

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

# Annual Report and Financial Statements

For the year ended 31 December 2023



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

<u>TABLE OF CONTENTS</u>	Page Number
Administrative Details	3
Vision Statement	5
Introduction and Foreword	6
Trustees' Report – incorporating Strategic Report	7
Trustees' Responsibilities	20
Statement of Disclosure to Auditors	20
Independent Auditor's Report	21
Financial Statements	24

## **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 and Standing Committee of Diocesan Synod**

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

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

#### **Chair**

- The Bishop of Derby - The Right Reverend Libby Lane

#### **Ex-Officio**

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

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

#### **Clergy**

##### **Derbyshire Peak and Dales (2)**

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

##### **East Derbyshire (2)**

- The Reverend D Cooke
- Vacancy

##### **Derby City and South Derbyshire (2)**

- Vacancy
- Vacancy

#### **Laity**

##### **Derbyshire Peak and Dales (at least 4)**

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

##### **East Derbyshire (at least 4)**

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

##### **Derby City and South Derbyshire (at least 4)**

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

**Principal Officers**

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

**Advisers**

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

**Bankers**

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

**Investment Advisors**

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

**Solicitors**

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

**Insurers**

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

**Land Agents**

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

**Mineral Surveyors**

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

**Auditor**

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

## **DIOCESAN VISION 2021-2025**

### **VISION STATEMENT**

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

### **MISSION STATEMENT**

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

### **VALUES**

**Generous Faith, Courageous Hope, Life-giving Love**

### **MISSIONAL AIMS**

**Transformed Lives: Growing Church, Building Community**

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

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

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

## **INTRODUCTION FROM THE BISHOP OF DERBY**

The Rt Revd Libby Lane



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

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

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

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

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

## **FOREWORD**

Executive Chair, Canon Mark Titterton



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

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

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

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

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

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

## **TRUSTEES' REPORT**

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

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

This combined report satisfies the legal requirements for:

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

### **Public Benefit Statement**

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

### **Legal Objectives**

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

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

The Board has the following statutory responsibilities:

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

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

### **Objectives for the year 2023 and future plans for 2024**

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

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

Key objectives for 2023 included:

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

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

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

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

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

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

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



Key objectives to be delivered in 2024 include:

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

## **2023 Delivery**

### Discipleship, Mission and Ministry Department (DMM)

Key deliverables during 2023 included:

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

### The Property Team

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

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

### The Finance Team

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

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

### The Safeguarding Team

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

- Past Cases Review 2 (PCR2): PCR2 has remained a key focus this year with the development of and progress towards completion of the quality improvement plan. There are six safeguarding related actions ongoing of which four are nearing completion.
- DBS checks: We continue to operate a hybrid model for completing DBS checks with 138 parishes registered for completing DBS checks on behalf of those who hold roles within the parish. The safeguarding team retains responsibility for DBS checks for all current and retired clergy and those parishes which have not yet registered. Across the diocese, 959 DBS applications have been submitted during 2023, with 635 of those being submitted by parishes. This is a decrease of 668 from 2022, which was a glut year due to the change in requirement to renew DBS checks every three years instead of every five.
- Training: We have continued to operate a hybrid model of training with online courses (Basic Awareness, Foundation and Safer Recruitment), zoom sessions and in person sessions at various venues across the diocese. A breakdown of the courses delivered can be seen below. There has been an increased focus on ensuring a minimum number of attendees at training courses where possible in order to ensure value for money. The total number of people trained through zoom or in person sessions during 2023 was 1862, an additional 902 attendees from 2022. In addition, 769 people have completed the online Basic Awareness training and 771 people have completed the Foundation module online.
- Working with our PSOs: We have continued to support our PSOs through monthly drop in sessions, a single point of contact for queries and our quarterly newsletter. Engagement with the drop-in sessions has increased further this year with the introduction of evening sessions on alternate months.
- Parish Dashboard: The parish dashboard enables churches to evidence and audit their safeguarding compliance and produce an action plan and annual report for their PCC at the press of a button. We have reviewed the engagement with the dashboard and are now developing ways to support PSOs where needed. This year we have also started a pilot project to roll out additional features on the dashboard to a small number of parishes. We will evaluate how this has gone early in the new year.
- Survivors: We have developed the content of a leaflet setting out our offer of support for survivors and this will be published in early 2023. In the meantime, our website is up to date with a list of services available in the local area for those who have suffered abuse.
- DSAP: Our DSAP continues to be well attended. We would like to thank Helen Jebb, our independent DSAP chair who left us in September 2023, for all her hard work in leading the panel. We were pleased to welcome Julie Gardner as our new independent chair in November 2023 and know that the panel will continue to go from strength to strength.

## **Financial Review**

### **Statement of financial activities and financial position**

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

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

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

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

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

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

### **Performance against budget**

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

Budget plans for 2023 included:

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

The table below sets out performance against the budget plan:

<b>MANAGEMENT ACCOUNTS 2023</b>			
	Budget £	Actual £	Difference £
<b><u>INCOME</u></b>			
Common Fund	4,000,000	3,928,481	(71,519)
Church Commissioners	1,868,472	1,823,385	(45,087)
Net Return on Investments	2,257,300	2,423,331	166,031
Other income including fees and grants	459,500	593,063	133,564
<b>TOTAL INCOME</b>	<b>8,585,272</b>	<b>8,768,261</b>	<b>182,989</b>
<b><u>EXPENDITURE</u></b>			
Resourcing Mission and Ministry	6,810,926	6,348,141	426,785
Support for Parish Ministry	1,607,312	1,620,936	(13,624)
Support and Compliance	699,928	697,438	2,489
<b>TOTAL EXPENDITURE</b>	<b>9,118,165</b>	<b>8,702,515</b>	<b>415,650</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(532,893)</b>	<b>65,746</b>	<b>598,639</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 45% of total Diocesan income. In 2023 the total amount paid was £3,928,481, which was a decrease of £127,893 (-3.2%) over the previous year (2022 - total Common Fund £4,056,374). Receipts were £71,519 (-1.8%) less than budgeted.

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

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

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

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

#### Unrestricted funds movement

<b>Management Accounts Reconciliation to Statutory Accounts</b>	
	£
<b>Surplus per Management Accounts 2023</b>	<b>65,746</b>
<u>Operational Adjustments</u>	
Grants to parishes	(83,990)
Legacy income received	488,714
Partner contribution funded from restricted reserves	7,000
Other designated fund movements (net)	(191,162)
<u>Investment Movements</u>	
Derby St Peters Dividend income	13,955
Impairment	(22,500)
Net gains/(losses) on investment assets	683,446
Transfer from Pastoral Account for purchase of property	462,296
Transfer from Pastoral Account to Corporate Property	104,000
<b>Net movement in Unrestricted Funds</b>	<b>1,527,505</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 26 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the Statement of Financial Position date totalled £107.5million (2022 - £103.6million) it must be remembered that included in this total are tangible fixed assets, mostly in use for the ministry, whose total value amounted to £32.1million (2022 - £31.6million). Many of the remaining assets shown in the Statement of Financial Position are held in funds which cannot necessarily be used for the general purposes of the Board.

#### Significant property and associated land transactions

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

## Investment policies and strategy

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

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

### Financial Investment Strategy

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

### Glebe Investment Strategy

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

### Unrestricted and Restricted Fund Investments

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

### Investment performance

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

### CCLA Investment Management Ltd - financial investment managers

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

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

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

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

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

#### Investment properties – including glebe agricultural land

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

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

#### Equity (value-linked) loans

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

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

#### Investment gains and (losses)

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

### **Reserves Policy**

#### Free reserves

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

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

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

#### Reserves tied up in fixed assets

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

#### Designated funds

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

#### Restricted and endowment funds

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

### **Principal risks and uncertainties**

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

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

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

### **Management and mitigation**

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

## **Structure and Governance**

### **Summary information about the structure of the Church of England**

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

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

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

### **The Three National Church Institutions**

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

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

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

### **Derby Cathedral**

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

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

### **Parochial Church Council (PCC)**

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

### **Parishes and Benefices**

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

### **Deanery and Archdeaconry**

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



### Deanery Synods

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

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

### Diocesan Synod

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

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

### Organisational structure

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

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

### Diocesan governance

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

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

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

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

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

### Decision-Making Structure

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

## **Committee Structure**

### **Bishop's Council**

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

Other statutory committees include:

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

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

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

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

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

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

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

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

## **Significant Control, Trustees and Management Personnel**

### **Register of Persons of Significant Control**

The Board maintains a Register of Persons of Significant Control.

### **Trustee Recruitment, Selection and Induction**

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

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

### **Remuneration of key management personnel**

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

#### Delegation of day-to-day delivery

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

#### Funds held as Custodian Trustee

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

#### **Personnel**

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

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

#### General Synod Members

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

#### **Other Church Bodies**

##### General Synod, Church Commissioners and Archbishop's Council

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

##### Parochial Church Councils (PCCs)

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

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

#### **Other charities**

##### Derby Diocesan Board of Education

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

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

#### **Fundraising standards information**

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

## **TRUSTEES' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

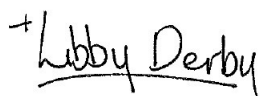
## **STATEMENT OF DISCLOSURE TO AUDITORS**

In so far as the trustees are aware:


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

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

## **BY ORDER OF THE TRUSTEES**



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



**Canon Mark Titterton  
Executive Chair of the DDBF  
20 May 2024**

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

## **Opinion**

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

In our opinion the financial statements:

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

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

We have nothing to report in this regard.

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

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Use of our report**

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

*BHP LLP*

**Nicola Adams**  
**Senior Statutory Auditor**

for and on behalf of  
BHP LLP  
Statutory Auditor

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

**Date:** 23 May 2024

**FINANCIAL STATEMENTS**

<u>TABLE OF CONTENTS</u>	Page Number
Statement of Financial Activities	25
Income and Expenditure Account	26
Statement of Financial Position	27
Statement of Cash Flows	28
Notes	29



DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)  
**STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 December 2023

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

All activities derive from continuing activities.

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

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)  
**INCOME AND EXPENDITURE ACCOUNT**  
For the year ended 31 December 2023

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

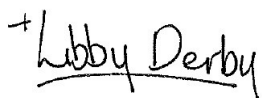
The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended 31 December 2023

COMPANY NUMBER 229700

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

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



The Bishop of Derby - The Rt Revd Libby Lane

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

**DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)**  
**STATEMENT OF CASH FLOWS**  
For the year ended 31 December 2023

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

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

**Analysis of Changes in Net Debt**

The Diocese has no cash equivalents, repayable overdraft facilities, loans due or finance lease obligations at 31 December 2023 (2022 - Nil)

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

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

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

## **1. Accounting Policies**

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

Derby Diocesan Board of Finance Limited meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in £ sterling which is the functional currency of the entity and rounded to the nearest £1.

The principle accounting policies and estimation techniques are as follows:

### **a) Income**

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

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

### **b) Expenditure**

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

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

The apportionment can be summarised as follows:

Resourcing ministry and mission (95.0%), Diocesan Projects (1.5%), Synodical Governance (3.5%)

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

**1. Accounting Policies (continued)**

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

**c) Tangible fixed assets and depreciation**

**Freehold & leasehold houses and houses subject to value-linked loan**

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

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

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

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

**Investment properties**

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

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

**Parsonage houses**

The Board has followed the requirements of FRS 102, in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. Parsonage houses are carried at their deemed or historical cost.

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

**d) Other tangible fixed assets**

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

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

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

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

# DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 1. Accounting Policies (continued)

#### e) Other accounting policies

- i) Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.
- ii) Leases. The Board has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.

#### f) Fund balances

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

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

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

#### g) Financial instruments

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

#### h) Going concern

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

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

#### i) Employee Benefits

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

#### j) Debtors

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

#### k) Creditors & Provisions

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

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

#### l) Critical Accounting Estimates & Assumptions

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

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

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

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2023

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



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

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

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2023

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

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

**11. Analysis of support costs**

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

**12. Analysis of grants made**

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

Significant Grants to Institutions:

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

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

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

### 13 Remuneration

Employee costs during the year were as follows:

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

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

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

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

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

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

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

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

#### Remuneration of key management personnel

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

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

#### Settlement Agreement

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

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

### 13 Remuneration (continued)

#### Remuneration of licensed stipendiary clergy

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

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

	2023	2022
	£	£
Stipends	3,400,932	3,314,860
National insurance contributions and apprenticeship levy	297,981	292,897
Pension costs (including deficit funding)	867,136	1,160,368
	<b>4,566,049</b>	<b>4,768,125</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 2023 are in the range £39,953 - £48,972 (1 April 2022 range, £38,050 - £46,640). The annual rate of stipend, funded by the Board, paid from 1 April 2023 to Archdeacons was in the range £39,058 - £40,565 (1 April 2022 range, £37,198 - £38,633) and other clergy who were Trustees were paid in the range £26,794 - £29,615 (1 April 2022 range, £25,518 - £28,205). The estimated value of church provided housing in 2023 was an average of £10,439 (2022 £10,510).

### 14 Trustees' emoluments

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

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

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

### 15. Analysis of transfers between funds

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

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2023

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

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

**17. Fixed asset investments**

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

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

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

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

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

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

	2023		2022	
	£	£	£	£
	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	42,798,361	19,155,397	39,117,999
Global equity fund income shares	3,200,000	6,089,680	3,200,000	5,299,792
Property fund income shares	6,920,845	6,783,812	6,920,845	7,227,355
<b>Total investment securities</b>	<b>29,276,242</b>	<b>55,671,853</b>	<b>29,276,242</b>	<b>51,645,146</b>
<b>Investment properties comprise:-</b>				
Glebe agricultural land		7,435,900		7,605,900
Other property		144,742		144,742
<b>Total investment properties</b>		<b>7,580,642</b>		<b>7,750,642</b>

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

**18. Debtors**

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

**19. Creditors**

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

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

**20. Contingent liabilities**

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

**21. Capital commitments**

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

**22. Operating lease commitments**

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

**23. Events occurring after the end of the reporting period**

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

**24. Pensions**

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

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

**Church of England Funded Pension Scheme**

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

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

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

- an average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustments from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (ie w2020 = 0%)

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

**24. Pensions (continued)**

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

**Percentage of pensionable stipends**

	January 2018 to December 2020	January 2021 to December 2022	January 2023 to December 2023
<b>Deficit repair contributions</b>	<b>11.9%</b>	<b>7.1%</b>	<b>Nil</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. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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

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

**Church of England Funded Pension Scheme (continued)**

**Reconciliation of balance sheet liability**

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

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

**Note**

Estimated amount due within one year	0	0
Estimated amount due after one year	0	0
	<u>0</u>	<u>0</u>

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2023 as there are no agreed deficit recovery payments from 2022 onwards. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

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

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

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

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



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

**24. Pensions (continued)**

**Church Workers Pension Fund**

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

**Church Workers Pension Fund - Pension Builder 2014**

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

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

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

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

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

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

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

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

**Other Schemes**

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

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

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**25. Summary of fund movements**

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

**26. Summary of assets per fund at 31 December 2023**

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

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

**27. Designated funds**

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

**Church Growth** - amount set aside for seed-corn funding of strategic church growth projects.

**28. Restricted income funds**

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

# DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 28. Restricted income funds (continued)

**Milligan Pension Fund** - for clergy pensions and retired clergy.

**Bishop Allen Legacy** - for clergy welfare, ordination training, new halls and church repair.

**Stafford Legacy (Church Trust Fund)** - available for such charitable purposes as the Board in its absolute discretion shall decide.

**Poorer Clergy Fund** - available for stipend support.

**Benham Legacy** - available for clergy pension contribution support.

**Faith in Action** - historic balance of funds specifically available for 'social responsibility' purposes.

**Board of Readers** - historic balance of funds available for Readers and Reader Training.

**Clemson Legacy** - funds are for 'the maintenance of services' and are used to support the costs of stipendiary clergy.

**Stipends Trusts** - funds are made up of a number of historic trusts, the income of which is used to augment clergy stipends.

**Strategic Ministry** - grants to support additional curates, posts of first responsibility and Ministry Experience Scheme participants

**Other restricted grants** - grants to support DDBF staffing, Living Generously Advisor and Net Zero Carbon

**Energy Grants** - received from Archbishops Council to support clergy and parishes with rising energy costs

**Convent of St Laurence** - residual sale proceeds to be used for promotion of the spiritual life of the diocese, care of the elderly and other mission-orientated projects

### 29. Endowment funds

	As at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2023
	£	£	£	£	£	£
<u>Expendable endowment</u>						
Benefice Houses	21,520,577	-	-	-	(104,000)	21,416,577
<u>Permanent endowment funds</u>						
Stipends Fund Capital (Glebe funds)	49,910,245	147,367	-	2,427,209	-	52,484,821
Stafford Legacy (Church Trust Fund)	2,336,626	-	-	218,661	-	2,555,287
Clemson Legacy Fund	1,717,370	-	-	161,576	-	1,878,946
Parsonages	457,693	-	-	43,061	-	500,754
Stipends Trusts	341,756	-	-	32,153	-	373,909
Partington Legacy	123,781	-	-	11,599	-	135,380
	<b>76,408,048</b>	<b>147,367</b>	<b>-</b>	<b>2,894,259</b>	<b>(104,000)</b>	<b>79,345,674</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 33.

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

**30. Funds held as custodian trustee on behalf of others**

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

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

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

**31. Related party transactions & controlling parties**

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

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

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

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

Derby Cathedral £21,887 (2022 - £19,438) - in recognition of the place of the cathedral at the heart of the diocese  
Derby Diocesan Board of Education £268,380 (2022 - £277,420) - to support the Diocese through the mission of the Board of Education  
Bishop of Derby £nil (2022 - £151,000) - for distribution of grants to clergy for energy support and annual budgeted discretionary support

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

Derby Cathedral £4,576 (2022 - £nil)  
Derby Diocesan Board of Education £nil (2022 - £nil)  
Bishop of Derby £282 (2022 £35,564)

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

**32. Prior year comparative Statement of Financial Activities for 2022**

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

DERBY DIOCESAN BOARD OF FINANCE LIMITED (THE)

**NOTES TO THE ACCOUNTS**

For the year ended 31 December 2023

**33. Prior year comparative funds notes for 2022**

**Summary of fund movements 2022**

	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2022
	£	£	£	£	£	£
<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)	-	-	-
<u>Designated funds</u>						
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>

**Comparative summary of assets per fund at 31 December 2022**

	Fixed assets		Current	Creditors	Net Assets
	tangible	investments	assets		
	£	£	£	£	£
<b>Unrestricted income funds</b>					
General Fund	16,560	4,626,679	409,799	(444,261)	<b>4,608,777</b>
Designated funds					
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</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</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>

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

**Designated funds (2022)**

	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2022
	£	£	£	£	£	£
Corporate Properties	9,228,316	-	-	-	404,321	<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>

**Restricted income funds (2022)**

	As at 1 January 2022 (restated)	Income	Expenditure	Gains/ (losses)	Transfers	As at 31 December 2022
	£	£	£	£	£	£
Diocesan Pastoral Account	5,783,920	83,604	(211,859)	(296,582)	(404,321)	<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>

**Endowment funds (2022)**

	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	-	-	-	-	<b>21,520,577</b>
<u>Permanent endowment funds</u>						
Stipends Fund Capital (Glebe funds)	46,657,435	357,211	-	2,763,599	132,000	<b>49,910,245</b>
Stafford Legacy (Church Trust Fund)	2,646,715	-	-	(310,089)	-	<b>2,336,626</b>
Clemson Legacy Fund	1,946,506	-	-	(229,136)	-	<b>1,717,370</b>
Parsonages	518,759	-	-	(61,066)	-	<b>457,693</b>
Stipends Trusts	387,354	-	-	(45,598)	-	<b>341,756</b>
Partington Legacy	140,229	-	-	(16,448)	-	<b>123,781</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>





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