)</b>	-
Unrealised gains/(losses)	<b>411,412</b>	(200,000)
Treated as 'Held for Sale'	-	-
<b>At 31 December 2022</b>	<b>7,750,642</b>	7,568,230
<b>Total fixed asset investments within the United Kingdom</b>	<b>59,395,784</b>	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)

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**17. Fixed asset investments (continued)**

	2022		2021	
	£	£	£	£
	Cost	Market value	Cost	Market value
<b>Unlisted investment securities</b>				
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
<b>Total investment securities</b>	<b>29,276,242</b>	<b>51,645,146</b>	<b>29,276,242</b>	<b>58,690,255</b>
<b>Investment properties comprise:-</b>				
Glebe agricultural land		7,605,900		7,423,430
Other property		144,742		144,800
<b>Total investment properties</b>		<b>7,750,642</b>		<b>7,568,230</b>

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
<b>Total debtors</b>	<b>917,495</b>	<b>765,144</b>
<b>Debtors comprise:</b>		
Amounts due within one year	814,412	724,701
Amounts due after more than one year	103,083	40,443
	<b>917,495</b>	<b>765,144</b>

**20. Creditors**

	2022	2021
	£	£
<b>Amounts falling due within one year</b>		
Sundry creditors	514,190	563,624
Accruals	23,250	19,000
Church of England Funded Pension Scheme liability	-	139,000
	<b>537,440</b>	<b>721,624</b>
<b>Amounts falling due after more than one year</b>		
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
	<b>274,938</b>	<b>361,938</b>

**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.

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**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	-	-
	<u>-</u>	<u>-</u>

**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	-	-
	<u>-</u>	<u>-</u>

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).

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**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 allowance for 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
<b>Deficit repair contributions</b>	<b>11.9%</b>	<b>7.1%</b>

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



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**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)

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**26. Summary of fund movements**

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

**27. Summary of assets per fund at 31 December 2022**

	Fixed assets		Current	Creditors	Net
	tangible	investments	assets		assets
	£	£	£	£	£
<b>Unrestricted income funds</b>					
General Fund	16,560	4,626,679	409,799	(444,261)	<b>4,608,777</b>
Designated funds (see note 28)					
Corporate Properties fund	9,907,575	-	-	(274,938)	<b>9,632,637</b>
Parsonages	-	390,133	135,942	(93,179)	<b>432,896</b>
Other designated funds	-	3,356,680	641,329	-	<b>3,998,009</b>
	<b>9,924,135</b>	<b>8,373,492</b>	<b>1,187,070</b>	<b>(812,378)</b>	<b>18,672,319</b>
<b>Restricted income funds (see note 29)</b>					
Diocesan Pastoral Account	-	2,132,279	2,822,483	-	<b>4,954,762</b>
Local Mission Fund	-	-	21,240	-	<b>21,240</b>
Other restricted income funds	-	3,187,731	354,627	-	<b>3,542,358</b>
	<b>-</b>	<b>5,320,010</b>	<b>3,198,350</b>	<b>-</b>	<b>8,518,360</b>
<b>Endowment funds (see note 30)</b>					
Expendable endowment funds					
Benefice Houses	21,520,577	-	-	-	<b>21,520,577</b>
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	40,738,079	9,002,166	-	<b>49,910,245</b>
Other permanent endowment funds	-	4,964,203	13,023	-	<b>4,977,226</b>
	<b>21,690,577</b>	<b>45,702,282</b>	<b>9,015,189</b>	<b>-</b>	<b>76,408,048</b>
<b>Total funds</b>	<b>31,614,712</b>	<b>59,395,784</b>	<b>13,400,609</b>	<b>(812,378)</b>	<b>103,598,727</b>

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

**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)	<b>4,954,762</b>
Local Mission Fund	27,445	-	(6,205)	-	-	<b>21,240</b>
Capital Resources	649,503	26,022	(26,022)	(73,028)	-	<b>576,475</b>
Milligan Pension Fund	831,415	20,256	(7,000)	(84,696)	-	<b>759,975</b>
Bishop Allen Legacy	539,539	15,042	(15,042)	(62,753)	-	<b>476,786</b>
Stafford Legacy (Church Trust Fund)	521,357	80,275	(80,275)	(56,261)	-	<b>465,096</b>
Poorer Clergy Fund	416,757	10,996	(10,996)	(49,058)	-	<b>367,699</b>
Benham Legacy	279,816	7,775	(7,775)	(32,397)	-	<b>247,419</b>
Faith in Action	117,872	2,645	-	(11,799)	-	<b>108,718</b>
Board of Readers	8,158	27	-	-	-	<b>8,185</b>
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)	-	-	<b>94,421</b>
Convent of St Laurence	480,360	12,358	-	(55,134)	-	<b>437,584</b>
<b>Total restricted income funds</b>	<b>9,656,142</b>	<b>1,084,656</b>	<b>(1,096,409)</b>	<b>(721,708)</b>	<b>(404,321)</b>	<b>8,518,360</b>

**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.

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**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
	£	£	£	£	£	£
<u>Expendable endowment</u>						
Benefice Houses	21,520,577	-	-	-	-	21,520,577
<u>Permanent endowment funds</u>						
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
	<b>73,817,575</b>	<b>357,211</b>	<b>-</b>	<b>2,101,262</b>	<b>132,000</b>	<b>76,408,048</b>

**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.

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**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		
<u>Central Board of Finance of the Church of England Funds:</u>		
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
<u>COIF Charities Funds:</u>		
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
	<u>2,713,242</u>	<u>3,109,829</u>

**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)

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**33. Prior year comparative Statement of Financial Activities for 2021 (restated)**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £
<b>Income and endowments from:</b>				
Donations				
Common Fund	4,011,002	-	-	<b>4,011,002</b>
Archbishops' Council	1,547,214	181,720	-	<b>1,728,934</b>
Other donations	367,990	-	-	<b>367,990</b>
Charitable activities	469,076	5,000	-	<b>474,076</b>
Other activities	382,891	-	-	<b>382,891</b>
Investment income	1,471,127	280,801	-	<b>1,751,928</b>
Other income	25,204	-	1,448,755	<b>1,473,959</b>
<b>Total income and endowments</b>	<b>8,274,504</b>	<b>467,521</b>	<b>1,448,755</b>	<b>10,190,780</b>
<b>Expenditure on:</b>				
Raising funds	129,231	-	-	<b>129,231</b>
Charitable activities	8,774,143	541,412	-	<b>9,315,555</b>
Clergy Pension Scheme Movement	-	-	(27,000)	<b>(27,000)</b>
Other expenditure	1,091	-	-	<b>1,091</b>
<b>Total expenditure</b>	<b>8,904,465</b>	<b>541,412</b>	<b>(27,000)</b>	<b>9,418,877</b>
<b>Net income/(expenditure) before investment gains and losses</b>	<b>(629,961)</b>	<b>(73,891)</b>	<b>1,475,755</b>	<b>771,903</b>
Net gains on investments	1,311,062	630,479	5,288,218	<b>7,229,759</b>
<b>Net income for the year</b>	<b>681,101</b>	<b>556,588</b>	<b>6,763,973</b>	<b>8,001,662</b>
Transfers between funds	(2,086,599)	2,000,180	86,419	-
<b>Other recognised gains/(losses)</b>				
Net gains/(losses) on revaluation of fixed assets	(6,254)	-	-	<b>(6,254)</b>
<b>Net movement in funds</b>	<b>(1,411,752)</b>	<b>2,556,768</b>	<b>6,850,392</b>	<b>7,995,408</b>
<b>Reconciliation of funds</b>				
Total funds as at 1 January 2021	21,115,507	7,099,374	66,967,183	<b>95,182,064</b>
<b>Total funds at 31 December 2021</b>	<b>19,703,755</b>	<b>9,656,142</b>	<b>73,817,575</b>	<b>103,177,472</b>

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

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**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
	£	£	£	£	£	£
<b>Unrestricted income funds</b>						
General Fund	4,893,382	6,370,520	(6,702,585)	710,934	(54,987)	<b>5,217,264</b>
Glebe funds (net of agent fees)	-	1,103,697	(1,103,697)	-	-	-
<b>Designated funds</b>						
Corporate Properties fund	11,077,304	13,956	(1,091)	(6,254)	(1,855,599)	<b>9,228,316</b>
Parsonages	804,704	442,079	(652,937)	105,403	(121,838)	<b>577,411</b>
Other designated funds	4,340,117	344,252	(444,155)	494,725	(54,175)	<b>4,680,764</b>
Pension reserve	-	-	-	-	-	-
	<b>21,115,507</b>	<b>8,274,504</b>	<b>(8,904,465)</b>	<b>1,304,808</b>	<b>(2,086,599)</b>	<b>19,703,755</b>
<b>Restricted income funds</b>						
Diocesan Pastoral Account	3,709,374	60,426	(164,516)	178,456	2,000,180	<b>5,783,920</b>
Local Mission Fund	22,445	5,000	-	-	-	<b>27,445</b>
Other restricted income funds	3,367,555	402,095	(376,896)	452,023	-	<b>3,844,777</b>
	<b>7,099,374</b>	<b>467,521</b>	<b>(541,412)</b>	<b>630,479</b>	<b>2,000,180</b>	<b>9,656,142</b>
<b>Endowment funds</b>						
Expendable endowment						
Benefice Houses	20,538,978	1,126,180	-	-	(144,581)	<b>21,520,577</b>
Permanent endowment funds						
Stipends Fund Capital (Glebe funds)	41,492,808	322,575	27,000	4,584,052	231,000	<b>46,657,435</b>
Other permanent endowment funds	4,935,397	-	-	704,166	-	<b>5,639,563</b>
	<b>66,967,183</b>	<b>1,448,755</b>	<b>27,000</b>	<b>5,288,218</b>	<b>86,419</b>	<b>73,817,575</b>
<b>Total funds</b>	<b>95,182,064</b>	<b>10,190,780</b>	<b>(9,418,877)</b>	<b>7,223,505</b>	<b>-</b>	<b>103,177,472</b>

**Comparative summary of assets per fund at 31 December 2021 (restated)**

	Fixed assets		Current assets	Creditors	Net Assets
	tangible	investments	assets		
	£	£	£	£	£
<b>Unrestricted income funds</b>					
General Fund	23,966	5,003,623	542,002	(352,327)	<b>5,217,264</b>
Designated funds					
Corporate Properties fund	9,503,254	-	-	(274,938)	<b>9,228,316</b>
Parsonages	-	566,003	241,705	(230,297)	<b>577,411</b>
Other designated funds	-	3,908,148	772,616	-	<b>4,680,764</b>
	<b>9,527,220</b>	<b>9,477,774</b>	<b>1,556,323</b>	<b>(857,562)</b>	<b>19,703,755</b>
<b>Restricted income funds</b>					
Diocesan Pastoral Account	-	2,428,861	3,355,059	-	<b>5,783,920</b>
Local Mission Fund	-	-	27,445	-	<b>27,445</b>
Other restricted income funds	-	3,612,857	231,920	-	<b>3,844,777</b>
	-	<b>6,041,718</b>	<b>3,614,424</b>	-	<b>9,656,142</b>
<b>Endowment funds</b>					
Expendable endowment funds					
Benefice Houses	21,520,577	-	-	-	<b>21,520,577</b>
Permanent endowment funds					
Stipends Fund Capital (Glebe funds)	170,000	45,112,453	1,600,982	(226,000)	<b>46,657,435</b>
Other permanent endowment funds	-	5,626,540	13,023	-	<b>5,639,563</b>
	<b>21,690,577</b>	<b>50,738,993</b>	<b>1,614,005</b>	<b>(226,000)</b>	<b>73,817,575</b>
<b>Total funds</b>	<b>31,217,797</b>	<b>66,258,485</b>	<b>6,784,752</b>	<b>(1,083,562)</b>	<b>103,177,472</b>

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

**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)	<b>9,228,316</b>
Parsonages	804,704	442,079	(652,937)	105,403	(121,838)	<b>577,411</b>
Canon Ross Legacy	884,128	21,893	(27,849)	106,959	-	<b>985,131</b>
Ordinands' Support	725,067	263,573	(278,836)	98,385	(29,611)	<b>778,578</b>
Watts Legacy	1,025,964	30,042	(30,042)	146,769	-	<b>1,172,733</b>
Morley Fund	890,320	25,784	(1,220)	125,324	(24,564)	<b>1,015,644</b>
St Peter's Churchyard Loan Fund	442,413	2,960	-	17,288	-	<b>462,661</b>
Church Growth	372,225	-	(106,208)	-	-	<b>266,017</b>
<b>Total designated funds</b>	<b>16,222,125</b>	<b>800,287</b>	<b>(1,098,183)</b>	<b>593,874</b>	<b>(2,031,612)</b>	<b>14,486,491</b>

**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	<b>5,783,920</b>
Local Mission Fund	22,445	5,000	-	-	-	<b>27,445</b>
Capital Resources	571,821	24,092	(24,092)	77,682	-	<b>649,503</b>
Milligan Pension Fund	729,480	18,495	(6,605)	90,045	-	<b>831,415</b>
Bishop Allen Legacy	472,823	13,706	(13,706)	66,716	-	<b>539,539</b>
Stafford Legacy (Church Trust Fund)	462,802	71,975	(73,234)	59,814	-	<b>521,357</b>
Poorer Clergy Fund	364,601	10,676	(10,676)	52,156	-	<b>416,757</b>
Benham Legacy	245,373	7,076	(7,076)	34,443	-	<b>279,816</b>
Faith in Action	102,759	2,568	-	12,545	-	<b>117,872</b>
Board of Readers	8,156	2	-	-	-	<b>8,158</b>
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	-	<b>480,360</b>
<b>Total restricted income funds</b>	<b>7,099,374</b>	<b>467,521</b>	<b>(541,412)</b>	<b>630,479</b>	<b>2,000,180</b>	<b>9,656,142</b>

**Endowment funds (2021 - restated)**

	As at 1 Jan 21	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 Dec 21
	£	£	£	£	£	£
<u>Expendable endowment</u>						
Benefice Houses	20,538,978	1,126,180	-	-	(144,581)	<b>21,520,577</b>
<u>Permanent endowment funds</u>						
Stipends Fund Capital (Glebe funds)	41,492,808	322,575	27,000	4,584,052	231,000	<b>46,657,435</b>
Stafford Legacy (Church Trust Fund)	2,317,043	-	-	329,672	-	<b>2,646,715</b>
Clemson Legacy Fund	1,702,899	-	-	243,607	-	<b>1,946,506</b>
Parsonages	453,836	-	-	64,923	-	<b>518,759</b>
Stipends Trusts	338,876	-	-	48,478	-	<b>387,354</b>
Partington Legacy	122,743	-	-	17,486	-	<b>140,229</b>
	<b>66,967,183</b>	<b>1,448,755</b>	<b>27,000</b>	<b>5,288,218</b>	<b>86,419</b>	<b>73,817,575</b>



DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2022

**35. Prior Year Adjustment**

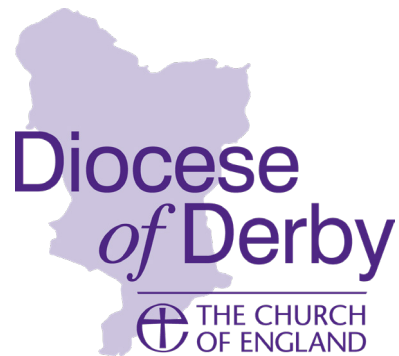
The following adjustments have been made to the prior year comparative figures:

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

	<b>2021</b>
<u>1. Assets held for sale</u>	
Previous balance on investments	66,011,485
Add back transfer from assets held for sale	247,000
Restated balance	<u>66,258,485</u>
 Previous balance on assets held for sale	 247,000
Add transfer to investment	-247,000
Restated balance	<u>0</u>
 <u>2. Transfer of corporate properties to Benefice Houses</u>	
Previous balance on Corporate Properties	10,613,915
Less Transfer to Benefice Houses	<u>(1,385,599)</u>
Restated balance	<b>9,228,316</b>
 Previous balance on Benefice Houses	 20,134,978
Add Transfer from Corporate Properties	1,385,599
Restated balance	<u><b>21,520,577</b></u>
 Previous balance on Designated funds	 15,872,090
Less Transfer to Benefice Houses	<u>(1,385,599)</u>
Restated balance	<b>14,486,491</b>
 Previous balance on Endowment Funds	 72,431,976
Add Transfer from Corporate Properties	1,385,599
Restated balance	<u><b>73,817,575</b></u>

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## **The Diocese of Derby**

Derby Church House

Full Street

Derby

DE1 3DR

01332 388650

[enquiries@derby.anglican.org](mailto:enquiries@derby.anglican.org)

**[www.derby.anglican.org](http://www.derby.anglican.org)**

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