

# CARLISLE DIOCESAN BOARD OF FINANCE

England & Wales · Charity number 251977

## Details

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**Other names** CARLISLE DBF, CARLISLE DIOCESE, DIOCESE OF CARLISLE

**Status** Registered

**Legal form** Charitable company

**Company number** 00039625

**Registered** 1967-05-01

**Register** [View on the Charity Commission register](#)

## Contact

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**Website** [www.carlisediocese.org.uk](http://www.carlisediocese.org.uk)

## Activities

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**Objects:** THE ACQUISITION OF PROPERTY, BOTH REAL AND PERSONAL BY GIFT SUBSCRIPTION, DEVISE, BEQUEST, PURCHASE OR OTHERWISE FOR THE SUPPORT, MAINTENANCE OR DEVELOPMENT OF, OR OTHERWISE FOR THE BENEFIT OF ANY CHARITY, CHARITABLE INSTITUTION, ORGANISATION, SOCIETY, ASSOCIATION OR FUND IN CONNECTION WITH THE CHURCH OF ENGLAND, WHOLLY OR PARTLY WITHIN THE DIOCESE OF CARLISLE IN THE MANNER AS SET FORTH IN CLAUSE 3 OF THE MEMORANDUM OF ASSOCIATION.

**Activities:** Resourcing the Church of England's mission and ministry primarily in the parishes of the Diocese of Carlisle and contributing towards the work of the Church nationally.

## Classification

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- **How:** Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Other Defined Groups

## Geography

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- **Area of benefit:** DIOCESE OF CARLISLE.
- Cumbria

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£11,182,930	£10,722,670	£87,144,689	74
2023-12-31	£10,246,506	£9,928,042	£85,329,942	100
2022-12-31	£9,723,676	£9,576,315	£83,456,148	81
2021-12-31	£9,166,900	£8,760,394	£86,105,243	70
2020-12-31	£8,750,645	£8,079,893	£81,200,372	73

## Trustees

Name	Role	Appointed
Alastair Robert Hugh Cook		2019-01-01
Claire Janet Busk		2019-10-03
Derek John Bradley BSc FCA		2019-01-01
Jim Johnson		2014-07-16
Mark Robert William Hurley		2025-09-17
Nigel Rhyl Robson		2025-07-16
Rev Charles Henry Hope		2022-01-01
Rev Ruth Elizabeth Newton		2024-08-01
Rev VERNON ROSS		2017-02-25
Rt Rev Robert James Saner-Haigh		2025-09-01
The Venerable Stewart John Fyfe		2022-01-24
Trevor Hebdon		2025-03-26

**CARLISLE DIOCESAN BOARD OF FINANCE**

England & Wales - Charity number 251977

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# Accounts

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**CARLISLE DIOCESAN BOARD OF FINANCE  
LIMITED**

**FINANCIAL STATEMENTS**

for the

**YEAR ENDED 31 DECEMBER 2024**



**Company Registration No 39625**

**Registered Charity No 251977**





The Directors, who are also Trustees for the purposes of charity law, present their combined Directors' report, Trustees' report and Strategic report, together with the audited financial statements, for the year ended 31<sup>st</sup> December 2024. The report is separated into the following sections:

1. Legal objects
2. Strategic aims
3. Activities
4. Objectives set for the year
5. Strategic report containing:
  - 5.1. Activities in the year
  - 5.2. Achievements and performance
  - 5.3. Financial review
  - 5.4. Plans for future periods
  - 5.5. Principal risks and uncertainties
6. Structure, governance and management
7. Funds held as custodian trustee for others
8. Reference and administrative details of the Carlisle Diocesan Board of Finance (Carlisle DBF)
9. Auditors

## **1. LEGAL OBJECTS**

### **1.1. Objective**

The principal objective of the Carlisle Diocesan Board of Finance (Carlisle DBF) is to promote and assist the work, objectives and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Carlisle and elsewhere by acting as the financial executive of the Diocese.

Carlisle DBF acts in conjunction with the Church Commissioners, Archbishops' Council, Bishop's Council, Diocesan and Deanery Synods and Parochial Church Councils to support the work of the Church of England, particularly in the Diocese of Carlisle. The major part of Carlisle DBF's activity is to organise and provide funds for the training, housing and stipends of clergy and other ministers within the Diocese of Carlisle and to support the related activities of the other Boards, Councils and Committees of the Diocesan Synod.

### **1.2. Statutory Functions**

- Carlisle DBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- Carlisle DBF is custodian trustee in relation to PCC property (see section 7).

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

- The Trustees are aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and have had regard to it in their administration of Carlisle DBF. The Trustees believe that, by promoting the work of the Church of England in the Diocese of Carlisle, 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, and that 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 services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

## 2. STRATEGIC AIMS

Carlisle DBF's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese. Since 2015 (refreshed in 2019) Carlisle DBF has sought to allocate its resources in the most effective way to support the strategy "God for All" which is shared by Carlisle Diocese and the Cumbrian Methodist, United Reformed and Salvation Army churches. This is an umbrella term that encapsulates the Church's offer to everyone in Cumbria of loving service and an opportunity to explore, join and grow in the Christian faith.

In terms of resourcing, the strategy requires the DBF to invest in lay and ordained ministry development, including pioneer ministers; support the mission and organisational structure of some 35 Mission Communities across the Diocese; enable the creation of "Fresh Expressions of Church" such as Network Youth Churches; support Church Schools to be effective and distinctively Christian, and oversee subsidiaries in support of the Mission of the Church, including a Retreat House and Conference Centre at Rydal Hall and local community Resource and Recycling retail centres through "Restore (Cumbria)", as far as may be financially viable.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit in reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Trustees consider the planned activities will contribute to the aims and objectives they have set. The Trustees confirm that public benefit has been provided by the advancement of its objectives.

## 3. ACTIVITIES

The key activities may be summarised as:

- Mission and ministry in the local church (includes all clergy and lay training, housing, stipends and pension costs and support for locally-based ministry);
- Education funding (includes support services and capital expenditure support for Church of England schools);
- Provision of a Diocesan Retreat House and Conference Centre;
- Contributions to the Archbishops' Council (mainly by grant) to support the National Church.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

#### 4. OBJECTIVES FOR THE YEAR

As part of Carlisle DBF's overall strategy, and subject to Annual Review, the Trustees have set the following specific objectives for the current and following years:

- To resource Diocesan needs, as determined by Diocesan Synod and informed by local and National Church institutions.
- To maximise the return from Diocesan asset holdings to support the costs of Diocesan Mission and Ministry, particularly in those areas that cannot fund it themselves, while retaining the overall policy of a balanced budget across the period from 2017 to 2027 inclusive.
- To constrain increases in income needed from parishes in order to allow funds to be spent on mission activity locally.
- To invest in local ministry including greater emphasis on learning and development for lay ministry, everyday-faith and self-supporting ordained ministers in addition to the stipendiary clergy.

#### 5. STRATEGIC REPORT

##### 5.1. Activities in the year

##### 5.1.1. Specific Activities

Specific activities during 2024 in support of this strategy included:

- Full reimbursement to the Church Commissioners for the direct payroll costs of stipendiary clergy, together with the DBF's share of the training costs for ordinands and curates. The DBF also funded the provision of housing for all stipendiary and house for duty clergy.
- Funding the continued growth in outreach and evangelism throughout the Diocese as a key element of God for All (see above), including further support for the creation and growth of Fresh Expressions of Church, innovative digital outreach and other initiatives.
- Learning and ministry development work to support clergy and laity, by a combination of Diocesan staff, our own Northern Mission Centre, and by the "Emmanuel Theological College" for ordination and reader training, serving Dioceses in North West England.
- A focus upon embedding Stewardship principles to increase awareness within our Ecumenical Mission Communities of the mutual inter-dependence of them and their individual Parishes with the Diocese's ability to provide necessary and appropriate Anglican Ministerial Resource and Support Services, the larger part of which continued to be funded through an efficiently structured system of "Ministry Offer". In the last three years this has resulted in a continuing overall increase in Ministry Offer after many years of decline, and it is to be hoped that this will continue in coming years.
- Continued monitoring by the Investment Sub-Committee, reporting to the Finance Committee, of the mix and performance of the Diocese's investment portfolio and its professional advisors, to ensure an appropriately prudent balance of risk and reward generation associated with each class of asset.
- Preparing for a substantial grant application to the Church Commissioners/Archbishops' Council's 'Diocesan Investment Programme' to support church planting and pioneering initiatives in the Diocese.

### 5.1.2. Grant-making (Beneficiary-selection) Policy

Most of the financial support from the DBF goes to fund the costs of clerical ministry in local churches, along with support services to those churches. The level of support reflects the Diocesan responsibility, as the institutional church in Cumbria, to provide for the 'cure of souls' right across the Diocese.

Specific grants are made to the National Church to cover a proportion of its central costs (see Note 11 to the financial statements). Grants are paid to parishes and to retired clergy and to other charitable projects which appear to the Trustees to support the furtherance of Carlisle DBF's objects (see Note 14 to the financial statements).

Parishes within the Diocese are also able to apply to the DBF for grants towards the costs of mission activities and for improvements to Church buildings.

### 5.1.3. Programme Related Investments

Loans can be made available to parishes in the Diocese at a preferential rate of interest, to enable them to undertake projects which further the objects of Carlisle DBF including improving and maintaining their buildings (see note 24 to the financial statements).

### 5.1.4. Volunteers

The Trustees recognise and are grateful for the enormous contribution that volunteers throughout the Diocese give of their time for the work of the Diocese in many different ways. Retired clergy also give freely of their time. Churchwardens, Parochial Church Council Treasurers, Secretaries and Safeguarding Officers continue to enable the local church to provide mission and ministry to local communities across Cumbria. The success of the ongoing God for All project continues to be conditional upon a substantial growth in self-supporting (volunteer) lay and ordained ministry in the future, with stipendiary clergy roles being increasingly to discern, equip and support those ministers.

## 5.2. Achievements against objectivities

### 5.2.1. Achievements in 2024

The budget for 2024, approved by Diocesan Synod in October 2023, assumed that income from Ministry Offers would see a reversal in real terms following many years of decline, so that after planned cost adjustments and increases in income from investments and grants, a break-even outturn could be expected before the proposed designation of £250,000 towards future 'net zero' related housing costs.

In the event, the increase in Parish Offer (in cash terms) of some 2.3% compared to 2023 and shortfalls in some aspects of budgeted investment income – a result of delayed land & property sales - was largely offset by:

- Delays in appointing clergy in spite of strenuous efforts to fill vacancies promptly
- Underspends on some training and project activities
- Higher than budgeted income from renting vacant parsonages and investments in the Rydal and Scandale hydro-electric schemes
- The receipt of a significant legacy
- Gains from a surplus on a now-closed lay pension scheme
- Underspends on some training and project activities

DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

This resulted in a surplus of income over expenditure in the charity general fund of some £519,000, before adjusting for unrealised gains in the value of quoted Investments and transfers to other funds. The Board of Finance designated £586,000 into the Sustainability Fund to help finance future mission and ministry, as well as the planned £259,000 added to the 'net zero' fund for housing.

This is considered to be a very satisfactory financial achievement, and the hard work, patience, generosity, imagination and commitment of so many people, particularly in our local churches, is greatly appreciated by the Trustees.

Rydal Hall achieved an improved operational outcome, but still showed a loss of £70,000. Forward forecasts indicate a continuing reduction in operating deficits, despite the challenges facing the Hospitality and Tourism industry generally.

The Trustees continue to rigorously pursue a programme of rationalisation of its property portfolio, selling surplus parsonages and other under-yielding assets, to maximise returns from re-invested capital in support of the costs of the Diocese's Mission and Ministry.

The Trustees fully recognise the challenges faced by parishes to maintain their Ministry Offer, and are very aware of, and thankful for, the sacrificial giving throughout the Diocese that makes that possible.

#### **5.2.2. Operational Performance**

The operational performance of Carlisle DBF in 2024 helped to achieve most of the strategic aims set out above. Total group expenditure on resourcing ministry and mission amounted to £8,680,000, up from £7,991,000 in 2023. Together with expenditure on education and the Diocesan retreat house at Rydal, the expenditure on charitable activities accounted for 97% of total expenditure.

Expenditure on local clergy (primarily stipends, pension and housing), chaplains and Network Youth Church leaders accounted for 69% of the total group expenditure from general funds. Stipendiary clergy remain the bedrock of local churches' mission and ministry, supporting congregations in over 300 churches and 250 parishes. Their role extends beyond leading worship to enabling, encouraging and overseeing church members to join in the wider mission & ministry of the church as it serves communities right across Cumbria.

Work continued in 2024 to establish new patterns of ministry in Ecumenical Mission Communities. Across the budget period 2023 to 2027, better alignment of clergy numbers and costs, with the contributions from local churches towards those costs, is helping to ensure a balanced budget. Progress has however been slower than expected, and with the 2024 end year position remaining close to planned long term clergy numbers, there would appear to be limited scope for further internal cost saving to offset any further falls in income.

The remaining elements of backlog of maintenance and improvement of clergy property following Covid were cleared during the year and the 2024 programme of quinquennial parsonage works was very substantially completed. Adaptations to, or replacement of existing, parsonages to improve energy and environmental efficiency were actively pursued including at Grasmere, Torpenhow and Wigton with plans and feasibility work elsewhere.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

2024 saw the continued implementation of the five year 'Reaching Deeper' project drawing down Strategic Development Funding from the Church Commissioners for investment in new pioneering mission work. The project made further progress during the year, especially through the growth of a new congregation attached to the Restore shop in Penrith, the 'Men in Sheds' project in Carlisle and pastoral support for individuals in Barrow.

Other specific areas of work that have been funded or otherwise supported by the Diocesan Board of Finance in 2024 include:

- Chaplaincies, including those in schools, hospitals, hospices, workplaces, Restore shops, sports clubs, old people's homes, uniformed organisations, emergency services and the Anna Chaplaincy for older people
- the Northern Mission Centre, providing training, support and inspiration to pioneer ministers across the North of England
- Restore Wellbeing cafes provided by local churches which open spaces of welcome and inclusion in partnership with mental health teams to improve mental and emotional wellbeing
- Healthy Healing Hubs through which churches become places of healing for their whole community
- A Christmas media campaign on radio and social media
- Network Youth Churches for well over a thousand teenagers across Cumbria
- EcoChurch awards for the Diocesan Office and churches which commit to actions to safeguard the environment and tackle the climate crisis

Spending on Training & Ministry Development activities was £526,000. This included under-writing funding for Emmanuel Training College in support of ordination and reader training, contributing £282,000 towards the national costs of ordination training, implementing the Diocesan Vocations Strategy, training stipendiary and non-stipendiary curates, lay ministry development – especially through the third year of the 'Discipleship Project' – and leadership development in Mission Communities. In 2024 further work was undertaken through the Northern Mission Centre in partnership with the Church Mission Society, providing advice and mentoring support for church members starting up new outreach and social action initiatives and continuing to deliver associated training and network support.

£5,000 in donations and collections from parishes and £63,000 investment income were added to the Diocesan Growth Fund. Out of this, we recorded another record year of grants being paid to parishes and deaneries totalling £73,000 for a range of projects including youth and children's work, outreach through art and culture and local wellbeing. The balance on the Growth Fund, which is available to support the establishment of network youth church congregations and help parishes and deaneries initiate new work designed to achieve church growth, stood at £2,204,000 (note 28) at 31<sup>st</sup> December 2024. In addition to these grants, a further 2 micro grants, each of £250 were paid to parishes wanting to experiment with new approaches to mission and outreach.

In 2024 the Diocese completed its "LED Challenge", encouraging parishes, clergy, schools and employees to switch to LED lighting. A total of over £36,000 of support was provided by the DBF across this scheme, and 2024 saw additional grants totalling £51,000 supporting wider carbon net zero projects. The Diocese continues to partner with the Dioceses of Blackburn and Manchester in a joint half million pound project (funded by the Archbishop's Council) helping to meet the costs of producing decarbonisation plans for Church Schools and the 20% highest emitting churches.

DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

Throughout the year the DBF funded the Diocesan Safeguarding team's work to develop and promote good practice in respect of the safeguarding of children and vulnerable adults involved in local churches and church-sponsored activities. This included completing a pathfinder project initiated in response to the findings of the national Independent Inquiry into Child Sexual Abuse with related accreditation from the Archbishop's Council, the development and ongoing delivery of a safeguarding learning and development strategy, the roll out of Parish Safeguarding Dashboards and the implementation of a new national Safeguarding Case Management System (MyConcern). The team also continued to undertake a substantial volume of case work and safeguarding risk assessments. Extra resources were provided to develop the safeguarding team.

During 2024, the Diocese as a whole prepared for an audit to be carried out in January 2025 by the INEQE Safeguarding consultancy as part of a national programme of independent scrutiny of safeguarding culture and practice in all English Dioceses and Cathedrals. The audit included aspects of safeguarding that fall within the DBF's responsibilities including overall resourcing, recruitment and employment of local lay ministers and performance management of the safeguarding team. The audit report was received in March 2025 and noted that "The culture is healthy, safeguarding is prioritised, support is valued and individuals across the Diocese feel able to report, question and challenge... This progress is also due to the sterling work of the highly credible and experienced DSA/O... The development of policy, investment in training, use of technology, and victim / survivor - centred approaches evidence a genuine desire to create a safer and more supportive environment.'

The Board for Education spent £368,000 to support education in Cumbria with its support for Church schools. The Good Shepherd Multi Academy Trust, which aims to support the provision of excellent education within a caring and Christian ethos in academies in Cumbria remains of strategic importance as the debate over the academisation of schools continues. It currently includes 12 schools. Feasibility work in respect of establishing a second Multi Academy Trust was undertaken with encouragement from the Department for Education. This has continued into 2025 with an emphasis on mitigating the risks associated with reductions in DfE funding for the conversion costs of schools wishing to join MATs.

"Restore (Cumbria)", our wholly owned but independently governed subsidiary company, continued to implement its business plan, designed to achieve a more secure and sustainable long-term future, by providing community support, recycling and re-use services, and Christian ministry in partnership with local churches in Carlisle and Penrith. The company reported a surplus of £34,000 for the year including grant income, and this major outreach initiative continues to benefit from the hard work of many volunteers.

2024 saw an increase of £4,000 to £597,000 in income from the Archbishops' Council's Lowest Income Communities Funding which is used to provide ministry in places that could not otherwise afford to fund it. An additional £318,000 was received in 2024 from the Archbishops' Council, being claims for fourth year of 'Strategic Development Fund' grants in relation to the 'Reaching Deeper' project, and a further £503,000 of funding, to cover ordination training, capacity building for ministry work, additional curate and clergy support, net-zero work and funding for our Stewardship work.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

Work to prepare a major funding application to the national Diocesan Investment Programme continued through the year, with a bid for £6.8m submitted in January 2025 for "The Cumbrian Way", a programme of work to plant new churches and revitalise existing ones in Barrow, Carlisle and the rural area between Keswick and Cockermouth, along with promoting pioneering mission across the wider diocese, leadership development, promoting vocations, encouraging greater outreach to children, families and young people, and piloting approaches to rural mission. In March 2025 the diocese was notified that its bid had been successful. Some restructuring of roles will be required as part of the implementation of the programme and systems will need to be established to monitor and account for the use of substantial investment.

The statutory fees for occasional offices conducted by the Church, which face a gradual reduction over time, amounted to £341,000. Rents received from letting parsonages during vacancies increased to £364,000 as a result of the Diocese's active approach to renting out properties wherever possible, whilst also pursuing a policy of disposal where future need to retain them is not justified and re-investment returns are potentially better. Overall total charity income increased by 17.8%.

Rydal Hall Ltd is the wholly-owned subsidiary company of Carlisle DBF operating the Diocesan Conference Centre and Retreat House in South Lakeland. It experienced an improved operational result, but still recorded a deficit of £70,000, but with further work to ensure break-even results in the future. There are elements of encouragement with growing income in most areas, and many opportunities going forward, both in terms of mission and ministry, and to improve financial stability going forward. The Board continue to implement an updated five-year plan covering both the commercial and mission aspects of the Hall's work.

The DBF again supported the Churches Trust for Cumbria through a grant of £25,400, to enable their work to provide external support for the care, conservation and development of church buildings across Cumbria. It continued to be a part of Churches Together in Cumbria with £18,700 being paid in support of their work.

#### **5.2.3. Investment Performance**

Investments are held in both restricted and unrestricted funds, managed by CCLA. Performance in 2024 saw modest improvement, in line with general market conditions, with the price of the CBF Investment Fund shares increasing by 2.3%, (2023 increase 9.4%), while the CBF Property Fund shares increased by 0.6% (2023 decrease of 6.1%). Total unrealised gains on investments for the year were £378,000, (2023 £1,560,000). These gains are notional – they do not alter the number of shares held, hence the future income streams for which these shares are held are unaffected directly by both increases and falls. The two hydro-electric plants within Cumbria in which the DBF has invested continued to perform well in 2024, benefitting from a particularly strong 'forward' pricing agreement covering April 2023 to March 2024. Income from the schemes was £227,000 higher than in 2023 as a result, and they should both provide a strong, long-term income stream for many years to come.

The Bank of England's Base Rate fell from 5.25% to 4.75% during 2024, but with these still relatively high resulting CBF Deposit Fund rates, £128,000 of interest was earned during the year.

Dividends received from the CBF Property Fund and Investment Fund were 6.64p and 63.13p per share respectively in the year, and the declared yields were 5.27% and 2.71% based on the year-end valuations. The total income from CBF Fund dividends for the year rose to £1,075,000 (2023 £934,000), and investment of receipts from property sale proceeds was prudently continued.

DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

Efforts continued to obtain planning consent for residential development on low yielding agricultural land holdings on the edge of settlements. A number of such developments have come to market in the year. All sale proceeds from these during 2024 have been invested to generate a sustainable long-term revenue stream to fund the work of the Diocese in the future.

The total return on investment – net receipts and valuation gains on investments as a percentage of the investment valuations at year-end, was 4.8% (2023 7.0%) following relatively flat market conditions in the year. Average yield (net receipts as a percentage of the investment valuations at year-end) was 4.0% (2023 3.6%).

#### **5.2.4. External Factors Affecting Performance**

There are a number of external factors continuing to affect the performance of Carlisle DBF. The fall over time in real terms in the pre-Covid level of Ministry Offers made to Carlisle DBF from parishes is evidence of lower incomes in the parishes, reflecting a decline in church membership and the burden of local costs such as church repairs and energy bills. There is presently little indication that Ministry Offers will recover to pre-pandemic levels despite the resumption of normal patterns of traditional worship in local churches. This emphasises the continuing downwards trend away from time-honoured Church, albeit replaced to some extent by new forms of pioneering (but less cash-generative) outreach and ministry.

It was encouraging to note that a national review of weekly giving per person has seen average giving in Carlisle Diocese increase from £8.00 to £11.60 over 6 years – although these figures remain low by national standards, this increase was the highest in the country and is a testament to the work of our Stewardship Team and hard work across the Diocese encouraging generosity.

The difficulty in filling vacancies in clergy posts has continued during the year and the Northern Province of the Church of England is reportedly not seen to be attractive to potential applicants. Although this reduces financial pressure in the short term, it represents an operational concern as the leadership and pastoral work of clergy is key in recruiting and developing self-supporting lay and ordained ministry and helping the local church to continue to evolve.

#### **5.3. Financial Review**

##### **5.3.1. Review of the Financial Position**

The Consolidated Statement of Financial Activities (SOFA) for the year shows net incoming resources of £1,436,000 (2023: £314,000) before net gains on investments and other recognised gains and losses.

After revaluation adjustments, the net increase in funds amounted to £1,814,000 (2023: £1,874,000). Total fund balances are now £87,144,000, of which £81,237,000 (93.2%) is restricted, mainly by ecclesiastical measures, and a further £3,705,000 has been designated for specific use by the Trustees.

Overall there was a net cash inflow for the year of £1,493,000 (2023: £1,190,000). Total net current assets increased by £1,478,000 to £3,772,000, with those relating to general funds increasing by £830,000.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued**

**Going Concern**

The Trustees are satisfied that Carlisle DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

**5.3.2. Reserves Policy**

Due to the anticipated regularity and predictability of its Income and Costs, the Diocese policy has been to hold a level of free reserves equivalent to at least two months expenditure. The Trustees keep the position under review at their bi-monthly meetings and are currently confident that cash flows can be managed to ensure that sufficient free reserves are held to enable Carlisle DBF's normal commitments to be met.

**5.3.3. Investment Policies**

Carlisle DBF's power to invest its funds is governed by the Memorandum and Articles of Association. It exercises these powers having due regard to the provisions of the Trustee Act 2000 in so far as it applies to Carlisle DBF as a company.

Carlisle DBF's investment policies, which are reviewed annually, are based on two key principles:

Ethical investment – Carlisle DBF seeks to pursue an investment policy consistent with the values of the Christian religion. Thus, it adheres to the policy as developed by the Church Commissioners and CCLA Investment Management Ltd for their Central Board of Finance Church of England Funds.

Long-term responsibilities - Investment policy for long-term funds seeks to strike the right balance between providing an income to help the Diocese to carry out its purposes effectively in the short term and maintain and enhance the value of the invested funds so as to enable the Diocese effectively to continue to carry out its purposes in the long term. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital.

**Investments**

Glebe property investments are held by Carlisle DBF in agricultural land, commercial and residential land and buildings. They are managed by the DBF's agents, Penrith Farmers' & Kidd's, Walton Goodland Ltd and Savills and account for 32% of the total glebe investments.

A further 65% of the glebe assets are invested through CCLA Investment Management Ltd in the CBF Church of England Funds or held on deposit. They are split between holdings in equities and property via common investment funds to spread risk, and deposits. The remaining 3% consists of shares in a hydro-electric scheme in South Cumbria.

The other DBF funds are also mainly invested in CBF Church of England deposit accounts, investment and property funds, with shares also being held in a second hydro-electric scheme within the grounds of the Diocesan Residential Conference Centre and Retreat at Rydal Hall, South Lakes.

## Other Funds

Funds which may be needed for working capital in the short term are held as deposits with the Central Board of Finance. The performance of all the DBF's investments is monitored regularly by the Trustees at their bi-monthly board meetings, and by the Investment Sub-Committee.

### 5.3.4. Remuneration Policy

The Board operates a set salary scale and employees are placed on this with regard to benchmarking against comparable roles in this and other dioceses and the external employment market. Cost of living increases are determined as part of the process of setting the budget which is approved by the Finance Committee and the Members. Remuneration of higher-paid employees is determined in consultation between the Chair of the Finance Committee, the Diocesan Secretary and the Head of HR & Governance.

### 5.4 Plans for Future Periods

The DBF's ongoing objective is to resource Diocesan needs, as determined by Synod and informed by local and national Church institutions and in particular to invest to meet the objectives set out in the Diocese's updated "God for All" Strategy.

The Diocesan Development Plan for the period beyond 2024 is integrated into resource and budget planning for the period 2023-2027, which was approved by Diocesan Synod in October 2024 and which is reviewed annually at Diocesan Synod.

### 5.5 Principal Risks and Uncertainties

The Trustees confirm that the major risks, to which Carlisle DBF and its subsidiary companies are exposed are regularly reviewed and that systems and procedures have been established to manage those risks. The principal financial risks and uncertainties which face Carlisle DBF relate to:

- the reliability and timing of the income it receives from local churches which is voluntary in nature, Ministry Offer accounting for 53% of total charity general fund income;
- investment performance;
- clergy numbers which may vary above or below assumptions with consequential impact on ministry and costs; and
- the longer term financial effects of inflation and demography upon core income streams and operating costs.

The principal risks are reviewed regularly by the Trustees and, where necessary, further information and data are gathered to enable a more detailed examination of the risks to be made and decisions taken on the basis of the probability and likely impact of the risks occurring.

We encourage good stewardship in the local church and the work of the Stewardship Team is seen as a key way in which the Diocese can support parishes and mission communities in raising income locally which, in turn, will empower them to identify the optimum affordable deployment of available trained ministry resource both lay and ordained.

Carlisle DBF provides its Trustees, officers and employees with Indemnity Insurance against any liabilities that might arise during the provision of services operated under the authority of the Diocesan Bishop and Synod.

## 6. Structure, Governance and Management

### 6.1 Organisational Structure

The Diocese of Carlisle was founded in 1133. It covers an area of 2,480 square miles and includes all of Cumbria, except for small areas in the east of the county which are included in the neighbouring Diocese of Newcastle. The overall population of the Diocese is around 500,000.

The Diocese is one of the 42 English dioceses of the Church of England which is organised as two provinces. The Diocese of Carlisle is part of the Northern Province led by the Archbishop of York. The Southern Province is led by the Archbishop of Canterbury.

The Diocese of Carlisle was led (until retirement in August 2023) by the Diocesan Bishop, the Rt Revd James Newcome. Since that date, leadership has been undertaken (as Acting Diocesan Bishop), by the Suffragan Bishop of Penrith, the Rt Revd Rob Saner-Haigh. It was announced on 9<sup>th</sup> May 2025 that Bishop Rob was nominated by the Crown Nominations Commission to be the next Bishop of Carlisle. He will take up his role later in 2025.

The Diocese is arranged into three Archdeaconries: Carlisle covering the northern and eastern part with 4 deaneries, West Cumberland in the western part with 3 deaneries and Westmorland and Furness in the southern part with 4 deaneries. In total there are 228 parishes (98 benefices) with 74 full-time equivalent stipendiary parochial clergy and 5 serving in house for duties posts. Together with 36 non-stipendiary ministers, 94 readers, 65 local lay ministers and many other retired clergy and lay members they provide ministry in 325 churches in the Diocese.

The Diocese is in Covenanted Partnership with three other denominations – Methodist, United Reformed Church and Salvation Army. With those denominations the Diocese is establishing ecumenical Mission Communities, groups of churches that collaborate over mission and share resources, increasingly including ministry and buildings. In the course of 2024, a number of church buildings were put forward for closure at the request of their local Parochial Church Councils.

### 6.2 Diocesan Governance

#### Diocesan Synod

The Diocese is governed by Standing Orders approved in 1969 and as subsequently amended. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of Bishops and Archdeacons (*ex officio members*), clergy members *elected* by the Houses of Clergy in Deanery Synods, lay persons *elected* by the Houses of Laity in Deanery Synods, up to five persons who may be *co-opted* by each of the Houses of Clergy or Laity and a maximum of ten members *nominated* by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Its role is to:

- consider, and make decisions on, 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 by approving the Diocesan Budget.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

#### Deanery Synods

Each deanery in the Diocese has its own Deanery Synod which has two houses, laity and clergy. Its 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; and
- elect members of the deanery to the Diocesan Synod and of the Diocese to General Synod.

#### Bishop's Council and Standing Committee

Bishop's Council-consists of 9 ex officio members, including the Diocesan and Suffragan Bishop and the three Archdeacons, three clergy elected by the House of Clergy from among their number and six lay persons elected by the members of the House of Laity. A maximum of three members may also be nominated by the Diocesan Bishop.

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 (delegated to the Steering Committee);
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the President of Synod on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

#### 6.3 Carlisle Diocesan Board of Finance

The company, Carlisle Diocesan Board of Finance Ltd (Carlisle DBF), was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 22<sup>nd</sup> September 1893 as a charitable company limited by membership guarantees (No. 39625) and its governing documents are the Memorandum and Articles of Association. Carlisle DBF has been registered with the Charity Commission since 1<sup>st</sup> May 1967 (No. 251977). The Memorandum and Articles of Association have been altered by Special Resolutions the latest of which were passed on 19 October 2024, 15 June 2021, 1<sup>st</sup> May 2018 and 12<sup>th</sup> July 2006. The changes in October 2024 related specifically to allow for longer terms of office for Trustees/Directors of the DBF, with any extensions to be approved by both the Trustee Board and the wider membership of the DBF. Following the introduction of these changes the term of the current Chair was extended for a period of up to 18 months from 1 January 2025 to allow for continuity through the period of the appointment and induction of a new Bishop of Carlisle.

From 11th November 2006 every member of Diocesan Synod is a member of Carlisle DBF for company law purposes, unless they are excluded by reason of being appointed to any salaried office of the Company or any office of the Company paid by fees. Each member has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

#### Trustees

From 1st January 2007 the Bishop of Carlisle and the three Archdeacons have served as ex-officio Directors of the Company. A further five Directors are elected by the members of Carlisle DBF and the Directors have power to co-opt up to another four Directors.

Mr Jim Johnson served as Chair throughout the year.

All the Directors are also the Trustees and, when newly appointed, are given induction training. All Trustees are offered ongoing training, as appropriate.

#### Trustees' Responsibilities

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

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 the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which 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 corporate and trust assets of the charitable company and group ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also 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.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued**

**6.4 Decision-making Structure**

Diocesan Synod has delegated the following functions to Carlisle DBF:

- Management of the funds and property of the Diocese;
- Preparation of annual estimates of expenditure;
- Advising on action needed to raise the income necessary to finance expenditure;
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod;
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred or delegated to it by Diocesan Synod.

**Finance Committee**

The Trustees met as the Finance Committee of Carlisle DBF 6 times during the year. At these meetings they received regular reports from the officers of the DBF and considered any matters for which they are responsible.

The number of meetings (and proportion of those eligible for attendance) that each Trustee attended in 2024 was:

The Ven Richard Pratt	(ex officio)	2 (100%)	(Retired 31 March 2024)
The Ven Vernon Ross	(ex officio)	4 ( 66%)	
The Ven Stewart Fyfe	(ex officio)	4 ( 66%)	
The Ven Ruth Newton	(ex officio)	2 (100%)	(Appointed 18 September 2024)
Mr Derek Bradley	(elected)	6 (100%)	
Miss Janet Busk	(elected)	6 (100%)	
Mr Rob Cook	(elected)	5 ( 83%)	
Mr David Dalgoutte	(co-opted)	5 ( 83%)	(Retired 31 December 2024)
Mr John Edwards	(co-opted)	6 (100%)	(Retired 31 December 2024)
Mr Jim Johnson	(elected)	6 (100%)	
Mr Nigel Robson	(elected)	6 (100%)	(Retired 31 December 2024)
Mr Peter Yates	(co-opted)	4 (100%)	(Appointed 15 May 2024, Retired 31 December 2024)

Since the retirement of The Rt Revd James Newcome as Bishop of Carlisle in August 2023, The Rt Revd Rob Saner-Haigh (Suffragan Bishop of Penrith and Acting Bishop of Carlisle) has been in attendance at Board meetings when other commitments have permitted – however he is not a member of the Trustee Board. He will be appointed to the Board when he starts in his new role of Bishop of Carlisle, later in 2025.

The Trustees have delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by a small team of staff.

**Committee Structure**

There are a number of statutory Diocesan Synod committees that, although not sub-committees of Carlisle DBF, can influence its operations:

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

**Carlisle Diocesan Board of Education** has responsibility for 104 Church schools across the Diocese, provides pastoral and professional support to all its schools and has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.

**The Parsonages Board** is responsible for determining policy concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by Carlisle DBF. In the Diocese the Carlisle DBF is designated as the Diocesan Parsonages Board. A number of its functions are delegated to Archdeaconry Sub-Committees under the terms of a scheme passed by Diocesan Synod on 12<sup>th</sup> October 2013.

**The Diocesan Pastoral Committee** is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It also has responsibility for finding appropriate alternative uses for churches which have closed. Most of its functions are delegated to Archdeaconry sub committees.

**The 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. In 2023 the DAC dealt with 39 faculty applications from local churches.

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

#### **6.5 Related Parties**

##### **General Synod**

Carlisle DBF has to comply with Measures passed by the General Synod of the Church of England. General Synod is the 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.

##### **Archbishops' Council**

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.

Carlisle DBF is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church according to a formula agreed by General Synod.

##### **Church Commissioners**

The Church Commissioners manage the historic assets of the Church of England, funding clergy pensions for service prior to 1998. The payroll costs of episcopal leadership through the Diocesan and Suffragan Bishops are met by the Church Commissioners, along with the housing costs of the Diocesan

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

Bishop. Further grants are also paid towards the staffing costs of cathedrals. The Church Commissioners also make a number of grants to the Archbishops' Council including Low Income Communities funding for ministry in poorer dioceses and parishes and Strategic Development Fund and Diocesan Investment Programme grants for new mission initiatives.

Although Carlisle DBF is responsible for the funding of its clergy stipend costs, the national clergy payroll is administered by the Church Commissioners. Carlisle DBF reimburses the Church Commissioners monthly for the costs of stipendiary clergy deployed in the Diocese.

#### **Church of England Pensions Board**

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions' authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widows and widowers 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 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.

Carlisle DBF contributes monthly to the Pensions Board for both the clergy and the lay pension schemes.

#### **The Cathedral**

The Cathedral Church of the Holy and Undivided Trinity is the mother church of the Diocese of Carlisle and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its Trustees' report and financial statements may be obtained from the Cathedral Office, 7 The Abbey, Carlisle, CA3 8TZ.

#### **Parishes and Parochial Church Councils (PCCs)**

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Each PCC is an independent charity and most are currently exempt from registration with the Charity Commission. However, under the terms of the Charities Act 2011 those PCCs whose gross income for the year is above £100,000 are required to register. PCCs are able to influence the decision-making within Carlisle DBF and at Diocesan Synod level through representations and input of their Deanery Synods.

The main income of Carlisle DBF is the contribution, by way of the Ministry Offer, from the 228 parishes of the Diocese; which system has been based on voluntary offers made by Mission Communities and parishes towards the costs of ministry incurred throughout the whole of the Diocese of Carlisle.

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

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued

#### 6.6 Subsidiary Undertakings

##### **Rydal Hall Limited**

Carlisle DBF is responsible for the operation of the Diocesan Conference Centre and Retreat House, Rydal Hall. This is achieved through Rydal Hall Limited, a wholly owned subsidiary charity of Carlisle DBF. The activities of the subsidiary are included in the consolidated financial statements.

##### **Restore (Cumbria)**

Restore (Cumbria) is a registered charity which operates a charity shop and resource network in North Cumbria, as part of the Diocese's Outreach initiatives. The DBF is the sole member of the charity.

#### 6.7 Rydal Hydro Limited

Carlisle DBF owns 50% of the issued share capital of Rydal Hydro Limited, with Ellergreen Hydro Limited and Gilkes Hydro Limited the other 50%. The joint venture company has constructed a hydroelectricity generating plant within the grounds of Rydal Hall Limited providing a renewable source of electricity for Rydal Hall and the surrounding area as well as providing a significant return on the DBF's investment.

#### 6.8 Other Connected Companies

Carlisle DBF together with four other dioceses from the North West of England and with York Diocese have equal shares in DBE Services Limited, a company formed to provide various services to schools. These include inspections, teaching and curriculum support, administrative services, building, equipment and construction support and insurance. DBE Services Limited has several employees with other staff employed by the participating dioceses who invoice the company for their time. The profits of DBE Services Limited are distributed to the shareholders by means of gift aid donations.

The six North West Dioceses are sponsors of Emmanuel College which trains ordinands for ministry in the Church of England across and beyond the region. The Diocesan Board of Finance is a Corporate Member of the College.

#### 7. Funds Held as Custodian Trustee for Others

Carlisle DBF is required by Measure to be custodian trustee in relation to PCC property. Carlisle DBF also holds funds on behalf of Church of England schools in the Diocese. All assets held as custodian trustee are kept independently from the Company's own assets and their details are recorded in a separate trust ledger. The assets are mainly invested through CCLA Investment Management Limited in their range of CBF Church of England Funds or on deposit with major UK clearing banks.

At 31 December 2024 the total value of these funds was £12,716,000.

#### 8. Reference and Administrative Details of the Carlisle Diocesan Board of Finance

In accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in 2019 (SORP 2019), the Directors (for the purposes of company law) and the Trustees (for the purposes of charity law) during the year and as at the date of signing follow:

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued**

**Ex-officio Directors**

The Venerable Dr Richard Pratt, Archdeacon of Carlisle (Retired 31 March 2024)  
The Venerable Vernon Ross, Archdeacon of Westmorland and Furness  
The Venerable Stewart Fyfe, Archdeacon of West Cumberland  
The Venerable Ruth Newton, Archdeacon of Carlisle (Appointed 18 September 2024)

**Elected by the Members**

Derek Bradley  
Janet Busk  
Rob Cook  
Jim Johnson (Chair)  
Nigel Robson (Retired 31 December 2024)  
Rev. Charles Hope (Elected 1 January 2025)

**Co-opted by the Directors**

David Dalgoutte (Retired 31 December 2024)  
John Edwards (Retired 31 December 2024)  
Trevor Hebdon (Appointed 26 March 2025)  
Peter Yates (Appointed 15 May 2024; Retired 31 December 2024))

The Right Reverend Rob Saner-Haigh, Suffragan Bishop of Penrith, is not a Trustee Director, but plays an active role in Board meetings while he covers for the vacant Bishop of Carlisle position.

**Secretary**  
**Head of Finance**  
**Director of Education**

Mr Derek Hurton  
Mr Ric Jaques  
Mrs Charlotte Tudway

**Registered Office**

Diocesan Church House,  
19-24 Friargate,  
Penrith, CA11 7XR

**Telephone**

01768 807777

**Website**

[www.carlisediocese.org.uk](http://www.carlisediocese.org.uk)

**e-mail**

[enquiries@carlisediocese.org.uk](mailto:enquiries@carlisediocese.org.uk)

**Company registration number**

39625 (England & Wales)

**Charity registration number**

251977

**Auditors**

Dodd & Co Audit Limited,  
FIFTEEN Rosehill,  
Carlisle, CA1 2RW

**Bankers**

HSBC plc,  
City Office,  
29 English Street,  
Carlisle, CA3 8JT

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2024) continued**

**Legal Adviser**

Ms Laura Peace  
Sintons,  
The Cube, Barrack Road,  
Newcastle Upon Tyne, NE4 6DB

**Investment Advisers**

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

**Glebe Property Agents**

Penrith Farmers' & Kidd's plc,  
Skirsgill,  
Penrith, CA11 0DN

Savills,  
64 Warwick Road,  
Carlisle CA1 1DR


Walton Goodland Ltd,  
10 Lowther Street,  
Carlisle, CA3 8DA

**9. Auditors**

The Trustees as a Board confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. In addition, the Trustees have taken all reasonable steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

A resolution to reappoint Dodd & Co Audit Limited as auditors to the company and to authorise the Trustees to fix their remuneration will be proposed at the Annual General Meeting.

The Directors' and Trustees' annual report, together with the strategic report which is incorporated into the Directors' and Trustees' annual report, have been approved by the Directors/Trustees and signed on their behalf by:

  
.....  
JAE Johnson  
Director and Trustee

**8<sup>th</sup> July 2025**

# Independent auditor's report to the members of Carlisle Diocesan Board of Finance Limited

## Opinion

We have audited the financial statements of Carlisle Diocesan Board of Finance Limited] ('the charitable company') for the year ended 31 December 2024 which comprise Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated Summary Income and Expenditure Account, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 the provisions available for small entities, 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 12 months from when the financial statements are authorised for issue.

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

## Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

- adequate and proper 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charitable company's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team and involving relevant internal specialists, including pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to revenue recognition and management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Act, pensions legislation and tax legislation.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

## Use of our report

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



Faye Armstrong (Senior Statutory Auditor)

For and on behalf of Dodd & Co Audit Limited, Statutory Auditor

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

1/8/25

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
For the year ended 31 December 2024

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2024 £'000	2023 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,276	-	-	-	4,276	4,180
Archbishop's Council		915	-	503	-	1,418	1,235
Other donations		329	46	84	-	459	185
Charitable activities	3						
Fees & chaplaincy income		501	-	-	-	501	521
Rydal Hall	15	-	1,320	-	-	1,320	1,236
Sales of goods & services	3	57	345	-	-	402	345
Other activities	4	364	-	-	-	364	395
Investments	5	1,415	70	585	5	2,075	1,749
Other sources	6	261	-	129	1,054	1,444	695
<b>Total</b>		<b>8,118</b>	<b>1,781</b>	<b>1,301</b>	<b>1,059</b>	<b>12,259</b>	<b>10,541</b>
<b>Expenditure on</b>							
Raising funds	7	213	-	15	-	228	186
Charitable activities							
Resourcing ministry & mission	8	7,004	547	1,129	-	8,680	7,991
Education	9	368	-	33	-	401	376
Rydal Hall	15	14	1,400	-	-	1,414	1,373
Other purposes	10	-	-	-	100	100	301
<b>Total</b>	12	<b>7,599</b>	<b>1,947</b>	<b>1,177</b>	<b>100</b>	<b>10,823</b>	<b>10,227</b>
<b>Net income/(expenditure) before investment gains</b>		<b>519</b>	<b>(166)</b>	<b>124</b>	<b>959</b>	<b>1,436</b>	<b>314</b>
Net gains/(losses) on investments		13	48	43	274	378	1,560
<b>Net income/(expenditure)</b>		<b>532</b>	<b>(118)</b>	<b>167</b>	<b>1,233</b>	<b>1,814</b>	<b>1,874</b>
<b>Transfers between funds</b>	22	<b>(425)</b>	<b>844</b>	<b>1,420</b>	<b>(1,839)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>107</b>	<b>726</b>	<b>1,587</b>	<b>(606)</b>	<b>1,814</b>	<b>1,874</b>
<b>Total funds brought forward</b>		<b>2,095</b>	<b>2,979</b>	<b>23,366</b>	<b>56,890</b>	<b>85,330</b>	<b>83,456</b>
<b>Total funds carried forward</b>		<b>2,202</b>	<b>3,705</b>	<b>24,953</b>	<b>56,284</b>	<b>87,144</b>	<b>85,330</b>

All activities derive from continuing activities. The notes on pages 33 to 65 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 December 2023

	Note	Unrestricted funds.		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2023 £'000	2022 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,180	-	-	-	4,180	4,124
Archbishop's Council		945	-	290	-	1,235	1,366
Other donations		128	44	13	-	185	201
Charitable activities	3						
Fees & chaplaincy income		521	-	-	-	521	583
Rydal Hall	15	-	1,236	-	-	1,236	798
Sales of goods & services	3	40	305	-	-	345	764
Other activities	4	395	-	-	-	395	345
Investments	5	1,153	65	527	4	1,749	1,533
Other sources	6	-	-	172	523	695	626
<b>Total</b>		<b>7,362</b>	<b>1,650</b>	<b>1,002</b>	<b>527</b>	<b>10,541</b>	<b>10,340</b>
<b>Expenditure on</b>							
Raising funds	7	174	-	12	-	186	207
Charitable activities							
Resourcing ministry & mission	8	6,745	446	800	-	7,991	7,613
Education	9	325	-	51	-	376	310
Rydal Hall	15	12	1,361	-	-	1,373	1,445
Other purposes	10	-	2	-	299	301	12
<b>Total</b>	<b>12</b>	<b>7,256</b>	<b>1,809</b>	<b>863</b>	<b>299</b>	<b>10,227</b>	<b>9,587</b>
<b>Net income/(expenditure) before investment gains</b>		<b>106</b>	<b>(159)</b>	<b>139</b>	<b>228</b>	<b>314</b>	<b>753</b>
Net gains/(losses) on investments		20	178	542	820	1,560	(3,505)
<b>Net income/(expenditure)</b>		<b>126</b>	<b>19</b>	<b>681</b>	<b>1,048</b>	<b>1,874</b>	<b>(2,752)</b>
Transfers between funds	22	(197)	570	(104)	(269)	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	42
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	61
<b>Net movement in funds</b>		<b>(71)</b>	<b>589</b>	<b>577</b>	<b>779</b>	<b>1,874</b>	<b>(2,649)</b>
<b>Total funds brought forward</b>		<b>2,166</b>	<b>2,390</b>	<b>22,789</b>	<b>56,111</b>	<b>83,456</b>	<b>86,105</b>
<b>Total funds carried forward</b>		<b>2,095</b>	<b>2,979</b>	<b>23,366</b>	<b>56,890</b>	<b>85,330</b>	<b>83,456</b>

All activities derive from continuing activities. The notes on pages 33 to 65 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 December 2024

	Note	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	
		General £'000	Designated £'000	£'000	£'000	2024 £'000	2023 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,276	-	-	-	4,276	4,180
Archbishop's Council		915	-	503	-	1,418	1,235
Other donations		329	5	84	-	418	146
Charitable activities	3						
Fees & chaplaincy income		501	-	-	-	501	521
Rydal Hall	15	-	-	-	-	-	-
Sales of goods & services	3	57	-	-	-	57	40
Other activities	4	364	-	-	-	364	395
Investments	5	1,415	63	585	5	2,068	1,743
Other	6	261	-	129	1,054	1,444	695
<b>Total</b>		<b>8,118</b>	<b>68</b>	<b>1,301</b>	<b>1,059</b>	<b>10,546</b>	<b>8,955</b>
<b>Expenditure on</b>							
Raising funds	7	213	-	15	-	228	186
Charitable activities							
Resourcing ministry & mission	8	7,004	205	1,129	-	8,338	7,670
Education	9	368	-	33	-	401	376
Rydal Hall	15	14	-	-	-	14	52
Other	10	-	-	-	100	100	299
<b>Total</b>		<b>7,599</b>	<b>205</b>	<b>1,177</b>	<b>100</b>	<b>9,081</b>	<b>8,583</b>
<b>Net income/(expenditure) before investment gains</b>		<b>519</b>	<b>(137)</b>	<b>124</b>	<b>959</b>	<b>1,465</b>	<b>372</b>
Net gains/(losses) on investments		13	48	43	274	378	1,560
<b>Net income/(expenditure)</b>		<b>532</b>	<b>(89)</b>	<b>167</b>	<b>1,233</b>	<b>1,843</b>	<b>1,932</b>
<b>Transfers between funds</b>	22	<b>(425)</b>	<b>844</b>	<b>1,420</b>	<b>(1,839)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>107</b>	<b>755</b>	<b>1,587</b>	<b>(606)</b>	<b>1,843</b>	<b>1,932</b>
<b>Total funds brought forward</b>		<b>2,095</b>	<b>2,920</b>	<b>23,366</b>	<b>56,890</b>	<b>85,271</b>	<b>83,339</b>
<b>Total funds carried forward</b>		<b>2,202</b>	<b>3,675</b>	<b>24,953</b>	<b>56,284</b>	<b>87,114</b>	<b>85,271</b>

All activities derive from continuing activities. The notes on pages 33 to 65 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2023

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2023 £'000	2022 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,180	-	-	-	4,180	4,124
Archbishop's Council		945	-	290	-	1,235	1,366
Other donations		128	5	13	-	146	151
Charitable activities	3						
Fees & chaplaincy income		521	-	-	-	521	583
Rydal Hall	15	-	-	-	-	-	53
Sales of goods & services	3	40	-	-	-	40	28
Other activities	4	395	-	-	-	395	345
Investments	5	1,153	59	527	4	1,743	1,530
Other	6	-	-	172	523	695	617
<b>Total</b>		<b>7,362</b>	<b>64</b>	<b>1,002</b>	<b>527</b>	<b>8,955</b>	<b>8,797</b>
<b>Expenditure on</b>							
Raising funds	7	174	-	12	-	186	207
Charitable activities							
Resourcing ministry & mission	8	6,745	125	800	-	7,670	7,376
Education	9	325	-	51	-	376	310
Rydal Hall	15	12	40	-	-	52	38
Other	10	-	-	-	299	299	12
<b>Total</b>		<b>7,256</b>	<b>165</b>	<b>863</b>	<b>299</b>	<b>8,583</b>	<b>7,943</b>
<b>Net income/(expenditure) before investment gains</b>		<b>106</b>	<b>(101)</b>	<b>139</b>	<b>228</b>	<b>372</b>	<b>854</b>
Net gains/(losses) on investments		20	178	542	820	1,560	(3,505)
<b>Net income/(expenditure)</b>		<b>126</b>	<b>77</b>	<b>681</b>	<b>1,048</b>	<b>1,932</b>	<b>(2,651)</b>
Transfers between funds	22	(197)	570	(104)	(269)	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	42
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	61
<b>Net movement in funds</b>		<b>(71)</b>	<b>647</b>	<b>577</b>	<b>779</b>	<b>1,932</b>	<b>(2,548)</b>
<b>Total funds brought forward</b>		<b>2,166</b>	<b>2,273</b>	<b>22,789</b>	<b>56,111</b>	<b>83,339</b>	<b>85,887</b>
<b>Total funds carried forward</b>		<b>2,095</b>	<b>2,920</b>	<b>23,366</b>	<b>56,890</b>	<b>85,271</b>	<b>83,339</b>

All activities derive from continuing activities. The notes on pages 33 to 65 form part of the financial statements.

**CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31 December 2024**

	Total 2024 £'000	Total 2023 £'000
Total income per reconciliation below	12,865	10,217
Resources expended per reconciliation below	(10,723)	(9,928)
Operating surplus for the year	2,142	289
Interest receivable	174	66
Net gains/(losses) on investments	104	740
<b>Net income for the year</b>	<b>2,420</b>	<b>1,095</b>
<b>Other comprehensive income:</b>		
Revaluation of fixed assets	-	-
Actuarial gains/(losses) on defined benefit pension schemes	-	-
<b>Total comprehensive income for the year</b>	<b>2,420</b>	<b>1,095</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.

<b>Reconciliation of Summary Income and Expenditure to SOFA</b>	Total 2024 £'000	Total 2023 £'000
Total incoming resources per SOFA	12,259	10,541
Less: interest receivable	(174)	(66)
total endowment additions	(1,059)	(527)
Add: endowment capital transferred to income funds	1,839	269
<b>Total income per above</b>	<b>12,865</b>	<b>10,217</b>
Resources expended per SOFA	10,823	10,227
Less: expenditure charged to endowment capital	(100)	(299)
Add: income funds reclassified as endowment capital	-	-
<b>Total expenditure per above</b>	<b>10,723</b>	<b>9,928</b>

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED


CONSOLIDATED BALANCE SHEET

At 31 December 2024

Company Number – 39625

	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	23		40,408		41,241
Investments	24		42,964		41,795
			<u>83,372</u>		<u>83,036</u>
<b>CURRENT ASSETS</b>					
Stock		8		9	
Debtors	25	2,656		4,462	
Cash on deposit	26	4,812		3,637	
Cash at bank and in hand		797		479	
			<u>8,273</u>	<u>8,587</u>	
<b>CREDITORS: amounts falling due within one year</b>	27	<u>(4,501)</u>		<u>(6,293)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,772</u>		<u>2,294</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>87,114</u>		<u>85,330</u>
<b>NET ASSETS</b>			<u><u>87,114</u></u>		<u><u>85,330</u></u>
<b>FUNDS</b>					
<b>Endowment funds</b>					
Including investment revaluation reserve of £34,459,000 (2023: £34,215,000)			56,284		56,890
<b>Restricted income funds</b>					
Including investment revaluation reserve of £7,474,000 (2023: £7,433,000)			24,953		23,366
<b>Unrestricted income funds:</b>					
General funds - Including revaluation reserve of £544,000 (2023: £531,000)			2,202		2,095
Designated funds - Including revaluation reserve of £941,000 (2023: £935,000)			3,705		2,979
<b>TOTAL FUNDS</b>	28 & 29		<u><u>87,114</u></u>		<u><u>85,330</u></u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:

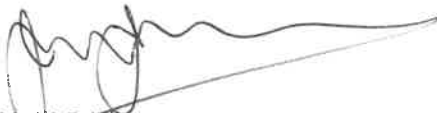
  
Mr J.A.E. Johnson  
8<sup>th</sup> July 2025

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**CHARITY BALANCE SHEET**  
**At 31 December 2024**

Company Number – 39625

		2024		2023	
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	23		40,208		41,079
Investments	24		42,964		41,795
			<u>83,172</u>		<u>82,874</u>
<b>CURRENT ASSETS</b>					
Debtors	25	2,631		4,430	
Subsidiary companies		287		171	
Cash on deposit	26	4,710		3,540	
Cash at bank and in hand		576		342	
			<u>8,204</u>	<u>8,483</u>	
<b>CREDITORS: amounts falling due within one year</b>	27	(4,262)		(6,086)	
<b>NET CURRENT ASSETS</b>			<u>3,942</u>		<u>2,397</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>87,114</u>		<u>85,271</u>
<b>NET ASSETS</b>			<u><u>87,114</u></u>		<u><u>85,271</u></u>
<b>FUNDS</b>					
<b>Endowment funds</b>					
Including investment revaluation reserve of £34,459,000 (2023: £34,215,000)			56,284		56,890
<b>Restricted income funds</b>					
Including investment revaluation reserve of £7,474,000 (2023: £7,433,000)			24,953		23,366
<b>Unrestricted income funds:</b>					
General funds - Including revaluation reserve of £544,000 (2023: £531,000)			2,202		2,095
Designated funds - Including revaluation reserve of £941,000 (2023: £935,000)			3,675		2,920
<b>TOTAL FUNDS</b>	28 & 29		<u><u>87,114</u></u>		<u><u>85,271</u></u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:

  
 Mr J.A.E. Johnson  
 8th July 2025

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 31 December 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>		(1,429)		(1,957)
<b>Cash flows from investing activities</b>				
Dividends, interest and rent from investments	2,075		1,749	
Interest paid	(6)		(12)	
Proceeds from the sale of:				
Tangible fixed assets	2,572		612	
Investments	304		2,282	
Purchase of:				
Tangible fixed assets	(1,090)		(859)	
Fixed asset investments	(833)		(475)	
<b>Net cash provided by/(used in) investing activities</b>		3,022		3,297
<b>Cash flows from financing activities</b>				
Repayment of loans	(100)		(150)	
<b>Net cash provided by/(used in) financing activities</b>		(100)		(150)
<b>Change in cash and cash equivalents in the reporting period</b>		1,493		1,190
<b>Cash and cash equivalents at 1 January</b>		4,116		2,926
<b>Cash and cash equivalents at 31 December</b>		5,609		4,116
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
<b>Net movement in funds for the year ended 31 December</b>		1,436		314
<b>Adjustments for:</b>				
Depreciation charges		66		49
Dividends, interest and rent from investments		(2,075)		(1,749)
Interest paid		6		12
Repayment of loans advanced		2		18
Advancement of loans		-		(1)
Loss/(profit) on sale of functional assets		(977)		6
Actuarial gains on defined benefit pensions		-		-
Decrease/(Increase) in stock		1		(1)
Decrease/(Increase) in debtors		1,806		(681)
(Decrease)/Increase in creditors		(1,694)		76
<b>Net cash (used in) operating activities</b>		(1,429)		(1,957)
<b>Analysis of cash and cash equivalents</b>				
Cash in hand		797		479
Notice deposits (less than 3 months)		4,812		3,637
		5,609		4,116

## 1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included as determined under the applicable valuation method as detailed in d), 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 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The principal accounting policies and estimation techniques are as follows:

### a) Consolidation

Consolidated financial statements have been prepared on a line by line basis in accordance with FRS102. The consolidated financial statements incorporate the accounts of:

- Parent, The Carlisle Diocesan Board of Finance Limited (Carlisle DBF); and
- The wholly owned subsidiary company, Rydal Hall Limited; and
- The wholly owned subsidiary company, Cumbria Christian Learning; and
- The wholly owned subsidiary company, Restore (Cumbria)

### b) Income

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

- i) **Ministry Offer (previously known as Parish Offer) and parochial fees** are recognised as income of the year in which they are received or within one month after the financial year end to which they relate.
- ii) **Rent** receivable is recognised as income in the period with 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) **Donations** other than grants are recognised when receivable.
- vi) **Gains on disposal of fixed assets for the DBF'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.

**1. ACCOUNTING POLICIES (continued)**

vii) **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.

viii) **Government Grants.** Grants for the purpose of giving immediate financial support with no future related costs to be incurred are recognised in the profit and loss account when the grant proceeds become receivable. Other grants relating to revenue are recognised in the profit and loss account on a systematic basis over the periods in which the related costs are recognised for which the grant is intended to compensate.

**c) Expenditure**

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

- i) **Costs of raising funds** include investment management costs of glebe and any other investment properties and interest costs on defined benefit pension scheme liabilities.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese, expenditure relating to the running of the diocesan retreat centre, and expenditure on education and Church of England schools in the diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the DBF, 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. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The DBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 31). The pension costs charged as resources expended represent the DBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which DBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year where appropriate.

**1. ACCOUNTING POLICIES (continued)****d) Tangible fixed assets and depreciation***Freehold properties*

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

*Investment properties*

Glebe properties which are held for investment purposes and rented out have been included at their fair value. The fair value of the properties is usually considered to be their market value and the most recent revaluation of the charity's investment property was as at 31 December 2022, being £12,140,150. This valuation was carried out by an independent valuer and the directors consider this valuation to remain appropriate for the current year.

*Parsonage houses*

The DBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF 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. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their deemed cost at a fair valuation at 1 January 2014.

**e) Other tangible fixed assets**

All capital expenditure over £1,000 is capitalised and depreciated. Depreciation is provided in order to write off the cost (less any expected ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:-

DBF furniture, fittings, equipment and computers	10% to 20% per annum on a straight line basis;
Rydal Hall furniture, fittings, equipment and plant	10-25% per annum on a straight line basis.

1. ACCOUNTING POLICIES (continued)

f) 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. Subsidiaries (where shares are held) are valued at fair value based on balance sheet value. Jointly controlled entities are valued at fair value using the net assets of the entity and the share held.
- ii) **Leases.** The DBF has entered 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 the period to the first break clause.

g) Fund balances

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

- **Unrestricted funds** are the DBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the DBF. There are two types of unrestricted funds:
  - **General funds** which the DBF intends to use for the general purposes of the DBF; and
  - **Designated funds** set aside out of unrestricted funds by the DBF for a purpose specified by the Trustees.
- **Restricted funds** are 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 DBF (Parsonage Houses Fund and Retired Clergy and Dependants Fund), 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.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches. Trusts where the DBF 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 notes to the financial statements.

**1. ACCOUNTING POLICIES (continued)**

**h) Going Concern**

The charity has considered whether the use of the going concern basis for accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the Charity's ability to continue as a going concern.

The trustees have prepared detailed budgets covering the coming three-year period, based on actual experience and taking into account church finances in light of recovery from the 2020 pandemic and the current financial challenges facing churches. As a result of this work, the trustees remain confident that there are financial resources available to fund their work, and are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 2. DONATIONS

## Parish Contributions

The majority of donations are collected from the parishes of the diocese through the parish offer system (now known as 'Ministry Offer').

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Current year						
Offer	4,327	-	-	-	4,327	4,208
Shortfall in contributions	(93)	-	-	-	(93)	(55)
	<u>4,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,234</u>	<u>4,153</u>
Receipts for previous years	42	-	-	-	42	27
Total Income	<u>4,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,276</u>	<u>4,180</u>

Total receipts (including for previous years) represent 98.8% of the ministry offer (2023 – 99.3%).

## Archbishop's Council

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
LINC allocation	597	-	-	-	597	592
Strategic Development Grant	318	-	-	-	318	353
Strategic Ministry Fund	-	-	183	-	183	162
Diocesan Investment Fund (Capacity)	-	-	248	-	248	30
Other grants	-	-	72	-	72	98
	<u>915</u>	<u>-</u>	<u>503</u>	<u>-</u>	<u>1,418</u>	<u>1,235</u>

## Other donations

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Benefact Trust	68	-	-	-	68	79
Ministry Partners	30	-	84	-	114	46
Donations	43	5	-	-	48	21
Legacies	188	-	-	-	188	-
Company Total	<u>329</u>	<u>5</u>	<u>84</u>	<u>-</u>	<u>418</u>	<u>146</u>
Rydal Hall	-	3	-	-	3	16
Restore (Cumbria)	-	38	-	-	38	23
Group Total	<u>329</u>	<u>46</u>	<u>84</u>	<u>-</u>	<u>459</u>	<u>185</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. CHARITABLE ACTIVITIES

## Fees and chaplaincy income

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Statutory fees	341	-	-	-	341	354
Chaplaincy	12	-	-	-	12	27
Support for Ministry	148	-	-	-	148	130
Course and other fees	-	-	-	-	-	10
<b>Company Total</b>	<b>501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501</b>	<b>521</b>
Course and other fees	-	-	-	-	-	-
<b>Group Total</b>	<b>501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501</b>	<b>521</b>

## Other sales

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Education services	57	-	-	-	57	40
<b>Company Total</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>40</b>
Rydal Hall Restore (Cumbria)	-	345	-	-	345	305
<b>Group Total</b>	<b>57</b>	<b>345</b>	<b>-</b>	<b>-</b>	<b>402</b>	<b>345</b>

## 4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Parsonage rents	364	-	-	-	364	395
	364	-	-	-	364	395

## 5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Dividends receivable	1,102	57	490	-	1,649	1,347
Interest receivable	53	6	64	5	128	49
Rents receivable	260	-	31	-	291	347
<b>Company total</b>	<b>1,415</b>	<b>63</b>	<b>585</b>	<b>5</b>	<b>2,068</b>	<b>1,743</b>
Subsidiary's interest	-	7	-	-	7	6
<b>Consolidated total</b>	<b>1,415</b>	<b>70</b>	<b>585</b>	<b>5</b>	<b>2,075</b>	<b>1,749</b>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Gain on sale of properties	-	-	114	948	1,062	147
Insurance Receipts	-	-	-	106	106	400
Income from closed pension surplus	261	-	-	-	261	-
Sales of redundant churches	-	-	15	-	15	148
<b>Company Total</b>	<b>261</b>	<b>-</b>	<b>129</b>	<b>1,054</b>	<b>1,444</b>	<b>695</b>
Rydal Hall	-	-	-	-	-	-
Restore (Cumbria)	-	-	-	-	-	-
<b>Group Total</b>	<b>261</b>	<b>-</b>	<b>129</b>	<b>1,054</b>	<b>1,444</b>	<b>695</b>

7. RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Investment management	147	-	15	-	162	130
Generating voluntary income	66	-	-	-	66	56
	213	-	15	-	228	186

8. RESOURCING MISSION AND MINISTRY

Ministry in the communities – stipend costs

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Stipends	2,137	-	111	-	2,248	2,162
National insurance/Ap. Levy	190	-	7	-	197	180
Pension costs	450	-	39	-	489	513
Removal, resettlement & other grants	115	-	-	-	115	152
Other costs	231	-	-	-	231	322
	3,123	-	157	-	3,280	3,329

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

8. RESOURCING MISSION AND MINISTRY (continued)

Ministry in the communities – housing costs

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Repairs & improvements	651	53	360	-	1,064	811
Council tax	247	-	-	-	247	250
Water charges	65	-	-	-	65	60
Insurance	38	-	-	-	38	35
Rent payable	4	-	-	-	4	2
Other costs	240	-	-	-	240	220
	<u>1,245</u>	<u>53</u>	<u>360</u>	<u>-</u>	<u>1,658</u>	<u>1,378</u>
<b>Total ministry in the communities</b>	<u>4,368</u>	<u>53</u>	<u>517</u>	<u>-</u>	<u>4,938</u>	<u>4,707</u>
<b>Support for ministry</b>						
<b>Lay ministry &amp; chaplaincies</b>						
Network Youth Ministers and Interns	355	-	-	-	355	306
Chaplains	27	-	-	-	27	31
	<u>382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>382</u>	<u>337</u>
<b>Training &amp; ministry development</b>						
<b>Ordained ministry:-</b>						
Ordinands	313	-	3	-	316	385
Curates	13	-	-	-	13	14
Ministry development	52	-	-	-	52	20
Lay training	12	-	-	-	12	18
Northern Mission Centre	133	-	-	-	133	129
	<u>523</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>526</u>	<u>566</u>
<b>Restore (Cumbria)</b>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>35</u>
<b>God For All strategy</b>						
Support for local churches	214	127	321	-	662	357
Reach Team	214	-	-	-	214	252
Pioneering ministries	272	-	-	-	272	275
	<u>700</u>	<u>127</u>	<u>321</u>	<u>-</u>	<u>1,148</u>	<u>884</u>
<b>Care for church buildings</b>	<u>85</u>	<u>-</u>	<u>226</u>	<u>-</u>	<u>311</u>	<u>207</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

8. RESOURCING MISSION AND MINISTRY (continued)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
<b>Ministry support</b>						
National Church	270	-	-	-	270	270
Diocesan Church	655	-	-	-	655	600
Partnerships	21	-	-	-	21	19
Retired clergy	-	-	62	-	62	45
	<u>946</u>	<u>-</u>	<u>62</u>	<u>-</u>	<u>1,008</u>	<u>934</u>
<b>Total support for ministry</b>	<u>2,636</u>	<u>152</u>	<u>612</u>	<u>-</u>	<u>3,400</u>	<u>2,963</u>
<b>Total Company resourcing mission &amp; ministry</b>	<u>7,004</u>	<u>205</u>	<u>1,129</u>	<u>-</u>	<u>8,338</u>	<u>7,670</u>
<b>Training &amp; ministry development –</b>						
Ministry development	-	342	-	-	342	321
<b>Total Group resourcing mission &amp; ministry</b>	<u>7,004</u>	<u>547</u>	<u>1,129</u>	<u>-</u>	<u>8,680</u>	<u>7,991</u>

9. EDUCATION

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Support for church schools	368	-	22	-	390	376
Grants to church schools	-	-	11	-	11	-
	<u>368</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>401</u>	<u>376</u>

10. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Deficit on fixed assets	-	-	-	100	100	299
<b>Company total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>	<u>299</u>
Deficit on fixed assets	-	-	-	-	-	2
<b>Consolidated total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>	<u>301</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

11. ANALYSIS OF CONTRIBUTIONS TO ARCHBISHOPS' COUNCIL

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
National Church	127	-	-	-	127	124
Grants & provisions	22	-	-	-	22	22
Mission Agency pensions	-	-	-	-	-	7
Retired clergy housing	88	-	-	-	88	84
	<u>237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237</u>	<u>237</u>

12. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs	
				2024 £'000	2023 £'000
Raising funds	122	-	106	228	186
Charitable activities:					
Resourcing Mission & Ministry	7,409	693	578	8,680	7,991
Education	292	10	99	401	376
Rydal Hall	1,400	-	14	1,414	1,375
Other	100	-	-	100	299
	<u>9,323</u>	<u>703</u>	<u>797</u>	<u>10,823</u>	<u>10,227</u>

13. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Finance and administration	376	-	-	-	376	299
Management costs	148	-	-	-	148	112
Human resources	190	-	-	-	190	167
Auditor's remuneration	24	-	-	-	24	23
Governance	59	-	-	-	59	69
	<u>797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>797</u>	<u>670</u>

Governance costs include the cost of preparing annual accounts, and the cost of Board meetings, Bishop's Council and Diocesan Synod.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

14. ANALYSIS OF GRANTS MADE

	Grants to Institutions £'000	Grants to Individuals £'000	Total 2024 £'000	Total 2023 £'000
<b>From unrestricted funds:</b>				
Contributions to Archbishops' Council	237	-	237	237
<b>From restricted funds:</b>				
<b>Resourcing ministry and mission:</b>				
Grants to parishes	230	-	230	347
Grants for ordinands	70	6	76	88
Grants to clergy	-	115	115	152
Grants to retired clergy	-	60	60	43
<b>Education</b>				
Grants to church schools	11	-	11	-
	<u>548</u>	<u>181</u>	<u>729</u>	<u>867</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 15. RYDAL HALL

Rydal Hall Ltd is a wholly owned subsidiary company incorporated in England. On 21 December 2017 it became a registered charity. It is the sole owner of a trading company, Rydal Hall Trading Ltd. Its principal activity is the operation of the Carlisle Diocesan Retreat House and Conference Centre at Rydal Hall, Ambleside. Rydal Hall is owned by the Carlisle DBF and leased to the subsidiary. Any taxable profits made by the subsidiary are donated to the DBF. Audited accounts are filed annually with Companies House. A summary of the consolidated trading results of Rydal Hall Ltd and its subsidiary is shown below.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Turnover	-	1,324	-	-	1,324	1,292
Other operating income	-	-	-	-	-	-
Government Grants	-	-	-	-	-	-
	-	1,324	-	-	1,324	1,292
Interest receivable	-	6	-	-	6	6
<b>Total income</b>	-	1,330	-	-	1,330	1,298
Cost of sales	-	213	-	-	213	208
Administrative expenses	-	1,187	-	-	1,187	1,155
<b>Total expenditure</b>	-	1,400	-	-	1,400	1,363
<b>Profit / (loss) on ordinary activities before tax</b>	-	(70)	-	-	(70)	(65)
Taxation	-	-	-	-	-	-
<b>Profit / (loss) on ordinary activities after tax</b>	-	(70)	-	-	(70)	(65)
Retained profits b/f	-	(310)	-	-	(310)	(245)
<b>Retained profits c/f</b>	-	(380)	-	-	(380)	(310)
Other reserves	-	269	-	-	269	269
<b>Total funds carried forward</b>	-	(111)	-	-	(111)	(41)
Fixed assets	-	167	-	-	167	142
Net current assets / (liabilities)	-	(278)	-	-	(278)	(183)
<b>Net assets</b>	-	(111)	-	-	(111)	(41)

Included in administrative costs above are payments to the DBF of £17,000 (2023: £16,000) as a Ministry Offer contribution in support of its Chaplain.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

16. RYDAL HYDRO LIMITED

Carlisle DBF owns a 50% share of Rydal Hydro Limited as a joint venture after investing £700,000 in the issued share capital of the company. Rydal Hydro Limited was incorporated in England on 26<sup>th</sup> February 2014 in order to construct a hydroelectric plant on Rydal Beck in the grounds of Rydal Hall to generate renewable electricity. The DBF's share of the results and net assets of Rydal Hydro Limited are shown below.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2024 £'000	2023 £'000
Turnover	471	-	-	-	471	309
Cost of sales	(12)	-	-	-	(12)	(16)
Gross profit	459	-	-	-	459	293
Administrative expenses	(118)	-	-	-	(118)	(95)
<b>Operating profit</b>	<b>341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>341</b>	<b>198</b>
Interest receivable	3	-	-	-	3	1
<b>Profit/(Loss) on ordinary activities before tax</b>	<b>344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>344</b>	<b>199</b>
Taxation	(87)	-	-	-	(87)	(48)
<b>Profit/(loss) for the year</b>	<b>257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257</b>	<b>151</b>
Retained profits b/f	104	-	-	-	104	128
Dividends paid	(271)	-	-	-	(271)	(175)
<b>Retained profits c/f</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>104</b>
Called up share capital	7	-	-	-	7	7
Share premium account	693	-	-	-	693	693
<b>Total funds carried forward</b>	<b>790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>790</b>	<b>804</b>
Fixed assets	821	-	-	-	821	841
Net current assets	72	-	-	-	72	65
Creditors falling due after more than one year	(103)	-	-	-	(103)	(102)
<b>Net assets</b>	<b>790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>790</b>	<b>804</b>

Company Number 08912230

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 17. RESTORE (CUMBRIA)

Restore (Cumbria) had historically been a dormant company. On 1 July 2020, the staff, net assets and activities of the Diocese's OPSHOPS network of charity shops and ministry were transferred to Restore (Cumbria), a subsidiary charity of the Carlisle DBF.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	2024 £'000	2023 £'000
	General £'000	Designated £'000				
Income from:						
Turnover	-	341	-	-	341	305
Grants and Donations	-	9	83	-	92	57
Government Grants	-	-	-	-	-	-
<b>Total income</b>	-	350	83	-	433	362
Resources expended:						
Costs of Sales	-	-	-	-	-	-
Administrative Expenses	-	347	52	-	399	351
<b>Total resources expended</b>	-	347	52	-	399	351
<b>Net income for the year</b>	-	3	31	-	34	11
Transfers between Funds	-	31	(31)	-	-	-
Retained funds b/f	-	52	52	-	104	93
<b>Retained funds c/f</b>	-	86	52	-	138	104
Fixed assets	-	38	-	-	38	19
Net current assets	-	48	52	-	100	85
Creditors falling due after more than one year	-	-	-	-	-	-
<b>Net assets</b>	-	86	52	-	138	104

Included in grants and donations above is a grant from Carlisle DBF of £55,000 (2023: £35,000).

The above-named charity – Restore (Cumbria) - is entitled to and is using an audit exemption under Section 479A of the Companies Act 2006 ("The Act"). The members have not required the charity to obtain an audit for the year in question in accordance with Section 476 of the Act.

In accordance with Section 479C of the UK Companies Act 2006, the charity - Carlisle DBF - has irrevocably guaranteed the liabilities of its above-named subsidiary in respect of the financial year ended 31 December 2023.

Company Number 08146662

Charity Number 1187078

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2024

**18. TAXATION**

Carlisle DBF is a registered charity and has no liability to corporation tax.

**19. STAFF COSTS**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Employee costs during the year were as follows:		
Wages and salaries	2,710	2,476
National insurance contributions	253	220
Employer's contributions to pension schemes	343	325
	<u>3,306</u>	<u>3,021</u>

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

	<b>Number</b>	<b>Number</b>
Resourcing ministry and mission	56	50
Education	6	4
Restore	12	10
Cumbria Christian Learning	-	-
Rydal Hall	24	36
	<u>98</u>	<u>100</u>

Of these posts, 26 were externally funded through grants received from the Archbishop's Council and other mission partners.

The average number of persons employed by the group during the year based on full-time equivalents:

	<b>Number</b>	<b>Number</b>
Resourcing ministry and mission	47	39
Education	4	4
Restore	9	10
Rydal Hall	22	30
	<u>82</u>	<u>83</u>

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

	<b>Number</b>	<b>Number</b>
£60,000 - £70,000	4	1
£90,000 - £100,000	1	1
	<u>5</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

**20. COSTS OF STIPENDIARY CLERGY**

Carlisle DBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The DBF 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 stipends of the Diocesan Bishop and Suffragan Bishop, funded by the Church Commissioners, are in the range £60,000 - £65,000 (2023 range £60,000 - £65,000). The annual rate of stipend, funded by Carlisle DBF, paid to Archdeacons in 2024 was £41,728 (2023 - £39,696). The Diocesan standard stipend for 2024 was £30,544 (2023 - £29,056).

Carlisle DBF paid an average of 77 (2023 – 74) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese and the costs were as follows:

	2024 £'000	2023 £'000
Stipends	2,332	2,237
National insurance contributions and apprenticeship levy	197	182
Employer's contributions to defined benefit pension schemes:		
Current year	516	545
Deficit reduction	-	-
	3,045	2,964
	3,045	2,964

**21. REMUNERATION OF TRUSTEES AND OTHER KEY MANAGEMENT PERSONNEL**

**Trustees' emoluments**

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £19,000 (2023 - £23,000) in respect of General Synod duties, duties as archdeacon and other duties as Trustees.

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

	Stipend	Housing
The Venerable R Newton	Yes	Yes
The Venerable Dr R Pratt	Yes	Yes
The Venerable V Ross	Yes	Yes
The Venerable S J Fyfe	Yes	Yes

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2024 they were:

Diocesan Secretary and Company Secretary  
 Director of Education  
 Deputy Diocesan Secretary & Head of Finance  
 Deputy Diocesan Secretary & Head of Human Resources and Governance

Remuneration, pensions and expenses for these 4 employees (2023: 3) amounted to £385,000 (2023: £288,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

22. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
From Barchester Fund for Educational support	197	-	(197)	-
Transfer from Pastoral a/c for housing costs	222	-	(222)	-
Parsonage Houses Fund to Pastoral Account	-	-	1,839	(1,839)
From General Fund to Net Zero Property Fund	(259)	259	-	-
From General Fund to Sustainability Fund	(586)	586	-	-
From Resource Centre Fund to General Fund	1	(1)	-	-
<b>Net transfers between funds</b>	<b>(425)</b>	<b>844</b>	<b>1,420</b>	<b>(,1839)</b>

23. TANGIBLE FIXED ASSETS

Consolidated	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2024	8,691	32,372	87	291	41,441
Additions	992	-	16	82	1,090
Transfers	-	-	-	-	-
Disposals	-	(1,857)	-	-	(1,857)
Revaluations	-	-	-	-	-
<b>At 31<sup>st</sup> December 2024</b>	<b>9,683</b>	<b>30,515</b>	<b>103</b>	<b>373</b>	<b>40,674</b>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2024	-	-	43	157	200
Disposals	-	-	-	-	-
Depreciation for the year	-	-	10	56	66
<b>At 31<sup>st</sup> December 2024</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>213</b>	<b>266</b>
<b>Net Book Value:</b>					
At 31 <sup>st</sup> December 2024	9,683	30,515	50	160	40,408
At 31 <sup>st</sup> December 2023	8,691	32,372	44	134	41,241

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2024

23. TANGIBLE FIXED ASSETS (continued)

Company	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2024	8,691	32,372	-	91	41,154
Additions	992	-	-	-	992
Transfers	-	-	-	-	-
Disposals	-	(1,857)	-	-	(1,857)
Revaluations	-	-	-	-	-
<b>At 31<sup>st</sup> December 2024</b>	<u>9,683</u>	<u>30,515</u>	<u>-</u>	<u>91</u>	<u>40,289</u>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2024	-	-	-	75	75
Disposals	-	-	-	-	-
Depreciation for the year	-	-	-	6	6
<b>At 31<sup>st</sup> December 2024</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>81</u>
<b>Net Book Value:</b>					
<b>At 31<sup>st</sup> December 2024</b>	<u>9,683</u>	<u>30,515</u>	<u>-</u>	<u>10</u>	<u>40,208</u>
<b>At 31<sup>st</sup> December 2023</b>	<u>8,691</u>	<u>32,372</u>	<u>-</u>	<u>16</u>	<u>41,079</u>

All of the properties in the balance sheet are freehold and are vested in Carlisle DBF, except for benefice houses which are vested in the incumbent. Land and buildings at 31 December 2024 are valued at fair value as deemed cost as at 1st January 2014 or subsequent cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

24. INVESTMENTS

FIXED ASSET INVESTMENTS

Consolidated and Company	Value at 1 <sup>st</sup> January 2024 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	Value at 31 <sup>st</sup> December 2024 £'000
<b>Unrestricted Funds</b>						
Investment in joint ventures	804	-	-	-	(12)	792
CBF Investment Fund	1,106	-	-	-	25	1,131
	<u>1,910</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>1,923</u>
<b>Designated Funds</b>						
CBF Investment Fund	2,072	-	-	-	48	2,120
	<u>2,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>	<u>2,120</u>
<b>Restricted Funds</b>						
Investment properties	2,455	-	-	-	(183)	2,272
CBF Property Fund	3,595	-	-	-	20	3,615
CBF Investment Fund	9,056	-	-	45	206	9,307
	<u>15,106</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>43</u>	<u>15,194</u>
<b>Endowment Funds</b>						
Investment properties	7,440	-	(40)	-	-	7,400
Hydroelectric Schemes	798	-	-	-	(14)	784
CBF Property Fund	2,340	833	-	(45)	10	3,183
CBF Investment Fund	12,116	-	-	-	278	12,349
	<u>22,694</u>	<u>833</u>	<u>(40)</u>	<u>(45)</u>	<u>274</u>	<u>23,716</u>
<b>Total</b>	<u>41,782</u>	<u>833</u>	<u>(40)</u>	<u>-</u>	<u>378</u>	<u>42,953</u>
<b>Total Historical Cost</b>	<u>21,117</u>	<u>833</u>	<u>-</u>	<u>-</u>	<u>95</u>	<u>22,045</u>

SOCIAL INVESTMENTS

Consolidated and Company	Value at 1 <sup>st</sup> January 2024 £'000	New loans £'000	Repaid £'000	Transfers £'000	Adjustment on settlement £'000	Value at 31 <sup>st</sup> December 2024 £'000
<b>Unrestricted Funds</b>						
Loans to parishes	3	-	(2)	-	-	1
Loan to Emmanuel College	10	-	-	-	-	10
	<u>13</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>11</u>
<b>TOTAL INVESTMENTS</b>						
Total Consolidated Investments	<u>41,795</u>	<u>833</u>	<u>(42)</u>	<u>-</u>	<u>378</u>	<u>42,964</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2024

**24. INVESTMENTS (continued)**

The social investments of Carlisle DBF consist of concessionary loans made to parishes and Emmanuel College, for charitable purposes.

All the investments relate to the Company. The Company also has an investment – book value £nil (2023 £nil) – original cost £250,100 (2023: £250,100) in Rydal Hall Limited.

On 31 December 2022, a market value valuation of the investment property was carried out by David Stout, for and on behalf of PFK, and Deborah Goodland, for and on behalf of Walton Goodland – both are RICS Registered Valuers. No formal valuation has been completed since and the directors consider this valuation to remain appropriate at the reporting date based on recent investment property sales and purchases.

Any income or sales proceeds arising from Investment Properties are restricted for use of the particular restricted fund in which they are held.

**25. DEBTORS**

	Consolidated		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Due within one year</b>				
<b>Unrestricted funds</b>				
Trade debtors	84	82	84	82
Inter fund balances	34	1,860	34	1,860
Other debtors	64	82	64	82
	<u>182</u>	<u>2,024</u>	<u>182</u>	<u>2,024</u>
<b>Designated funds</b>				
Trade debtors	3	-	-	-
Inter fund balances	1,463	759	1,463	759
Other debtors	22	32	-	-
	<u>1,488</u>	<u>791</u>	<u>1,463</u>	<u>759</u>
<b>Restricted funds</b>				
School debtors	383	457	383	457
Inter fund balances	-	354	-	354
Other debtors	42	-	42	-
	<u>425</u>	<u>811</u>	<u>425</u>	<u>811</u>
<b>Endowment Funds</b>				
Inter fund balances	497	394	497	394
Other Debtors	64	442	64	442
	<u>561</u>	<u>836</u>	<u>561</u>	<u>836</u>
<b>Total debtors due within one year</b>	<u>2,656</u>	<u>4,462</u>	<u>2,631</u>	<u>4,430</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

26. DEPOSITS

	Consolidated		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Unrestricted funds</b>				
CBF Deposit Funds	377	305	377	305
<b>Designated funds</b>				
CBF Deposit Funds	194	186	92	89
<b>Restricted funds</b>				
CBF Deposit Funds	2,776	2,024	2,776	2,024
Deposits with Church Commissioners	119	220	119	220
	2,895	2,244	2,895	2,244
<b>Endowment funds</b>				
CBF Deposit Funds	1,346	902	1,346	902
<b>Total deposits</b>	<b>4,812</b>	<b>3,637</b>	<b>4,710</b>	<b>3,540</b>

27. CREDITORS: amounts falling due within one year

	Consolidated		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Unrestricted funds</b>				
Sundry creditors and accruals	844	1,033	844	1,033
Inter fund balances	-	1,506	-	1,506
Loan repayment instalments:				
Central Board of Finance	-	100	-	100
	844	2,639	844	2,639
<b>Designated funds</b>				
Trade creditors	46	20	-	-
Sundry creditors and accruals	193	187	-	-
	239	207	-	-
<b>Restricted funds</b>				
Inter fund balances	1,994	1,801	1,994	1,801
Sundry creditors and accruals	1,424	1,587	1,424	1,587
	3,418	3,388	3,418	3,388
<b>Endowment funds</b>				
Inter fund balances	-	59	-	59
	-	59	-	59
<b>Total creditors falling due within one year</b>	<b>4,501</b>	<b>6,293</b>	<b>4,262</b>	<b>6,086</b>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

27. CREDITORS: amounts falling due within one year (Continued)

Within unrestricted sundry creditors and accruals, there is £462,000 (2023 - £445,000) deferred income. The one material balance of £330,000 has been deferred as proceeds from the sale of a school building require government approval before they can be retained by the charity.

£1 million was borrowed from the Central Board of Finance Deposit Fund Diocesan Loan Scheme in 2014 in order to finance the investment in Rydal Hydro Limited. It was repayable in equal annual instalments of £100,000 over ten years with interest charged at 0.55% above the CBF Deposit Fund rate (currently 5.80%). The final instalment was paid in 2024.

28. SUMMARY OF FUND MOVEMENTS

Unrestricted Funds – 2024

	Balance at 1 <sup>st</sup> January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2024 £'000
<b>General funds</b>						
Realised reserve	1,564	8,118	(7,599)	(425)	-	1,658
Revaluation reserve	531	-	-	-	13	544
	<u>2,095</u>	<u>8,118</u>	<u>(7,599)</u>	<u>(425)</u>	<u>13</u>	<u>2,202</u>
<b>Designated Funds</b>						
Diocesan Growth Fund	2,161	68	(73)	-	48	2,204
Resources Centre	1	-	-	(1)	-	-
Rydal Hall	210	-	-	-	-	210
Sustainability Fund	309	-	(54)	586	-	841
Net Zero Property Fund	214	-	(53)	259	-	420
Restore	25	-	(25)	-	-	-
<b>Total Company Designated</b>	<u>2,920</u>	<u>68</u>	<u>(205)</u>	<u>844</u>	<u>48</u>	<u>3,675</u>
Restore (Cumbria)	100	383	(342)	-	-	141
Rydal Hall Limited	(41)	1,330	(1,400)	-	-	(111)
<b>Total Group Designated Funds</b>	<u>2,979</u>	<u>1,781</u>	<u>(1,947)</u>	<u>844</u>	<u>48</u>	<u>3,705</u>
<b>Total Group Unrestricted Funds</b>	<u>5,074</u>	<u>9,899</u>	<u>(9,546)</u>	<u>419</u>	<u>61</u>	<u>5,907</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## Unrestricted Funds – 2023

	Balance at 1 <sup>st</sup> January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2023 £'000
<b>General funds</b>						
Realised reserve	1,655	7,362	(7,256)	(197)	-	1,564
Revaluation reserve	511	-	-	-	20	531
	<u>2,166</u>	<u>7,362</u>	<u>(7,256)</u>	<u>(197)</u>	<u>20</u>	<u>2,095</u>
<b>Designated Funds</b>						
Diocesan Growth Fund	1,973	64	(54)	-	178	2,161
Resources Centre	1	-	-	-	-	1
Rydal Hall	100	-	(40)	150	-	210
Sustainability Fund	199	-	(35)	145	-	309
Net Zero Property Fund	-	-	(36)	250	-	214
Restore	-	-	-	25	-	25
<b>Total Company Designated</b>	<u>2,273</u>	<u>64</u>	<u>(165)</u>	<u>570</u>	<u>178</u>	<u>2,920</u>
Restore (Cumbria)	93	327	(320)	-	-	100
Rydal Hall Limited	24	1,259	(1,324)	-	-	(41)
<b>Total Group Designated Funds</b>	<u>2,390</u>	<u>1,650</u>	<u>(1,809)</u>	<u>570</u>	<u>178</u>	<u>2,979</u>
<b>Total Group Unrestricted Funds</b>	<u>4,556</u>	<u>9,012</u>	<u>(9,065)</u>	<u>373</u>	<u>198</u>	<u>5,074</u>

The Diocesan Growth Fund was created from a legacy from the late Miss A F Hope. It has been supplemented from the Mission Development grants from the Church Commissioners and transfers from General Funds. The Fund is used to support the establishment of youth congregations and help parishes and deaneries initiate new work designed to achieve church growth.

The Rydal Hall Fund represents the balance of Carlisle DBF's investment in the subsidiary company, Rydal Hall Limited.

The Net Zero Property Fund was created in 2023, to build a fund to help finance the work required to reduce the carbon emissions in property owned by the DBF, in line with the Church of England's '2030 Net Zero' target.

The Restore (Cumbria) Fund represents the investment in the network of local shops through which this subsidiary charity, and local churches, provide community support and outreach for the local communities.

The Sustainability Fund was created to build a fund towards the expenditure likely to be required in future years to fund changes to bring about more sustainable models of mission and ministry across the Diocese.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2024

**Restricted Income Funds – 2024**

	Balance at 1 <sup>st</sup> January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2024 £'000
Barchester Fund	7,615	379	(47)	(197)	(68)	7,682
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	6,672	264	(389)	1,596	92	8,235
Diocesan Houses Fund	8,081	-	-	-	-	8,081
Parish Property Fund	413	16	(73)	21	11	388
Retired Clergy & Dependants Income Fund	6	56	(62)	-	-	-
Church Commissioners Funds	10	541	(541)	-	-	10
Other Restricted Income Funds	509	45	(65)	-	8	497
<b>Total Group Restricted Income Funds</b>	<b>23,366</b>	<b>1,301</b>	<b>(1,177)</b>	<b>1,420</b>	<b>43</b>	<b>24,953</b>

**Restricted Income Funds- 2023**

	Balance at 1 <sup>st</sup> January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2023 £'000
Barchester Fund	7,240	241	(63)	(154)	351	7,615
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	6,334	369	(193)	48	114	6,672
Diocesan Houses Fund	8,065	16	-	-	-	8,081
Parish Property Fund	417	14	(64)	2	44	413
Retired Clergy & Dependants Income Fund	(8)	59	(45)	-	-	6
Church Commissioners Funds	229	217	(436)	-	-	10
Other Restricted Income Funds	452	86	(62)	-	33	509
<b>Total Group Restricted Income Funds</b>	<b>22,789</b>	<b>1,002</b>	<b>(863)</b>	<b>(104)</b>	<b>542</b>	<b>23,366</b>

The Barchester Fund comprises closed schools and school houses and their sale proceeds. These are held by the DBF and administered by the Diocesan Board of Education to support religious education and the work of Church schools in the Diocese. School Funds, of which Carlisle DBF is Custodian Trustee, are not included within the Barchester Fund as the DBF receives no benefit from these funds.

The Stipends Income Fund is governed by the Diocesan Stipends Measure 1953, as subsequently amended, and is used to augment the clergy stipends. Its income comes from glebe and other Stipends Capital Account investments, assigned fees and the Church Commissioners. The income is included in the DBF's General Funds in accordance with the stated accounting policy where it contributes towards the total cost of stipends which are paid from General Funds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

The Diocesan Pastoral Account receives the sale proceeds of Churches and Parsonages which have become redundant under pastoral reorganisation. Its uses are governed by Section 94 of the Pastoral Measure 2011, and include grants and loans for Parsonage and Church provision, restoration, improvement or repair and other purposes of the Diocese or any benefice or parish. The reserves are represented by investments with the Central Board of Finance and by loans to parishes. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Diocesan Houses Fund consists of those properties in the legal ownership of Carlisle DBF (as distinct from benefice houses) other than investment properties. The purchase of such properties is funded primarily from the Pastoral Account.

The Parish Property Fund (formerly Diocesan Loan Fund) is used to provide loans and grants to parishes for improvements and repairs to churches and other parish property.

The Church Commissioners Funds relate to grant funding from the National Church, restricted for specific projects.

Endowment Funds – 2024

	Balance at 1 <sup>st</sup> January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2024 £'000
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	22,360	148	-	717	242	23,467
Education	45	-	-	-	1	46
PWM World Mission	70	-	-	-	2	72
Readers Board	2	-	-	-	-	2
General	118	-	-	-	1	119
	<u>22,595</u>	<u>148</u>	<u>-</u>	<u>717</u>	<u>246</u>	<u>23,706</u>
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	32,867	911	(100)	(2,556)	-	31,122
Retired Clergy & Dependants Fund	1,428	-	-	-	28	1,456
	<u>34,295</u>	<u>911</u>	<u>(100)</u>	<u>(2,556)</u>	<u>28</u>	<u>32,578</u>
<b>Total Group Endowment Funds</b>	<u>56,890</u>	<u>1,059</u>	<u>(100)</u>	<u>(1,839)</u>	<u>274</u>	<u>56,284</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2024

**Endowment Funds - 2023**

	Balance at 1 <sup>st</sup> January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2023 £'000
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	21,611	94	(59)	-	714	22,360
Education	41	-	-	-	4	45
PWM World Mission	64	-	-	-	6	70
Readers Board	2	-	-	-	-	2
General	126	-	-	-	(8)	118
	<u>21,844</u>	<u>94</u>	<u>(59)</u>	<u>-</u>	<u>716</u>	<u>22,595</u>
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	32,943	433	(240)	(269)	-	32,867
Retired Clergy & Dependants Fund	1,324	-	-	-	104	1,428
	<u>34,267</u>	<u>433</u>	<u>(240)</u>	<u>(269)</u>	<u>104</u>	<u>34,295</u>
<b>Total Group Endowment Funds</b>	<u>56,111</u>	<u>527</u>	<u>(299)</u>	<u>(269)</u>	<u>820</u>	<u>56,890</u>

The Permanent Endowment Funds are held where the DBF has no power to convert the capital into income. The capital is invested and the income used for the purposes as indicated.

The Diocesan Stipends Fund Capital Account is governed by Section 38 of the Church Property Measure 2018. It consists of investments with the Central Board of Finance and glebe properties and is held to produce income for clergy stipends. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Parsonages Houses Fund represents those houses which are benefice property, vested in the incumbents. Carlisle DBF nevertheless has financial responsibility for parsonages and they have been included in the Balance Sheet valued at deemed cost based on valuations at 31 December 2013.

The Retired Clergy and Dependants Fund provides for the relief of poverty by assisting retired clergy, licensed lay workers or deserted spouses of clergy who reside or served in the Diocese, and their dependants.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

29. SUMMARY OF ASSETS BY FUND

Company	Fixed Assets		Net Current Assets £'000	Liabilities after 1 year £'000	Net Assets 2024 £'000	Net Assets 2023 £'000
	Tangible £'000	Investments £'000				
<b>Unrestricted Funds</b>						
General Funds	10	1,934	258	-	2,202	2,095
<b>Designated Funds</b>						
Diocesan Growth Fund	-	2,120	84	-	2,204	2,161
Resources Centre	-	-	-	-	-	1
Rydal Hall	-	-	210	-	210	210
Sustainability Fund	-	-	841	-	841	309
Net Zero Property Fund	-	-	420	-	420	214
Restore	-	-	-	-	-	25
	-	2,120	1,555	-	3,675	2,920
<b>Restricted Funds</b>						
Barchester Fund	-	7,343	339	-	7,682	7,615
Stipends Income Fund	-	-	60	-	60	60
Pastoral Account	-	6,280	1,955	-	8,235	6,672
Diocesan Houses Fund	9,538	750	(2,207)	-	8,081	8,081
Parish Property Fund	-	408	(20)	-	388	413
Retired Clergy Income	-	22	(22)	-	-	6
Church Commissioners	-	-	10	-	10	10
Other Funds	-	391	106	-	497	509
	9,538	15,194	221	-	24,953	23,366
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	-	22,226	1,241	-	23,467	22,360
Education	-	46	-	-	46	45
PWM World Mission	-	72	-	-	72	70
Readers Board	-	2	-	-	2	2
General	-	119	-	-	119	118
	-	22,465	1,241	-	23,706	22,595
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	30,515	-	607	-	31,122	32,867
Retired Clergy & Dependants Fund	145	1,251	60	-	1,456	1,428
	30,660	1,251	667	-	32,578	34,295
<b>Total Endowment Funds</b>	30,660	23,716	1,908	-	56,284	56,890
<b>Total Company Funds</b>	40,208	42,964	3,942	-	87,114	85,271
<b>Unrestricted Funds</b>						
Restore	38	-	103	-	141	100
Rydal Hall Ltd	162	-	(273)	-	(111)	(41)
<b>Total Consolidated Funds</b>	40,408	42,964	3,772	-	87,144	85,330

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

**30. PENSIONS**

The DBF 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 DBF 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 DBF 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 FRS102 requires the DBF 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 DBF. 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.

At the end of the year the DBF was paying contributions for 81 members of the scheme out of a total membership of approximately 8,500 active members. Each participating employer in the scheme pays contributions at a common contribution rate applied to the previous year's National Minimum Stipend. As this is a multi-employer scheme and it is not possible to attribute the scheme's assets and liabilities to specific employers, the scheme pension costs are accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year plus the impact of any deficit contributions (see below).

The most recent scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560 million, based on assets of £2,720 million and a funding target of £2,160 million, assessed using the following assumptions:

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil (3.2% payable from April 2022 to December 2022)
31 December 2023	Nil
31 December 2024	Nil

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

**A reconciliation of the balance sheet liability:**

	2024 £'000	2023 £'000
Balance sheet liability as at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in the SOFA)	-	-
Re-measurement of the balance sheet liability	-	-
	<hr/>	<hr/>
Balance sheet liability as at 31 December	<hr/> <hr/>	<hr/> <hr/>

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 2024 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2023 or 2022 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2024	December 2023	December 2022
Discount Rate	n/a	n/a	n/a
Price Inflation	n/a	n/a	n/a
Increase to total pensionable salary	n/a	n/a	n/a

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2024**

**Church Workers Pension Fund – Defined Benefits Scheme**

The Defined Benefits Scheme (“DBS”) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2024, the DBF has no active members, 11 deferred and 38 pensioner members in the scheme.

It is not possible to attribute the scheme’s assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. In such cases FRS102 requires the scheme pension costs to be accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year (£67,000 over 2024 compared to £43,000 over 2023) plus the impact of any deficit contributions (see below).

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers’ sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool. If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers’ sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2022. The overall surplus in the DBS was £73.6m.

Since 31 December 2023, the Board has entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPF.

Following the valuation, the DBF entered into an agreement with the Church Workers Pension Fund to a contribution rate of 37.9% of pensionable salaries.

	2024 £’000	2023 £’000
Balance sheet liability as at 1 January	-	-
Contributions paid	-	-
Interest cost (recognised in the SOFA)	-	-
Re-measurement of the balance sheet liability	-	-
	<u>          </u>	<u>          </u>
Balance sheet liability as at 31 December	<u>          </u>	<u>          </u>

As a result of a consultation, it was decided to discontinue the pension scheme with a buy-out and active members having their pension provision changed. As a result of the current investment market, the scheme is sat in an excess asset position and so a decision was taken to allow employers such as Carlisle Diocesan Board of Finance to access a notional proportion of the surplus. Scheme valuations were undertaken, deductions made for expecting scheme closure costs, contingency funds and other deductions as a result of ongoing case law. A notional surplus was attributed to the charity of £535,000 however this is subject to change as the scheme close down is finalised.

This notional surplus can only be accessed through a deduction against employer pension contributions as they fall due and as such, only amounts deducted in the reporting period have been recognised as income in the period (see note 32).

**31. CAPITAL COMMITMENTS**

Group expenditure contracted for but not provided on the financial statements was £nil (2023: £12,000 - Charity £nil).

**32. RELATED PARTY TRANSACTIONS**

Details of transactions with the main related parties of Carlisle DBF are given in the appropriate notes to the financial statements.

**Archbishops' Council and the Church Commissioners**

As detailed in note 2 Carlisle DBF received grants from the Archbishops' Council totalling £1,418,000 (2023: £1,235,000). £37,000 (2023: £49,000) was received from the Church Commissioners for rent of the Bishop's House. Payments were made to the Archbishops' Council for contributions to the National Church and for training of Ordinands totalling £519,000 (2023: £514,000). Payments of £2,540,000 (2023: £2,486,000) were made to the Church Commissioners for clergy stipends and the Church of England Pensions Board was paid £516,000 (2023: £545,000) for clergy pensions. £nil (2023: £52,000) of clergy pensions was outstanding at the year end. Further payments were made to the Pensions Board for lay pensions of £116,000 (2023: £320,000). The balance due to the Pensions Board at the year-end for December's contributions was £1,000 (2023: £21,000). Pension contributions were grossed up in staff costs and other income with the £262,000 (2023 £nil) of pension contributions covered by the pensions contribution holiday (see note 30)

**Rydal Hall Ltd (see note 15)**

During the year Rydal Hall Ltd paid £17,000 (2023: £16,000) to Carlisle DBF as its Ministry Offer contribution, in support of its Chaplain. Carlisle DBF made grants of £nil (2023: £43,000) to Rydal Hall Ltd.

At the year-end Rydal Hall Ltd owed £282,000 (2023: £175,000) for outstanding staff salaries and expenses.

**Rydal Hydro Ltd (see note 16)**

Rent of £40,000 (2023: £24,000) and dividends of £255,000 (2023: £175,000) were received from Rydal Hydro Ltd.

**Scandale Hydro Ltd**

Dividends of £319,000 (2023: £187,000) were received from Scandale Hydro Ltd, of which Carlisle DBF owns one-third of the shares.

**Cumbria Christian Learning Limited**

Cumbria Christian Learning has been dormant since 1 January 2022 and no transactions occurred nor year-end balances existed at 31 December 2024 or 2023.

**32. RELATED PARTY TRANSACTIONS (continued)**

**Restore (Cumbria) – (see note 17)**

In 2024, grants of £55,000 (2023: £35,000) were made from the Carlisle DBF to Restore.

At the year-end, Restore owed £5,000 (2023: £5,000) to Carlisle DBF.

**DBE Services Ltd**

Carlisle DBF received gift aid distributions from DBE Services (which is jointly owned by the North West Dioceses) totalling £15,000 (2023: £50,000).

**Emmanuel Training College**

At year-end, £10,000 (2023: £10,000) was owed to Carlisle DBF by Emmanuel Training College (which is jointly owned by the North West Dioceses).

**CARLISLE DIOCESAN BOARD OF FINANCE**

England & Wales - Charity number 251977

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# Accounts

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**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**FINANCIAL STATEMENTS**

for the

**YEAR ENDED 31 DECEMBER 2023**



CARLISLE  
DIOCESE

**Company Registration No 39625**

**Registered Charity No 251977**





## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2023



The Directors, who are also Trustees for the purposes of charity law, present their combined Directors' report, Trustees' report and Strategic report, together with the audited financial statements, for the year ended 31<sup>st</sup> December 2023. The report is separated into the following sections:

1. Legal objects
2. Strategic aims
3. Activities
4. Objectives set for the year
5. Strategic report containing:
  - 5.1. Activities in the year
  - 5.2. Achievements and performance
  - 5.3. Financial review
  - 5.4. Plans for future periods
  - 5.5. Principal risks and uncertainties
6. Structure, governance and management
7. Funds held as custodian trustee for others
8. Reference and administrative details of the Carlisle Diocesan Board of Finance (Carlisle DBF)
9. Auditors

#### **1. LEGAL OBJECTS**

##### **1.1. Objective**

The principal objective of the Carlisle Diocesan Board of Finance (Carlisle DBF) is to promote and assist the work, objectives and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Carlisle and elsewhere by acting as the financial executive of the Diocese.

Carlisle DBF acts in conjunction with the Church Commissioners, Archbishops' Council, Bishop's Council, Diocesan and Deanery Synods and Parochial Church Councils to support the work of the Church of England, particularly in the Diocese of Carlisle. The major part of Carlisle DBF's activity is to organise and provide funds for the training, housing and stipends of clergy and other ministers within the Diocese of Carlisle and to support the activities of the other Boards, Councils and Committees of the Diocesan Synod.

##### **1.2. Statutory Functions**

- Carlisle DBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- Carlisle DBF is custodian trustee in relation to PCC property (see section 7).

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued

- The Trustees are aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and have had regard to it in their administration of Carlisle DBF. The Trustees believe that, by promoting the work of the Church of England in the Diocese of Carlisle, 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, and that 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 services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

## 2. STRATEGIC AIMS

Carlisle DBF's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese. Since 2015 Carlisle DBF has sought to allocate its resources in the most effective way to support the strategy "God for All" which is shared by Carlisle Diocese and the Cumbrian Methodist, United Reformed and Salvation Army churches. In 2019 the strategy was 'refreshed' for the years ahead through a process of listening and consulting, providing new strategic focus. The refreshed strategy retains the "God for All" heading which is an umbrella term that encapsulates the Church's offer to everyone in Cumbria of loving service and an opportunity to explore, join and grow in the Christian faith.

In terms of resourcing, the strategy requires the DBF to invest in lay and ordained ministry development, including pioneer ministers; support the mission and organisational structure of some 35 Mission Communities across the Diocese; enable the creation of "Fresh Expressions of Church" such as Network Youth Churches; support Church Schools to be effective and distinctively Christian, and oversee subsidiaries in support of the Mission of the Church, including a Retreat House and Conference Centre at Rydal Hall and local community Resource and Recycling retail centres through "Restore (Cumbria)", as far as may be financially viable.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit in reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Trustees consider the planned activities will contribute to the aims and objectives they have set. The Trustees confirm that public benefit has been provided by the advancement of its objectives

## 3. ACTIVITIES

The key activities may be summarised as:

- Mission and ministry in the local church (includes all clergy and lay training, housing, stipends and pension costs and support for locally-based ministry);
- Education funding (includes support services and capital expenditure support for Church of England schools); and
- Provision of a Diocesan Retreat House and Conference Centre;
- Contributions to the Archbishops' Council (mainly by grant) to support the National Church.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued

#### 4. OBJECTIVES FOR THE YEAR

As part of Carlisle DBF's overall strategy, and subject to Annual Review, the Trustees have set the following specific objectives for the current and following years:

- To maximise the return from Diocesan asset holdings to support the costs of Diocesan Mission and Ministry, particularly in those areas that cannot fund it themselves, while retaining the overall policy of a balanced budget across the period from 2017 to 2027 inclusive.
- To constrain increases in income needed from parishes in order to allow funds to be spent on mission activity locally.
- To resource Diocesan needs, as determined by Diocesan Synod and informed by local and National Church institutions.
- To invest in local ministry including greater emphasis on learning and development for lay ministry, everyday-faith, self-supporting ordained ministers in addition to the stipendiary clergy.

#### 5. STRATEGIC REPORT

##### 5.1. Activities in the year

##### 5.1.1. Specific Activities

Specific activities during 2023 in support of this strategy included:

- Full reimbursement to the Church Commissioners for the direct payroll costs of stipendiary clergy, together with the DBF's share of the training costs for Ordinands and curates. The DBF also funded the provision of housing for all stipendiary and house for duty clergy;
- Funding the continued growth in outreach and evangelism throughout the Diocese as a key element of God for All (see above), including further support for the creation and growth of Fresh Expressions of Church, innovative digital outreach and other initiatives.
- Learning and ministry development work to support clergy and laity, by a combination of Diocesan staff, our own Northern Mission Centre, and by the "Emmanuel Theological College" for ordination and reader training, serving Dioceses in North West England.
- A focus upon embedding Stewardship principles to increase awareness within our Ecumenical Mission Communities of the mutual inter-dependence of them and their individual Parishes with the Diocese's ability to provide necessary and appropriate Anglican Ministerial Resource and Support Services, the larger part of which continued to be funded through an efficiently structured system of "Ministry Offer". This resulted in the biggest overall increase in Offers since the Scheme's inception, which it is to be hoped will continue in coming years.
- Continued monitoring by the Investment Sub-Committee, reporting to the Finance Committee, of the mix and performance of the Diocese's investment portfolio and its professional advisors, to ensure an appropriately prudent balance of risk and reward generation associated with each class of asset.

##### 5.1.2. Grant-making (Beneficiary-selection) Policy

Most of the financial support from the DBF goes to fund the costs of clerical ministry in local churches, along with support services to those churches. The level of support reflects the Diocesan responsibility, as the institutional church in Cumbria, to provide for the 'cure of souls' right across the Diocese.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued**

Specific grants are made to the National Church to cover a proportion of its central costs (see Note 11 to the financial statements). Grants are paid to parishes and to retired clergy and to other charitable projects which appear to the Trustees to support the furtherance of Carlisle DBF's objects (see Note 14 to the financial statements).

Parishes within the Diocese are also able to apply to the DBF for grants towards the costs of mission activities and for improvements to Church buildings.

**5.1.3. Programme Related Investments**

Loans are made to parishes in the Diocese at a preferential rate of interest, to enable them to undertake projects which further the objects of Carlisle DBF including improving and maintaining their buildings (see note 24 to the financial statements).

**5.1.4. Volunteers**

The Trustees recognise and are grateful for the enormous contribution that volunteers throughout the Diocese give of their time for the work of the Diocese in many different ways. Retired clergy also give freely of their time. Churchwardens, Parochial Church Council Treasurers, Secretaries and Safeguarding Officers continue to enable the local church to provide mission and ministry to local communities across Cumbria. The success of the ongoing God for All project continues to be conditional upon a substantial growth in self-supporting (volunteer) lay and ordained ministry in the future, with stipendiary clergy roles being increasingly to discern, equip and support those ministers.

**5.2. Achievements against objectivities**

**5.2.1. Achievements in 2023**

The budget for 2023, approved by Diocesan Synod in October 2022, assumed that income from parish offers would continue to decrease in real terms from 2022 receipts, but that after planned cost adjustments and increases in income from investments and grants, a break-even outturn could be expected before the proposed designation of £250,000 towards future 'net zero' related housing costs.

In the event, the increase in Parish Offer (in cash terms) of some 1.4% compared to 2022 and shortfalls in some aspects of budgeted investment income – a result of delayed land & property sales - was largely offset by:

- Delays in being able to appoint clergy
- The deferment of some training and project activities
- Reduced net administrative costs due to continuing home working and use of video-conferencing
- Higher than budgeted income from parochial fees and investments in the Rydal and Scandale hydro-electric schemes

This resulted in a small surplus of income over expenditure in the charity general fund of some £106,000, before adjusting for unrealised gains in the value of quoted Investments and transfers to other funds. The Board of Finance designated £320,000 into the Sustainability Fund to help finance future mission and ministry, as well as the £250,000 for 'net zero' housing costs.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued

This is considered to be a very satisfactory financial achievement, and the hard work, patience, generosity, imagination and commitment of so many people, particularly in our local churches, is greatly appreciated by the Trustees.

Rydal Hall achieved an improved outcome, albeit a reduced deficit of £65,000, due in large part to rigorous management of costs and improved marketing. Forward forecasts indicate a continuing reduction in operating deficits, despite the challenges facing the Hospitality and Tourism industry generally.

The Trustees continue to rigorously pursue a programme of rationalisation of its property portfolio, selling surplus parsonages and other under-yielding assets, to maximise returns from re-invested capital in support of the costs of the Diocese's Mission and Ministry.

The Trustees fully recognise the challenges faced by parishes to maintain their Ministry Offer, and are very aware of, and thankful for, the sacrificial giving throughout the Diocese that makes that possible.

#### **5.2.2. Operational Performance**

The operational performance of Carlisle DBF in 2023 helped to achieve most of the strategic aims set out above. Total expenditure on resourcing ministry and mission amounted to £7,991,000, up from £7,613,000 in 2022. Together with expenditure on education and the Diocesan retreat house at Rydal, the expenditure on charitable activities accounted for 95% of total expenditure.

Expenditure on local clergy (primarily stipends, pension and housing), chaplains and Network Youth Church leaders accounted for 72% of the total group expenditure from general funds. Stipendiary clergy remain the bedrock of local churches' mission and ministry, supporting congregations in over 300 churches and 250 parishes. Their role extends beyond leading worship to enabling, encouraging and overseeing church members to join in the wider mission & ministry of the church as it serves communities right across Cumbria.

Work continued in 2023 to establish new patterns of ministry in Ecumenical Mission Communities. Across the budget period 2023 to 2027, better alignment of clergy numbers and costs with the contributions from local churches towards those costs will help to ensure a balanced budget. Progress was however slower than planned, and with the 2023 end year position remaining close to planned long term clergy numbers, there would appear to be limited scope for further internal cost saving to offset any further falls in income.

The backlog of maintenance and improvement of clergy property following Covid has been substantially cleared during the year, and adaptations to, or replacement of existing, parsonages to improve energy and environmental efficiency is being actively pursued. In 2023 a replacement property was purchased and adapted to become the first 'carbon neutral' vicarage in the Diocese. Total energy costs for the property are expected to be below £1,000 for a full year, benefitting the clergy occupier in addition to the environmental gains. Work began on a second property and designs were completed for a new build replacement for the vicarage in Netherton which was destroyed in an arson attack.

2023 saw the continued implementation of the five year 'Reaching Deeper' project drawing down Strategic Development Funding from the Church Commissioners for investment in new pioneering mission work. The project made further progress during the year, especially through the growth of a new congregation attached to the Restore shop in Penrith, the 'Men in Sheds' project in Carlisle and pastoral support for individuals in Barrow.

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Other specific areas of work that have been funded or otherwise supported by the Diocesan Board of Finance in 2023 include:

- Chaplaincies, including those in schools, hospitals, hospices, workplaces, Restore shops, sports clubs, old people's homes, uniformed organisations, emergency services and the Anna Chaplaincy for older people
- the Northern Mission Centre, providing training, support and inspiration to pioneer ministers across the North of England
- Restore Wellbeing cafes provided by local churches which open spaces of welcome and inclusion in partnership with mental health teams to improve mental and emotional wellbeing
- Healthy Healing Hubs through which churches become places of healing for their whole community
- A Christmas media campaign on radio and social media
- Network Youth Churches for well over a thousand teenagers across Cumbria
- EcoChurch awards for the Diocesan Office and churches which commit to actions to safeguard the environment and tackle the climate crisis
- The distribution of £229,000 to churches and clergy in support of funding high energy bills experienced through the 2022/23 winter – this funding being made available through a grant from the Archbishops' Council.

Spending on Training & Ministry Development activities was £566,000. This included providing funding for Emmanuel Training College in support of ordination and reader training, contributing £276,000 towards the national costs of ordination training, implementing the Diocesan Vocations Strategy, training stipendiary and non-stipendiary curates, lay ministry development – especially through the second year of the 'Discipleship Project' - and leadership development in Mission Communities. In 2023 further work was undertaken in partnership with the Church Mission Society to grow the Northern Mission Centre, delivering the 'Pioneering Parishes' initiative, providing advice and mentoring support for church members starting up new outreach and social action initiatives and continuing to deliver formal training in the Pioneer Mission Certificate.

£5,000 in donations and collections from parishes and £59,000 investment income were added to the Diocesan Growth Fund. Out of this, the highest ever value of grants were paid to parishes and deaneries totalling £51,000 for a range of projects including youth and children's work, outreach through art and culture and local wellbeing. The balance on the Growth Fund, which is available to support the establishment of network youth church congregations and help parishes and deaneries initiate new work designed to achieve church growth, stood at £2,161,000 at 31<sup>st</sup> December 2023. In addition to these grants, a further 13 micro grants, each of £250 were paid to parishes wanting to experiment with new approaches to mission and outreach. These projects ranged from creating a community garden to running dementia tea services, establishing a community choir and providing a welcoming space for children and young families.

In 2023 the Diocese promoted its "LED Challenge", encouraging parishes, clergy, schools and employees to switch to LED lighting. A total of over £48,000 of support was provided by the DBF across this scheme and a wider carbon net zero grants scheme, replacing over 3,000 bulbs and resulting in annual savings of over 16 tonnes of Carbon Dioxide. The Diocese partnered with the Dioceses of Blackburn and Manchester to secure over half a million pounds worth of funding from the Archbishop's Council towards the costs of producing decarbonisation plans for Church Schools and the 20% highest emitting churches.

Throughout the year the DBF funded the Diocesan Safeguarding team's work to develop and promote good practice in respect of the safeguarding of children and vulnerable adults involved in local churches and church-sponsored activities. This included participating in a pathfinder project initiated

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in response to the findings of the national Independent Inquiry into Child Sexual Abuse, the development and ongoing delivery of a safeguarding learning and development strategy, the adoption of Parish Safeguarding Dashboards and undertaking case work and safeguarding risk assessments.

The Board for Education spent £325,000 to support education in Cumbria with its support for Church schools. The Good Shepherd Multi Academy Trust, which aims to support the provision of excellent education within a caring and Christian ethos in academies in Cumbria remains of strategic importance as the debate over the academisation of schools continues. It currently includes 12 schools. Feasibility work in respect of establishing a second Multi Academy Trust was undertaken with encouragement from the Department for Education.

"Restore (Cumbria)", our wholly owned but independently governed subsidiary company, continued to implement its business plan, designed to achieve a more secure and sustainable long-term future, by providing community support, recycling and re-use services, and Christian ministry in partnership with local churches in Carlisle and Penrith. The company reported a surplus of £11,000 for the year including grant income, and this major Outreach initiative continues to benefit from the hard work of many volunteers.

2023 saw an increase of £28,000 to £592,333 in income from the Archbishops' Council's Lowest Income Communities Funding which is used to provide ministry in places that could not otherwise afford to fund it. An additional £353,000 was received in 2023 from the Archbishops' Council, being claims for fourth year of 'Strategic Development Fund' grants in relation to the 'Reaching Deeper' project, and a further £290,000 of funding, to cover ordination training, additional curate and clergy support, net-zero work and funding for our Stewardship work.

The statutory fees for occasional offices conducted by the Church, which face a gradual reduction over time, amounted to £354,000. Rents received from letting parsonages during vacancies increased to £395,000 as a result of the Diocese's active approach to renting out properties wherever possible, whilst also pursuing a policy of disposal where future need to retain them is not justified and re-investment returns are potentially better. Overall total charity income increased by 1.8%.

Rydal Hall Ltd is the wholly-owned subsidiary company of Carlisle DBF operating the Diocesan Conference Centre and Retreat House in South Lakeland. It experienced an improved year, incurring a reduced deficit of £65,000. There are elements of encouragement with growing income in most areas, and many opportunities going forward, both in terms of mission and ministry, and to improve financial stability going forward. The Board are currently implementing an updated five-year plan covering both the commercial and mission aspects of the Hall's work.

The DBF again supported the Churches Trust for Cumbria through a grant of £24,000, to enable their work to provide external support for the care, conservation and development of church buildings across Cumbria.

#### **5.2.3. Investment Performance**

Investments are held in both restricted and unrestricted funds, managed by CCLA. Performance in 2023 improved, in line with general market recovery conditions, with the price of the CBF Investment Fund shares increasing by 9.4%, (2022 decrease 11.8%), while the CBF Property Fund shares decreased by 6.1% (2022 decrease of 11.7%). Total unrealised gains on investments for the year were £1,560,000, (2022 losses £3,505,000). These gains and losses are notional – they do not alter the number of shares held, hence the future income streams for which these shares are held are unaffected directly by both increases and falls. The two hydro-electric plants within Cumbria in which the DBF has invested continued to perform well in 2023, generating returns of £60,000 above budget, despite significant

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seasonal variations, and they should both provide a strong, long-term income stream for many years to come.

The Bank of England's Base Rate rose to 5.25% during 2023, with the increasing CBF Deposit Fund rate resulting in £49,000 interest income during the year.

Dividends received from the CBF Property Fund and Investment Fund were 6.51p and 61.79p per share respectively in the year, and the declared yields were 5.22% and 2.73% based on the year-end valuations. The total income from CBF Fund dividends for the year rose to £934,000 (2022 £885,000), and investment of receipts from property sale proceeds was prudently continued.

Efforts continued to obtain planning consent for residential development on low yielding agricultural land holdings on the edge of settlements. A number of such developments have come to market in the year. All sale proceeds from these during 2023 have been invested to generate a sustainable long-term revenue stream to fund the work of the Diocese in the future.

The total return on investment – net receipts and valuation gains on investments as a percentage of the investment valuations at year-end, was 7.0% (2022 -4.9%) following a general rise in market values in the year. Average yield (net receipts as a percentage of the investment valuations at year-end) was 3.6% (2022 3.1%).

#### **5.2.4. External Factors Affecting Performance**

There are a number of external factors continuing to affect the performance of Carlisle DBF. The fall over time in real terms in the pre-Covid level of Ministry Offers made to Carlisle DBF from parishes is evidence of lower incomes in the parishes, reflecting a decline in church membership and the burden of local costs such as church repairs and energy bills. There is no sign that Ministry Offers will recover to pre-pandemic levels despite the resumption of normal patterns of traditional worship in local churches. This emphasises the continuing downwards trend away from time-honoured Church, albeit replaced to some extent by new forms of pioneering (but less cash-generative) outreach and ministry.

The difficulty in filling vacancies in clergy posts has continued during the year and the Northern Province of the Church of England is reportedly not seen to be attractive to potential applicants. Although this reduces financial pressure in the short term, it represents an operational concern as the leadership and pastoral work of clergy is key in recruiting and developing self-supporting lay and ordained ministry and helping the local church to continue to evolve.

#### **5.3. Financial Review**

##### **5.3.1. Review of the Financial Position**

The Consolidated Statement of Financial Activities (SOFA) for the year shows net incoming resources of £314,000 (2022 £753,000) before net gains on investments and other recognised gains and losses.

After revaluation adjustments, the net increase in funds amounted to £1,874,000 (2022: decrease £2,649,000). Total fund balances are now £85,330,000, of which £80,256,000 (94.1%) is restricted, mainly by ecclesiastical measures, and a further £2,979,000 has been designated for specific use by the Trustees.

Overall there was a net cash inflow for the year of £1,190,000 (2022: outflow £648,000). Total net current assets increased by £1,849,000 to £2,294,000, with those relating to general funds decreasing by £167,000.

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#### **Going Concern**

The Trustees are satisfied that Carlisle DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

#### **5.3.2. Reserves Policy**

Due to the anticipated regularity and predictability of its Income and Costs, the Diocese policy has been to hold a level of free reserves equivalent to at least two months expenditure. The Trustees keep the position under review at their bi-monthly meetings and are currently confident that cash flows can be managed to ensure that sufficient free reserves are held to enable Carlisle DBF's normal commitments to be met.

#### **5.3.3. Investment Policies**

Carlisle DBF's power to invest its funds is governed by the Memorandum and Articles of Association. It exercises these powers having due regard to the provisions of the Trustee Act 2000 in so far as it applies to Carlisle DBF as a company.

Carlisle DBF's investment policies, which are reviewed annually, are based on two key principles:

Ethical investment – Carlisle DBF seeks to pursue an investment policy consistent with the values of the Christian religion. Thus, it adheres to the policy as developed by the Church Commissioners and CCLA Investment Management Ltd for their Central Board of Finance Church of England Funds.

Long-term responsibilities - Investment policy for long-term funds seeks to strike the right balance between providing an income to help the Diocese to carry out its purposes effectively in the short term and maintain and enhance the value of the invested funds so as to enable the Diocese effectively to continue to carry out its purposes in the long term. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital.

#### **Investments**

Glebe property investments are held by Carlisle DBF in agricultural land, commercial and residential land and buildings. They are managed by the DBF's agents, Penrith Farmers' & Kidd's, Walton Goodland Ltd and Savills and account for 34% of the total glebe investments.

A further 63% of the glebe assets are invested through CCLA Investment Management Ltd in the CBF Church of England Funds or held on deposit. They are split between holdings in equities and property via common investment funds to spread risk, and deposits. The remaining 3% consists of shares in a hydroelectric scheme in South Cumbria.

The other DBF funds are also mainly invested in CBF Church of England deposit accounts, investment and property funds, with shares also being held in a second hydro-electric scheme within the grounds of the Diocesan Residential Conference Centre and Retreat at Rydal Hall, South Lakes.

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## **Other Funds**

Funds which may be needed for working capital in the short term are held as deposits with the Central Board of Finance. The performance of all the DBF's investments is monitored regularly by the Trustees at their bi-monthly board meetings, and by the Investment Sub-Committee.

### **5.3.4. Remuneration Policy**

The Board operates a set salary scale and employees are placed on this with regard to benchmarking against comparable roles in this and other dioceses and the external employment market. Cost of living increases are determined as part of the process of setting the budget which is approved by the Finance Committee and the Members. Remuneration of higher-paid employees is determined in consultation between the Chair of the Finance Committee, the Diocesan Secretary and the Head of HR & Governance.

### **5.4 Plans for Future Periods**

The DBF's ongoing objective is to resource Diocesan needs, as determined by Synod and informed by local and national Church institutions and in particular to invest to meet the objectives set out in the Diocese's updated "God for All" Strategy.

A new Diocesan Development Plan for the period beyond 2023, is integrated into resource and budget planning for the period 2023-2027, which was approved by Diocesan Synod in October 2022 and which is reviewed annually at Diocesan Synod.

### **5.5 Principal Risks and Uncertainties**

The Trustees confirm that the major risks, to which Carlisle DBF and its subsidiary companies are exposed are continually reviewed and that systems and procedures have been established to manage those risks. The principal risks and uncertainties which face Carlisle DBF relate to:

- the reliability and timing of the income it receives from local churches which is voluntary in nature, Ministry Offer accounting for 57% of total charity general fund income;
- investment performance, particularly in respect of commercial property;
- clergy numbers may vary above or below assumptions with consequential impact on ministry and costs; and
- the longer term financial effects of inflation and demography upon core income streams and operating costs.

The principal risks are reviewed regularly by the Trustees and, where necessary, further information and data are gathered to enable a more detailed examination of the risks to be made and decisions taken on the basis of the probability and likely impact of the risks occurring.

We encourage good stewardship in the local church and the work of the Stewardship Team is seen as a key way in which the Diocese can support parishes and mission communities in raising income locally which, in turn, will empower them to identify the optimum affordable deployment of available trained ministry resource both lay and ordained.

Carlisle DBF provides its Trustees, officers and employees with Indemnity Insurance against any liabilities that might arise during the provision of services operated under the authority of the Diocesan Bishop and Synod.

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### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued

#### 6. Structure, Governance and Management

##### 6.1 Organisational Structure

The Diocese of Carlisle was founded in 1133. It covers an area of 2,480 square miles and includes all of Cumbria, except for small areas in the east of the county which are included in the neighbouring Diocese of Newcastle. The overall population of the Diocese is around 500,000.

The Diocese is one of the 42 English dioceses of the Church of England which is organised as two provinces. The Diocese of Carlisle is part of the Northern Province led by the Archbishop of York. The Southern Province is led by the Archbishop of Canterbury.

The Diocese of Carlisle was led (until retirement in August 2023) by the Diocesan Bishop, the Rt Revd James Newcome. Since that date, leadership has been undertaken, (as Acting Diocesan Bishop), by the Suffragan Bishop of Penrith, the Rt Revd Rob Saner-Haigh. The Diocese is arranged into three Archdeaconries: Carlisle covering the northern and eastern part with 4 deaneries, West Cumberland in the western part with 3 deaneries and Westmorland and Furness in the southern part with 4 deaneries. In total there are 228 parishes (98 benefices) with 76 full-time equivalent stipendiary parochial clergy and 8 serving in house for duties posts. Together with 38 non-stipendiary ministers, 89 readers, 67 local lay ministers and many other retired clergy and lay members they provide ministry in 325 churches in the Diocese.

The Diocese is in Covenanted Partnership with three other denominations – Methodist, United Reformed Church and Salvation Army. With those denominations the Diocese is establishing ecumenical Mission Communities, groups of churches that collaborate over mission and share resources, increasingly including ministry and buildings. In the course of 2023, a number of church buildings were put forward for closure at the request of their local Parochial Church Councils.

##### 6.2 Diocesan Governance

###### Diocesan Synod

The Diocese is governed by Standing Orders approved in 1969 and as subsequently amended. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of Bishops and Archdeacons (*ex officio members*), clergy members *elected* by the Houses of Clergy in Deanery Synods, lay persons *elected* by the Houses of Laity in Deanery Synods, up to five persons who may be *co-opted* by each of the Houses of Clergy or Laity and a maximum of ten members *nominated* by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Its role is to:

- consider, and make decisions on, 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 by approving the Diocesan Budget.

###### Deanery Synods

Each deanery in the Diocese has its own Deanery Synod which has two houses, laity and clergy. Its role is to:

- respond to requests from General Synod;
- give effect to the decisions made by the Diocesan Synod;

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- 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; and
- elect members of the deanery to the Diocesan Synod and of the Diocese to General Synod.

#### **Bishop's Council and Standing Committee**

Bishop's Council consists of 9 ex officio members, including the Diocesan and Suffragan Bishop and the three Archdeacons, three clergy elected by the House of Clergy from among their number and six lay persons elected by the members of the House of Laity. A maximum of three members may also be nominated by the Diocesan Bishop.

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 (delegated to the Steering Committee);
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the President of Synod on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

#### **6.3 Carlisle Diocesan Board of Finance**

The company, Carlisle Diocesan Board of Finance Ltd (Carlisle DBF), was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 22<sup>nd</sup> September 1893 as a charitable company limited by membership guarantees (No. 39625) and its governing documents are the Memorandum and Articles of Association. Carlisle DBF has been registered with the Charity Commission since 1<sup>st</sup> May 1967 (No. 251977). The Memorandum and Articles of Association have been altered by Special Resolutions the latest of which were passed on 15 June 2021, 1<sup>st</sup> May 2018 and 12<sup>th</sup> July 2006.

From 11th November 2006 every member of Diocesan Synod is a member of Carlisle DBF for company law purposes, unless they are excluded by reason of being appointed to any salaried office of the Company or any office of the Company paid by fees. Each member has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

#### **Trustees**

From 1st January 2007 the Bishop of Carlisle and the three Archdeacons have served as ex-officio Directors of the Company. A further five Directors are elected by the members of Carlisle DBF and the Directors have power to co-opt up to another four Directors.

Mr Jim Johnson served as Chair throughout the year, and Mrs Susan Wigley (to Sept 2023) and Mr Nigel Robson (from Sept 2023) served as Vice Chair during the year.

All the Directors are also the Trustees and, when newly appointed, are given induction training. All Trustees are offered ongoing training, as appropriate.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued

#### **Trustees' Responsibilities**

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

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 the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which 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 corporate and trust assets of the charitable company and group ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also 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.

#### **6.4 Decision-making Structure**

Diocesan Synod has delegated the following functions to Carlisle DBF:

- Management of the funds and property of the Diocese;
- Preparation of annual estimates of expenditure;
- Advising on action needed to raise the income necessary to finance expenditure;
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod;
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred or delegated to it by Diocesan Synod.

#### **Finance Committee**

The Trustees met as the Finance Committee of Carlisle DBF 6 times during the year. At these meetings they received regular reports from the officers of the DBF and considered any matters for which they are responsible.

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The number of meetings (and proportion of those eligible for attendance) that each Trustee attended in 2023 was:

The Rt Revd James Newcome	(ex officio)	2 (50%)	(Retired 31 August 2023)
The Ven Richard Pratt	(ex officio)	1 (100%)	(Appointed 22 November 2023, Retired 31 March 2024)
The Ven Vernon Ross	(ex officio)	5 (83%)	
The Ven Stewart Fyfe	(ex officio)	3 (60%)	(Appointed 1 January 2023)
Mr Derek Bradley	(elected)	6 (100%)	
Miss Janet Busk	(elected)	6 (100%)	
Mr Rob Cook	(elected)	6 (100%)	
Mr David Dalgoutte	(co-opted)	5 (83%)	
Mr John Edwards	(co-opted)	5 (83%)	
Mr Jim Johnson	(elected)	6 (100%)	
Mr Nigel Robson	(co-opted)	5 (83%)	
Mrs Susan Wigley	(elected)	3 (75%)	(Retired 15 September 2023)

Since the retirement of The Rt Revd James Newcome as Bishop of Carlisle, The Rt Revd Rob Saner-Haigh (Suffragan Bishop of Penrith) has been in attendance at Board meetings – however he is not a member of the Trustee Board.

The Trustees have delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by a small team of staff.

#### **Committee Structure**

There are a number of statutory Diocesan Synod committees that, although not sub-committees of Carlisle DBF, can influence its operations:

**Carlisle Diocesan Board of Education** has responsibility for 104 Church schools across the Diocese, provides pastoral and professional support to all its schools and has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.

**The Parsonages Board** is responsible for determining policy concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by Carlisle DBF. In the Diocese the Carlisle DBF is designated as the Diocesan Parsonages Board. A number of its functions are delegated to Archdeaconry Sub-Committees under the terms of a scheme passed by Diocesan Synod on 12<sup>th</sup> October 2013.

**The Diocesan Pastoral Committee** is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It also has responsibility for finding appropriate alternative uses for churches which have closed. Most of its functions are delegated to Archdeaconry sub committees.

**The 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. In 2023 the DAC dealt with 39 of faculty applications from local churches.

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### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued

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

#### 6.5 Related Parties

##### General Synod

Carlisle DBF has to comply with Measures passed by the General Synod of the Church of England. General Synod is the 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.

##### Archbishops' Council

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.

Carlisle DBF is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church according to a formula agreed by General Synod.

##### Church Commissioners

The Church Commissioners manage the historic assets of the Church of England, funding clergy pensions for service prior to 1998. The payroll costs of episcopal leadership through the Diocesan and Suffragan Bishops are met by the Church Commissioners, along with the housing costs of the Diocesan Bishop. Further grants are also paid towards the staffing costs of cathedrals. The Church Commissioners also make a number of grants to the Archbishops' Council including Low Income Communities funding for ministry in poorer dioceses and parishes and Strategic Development Fund and Diocesan Investment Programme grants for new mission initiatives.

Although Carlisle DBF is responsible for the funding of its clergy stipend costs, the national clergy payroll is administered by the Church Commissioners. Carlisle DBF reimburses the Church Commissioners monthly for the costs of stipendiary clergy deployed in the Diocese.

##### Church of England Pensions Board

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions' authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widows and widowers 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 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.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued

Carlisle DBF contributes monthly to the Pensions Board for both the clergy and the lay pension schemes.

#### **The Cathedral**

The Cathedral Church of the Holy and Undivided Trinity is the mother church of the Diocese of Carlisle and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its Trustees' report and financial statements may be obtained from the Cathedral Office, 7 The Abbey, Carlisle, CA3 8TZ.

#### **Parishes and Parochial Church Councils (PCCs)**

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Each PCC is an independent charity and most are currently exempt from registration with the Charity Commission. However, under the terms of the Charities Act 2011 those PCCs whose gross income for the year is above £100,000 are required to register. PCCs are able to influence the decision-making within Carlisle DBF and at Diocesan Synod level through representations and input of their Deanery Synods.

The main income of Carlisle DBF is the contribution, by way of the Ministry Offer, from the 228 parishes of the Diocese; which system has been based on voluntary offers made by Mission Communities and parishes towards the costs of ministry incurred throughout the whole of the Diocese of Carlisle.

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

#### **6.6 Subsidiary Undertakings**

##### **Rydal Hall Limited**

Carlisle DBF is responsible for the operation of the Diocesan Conference Centre and Retreat House, Rydal Hall. This is achieved through Rydal Hall Limited, a wholly owned subsidiary charity of Carlisle DBF. The activities of the subsidiary are included in the consolidated financial statements.

##### **Restore (Cumbria)**

Restore (Cumbria) is a registered charity which operates a charity shop and resource network in North Cumbria, as part of the Diocese's Outreach initiatives. The DBF is the sole member of the charity.

#### **6.7 Rydal Hydro Limited**

Carlisle DBF owns 50% of the issued share capital of Rydal Hydro Limited, with Ellergreen Hydro Limited and Gilkes Hydro Limited the other 50%. The joint venture company has constructed a hydroelectricity generating plant within the grounds of Rydal Hall Limited providing a renewable source of electricity for Rydal Hall and the surrounding area as well as providing a significant return on the DBF's investment.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued**

**6.8 Other Connected Companies**

Carlisle DBF together with four other dioceses from the North West of England and with York Diocese have equal shares in DBE Services Limited, a company formed to provide various services to schools. These include inspections, teaching and curriculum support, administrative services, building, equipment and construction support and insurance. DBE Services Limited has several employees with other staff employed by the participating dioceses who invoice the company for their time. The profits of DBE Services Limited are distributed to the shareholders by means of gift aid donations.

The six North West Dioceses are sponsors of Emmanuel College which trains ordinands for ministry in the Church of England across and beyond the region. The Diocesan Board of Finance is a Corporate Member of the College.

**7. Funds Held as Custodian Trustee for Others**

Carlisle DBF is required by Measure to be custodian trustee in relation to PCC property. Carlisle DBF also holds funds on behalf of Church of England schools in the Diocese. All assets held as custodian trustee are kept independently from the Company's own assets and their details are recorded in a separate trust ledger. The assets are mainly invested through CCLA Investment Management Limited in their range of CBF Church of England Funds or on deposit with major UK clearing banks.

At 31 December 2023 the total value of these funds was £11,150,000.

**8. Reference and Administrative Details of the Carlisle Diocesan Board of Finance**

In accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in 2015 (SORP 2015), the Directors (for the purposes of company law) and the Trustees (for the purposes of charity law) during the year and as at the date of signing follow:

**Ex-officio Directors**

The Right Reverend James Newcome, Bishop of Carlisle (retired 30 September 2023)

The Venerable Dr Richard Pratt, Archdeacon of Carlisle (Appointed 22 November 2023, Retired 31 March 2024)

The Venerable Vernon Ross, Archdeacon of Westmorland and Furness

The Venerable Stewart Fyfe, Archdeacon of West Cumberland

**Elected by the Members**

Derek Bradley

Janet Busk

Rob Cook

Jim Johnson (Chair)

Susan Wigley (Vice Chair, retired 15 September 2023)

**Co-opted by the Directors**

David Dalgoutte

John Edwards

Nigel Robson

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued**

The Right Reverend Rob Saner-Haigh, Suffragan Bishop of Penrith, is not a Trustee Director, but plays an active role in Board meetings while he covers for the vacant Bishop of Carlisle position.

<b>Secretary</b>	Mr Derek Hurton
<b>Head of Finance</b>	Mr Ric Jaques
<b>Director of Education</b>	Mrs Charlotte Tudway
<b>Registered Office</b>	Diocesan Church House, 19-24 Friargate, Penrith, CA11 7XR
<b>Telephone</b>	01768 807777
<b>Website</b>	<a href="http://www.carlisedioocese.org.uk">www.carlisedioocese.org.uk</a>
<b>e-mail</b>	<a href="mailto:enquiries@carlisedioocese.org.uk">enquiries@carlisedioocese.org.uk</a>
<b>Company registration number</b>	39625 (England & Wales)
<b>Charity registration number</b>	251977
<b>Auditors</b>	Dodd & Co Limited, FIFTEEN Rosehill, Carlisle, CA1 2RW
<b>Bankers</b>	HSBC plc, City Office, 29 English Street, Carlisle, CA3 8JT
<b>Legal Adviser</b>	Ms Laura Peace Sintons, The Cube, Barrack Road, Newcastle Upon Tyne, NE4 6DB
<b>Investment Advisers</b>	CCLA Investment Management Ltd, Senator House 85 Queen Victoria Street London EC4V 4ET
<b>Glebe Property Agents</b>	Penrith Farmers' & Kidd's plc, Skirsgill, Penrith, CA11 0DN  Savills, 64 Warwick Road, Carlisle CA1 1DR  Walton Goodland Ltd, 10 Lowther Street, Carlisle, CA3 8DA

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

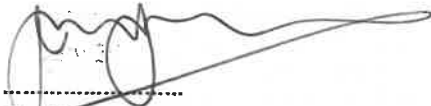
**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2023) continued**

**9. Auditors**

The Trustees as a Board confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. In addition, the Trustees have taken all reasonable steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

A resolution to reappoint Dodd & Co Limited as auditors to the company and to authorise the Trustees to fix their remuneration will be proposed at the Annual General Meeting.

The Directors' and Trustees' annual report, together with the strategic report which is incorporated into the Directors' and Trustees' annual report, have been approved by the Directors/Trustees and signed on their behalf by:



Mr Jim Johnson  
Director and Trustee  
9<sup>th</sup> July 2024

# Independent auditor's report to the members of Carlisle Diocesan Board of Finance Limited

## Opinion

We have audited the financial statements of Carlisle Diocesan Board of Finance Limited] ('the charitable company') for the year ended 31 December 2023 which comprise Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated Summary Income and Expenditure Account, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement 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 *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 the provisions available for small entities, 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 12 months from when the financial statements are authorised for issue.

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

## Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

- adequate and proper 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charitable company's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team and involving relevant internal specialists, including pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to revenue recognition and management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Act, pensions legislation and tax legislation.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

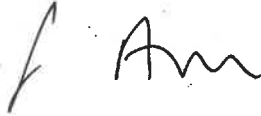
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

## Use of our report

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



Faye Armstrong (Senior Statutory Auditor)

For and on behalf of Dodd & Co Audit Limited, Statutory Auditor

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

2/8/24

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
For the year ended 31 December 2023

	Note	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	
		General £'000	Designated £'000			2023 £'000	2022 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,180	-	-	-	4,180	4,124
Archbishop's Council		945	-	290	-	1,235	1,366
Other donations		128	44	13	-	185	201
Charitable activities	3						
Fees & chaplaincy income		521	-	-	-	521	583
Rydal Hall	15	-	1,236	-	-	1,236	798
Sales of goods & services	3	40	305	-	-	345	764
Other activities	4	395	-	-	-	395	345
Investments	5	1,153	65	527	4	1,749	1,533
Other sources	6	-	-	172	523	695	626
<b>Total</b>		<b>7,362</b>	<b>1,650</b>	<b>1,002</b>	<b>527</b>	<b>10,541</b>	<b>10,340</b>
<b>Expenditure on</b>							
Raising funds	7	174	-	12	-	186	207
Charitable activities							
Resourcing ministry & mission	8	6,745	446	800	-	7,991	7,613
Education	9	325	-	51	-	376	310
Rydal Hall	15	12	1,361	-	-	1,373	1,445
Other purposes	10	-	2	-	299	301	12
<b>Total</b>	<b>12</b>	<b>7,256</b>	<b>1,809</b>	<b>863</b>	<b>299</b>	<b>10,227</b>	<b>9,587</b>
<b>Net income/(expenditure) before investment gains</b>		<b>106</b>	<b>(159)</b>	<b>139</b>	<b>228</b>	<b>314</b>	<b>753</b>
Net gains/(losses) on investments		20	178	542	820	1,560	(3,505)
<b>Net income/(expenditure)</b>		<b>126</b>	<b>19</b>	<b>681</b>	<b>1,048</b>	<b>1,874</b>	<b>(2,752)</b>
<b>Transfers between funds</b>	<b>22</b>	<b>(197)</b>	<b>570</b>	<b>(104)</b>	<b>(269)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	42
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	61
<b>Net movement in funds</b>		<b>(71)</b>	<b>589</b>	<b>577</b>	<b>779</b>	<b>1,874</b>	<b>(2,649)</b>
<b>Total funds brought forward</b>		<b>2,166</b>	<b>2,390</b>	<b>22,789</b>	<b>56,111</b>	<b>83,456</b>	<b>86,105</b>
<b>Total funds carried forward</b>		<b>2,095</b>	<b>2,979</b>	<b>23,366</b>	<b>56,890</b>	<b>85,330</b>	<b>83,456</b>

All activities derive from continuing activities. The notes on pages 32 to 65 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 December 2022

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2022 £'000	2021 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,124	-	-	-	4,124	4,224
Archbishop's Council		937	-	429	-	1,366	976
Other donations		124	54	23	-	201	313
Charitable activities	3						
Fees & chaplaincy income		570	-	13	-	583	587
Rydal Hall	15	-	798	-	-	798	935
Sales of goods & services	3	28	736	-	-	764	201
Other activities	4	345	-	-	-	345	391
Investments	5	965	59	503	6	1,533	1,338
Other sources	6	-	9	409	208	626	580
<b>Total</b>		<b>7,093</b>	<b>1,656</b>	<b>1,377</b>	<b>214</b>	<b>10,340</b>	<b>9,545</b>
<b>Expenditure on</b>							
Raising funds	7	191	-	16	-	207	177
Charitable activities							
Resourcing ministry & mission	8	6,879	426	308	-	7,613	7,182
Education	9	286	-	24	-	310	310
Rydal Hall	15	38	1,407	-	-	1,445	1,041
Other purposes	10	-	-	12	-	12	50
<b>Total</b>	12	<b>7,394</b>	<b>1,833</b>	<b>360</b>	<b>-</b>	<b>9,587</b>	<b>8,760</b>
<b>Net income/(expenditure) before investment gains</b>		<b>(301)</b>	<b>(177)</b>	<b>1,017</b>	<b>214</b>	<b>753</b>	<b>785</b>
Net gains/(losses) on investments		(89)	(250)	(1,457)	(1,709)	(3,505)	4,085
<b>Net income/(expenditure)</b>		<b>(390)</b>	<b>(427)</b>	<b>(440)</b>	<b>(1,495)</b>	<b>(2,752)</b>	<b>4,870</b>
<b>Transfers between funds</b>	22	215	50	(151)	(114)	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	42	-	42	-
Actuarial gains/(losses) on defined benefit pension schemes		61	-	-	-	61	35
<b>Net movement in funds</b>		<b>(114)</b>	<b>(377)</b>	<b>(549)</b>	<b>(1,609)</b>	<b>(2,649)</b>	<b>4,905</b>
<b>Total funds brought forward</b>		<b>2,280</b>	<b>2,767</b>	<b>23,338</b>	<b>57,720</b>	<b>86,105</b>	<b>81,200</b>
<b>Total funds carried forward</b>		<b>2,166</b>	<b>2,390</b>	<b>22,789</b>	<b>56,111</b>	<b>83,456</b>	<b>86,105</b>

All activities derive from continuing activities. The notes on pages 32 to 65 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**CHARITY STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 December 2023

	Note	Unrestricted funds		Restricted	Endowment	Total funds	
		General £'000	Designated £'000	Funds £'000	Funds £'000	2023 £'000	2022 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,180	-	-	-	4,180	4,124
Archbishop's Council		945	-	290	-	1,235	1,366
Other donations		128	5	13	-	146	151
Charitable activities	3						
Fees & chaplaincy income		521	-	-	-	521	583
Rydal Hall	15	-	-	-	-	-	53
Sales of goods & services	3	40	-	-	-	40	28
Other activities	4	395	-	-	-	395	345
Investments	5	1,153	59	527	4	1,743	1,530
Other	6	-	-	172	523	695	617
<b>Total</b>		<b>7,362</b>	<b>64</b>	<b>1,002</b>	<b>527</b>	<b>8,955</b>	<b>8,797</b>
<b>Expenditure on</b>							
Raising funds	7	174	-	12	-	186	207
Charitable activities							
Resourcing ministry & mission	8	6,745	125	800	-	7,670	7,376
Education	9	325	-	51	-	376	310
Rydal Hall	15	12	40	-	-	52	38
Other	10	-	-	-	299	299	12
<b>Total</b>		<b>7,256</b>	<b>165</b>	<b>863</b>	<b>299</b>	<b>8,583</b>	<b>7,943</b>
<b>Net income/(expenditure) before investment gains</b>		<b>106</b>	<b>(101)</b>	<b>139</b>	<b>228</b>	<b>372</b>	<b>854</b>
Net gains/(losses) on investments		20	178	542	820	1,560	(3,505)
<b>Net income/(expenditure)</b>		<b>126</b>	<b>77</b>	<b>681</b>	<b>1,048</b>	<b>1,932</b>	<b>(2,651)</b>
<b>Transfers between funds</b>	22	<b>(197)</b>	<b>570</b>	<b>(104)</b>	<b>(269)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	42
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	61
<b>Net movement in funds</b>		<b>(71)</b>	<b>647</b>	<b>577</b>	<b>779</b>	<b>1,932</b>	<b>(2,548)</b>
<b>Total funds brought forward</b>		<b>2,166</b>	<b>2,273</b>	<b>22,789</b>	<b>56,111</b>	<b>83,339</b>	<b>85,887</b>
<b>Total funds carried forward</b>		<b>2,095</b>	<b>2,920</b>	<b>23,366</b>	<b>56,890</b>	<b>85,271</b>	<b>83,339</b>

All activities derive from continuing activities. The notes on pages 32 to 65 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 December 2022

	Note	Unrestricted funds		Restricted	Endowment	Total funds	
		General £'000	Designated £'000	Funds £'000	Funds £'000	2022 £'000	2021 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,124	-	-	-	4,124	4,224
Archbishop's Council		937	-	429	-	1,366	976
Other donations		124	4	23	-	151	160
Charitable activities	3						
Fees & chaplaincy income		570	-	13	-	583	587
Rydal Hall	15	53	-	-	-	53	68
Sales of goods & services	3	28	-	-	-	28	-
Other activities	4	345	-	-	-	345	391
Investments	5	965	56	503	6	1,530	1,338
Other	6	-	-	409	208	617	397
<b>Total</b>		<b>7,146</b>	<b>60</b>	<b>1,377</b>	<b>214</b>	<b>8,797</b>	<b>8,141</b>
<b>Expenditure on</b>							
Raising funds	7	191	-	16	-	207	177
Charitable activities							
Resourcing ministry & mission	8	6,879	189	308	-	7,376	6,873
Education	9	286	-	24	-	310	310
Rydal Hall	15	38	-	-	-	38	335
Other	10	-	-	12	-	12	50
<b>Total</b>		<b>7,394</b>	<b>189</b>	<b>360</b>	<b>-</b>	<b>7,943</b>	<b>7,745</b>
<b>Net income/(expenditure) before investment gains</b>		<b>(248)</b>	<b>(129)</b>	<b>1,017</b>	<b>214</b>	<b>854</b>	<b>396</b>
Net gains/(losses) on investments		(89)	(250)	(1,457)	(1,709)	(3,505)	4,085
<b>Net income/(expenditure)</b>		<b>(337)</b>	<b>(379)</b>	<b>(440)</b>	<b>(1,495)</b>	<b>(2,651)</b>	<b>4,481</b>
<b>Transfers between funds</b>	22	162	103	(151)	(114)	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	42	-	42	-
Actuarial gains/(losses) on defined benefit pension schemes		61	-	-	-	61	35
<b>Net movement in funds</b>		<b>(114)</b>	<b>(276)</b>	<b>(549)</b>	<b>(1,609)</b>	<b>(2,548)</b>	<b>4,516</b>
<b>Total funds brought forward</b>		<b>2,280</b>	<b>2,549</b>	<b>23,338</b>	<b>57,720</b>	<b>85,887</b>	<b>81,371</b>
<b>Total funds carried forward</b>		<b>2,166</b>	<b>2,273</b>	<b>22,789</b>	<b>56,111</b>	<b>83,339</b>	<b>85,887</b>

All activities derive from continuing activities. The notes on pages 32 to 65 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

**CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
For the year ended 31 December 2023

	<b>Total 2023 £'000</b>	<b>Total 2022 £'000</b>
Total income per reconciliation below	10,217	10,377
Resources expended per reconciliation below	(9,928)	(9,735)
Operating surplus for the year	289	642
Interest receivable	66	19
Net gains/(losses) on investments	740	(1,804)
<b>Net income for the year</b>	<b>1,095</b>	<b>(1,143)</b>
<b>Other comprehensive income:</b>		
Revaluation of fixed assets	-	42
Actuarial gains/(losses) on defined benefit pension schemes	-	61
<b>Total comprehensive income for the year</b>	<b>1,095</b>	<b>(1,040)</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.

<b>Reconciliation of Summary Income and Expenditure to SOFA</b>	<b>Total 2023 £'000</b>	<b>Total 2022 £'000</b>
Total incoming resources per SOFA	10,541	10,348
Less: interest receivable	(66)	(19)
total endowment additions	(527)	(214)
Add: endowment capital transferred to income funds	269	262
<b>Total income per above</b>	<b>10,217</b>	<b>10,377</b>
Resources expended per SOFA	10,227	9,587
Less: expenditure charged to endowment capital	(299)	-
Add: income funds reclassified as endowment capital	-	148
<b>Total expenditure per above</b>	<b>9,928</b>	<b>9,735</b>

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

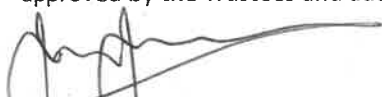
**CONSOLIDATED BALANCE SHEET**

At 31 December 2023

Company Number – 39625

		2023		2022	
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	23		41,241		41,085
Investments	24		41,795		42,024
			<u>83,036</u>		<u>83,109</u>
<b>CURRENT ASSETS</b>					
Stock		9		8	
Debtors	25	4,462		3,781	
Cash on deposit	26	3,637		1,911	
Cash at bank and in hand		479		1,015	
			<u>8,587</u>	<u>6,715</u>	
<b>CREDITORS: amounts falling due within one year</b>	27	(6,293)		(6,268)	
<b>NET CURRENT ASSETS</b>			<u>2,294</u>		<u>447</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>85,330</u>		<u>83,556</u>
<b>CREDITORS: amounts falling due after more than one year</b>					
Other creditors	28	-		(100)	
				<u>(100)</u>	
<b>NET ASSETS</b>			<u>85,330</u>		<u>83,456</u>
<b>FUNDS</b>					
<b>Endowment funds</b>					
Including investment revaluation reserve of £34,215,000 (2022: £33,396,000)			56,890		56,111
<b>Restricted income funds</b>					
Including investment revaluation reserve of £7,433,000 (2022: £6,889,000)			23,366		22,789
<b>Unrestricted income funds:</b>					
General funds - Including revaluation reserve of £531,000 (2022: £511,000)			2,095		2,166
Designated funds - Including revaluation reserve of £935,000 (2022: £756,000)			2,979		2,390
<b>TOTAL FUNDS</b>	29 & 30		<u>85,330</u>		<u>83,456</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:

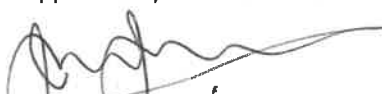
  
M.J.A.E. Johnson  
9<sup>th</sup> July 2024

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**CHARITY BALANCE SHEET**  
 At 31 December 2023.

Company Number – 39625

		2023		2022	
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	23		41,079		40,980
Investments	24		41,795		42,024
			<u>82,874</u>		<u>83,004</u>
<b>CURRENT ASSETS</b>					
Debtors	25	4,430		3,724	
Subsidiary companies		171		159	
Cash on deposit	26	3,540		1,719	
Cash at bank and in hand		342		836	
		<u>8,483</u>		<u>6,438</u>	
<b>CREDITORS: amounts falling due within one year</b>	27	<u>(6,086)</u>		<u>(6,003)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,397</u>		<u>435</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>85,271</u>		<u>83,439</u>
<b>CREDITORS: amounts falling due after more than one year</b>					
Other creditors	28	-		(100)	
					<u>(100)</u>
<b>NET ASSETS</b>			<u>85,271</u>		<u>83,339</u>
<b>FUNDS</b>					
<b>Endowment funds</b>					
Including investment revaluation reserve of £34,215,000 (2022: £33,396,000)			56,890		56,111
<b>Restricted income funds</b>					
Including investment revaluation reserve of £7,433,000 (2022: £6,889,000)			23,366		22,789
<b>Unrestricted income funds:</b>					
General funds - Including revaluation reserve of £531,000 (2022: £511,000)			2,095		2,166
Designated funds - Including revaluation reserve of £935,000 (2022: £756,000)			2,920		2,273
<b>TOTAL FUNDS</b>	29 & 30		<u>85,271</u>		<u>83,339</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:

  
 M. J. A. E. Johnson  
 9<sup>th</sup> July 2024

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 31 December 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>		(1,957)		(759)
<b>Cash flows from investing activities</b>				
Dividends, interest and rent from investments	1,749		1,533	
Interest paid	(12)		(7)	
Proceeds from the sale of:				
Tangible fixed assets	612		1,372	
Investments	2,282		484	
Purchase of:				
Tangible fixed assets	(859)		(1,026)	
Fixed asset investments	(475)		(2,095)	
<b>Net cash provided by/(used in) investing activities</b>		3,297		261
<b>Cash flows from financing activities</b>				
Repayment of loans	(150)		(150)	
<b>Net cash provided by/(used in) financing activities</b>		(150)		(150)
<b>Change in cash and cash equivalents in the reporting period</b>		1,190		(648)
<b>Cash and cash equivalents at 1 January</b>		2,926		3,574
<b>Cash and cash equivalents at 31 December</b>		4,116		2,926
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
<b>Net movement in funds for the year ended 31 December</b>		314		753
<b>Adjustments for:</b>				
Depreciation charges		49		32
Dividends, interest and rent from investments		(1,749)		(1,533)
Interest paid		12		7
Repayment of loans advanced		18		31
Advancement of loans		(1)		(1)
Loss/(profit) on sale of functional assets		6		(605)
Actuarial gains on defined benefit pensions		-		61
(Increase) in stock		(1)		(1)
(Increase) in debtors		(681)		(646)
Increase in creditors		76		1,143
<b>Net cash provided by/(used in) operating activities</b>		(1,957)		(759)
<b>Analysis of cash and cash equivalents</b>				
Cash in hand		479		1,015
Notice deposits (less than 3 months)		3,637		1,911
		4,116		2,926

## 1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included as determined under the applicable valuation method as detailed in d), 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 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The principal accounting policies and estimation techniques are as follows:

### a) Consolidation

Consolidated financial statements have been prepared on a line by line basis in accordance with FRS102. The consolidated financial statements incorporate the accounts of:

- Parent, The Carlisle Diocesan Board of Finance Limited (Carlisle DBF); and
- The wholly owned subsidiary company, Rydal Hall Limited; and
- The wholly owned subsidiary company, Cumbria Christian Learning; and
- The wholly owned subsidiary company, Restore (Cumbria)

### b) Income

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

- i) **Ministry Offer (previously known as Parish Offer) and parochial fees** are recognised as income of the year in which they are received or within one month after the financial year end to which they relate.
- ii) **Rent** receivable is recognised as income in the period with 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) **Donations** other than grants are recognised when receivable.
- vi) **Gains on disposal of fixed assets for the DBF'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..

**1. ACCOUNTING POLICIES (continued)**

vii) **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.

viii) **Government Grants.** Grants for the purpose of giving immediate financial support with no future related costs to be incurred are recognised in the profit and loss account when the grant proceeds become receivable. Other grants relating to revenue are recognised in the profit and loss account on a systematic basis over the periods in which the related costs are recognised for which the grant is intended to compensate.

**c) Expenditure**

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

i) **Costs of raising funds** include investment management costs of glebe and any other investment properties and interest costs on defined benefit pension scheme liabilities.

ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese, expenditure relating to the running of the diocesan retreat centre, and expenditure on education and Church of England schools in the diocese.

iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the DBF, 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. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.

v) **Pension contributions.** The DBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 31). The pension costs charged as resources expended represent the DBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which DBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

**1. ACCOUNTING POLICIES (continued)**

**d) Tangible fixed assets and depreciation**

*Freehold properties*

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

*Investment properties*

Glebe properties which are held for investment purposes and rented out have been included at their fair value, determined through external professional valuations.

*Parsonage houses*

The DBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF 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. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their deemed cost at a fair valuation at 1 January 2014.

**e) Other tangible fixed assets**

All capital expenditure over £1,000 is capitalised and depreciated. Depreciation is provided in order to write off the cost (less any expected ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:-

DBF furniture, fittings, equipment and computers	10% to 20% per annum on a straight line basis;
Rydal Hall furniture, fittings, equipment and plant	10-25% per annum on a straight line basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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1. ACCOUNTING POLICIES (continued)

f) 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. Subsidiaries (where shares are held) are valued at fair value based on balance sheet value. Jointly controlled entities are valued at fair value using the net assets of the entity and the share held.
- ii) **Leases.** The DBF has entered 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 the period to the first break clause.

g) Fund balances

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

- **Unrestricted funds** are the DBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the DBF. There are two types of unrestricted funds:
  - **General funds** which the DBF intends to use for the general purposes of the DBF; and
  - **Designated funds** set aside out of unrestricted funds by the DBF for a purpose specified by the Trustees.
- **Restricted funds** are 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 DBF (Parsonage Houses Fund and Retired Clergy and Dependents Fund), 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.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches. Trusts where the DBF 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 notes to the financial statements.

**1. ACCOUNTING POLICIES (continued)**

**h) Going Concern**

The charity has considered whether the use of the going concern basis for accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the Charity's ability to continue as a going concern.

The trustees have prepared detailed budgets covering the coming four-year period, based on actual experience and taking into account church finances in light of recovery from the 2020 pandemic and the current cost of living challenges. As a result of this work, the trustees remain confident that there are financial resources available to fund their work, and are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the diocese through the parish offer system (now known as 'Ministry Offer').

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Current year						
Offer	4,208	-	-	-	4,208	4,172
Shortfall in contributions	(55)	-	-	-	(55)	(95)
	<u>4,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,153</u>	<u>4,077</u>
Receipts for previous years	27	-	-	-	27	47
Total Income	<u>4,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,180</u>	<u>4,124</u>

Total receipts (including for previous years) represent 99.3% of the parish offer (2022 – 98.8%).

Archbishop's Council

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
LINC allocation	592	-	-	-	592	564
Strategic Development Grant	353	-	-	-	353	356
Strategic Ministry Fund	-	-	162	-	162	
Diocesan Investment Fund (Capacity)	-	-	30	-	30	
Other grants	-	-	98	-	98	446
	<u>945</u>	<u>-</u>	<u>290</u>	<u>-</u>	<u>1,235</u>	<u>1,366</u>

Other donations

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Benefact Trust	79	-	-	-	79	90
Ministry Partners	33	-	13	-	46	23
Donations	16	5	-	-	21	38
Company Total	<u>128</u>	<u>5</u>	<u>13</u>	<u>-</u>	<u>146</u>	<u>151</u>
Rydal Hall	-	16	-	-	16	3
Restore (Cumbria)	-	23	-	-	23	47
Group Total	<u>128</u>	<u>44</u>	<u>13</u>	<u>-</u>	<u>185</u>	<u>201</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

3. CHARITABLE ACTIVITIES

Fees and chaplaincy income

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Statutory fees	354	-	-	-	354	393
Chaplaincy	27	-	-	-	27	11
Support for Ministry	130	-	-	-	130	159
Course and other fees	10	-	-	-	10	20
<b>Company Total</b>	<b>521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>521</b>	<b>583</b>
Course and other fees	-	-	-	-	-	-
<b>Group Total</b>	<b>521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>521</b>	<b>583</b>

Other sales

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Education services	40	-	-	-	40	28
<b>Company Total</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>28</b>
Rydal Hall	-	-	-	-	-	468
Restore (Cumbria)	-	305	-	-	305	268
<b>Group Total</b>	<b>40</b>	<b>305</b>	<b>-</b>	<b>-</b>	<b>345</b>	<b>764</b>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Parsonage rents	395	-	-	-	395	345
	395	-	-	-	395	345

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Dividends receivable	825	56	466	-	1,347	1,169
Interest receivable	18	3	24	4	49	30
Rents receivable	310	-	37	-	347	331
<b>Company total</b>	<b>1,153</b>	<b>59</b>	<b>527</b>	<b>4</b>	<b>1,743</b>	<b>1,530</b>
Subsidiary's interest	-	6	-	-	6	3
<b>Consolidated total</b>	<b>1,153</b>	<b>65</b>	<b>527</b>	<b>4</b>	<b>1,749</b>	<b>1,533</b>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Gain on sale of properties	-	-	24	123	147	548
Insurance Receipts	-	-	-	400	400	-
Sales of redundant churches	-	-	148	-	148	69
Company Total	-	-	172	523	695	617
Rydal Hall	-	-	-	-	-	9
Restore (Cumbria)	-	-	-	-	-	-
Group Total	-	-	172	523	695	626

Government/Local Authority grants are made up of:

	Company		Group	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Covid-Related Grants	-	-	-	9
Total	-	-	-	9

7. RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Investment management	118	-	12	-	130	156
Generating voluntary income	56	-	-	-	56	51
	174	-	12	-	186	207

8. RESOURCING MISSION AND MINISTRY

Ministry in the communities – stipend costs

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Stipends	2,079	-	83	-	2,162	2,124
National insurance/Ap. Levy	175	-	5	-	180	180
Pension costs	485	-	28	-	513	619
Removal, resettlement & other grants	152	-	-	-	152	227
Other costs	322	-	-	-	322	395
	3,213	-	116	-	3,329	3,545

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

8. RESOURCING MISSION AND MINISTRY (continued)

Ministry in the communities – housing costs

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Repairs & improvements	625	36	150	-	811	644
Council tax	250	-	-	-	250	233
Water charges	60	-	-	-	60	49
Insurance	35	-	-	-	35	30
Rent payable	2	-	-	-	2	3
Other costs	220	-	-	-	220	165
	<u>1,192</u>	<u>36</u>	<u>150</u>	<u>-</u>	<u>1,378</u>	<u>1,124</u>
<b>Total ministry in the communities</b>	<u>4,405</u>	<u>36</u>	<u>266</u>	<u>-</u>	<u>4,707</u>	<u>4,669</u>
<b>Support for ministry</b>						
<b>Lay ministry &amp; chaplaincies</b>						
Network Youth Ministers and Interns	306	-	-	-	306	254
Chaplains	31	-	-	-	31	33
	<u>337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337</u>	<u>287</u>
<b>Training &amp; ministry development</b>						
<b>Ordained ministry:-</b>						
Ordinands	324	-	61	-	385	446
Curates	14	-	-	-	14	10
Ministry development	20	-	-	-	20	41
Lay training	18	-	-	-	18	19
Northern Mission Centre	129	-	-	-	129	128
	<u>505</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>566</u>	<u>644</u>
<b>Restore (Cumbria)</b>	<u>-</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>35</u>	<u>78</u>
<b>God For All strategy</b>						
Support for local churches	4	54	299	-	357	62
Reach Team	252	-	-	-	252	260
Pioneering ministries	275	-	-	-	275	265
	<u>531</u>	<u>54</u>	<u>299</u>	<u>-</u>	<u>884</u>	<u>587</u>
<b>Care for church buildings</b>	<u>78</u>	<u>-</u>	<u>129</u>	<u>-</u>	<u>207</u>	<u>116</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

8. RESOURCING MISSION AND MINISTRY (continued)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
<b>Ministry support</b>						
National Church	270	-	-	-	270	257
Diocesan Church	600	-	-	-	600	640
Partnerships	19	-	-	-	19	19
Retired clergy	-	-	45	-	45	79
	<u>889</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>934</u>	<u>995</u>
<b>Total support for ministry</b>	<u>2,340</u>	<u>89</u>	<u>534</u>	<u>-</u>	<u>2,963</u>	<u>2,707</u>
<b>Total Company resourcing mission &amp; ministry</b>	<u>6,745</u>	<u>125</u>	<u>800</u>	<u>-</u>	<u>7,670</u>	<u>7,376</u>
<b>Training &amp; ministry development –</b>						
Ministry development	-	321	-	-	321	237
<b>Total Group resourcing mission &amp; ministry</b>	<u>6,745</u>	<u>446</u>	<u>800</u>	<u>-</u>	<u>7,991</u>	<u>7,613</u>

9. EDUCATION

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Support for church schools	325	-	51	-	376	310
	<u>325</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>376</u>	<u>310</u>

10. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Deficit on fixed assets	-	-	-	299	299	12
<b>Company total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299</u>	<u>299</u>	<u>12</u>
Deficit on fixed assets	-	2	-	-	2	-
<b>Consolidated total</b>	<u>-</u>	<u>2</u>	<u>-</u>	<u>299</u>	<u>301</u>	<u>12</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

11. ANALYSIS OF CONTRIBUTIONS TO ARCHBISHOPS' COUNCIL

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
National Church	124	-	-	-	124	130
Grants & provisions	22	-	-	-	22	18
Mission Agency pensions	7	-	-	-	7	9
Retired clergy housing	84	-	-	-	84	80
	<u>237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237</u>	<u>237</u>

12. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken	Grant Funding of Activities	Support Costs	Total costs	
	Directly £'000	£'000	£'000	2023 £'000	2022 £'000
Raising funds	98	-	88	186	207
Charitable activities:					
Resourcing Mission & Ministry	6,746	756	489	7,991	7,613
Education	295	-	81	376	310
Rydal Hall	1,363	-	12	1,375	1,445
Other	299	-	-	299	12
	<u>8,801</u>	<u>756</u>	<u>670</u>	<u>10,227</u>	<u>9,587</u>

13. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Finance and administration	299	-	-	-	299	269
Management costs	112	-	-	-	112	107
Human resources	167	-	-	-	167	140
Auditor's remuneration	23	-	-	-	23	19
Governance	69	-	-	-	69	61
	<u>670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670</u>	<u>596</u>

Governance costs include the cost of preparing annual accounts, and the cost of Board meetings, Bishop's Council and Diocesan Synod.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

14. ANALYSIS OF GRANTS MADE

	Grants to Institutions £'000	Grants to Individuals £'000	Total 2023 £'000	Total 2022 £'000
<b>From unrestricted funds:</b>				
Contributions to Archbishops' Council	237	-	237	237
<b>From restricted funds:</b>				
Resourcing ministry and mission:				
Grants to parishes	347	-	347	34
Grants for ordinands	23	65	88	108
Grants to clergy	-	152	152	87
Grants to retired clergy	-	43	43	76
	<u>607</u>	<u>260</u>	<u>867</u>	<u>542</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

15. RYDAL HALL

Rydal Hall Ltd is a wholly owned subsidiary company incorporated in England. On 21 December 2017 it became a registered charity. It is the sole owner of a trading company, Rydal Hall Trading Ltd. Its principal activity is the operation of the Carlisle Diocesan Retreat House and Conference Centre at Rydal Hall, Ambleside. Rydal Hall is owned by the Carlisle DBF and leased to the subsidiary. Any taxable profits made by the subsidiary are donated to the DBF. Audited accounts are filed annually with Companies House. A summary of the consolidated trading results of Rydal Hall Ltd and its subsidiary is shown below.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Turnover	-	1,280	12	-	1,292	1,270
Other operating income	-	-	-	-	-	-
Government Grants	-	-	-	-	-	8
	-	1,280	12	-	1,292	1,278
Interest receivable	-	6	-	-	6	3
<b>Total income</b>	-	1,286	12	-	1,298	1,281
Cost of sales	-	208	-	-	208	223
Administrative expenses	-	1,143	12	-	1,155	1,237
<b>Total expenditure</b>	-	1,351	12	-	1,363	1,460
<b>Profit / (loss) on ordinary activities before tax</b>	-	(65)	-	-	(65)	(179)
Taxation	-	-	-	-	-	-
<b>Profit / (loss) on ordinary activities after tax</b>	-	(65)	-	-	(65)	(179)
Retained profits b/f	-	(245)	-	-	(245)	(66)
<b>Retained profits c/f</b>	-	(310)	-	-	(310)	(245)
Other reserves	-	269	-	-	269	269
<b>Total funds carried forward</b>	-	(41)	-	-	(41)	24
Fixed assets	-	142	-	-	142	86
Net current assets / (liabilities)	-	(183)	-	-	(183)	(62)
<b>Net assets</b>	-	(41)	-	-	(41)	24

Included in income is a grant of £40,000 (2022: £Nil) from the DBF to Rydal Hall Ltd.

Included in administrative costs above are payments to the DBF of £nil (2022: £45,000) rent and a management charge of £nil (2022: £8,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

16. RYDAL HYDRO LIMITED

Carlisle DBF owns a 50% share of Rydal Hydro Limited as a joint venture after investing £700,000 in the issued share capital of the company. Rydal Hydro Limited was incorporated in England on 26<sup>th</sup> February 2014 in order to construct a hydroelectric plant on Rydal Beck in the grounds of Rydal Hall to generate renewable electricity. The DBF's share of the results and net assets of Rydal Hydro Limited are shown below.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2023 £'000	2022 £'000
Turnover	309	-	-	-	309	245
Cost of sales	(16)	-	-	-	(16)	(31)
Gross profit	293	-	-	-	293	214
Administrative expenses	(95)	-	-	-	(95)	(79)
<b>Operating profit</b>	198	-	-	-	198	135
Interest receivable	1	-	-	-	1	-
<b>Profit/(Loss) on ordinary activities before tax</b>	199	-	-	-	199	135
Taxation	(48)	-	-	-	(48)	(51)
<b>Profit/(loss) for the year</b>	151	-	-	-	151	84
Retained profits b/f	128	-	-	-	128	163
Dividends paid	(175)	-	-	-	(175)	(119)
<b>Retained profits c/f</b>	104	-	-	-	104	128
Called up share capital	7	-	-	-	7	7
Share premium account	693	-	-	-	693	693
<b>Total funds carried forward</b>	804	-	-	-	804	828
Fixed assets	841	-	-	-	841	861
Net current assets	65	-	-	-	65	68
Creditors falling due after more than one year	(102)	-	-	-	(102)	(101)
<b>Net assets</b>	804	-	-	-	804	828

Company Number 08912230

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

**17. RESTORE (CUMBRIA)**

Restore (Cumbria) had historically been a dormant company. On 1 July 2020, the staff, net assets and activities of the Diocese's OPSHOPS network of charity shops and ministry were transferred to Restore (Cumbria), a subsidiary charity of the Carlisle DBF.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	2023 £'000	2022 £'000
	General £'000	Designated £'000				
Income from:						
Turnover	-	305	-	-	305	268
Grants and Donations	-	2	55	-	57	124
Government Grants	-	-	-	-	-	-
<b>Total income</b>	-	307	55	-	362	392
Resources expended:						
Costs of Sales	-	-	-	-	-	1
Administrative Expenses	-	314	37	-	351	312
<b>Total resources expended</b>	-	314	37	-	351	313
<b>Net income for the year</b>	-	(7)	18	-	11	79
Retained funds b/f	-	59	34	-	93	14
<b>Retained funds c/f</b>	-	52	52	-	104	93
Fixed assets	-	19	-	-	19	27
Net current assets	-	33	52	-	85	66
Creditors falling due after more than one year	-	-	-	-	-	-
<b>Net assets</b>	-	52	52	-	104	93

Included in grants and donations above is a grant from Carlisle DBF of £35,000 (2022: £85,000).

The above-named charity – Restore (Cumbria) - is entitled to and is using an audit exemption under Section 479A of the Companies Act 2006 ("The Act"). The members have not required the charity to obtain an audit for the year in question in accordance with Section 476 of the Act.

In accordance with Section 479C of the UK Companies Act 2006, the charity - Carlisle DBF - has irrevocably guaranteed the liabilities of its above-named subsidiary in respect of the financial year ended 31 December 2023.

Company Number 08146662    Charity Number 1187078

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

**18. TAXATION**

Carlisle DBF is a registered charity and has no liability to corporation tax.

**19. STAFF COSTS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Employee costs during the year were as follows:		
Wages and salaries	2,476	2,234
National insurance contributions	220	200
Employer's contributions to pension schemes	325	310
	<u>3,021</u>	<u>2,744</u>

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

	<b>Number</b>	<b>Number</b>
Resourcing ministry and mission	50	48
Education	4	4
Restore	10	10
Cumbria Christian Learning	-	-
Rydal Hall	36	37
	<u>100</u>	<u>99</u>

Of these posts, 15 were externally funded through grants received from the Archbishop's Council and other mission partners.

The average number of persons employed by the group during the year based on full-time equivalents:

	<b>Number</b>	<b>Number</b>
Resourcing ministry and mission	39	41
Education	4	4
Opshops	10	8
Rydal Hall	30	28
	<u>83</u>	<u>81</u>

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

	<b>Number</b>	<b>Number</b>
£60,000 - £70,000	1	1
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
	<u>2</u>	<u>2</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**20. COSTS OF STIPENDIARY CLERGY**

Carlisle DBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The DBF 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 stipends of the Diocesan Bishop and Suffragan Bishop, funded by the Church Commissioners, are in the range £55,000 - £60,000 (2022 range £55,000 - £60,000). The annual rate of stipend, funded by Carlisle DBF, paid to Archdeacons in 2023 was £39,696 (2022 - £37,890). The Diocesan standard stipend for 2023 was £29,056 (2022 - £27,732).

Carlisle DBF paid an average of 74 (2022 – 78) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese and the costs were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Stipends	2,237	2,240
National insurance contributions and apprenticeship levy	182	192
Employer's contributions to defined benefit pension schemes:		
Current year	545	683
Deficit reduction	-	87
	<u>2,964</u>	<u>3,202</u>

**21. REMUNERATION OF TRUSTEES AND OTHER KEY MANAGEMENT PERSONNEL**

**Trustees' emoluments**

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £23,000 (2022 - £28,000) in respect of General Synod duties, duties as archdeacon and other duties as Trustees.

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

	<b>Stipend</b>	<b>Housing</b>
The Right Revd James Newcome	Yes	Yes
The Venerable Dr R Pratt	Yes	Yes
The Venerable V Ross	Yes	Yes
The Venerable S J Fyfe	Yes	Yes

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

Diocesan Secretary and Company Secretary  
 Director of Education  
 Head of Finance

Remuneration, pensions and expenses for these 3 employees (2022: 4) amounted to £288,000 (2022: £255,000).

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

22. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
From Barchester Fund for Educational support	154	-	(154)	-
Transfer from Pastoral a/c for housing costs	219	-	(219)	-
Parsonage Houses Fund to Pastoral Account	-	-	269	(269)
From General Fund to Net Zero Property Fund	(250)	250	-	-
From General Fund to Sustainability Fund	(320)	320	-	-
<b>Net transfers between funds</b>	<b>(197)</b>	<b>570</b>	<b>(104)</b>	<b>(269)</b>

23. TANGIBLE FIXED ASSETS

Consolidated	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2023	8,105	32,852	136	256	41,349
Additions	758	-	13	88	859
Transfers	-	-	-	-	-
Disposals	(172)	(480)	(62)	(53)	(767)
Revaluations	-	-	-	-	-
<b>At 31<sup>st</sup> December 2023</b>	<b>8,691</b>	<b>32,372</b>	<b>87</b>	<b>291</b>	<b>41,441</b>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2023	-	-	94	170	264
Disposals	-	-	(60)	(53)	(113)
Depreciation for the year	-	-	9	40	49
<b>At 31<sup>st</sup> December 2023</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>157</b>	<b>200</b>
<b>Net Book Value:</b>					
<b>At 31<sup>st</sup> December 2023</b>	<b>8,691</b>	<b>32,372</b>	<b>44</b>	<b>134</b>	<b>41,241</b>
<b>At 31<sup>st</sup> December 2022</b>	<b>8,105</b>	<b>32,852</b>	<b>42</b>	<b>86</b>	<b>41,085</b>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

23. TANGIBLE FIXED ASSETS (continued)

Company	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2023	8,105	32,852	-	128	41,085
Additions	758	-	-	-	758
Transfers	-	-	-	-	-
Disposals	(172)	(480)	-	(37)	(689)
Revaluations	-	-	-	-	-
<b>At 31<sup>st</sup> December 2023</b>	<u>8,691</u>	<u>32,372</u>	<u>-</u>	<u>91</u>	<u>41,154</u>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2023	-	-	-	105	105
Disposals	-	-	-	(37)	(37)
Depreciation for the year	-	-	-	7	7
<b>At 31<sup>st</sup> December 2023</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75</u>	<u>75</u>
<b>Net Book Value:</b>					
<b>At 31<sup>st</sup> December 2023</b>	<u>8,691</u>	<u>32,372</u>	<u>-</u>	<u>16</u>	<u>41,079</u>
<b>At 31<sup>st</sup> December 2022</b>	<u>8,105</u>	<u>32,852</u>	<u>-</u>	<u>23</u>	<u>40,980</u>

All of the properties in the balance sheet are freehold and are vested in Carlisle DBF, except for benefice houses which are vested in the incumbent. Land and buildings at 31 December 2023 are valued at fair value as deemed cost as at 1st January 2014 or subsequent cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

## 24. INVESTMENTS

### FIXED ASSET INVESTMENTS

Consolidated and Company	Value at 1 <sup>st</sup> January 2023 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	Value at 31 <sup>st</sup> December 2023 £'000
<b>Unrestricted Funds</b>						
Investment in joint ventures	879	-	-	-	(75)	804
CBF Investment Fund	1,011	-	-	-	95	1,106
	<u>1,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>1,910</u>
<b>Designated Funds</b>						
CBF Investment Fund	1,894	-	-	-	178	2,072
	<u>1,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178</u>	<u>2,072</u>
<b>Restricted Funds</b>						
Investment properties	2,455	-	-	-	-	2,455
CBF Property Fund	3,830	-	-	-	(235)	3,595
CBF Investment Fund	8,279	-	-	-	777	9,056
	<u>14,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542</u>	<u>15,106</u>
<b>Endowment Funds</b>						
Investment properties	9,685	-	(2,245)	-	-	7,440
Hydroelectric Schemes	876	-	-	-	(78)	798
CBF Property Fund	2,012	475	-	-	(147)	2,340
CBF Investment Fund	11,073	-	-	-	1,043	12,116
	<u>23,646</u>	<u>475</u>	<u>(2,245)</u>	<u>-</u>	<u>818</u>	<u>22,694</u>
<b>Total</b>	<u>41,994</u>	<u>475</u>	<u>(2,245)</u>	<u>-</u>	<u>1,558</u>	<u>41,782</u>
<b>Total Historical Cost</b>	<u>21,565</u>	<u>475</u>	<u>(828)</u>	<u>-</u>	<u>(95)</u>	<u>21,117</u>

### SOCIAL INVESTMENTS

Consolidated and Company	Value at 1 <sup>st</sup> January 2023 £'000	New loans £'000	Repaid £'000	Transfers £'000	Adjustment on settlement £'000	Value at 31 <sup>st</sup> December 2023 £'000
<b>Unrestricted Funds</b>						
Loans to parishes	20	1	(18)	-	-	3
Loan to Emmanuel College	10	-	-	-	-	10
	<u>30</u>	<u>1</u>	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>13</u>
<b>TOTAL INVESTMENTS</b>						
<b>Total Consolidated Investments</b>	<u>42,024</u>	<u>476</u>	<u>(2,263)</u>	<u>-</u>	<u>1,558</u>	<u>41,795</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

**24. INVESTMENTS (continued)**

The social investments of Carlisle DBF consist of concessionary loans made to parishes and Emmanuel College, for charitable purposes.

All the investments relate to the Company. The Company also has an investment – book value £nil (2022 £nil)– original cost £250,100 (2022: £250,100) in Rydal Hall Limited.

**25. DEBTORS**

	Consolidated		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Due within one year</b>				
<b>Unrestricted funds</b>				
Trade debtors	82	58	82	58
Inter fund balances	1,860	1,804	1,860	1,804
Other debtors	82	84	82	84
	<u>2,024</u>	<u>1,946</u>	<u>2,024</u>	<u>1,946</u>
<b>Designated funds</b>				
Trade debtors	-	4	-	-
Inter fund balances	759	350	759	350
Other debtors	32	53	-	-
	<u>791</u>	<u>407</u>	<u>759</u>	<u>350</u>
<b>Restricted funds</b>				
School debtors	457	748	457	748
Inter fund balances	354	674	354	674
	<u>811</u>	<u>1,422</u>	<u>811</u>	<u>1,422</u>
<b>Endowment Funds</b>				
Inter fund balances	394	6	394	6
Other Debtors	442	-	442	-
	<u>836</u>	<u>6</u>	<u>836</u>	<u>6</u>
<b>Total debtors due within one year</b>	<u>4,462</u>	<u>3,781</u>	<u>4,430</u>	<u>3,724</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

26. DEPOSITS

	Consolidated		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Unrestricted funds</b>				
CBF Deposit Funds	305	39	305	39
<b>Designated funds</b>				
CBF Deposit Funds	186	222	89	30
<b>Restricted funds</b>				
CBF Deposit Funds	2,024	1,454	2,024	1,454
Deposits with Church Commissioners	220	73	220	73
	2,244	1,527	2,244	1,527
<b>Endowment funds</b>				
CBF Deposit Funds	902	123	902	123
<b>Total deposits</b>	<b>3,637</b>	<b>1,911</b>	<b>3,540</b>	<b>1,719</b>

27. CREDITORS: amounts falling due within one year

	Consolidated		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Unrestricted funds</b>				
Sundry creditors and accruals	1,033	1,263	1,033	1,263
Inter fund balances	1,506	1,030	1,506	1,030
Loan repayment instalments:				
Central Board of Finance	100	100	100	100
Cumberland Building Society	-	50	-	50
	2,639	2,443	2,639	2,443
<b>Designated funds</b>				
Trade creditors	20	28	-	-
Sundry creditors and accruals	187	237	-	-
	207	265	-	-
<b>Restricted funds</b>				
Inter fund balances	1,801	1,143	1,801	1,143
Sundry creditors and accruals	1,587	1,756	1,587	1,756
	3,388	2,899	3,388	2,899
<b>Endowment funds</b>				
Inter fund balances	59	661	59	661
	59	661	59	661
<b>Total creditors falling due within one year</b>	<b>6,293</b>	<b>6,268</b>	<b>6,086</b>	<b>6,003</b>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

27. CREDITORS: amounts falling due within one year (Continued)

Within unrestricted sundry creditors and accruals, there is £444,820 (2022 - £404,771) deferred income. The one material balance of £330,000 has been deferred as proceeds from the sale of a school building require government approval before they can be retained by the charity.

28. CREDITORS: amounts falling due after more than one year

	Consolidated		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Unrestricted funds				
Loan repayment instalments:				
Central Board of Finance	-	100	-	100
	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
<b>Total creditors falling due after one year</b>	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>

£1 million was borrowed from the Central Board of Finance Deposit Fund Diocesan Loan Scheme in 2014 in order to finance the investment in Rydal Hydro Limited. It is repayable in equal annual instalments of £100,000 over ten years with interest charged at 0.55% above the CBF Deposit Fund rate (currently 5.80%).

The loan from the Cumberland Building Society (note 27 & 28) was held on behalf of parishes. The loan was a rolling facility with up to £500,000 available. Interest was charged at 1.99% below the Society's commercial variable base rate. The loan was secured on Rydal Hall and was due for renewal in December 2023. The loan was repaid in full in 2023 and the charge on Rydal Hall was released.

The maturity of the loans is analysed as follows:

	2023 £'000	2022 £'000
Between one and two years	-	100
Between two and five years	-	-
In five years or more	-	-
	<u>-</u>	<u>100</u>
	<u>-</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

29. SUMMARY OF FUND MOVEMENTS

Unrestricted Funds – 2023

	Balance at 1 <sup>st</sup> January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2023 £'000
<b>General funds</b>						
Realised reserve	1,655	7,362	(7,256)	(197)	-	1,564
Revaluation reserve	511	-	-	-	20	531
	<u>2,166</u>	<u>7,362</u>	<u>(7,256)</u>	<u>(197)</u>	<u>20</u>	<u>2,095</u>
<b>Designated Funds</b>						
Diocesan Growth Fund	1,973	64	(54)	-	178	2,161
Resources Centre	1	-	-	-	-	1
Rydal Hall	100	-	(40)	150	-	210
Sustainability Fund	199	-	(35)	145	-	309
Net Zero Property Fund	-	-	(36)	250	-	214
Restore	-	-	-	25	-	25
<b>Total Company Designated</b>	<u>2,273</u>	<u>64</u>	<u>(165)</u>	<u>570</u>	<u>178</u>	<u>2,920</u>
Restore (Cumbria)	93	327	(320)	-	-	100
Rydal Hall Limited	24	1,259	(1,324)	-	-	(41)
<b>Total Group Designated Funds</b>	<u>2,390</u>	<u>1,650</u>	<u>(1,809)</u>	<u>570</u>	<u>178</u>	<u>2,979</u>
<b>Total Group Unrestricted Funds</b>	<u>4,556</u>	<u>9,012</u>	<u>(9,065)</u>	<u>373</u>	<u>198</u>	<u>5,074</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Unrestricted Funds – 2022

	Balance at 1 <sup>st</sup> January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2022 £'000
<b>General funds</b>						
Realised reserve	1,680	7,101	(7,394)	215	53	1,655
Revaluation reserve	600	-	-	-	(89)	511
	<u>2,280</u>	<u>7,101</u>	<u>(7,394)</u>	<u>215</u>	<u>(36)</u>	<u>2,166</u>
<b>Designated Funds</b>						
Diocesan Growth Fund	2,196	60	(36)	3	(250)	1,973
Resources Centre	1	-	-	-	-	1
Rydal Hall	-	-	-	100	-	100
Sustainability Fund	275	-	(76)	-	-	199
Restore	77	-	(77)	-	-	-
	<u>2,549</u>	<u>60</u>	<u>(189)</u>	<u>103</u>	<u>(250)</u>	<u>2,273</u>
Cumbria Christian Learning	-	-	-	-	-	-
Restore (Cumbria)	15	315	(237)	-	-	93
Rydal Hall Limited	203	1,281	(1,407)	(53)	-	24
	<u>2,767</u>	<u>1,656</u>	<u>(1,833)</u>	<u>50</u>	<u>(250)</u>	<u>2,390</u>
<b>Total Group Designated Funds</b>	<u>2,767</u>	<u>1,656</u>	<u>(1,833)</u>	<u>50</u>	<u>(250)</u>	<u>2,390</u>
<b>Total Group Unrestricted Funds</b>	<u>5,047</u>	<u>8,757</u>	<u>(9,227)</u>	<u>265</u>	<u>(286)</u>	<u>4,556</u>

The Diocesan Growth Fund was created from a legacy from the late Miss A F Hope. It has been supplemented from the Mission Development grants from the Church Commissioners and transfers from General Funds. The Fund is used to support the establishment of youth congregations and help parishes and deaneries initiate new work designed to achieve church growth.

The Rydal Hall Fund represents the balance of Carlisle DBF's investment in the subsidiary company, Rydal Hall Limited.

The Net Zero Property Fund has been created in 2023, to build a fund to help finance the work required to reduce the carbon emissions in property owned by the DBF, in line with the Church of England's '2030 Net Zero' target.

The Restore (Cumbria) Fund represents the investment in the network of local shops through which this subsidiary charity, and local churches, provide community support and outreach for the local communities.

The Sustainability Fund was created to build a fund towards the expenditure likely to be required in future years to fund changes to bring about more sustainable models of mission and ministry across the Diocese.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

Restricted Income Funds - 2023

	Balance at 1 <sup>st</sup> January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2023 £'000
Barchester Fund	7,240	241	(63)	(154)	351	7,615
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	6,334	369	(193)	48	114	6,672
Diocesan Houses Fund	8,065	16	-	-	-	8,081
Parish Property Fund	417	14	(64)	2	44	413
Retired Clergy & Dependants Income Fund	(8)	59	(45)	-	-	6
Church Commissioners Funds	229	217	(436)	-	-	10
Other Restricted Income Funds	452	86	(62)	-	33	509
<b>Total Group Restricted Income Funds</b>	<b>22,789</b>	<b>1,002</b>	<b>(863)</b>	<b>(104)</b>	<b>542</b>	<b>23,366</b>

Restricted Income Funds - 2022

	Balance at 1 <sup>st</sup> January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2022 £'000
Barchester Fund	7,821	252	(40)	(209)	(584)	7,240
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	5,786	271	(56)	1,103	(770)	6,334
Diocesan Houses Fund	8,736	340	(12)	(1,041)	42	8,065
Parish Property Fund	463	13	-	-	(59)	417
Retired Clergy & Dependants Income Fund	11	59	(78)	-	-	(8)
Sundry Appeal Funds	-	296	(67)	-	-	229
Other Restricted Income Funds	461	146	(107)	(4)	(44)	452
<b>Total Group Restricted Income Funds</b>	<b>23,338</b>	<b>1,377</b>	<b>(360)</b>	<b>(151)</b>	<b>(1,415)</b>	<b>22,789</b>

The Barchester Fund comprises closed schools and school houses and their sale proceeds. These are held by the DBF and administered by the Diocesan Board of Education to support religious education and the work of Church schools in the Diocese. School Funds, of which Carlisle DBF is Custodian Trustee, are not included within the Barchester Fund as the DBF receives no benefit from these funds.

The Stipends Income Fund is governed by the Diocesan Stipends Measure 1953, as subsequently amended, and is used to augment the clergy stipends. Its income comes from glebe and other Stipends Capital Account investments, assigned fees and the Church Commissioners. The income is included in the DBF's General Funds in accordance with the stated accounting policy where it contributes towards the total cost of stipends which are paid from General Funds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

The Diocesan Pastoral Account receives the sale proceeds of Churches and Parsonages which have become redundant under pastoral reorganisation. Its uses are governed by Section 94 of the Pastoral Measure 2011, and include grants and loans for Parsonage and Church provision, restoration, improvement or repair and other purposes of the Diocese or any benefice or parish. The reserves are represented by investments with the Central Board of Finance and by loans to parishes. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Diocesan Houses Fund consists of those properties in the legal ownership of Carlisle DBF (as distinct from benefice houses) other than investment properties. The purchase of such properties is funded primarily from the Pastoral Account.

The Parish Property Fund (formerly Diocesan Loan Fund) is used to provide loans and grants to parishes for improvements and repairs to churches and other parish property.

The Church Commissioners Funds relate to grant funding from the National Church, restricted for specific projects.

**Endowment Funds - 2023**

	Balance at 1 <sup>st</sup> January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2023 £'000
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	21,611	94	(59)	-	714	22,360
Education	41	-	-	-	4	45
PWM World Mission	64	-	-	-	6	70
Readers Board	2	-	-	-	-	2
General	126	-	-	-	(8)	118
	<u>21,844</u>	<u>94</u>	<u>(59)</u>	<u>-</u>	<u>716</u>	<u>22,595</u>
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	32,943	433	(240)	(269)	-	32,867
Retired Clergy & Dependants Fund	1,324	-	-	-	104	1,428
	<u>34,267</u>	<u>433</u>	<u>(240)</u>	<u>(269)</u>	<u>104</u>	<u>34,295</u>
<b>Total Group Endowment Funds</b>	<u>56,111</u>	<u>527</u>	<u>(299)</u>	<u>(269)</u>	<u>820</u>	<u>56,890</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

Endowment Funds - 2022						
	Balance at 1 <sup>st</sup> January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2022 £'000
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	22,800	186	-	148	(1,523)	21,611
Education	47	-	-	-	(6)	41
PWM World Mission	73	-	-	-	(9)	64
Readers Board	2	-	-	-	-	2
General	143	-	-	-	(17)	126
	<u>23,065</u>	<u>186</u>	<u>-</u>	<u>148</u>	<u>(1,555)</u>	<u>21,844</u>
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	33,177	28	-	(262)	-	32,943
Retired Clergy & Dependants Fund	1,478	-	-	-	(154)	1,324
	<u>34,655</u>	<u>28</u>	<u>-</u>	<u>(262)</u>	<u>(154)</u>	<u>34,267</u>
<b>Total Group Endowment Funds</b>	<u>57,720</u>	<u>214</u>	<u>-</u>	<u>(114)</u>	<u>(1,709)</u>	<u>56,111</u>

The Permanent Endowment Funds are held where the DBF has no power to convert the capital into income. The capital is invested and the income used for the purposes as indicated.

The Diocesan Stipends Fund Capital Account is governed by Section 38 of the Church Property Measure 2018. It consists of investments with the Central Board of Finance and glebe properties and is held to produce income for clergy stipends. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Parsonages Houses Fund represents those houses which are benefice property, vested in the incumbents. Carlisle DBF nevertheless has financial responsibility for parsonages and they have been included in the Balance Sheet valued at deemed cost based on valuations at 31 December 2013.

The Retired Clergy and Dependants Fund provides for the relief of poverty by assisting retired clergy, licensed lay workers or deserted spouses of clergy who reside or served in the Diocese, and their dependants.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 30. SUMMARY OF ASSETS BY FUND

Company	Fixed Assets		Net Current Assets £'000	Liabilities after 1 year £'000	Net Assets 2023 £'000	Net Assets 2022 £'000
	Tangible £'000	Investments £'000				
<b>Unrestricted Funds</b>						
General Funds	16	1,923	156	-	2,095	2,166
<b>Designated Funds</b>						
Diocesan Growth Fund	-	2,072	89	-	2,161	1,973
Resources Centre	-	-	1	-	1	1
Rydal Hall	-	-	210	-	210	100
Sustainability Fund	-	-	309	-	309	199
Net Zero Property Fund	-	-	214	-	214	-
Restore	-	-	25	-	25	-
	-	2,072	848	-	2,920	2,273
<b>Restricted Funds</b>						
Barchester Fund	-	7,411	204	-	7,615	7,240
Stipends Income Fund	-	-	60	-	60	60
Pastoral Account	-	6,033	639	-	6,672	6,334
Diocesan Houses Fund	8,546	750	(1,215)	-	8,081	8,065
Parish Property Fund	-	507	(94)	-	413	417
Retired Clergy Income	-	23	(17)	-	6	(8)
Church Commissioners	-	-	10	-	10	229
Other Funds	-	382	127	-	509	452
	8,546	15,106	(286)	-	23,366	22,789
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	-	21,191	1,169	-	22,360	21,611
Education	-	45	-	-	45	41
PWM World Mission	-	70	-	-	70	64
Readers Board	-	2	-	-	2	2
General	-	118	-	-	118	126
	-	21,426	1,169	-	22,595	21,844
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	32,372	-	495	-	32,867	32,943
Retired Clergy & Dependants Fund	145	1,268	15	-	1,428	1,324
	32,517	1,268	510	-	34,295	34,267
<b>Total Endowment Funds</b>	32,517	22,694	1,679	-	56,890	56,111
<b>Total Company Funds</b>	41,079	41,795	2,397	-	85,271	83,339
<b>Unrestricted Funds</b>						
Restore	20	-	80	-	100	93
Rydal Hall Ltd	142	-	(183)	-	(41)	24
<b>Total Consolidated Funds</b>	41,241	41,795	2,294	-	85,330	83,456

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2023

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**31. PENSIONS**

The DBF 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 DBF 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 DBF 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 FRS102 requires the DBF 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 DBF. 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.

At the end of the year the DBF was paying contributions for 84 members of the scheme out of a total membership of approximately 8,500 active members. Each participating employer in the scheme pays contributions at a common contribution rate applied to the previous year's National Minimum Stipend. As this is a multi-employer scheme and it is not possible to attribute the scheme's assets and liabilities to specific employers, the scheme pension costs are accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year plus the impact of any deficit contributions (see below).

The most recent scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560 million, based on assets of £2,720 million and a funding target of £2,160 million, assessed using the following assumptions:

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

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

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

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

**A reconciliation of the balance sheet liability:**

	2023 £'000	2022 £'000
Balance sheet liability as at 1 January	-	148
Deficit contribution paid	-	(87)
Interest cost (recognised in the SOFA)	-	-
Re-measurement of the balance sheet liability	-	(61)
	<u>-</u>	<u>-</u>
Balance sheet liability as at 31 December	<u>-</u>	<u>-</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 going forward. No price inflation assumption was needed for December 2022 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2023	December 2022	December 2021
Discount Rate	n/a	n/a	0.0% pa
Price Inflation	n/a	n/a	n/a
Increase to total pensionable salary	n/a	- n/a	-1.5% pa

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

NOTES TO THE FINANCIAL STATEMENTS

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**Church Workers Pension Fund – Defined Benefits Scheme**

The Defined Benefits Scheme (“DBS”) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2023, the DBF has 1 active member, 13 deferred and 31 pensioner members in the scheme.

It is not possible to attribute the scheme’s assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. In such cases FRS102 requires the scheme pension costs to be accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year (£43,000 over 2023 compared to £49,000 over 2022) plus the impact of any deficit contributions (see below).

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers’ sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool. If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers’ sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2022. The overall surplus in the DBS was £73.6m.

Following the valuation, the DBF has entered into an agreement with the Church Workers Pension Fund to a contribution rate of 37.9% of pensionable salaries.

	2023	2022
	£’000	£’000
Balance sheet liability as at 1 January	-	-
Contributions paid	-	-
Interest cost (recognised in the SOFA)	-	-
Re-measurement of the balance sheet liability	-	-
	<u>          </u>	<u>          </u>
Balance sheet liability as at 31 December	<u>          </u>	<u>          </u>

A consultation is currently underway with a view to employers (mainly Diocesan Boards of Finance) to discontinue this pension scheme with a buy-out and active members having their pension provision changed. This is likely to result in some level of surplus being released that could fund a pensions contribution holiday in the future, but values are unknown until the consultation is completed and any buy-out finalised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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**32. CAPITAL COMMITMENTS**

Group expenditure contracted for but not provided on the financial statements was £12,000 (Charity: £nil) (2022: £25,000 - Charity £nil).

**33. RELATED PARTY TRANSACTIONS**

Details of transactions with the main related parties of Carlisle DBF are given in the appropriate notes to the financial statements.

**Archbishops' Council and the Church Commissioners**

As detailed in note 2 Carlisle DBF received grants from the Archbishops' Council totalling £1,235,000 (2022: £1,366,000). £49,000 (2022: £35,000) was received from the Church Commissioners for rent of the Bishop's House. Payments were made to the Archbishops' Council for contributions to the National Church and for training of Ordinands totalling £514,000 (2022: £527,000). Payments of £2,486,000 (2022: £2,432,000) were made to the Church Commissioners for clergy stipends and the Church of England Pensions Board was paid £545,000 (2022: £770,000) for clergy pensions. £52,000 (2022: £61,000) of clergy pensions was outstanding at the year end. Further payments were made to the Pensions Board for lay pensions of £320,000 (2022: £297,000). The balance due to the Pensions Board at the year-end for December's contributions was £21,000 (2022: £29,000).

**Rydal Hall Ltd (see note 15)**

During the year Carlisle DBF invoiced Rydal Hall Ltd £nil (2022: £45,000) for rent and £nil (2022: £8,000) for management services. Carlisle DBF made grants of £43,000 to Rydal Hall Ltd in 2022 (£nil) in support of new accommodation investment and its solar panel project.

At the year-end Rydal Hall Ltd owed £175,000 (2022: £137,000) for outstanding staff salaries and expenses.

**Rydal Hydro Ltd (see note 16)**

Rent of £24,000 (2022: £36,000) and dividends of £175,000 (2022: £119,000) were received from Rydal Hydro Ltd.

**Scandale Hydro Ltd**

Dividends of £187,000 (2022: £135,000) were received from Scandale Hydro Ltd, of which Carlisle DBF owns one-third of the shares.

**Cumbria Christian Learning Limited**

Cumbria Christian Learning has been dormant since 1 January 2022 and no transactions occurred nor year-end balances existed at 31 December 2022 or 2021.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2023

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**33. RELATED PARTY TRANSACTIONS (continued)**

**Restore (Cumbria) – (see note 17)**

On 1 July 2020, the activities and net asset of OpShops - formerly an activity carried out within the Carlisle DBF - were transferred for a consideration of £nil, into a previously dormant subsidiary charity - now called Restore (Cumbria).

In 2023, grants of £40,000 (2022: 77,000) were made from the Carlisle DBF to Restore.

At the year-end, Restore owed £5,000 (2022: £25,000) to Carlisle DBF for outstanding expenses paid on their behalf.

**DBE Services Ltd**

Carlisle DBF received gift aid distributions from DBE Services (which is jointly owned by the North West Dioceses) totalling £50,000 (2022: £10,000).



**CARLISLE DIOCESAN BOARD OF FINANCE**

England & Wales - Charity number 251977

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# Accounts

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**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**FINANCIAL STATEMENTS**

for the

**YEAR ENDED 31 DECEMBER 2022**



CARLISLE  
DIOCESE

**Company Registration No 39625**

**Registered Charity No 251977**







The Directors, who are also Trustees for the purposes of charity law, present their combined Directors' report, Trustees' report and Strategic report, together with the audited financial statements, for the year ended 31<sup>st</sup> December 2022. The report is separated into the following sections:

1. Legal objects
2. Strategic aims
3. Activities
4. Objectives set for the year
5. Strategic report containing:
  - 5.1. Activities in the year
  - 5.2. Achievements and performance
  - 5.3. Financial review
  - 5.4. Plans for future periods
  - 5.5. Principal risks and uncertainties
6. Structure, governance and management
7. Funds held as custodian trustee for others
8. Reference and administrative details of the Carlisle Diocesan Board of Finance (Carlisle DBF)
9. Auditors

## **1. LEGAL OBJECTS**

### **1.1. Objective**

The principal objective of the Carlisle Diocesan Board of Finance (Carlisle DBF) is to promote and assist the work, objectives and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Carlisle and elsewhere by acting as the financial executive of the Diocese.

Carlisle DBF acts in conjunction with the Church Commissioners, Archbishops' Council, Bishop's Council, Diocesan and Deanery Synods and Parochial Church Councils to support the work of the Church of England, particularly in the Diocese of Carlisle. The major part of Carlisle DBF's activity is to organise and provide funds for the training, housing and stipends of clergy and other ministers within the Diocese of Carlisle and to support the activities of the other Boards, Councils and Committees of the Diocesan Synod.

### **1.2. Statutory Functions**

- Carlisle DBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- Carlisle DBF is custodian trustee in relation to PCC property (see section 7).

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

- The Trustees are aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and have had regard to it in their administration of Carlisle DBF. The Trustees believe that, by promoting the work of the Church of England in the Diocese of Carlisle, 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, and that 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 services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

## 2. STRATEGIC AIMS

Carlisle DBF's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese. Since 2015 Carlisle DBF has sought to allocate its resources in the most effective way to support the strategy "God for All" which is shared by Carlisle Diocese and the Cumbrian Methodist, United Reformed and Salvation Army churches. Since 2019 the strategy has been 'refreshed' for the coming years through a process of listening and consulting, providing new strategic focus in the coming years. The refreshed strategy retains the "God for All" heading which is an umbrella term that encapsulates the Church's offer to everyone in Cumbria of loving service and an opportunity to explore, join and grow in the Christian faith.

In terms of resourcing, the strategy requires the DBF to invest in lay and ordained ministry development, including pioneer ministers; support the mission and organisational structure of some 35 Mission Communities across the Diocese; enable the creation of "Fresh Expressions of Church" such as Network Youth Churches; support Church Schools to be effective and distinctively Christian, and oversee subsidiaries in support of the Mission of the Church, including a Retreat House and Conference Centre at Rydal Hall and local community Resource and Recycling retail centres through "Restore (Cumbria)", as far as may be financially viable.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit in reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Trustees consider the planned activities will contribute to the aims and objectives they have set. The Trustees confirm that public benefit has been provided by the advancement of its objectives

## 3. ACTIVITIES

The key activities may be summarised as:

- Mission and ministry in the local church (includes all clergy training, housing, stipends and pension costs and support for locally-based ministry);
- Education funding (includes support services and capital expenditure support for schools); and
- Provision of a Diocesan Retreat House and Conference Centre;
- Contributions to the Archbishops' Council (mainly by grant) to support the National Church.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

#### 4. OBJECTIVES FOR THE YEAR

As part of Carlisle DBF's overall strategy, and subject to Annual Review, the Trustees have set the following specific objectives for the current and following years:

- To maximise the return from Diocesan asset holdings to support the costs of Diocesan Mission and Ministry, particularly in those areas that cannot fund it themselves, while retaining the overall policy of a balanced budget across the period from 2017 to 2027 inclusive.
- To constrain increases in income needed from parishes in order to allow funds to be spent on mission activity locally.
- To resource Diocesan needs, as determined by Synod and informed by local and National Church institutions.
- To invest in local ministry including greater emphasis on learning and development for lay ministry, everyday-faith, self-supporting ordained ministers in addition to the stipendiary clergy.

#### 5. STRATEGIC REPORT

##### 5.1. Activities in the year

##### 5.1.1. Specific Activities

The activities of the Diocese in 2022 continued to be affected by the aftereffects of the Covid 19 pandemic in spite of stringent efforts to restore fuller functionality and operations.

Specific activities in support of this strategy included:

- Full reimbursement to the Church Commissioners for the direct employment costs of stipendiary clergy, together with the DBF's share of the training costs for Ordinands and curates. The DBF also funded the provision of housing for all stipendiary and house for duty clergy;
- Funding the continued growth in outreach and evangelism throughout the Diocese as a key element of God for All (see above), including further support for the creation and growth of Fresh Expressions of Church, innovative digital outreach and other initiatives.
- Learning and ministry development work to support clergy and laity, by a combination of Diocesan staff, our own Northern Mission Centre, and by the "Emmanuel Training College" for ordination and reader training, serving Dioceses in North West England.
- A focus upon embedding Stewardship principles to increase awareness within Mission Communities of the mutual inter-dependence of them and their individual Parishes with the Diocese's ability to provide necessary and appropriate Ministerial Resource and Support Services, the larger part of which continued to be funded through an efficiently structured system of "Parish Offer" (now to be known as "Ministry Offer"). In 2022 work was undertaken to evolve the Offer in response to the ongoing fall in receipts and the formation of Mission Communities (ecumenical groups of churches who share resources and collaborate in mission and ministry).
- Continued monitoring by the Investment Sub-Committee, reporting to the Finance Committee, of the mix and performance of the Diocese's investment portfolio and its professional advisors, to ensure an appropriately prudent balance of risk and reward generation associated with each class of asset.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

#### **5.1.2. Grant-making (Beneficiary-selection) Policy**

Most of the financial support from the DBF goes to fund the costs of clerical ministry in local churches, along with support services to those churches. The level of support reflects the Diocesan responsibility, as the institutional church in Cumbria, to provide for the 'cure of souls' right across the Diocese.

Specific grants are made to the National Church to cover a proportion of its central costs (see Note 11 to the financial statements). Grants are paid to parishes and to retired clergy and to other charitable projects which appear to the Trustees to support the furtherance of Carlisle DBF's objects (see Note 14 to the financial statements).

#### **5.1.3. Programme Related Investments**

Loans are made to parishes in the Diocese at a preferential rate of interest, to enable them to undertake projects which further the objects of Carlisle DBF including improving and maintaining their buildings (see note 25 to the financial statements).

#### **5.1.4. Volunteers**

The Trustees recognise and are grateful for the enormous contribution that volunteers throughout the Diocese give of their time for the work of the Diocese in many different ways. Retired clergy also give freely of their time. Churchwardens, Parochial Church Council Treasurers, Secretaries and Safeguarding Officers continue to enable the local church to provide mission and ministry to local communities across Cumbria. The success of the ongoing God for All project continues to be conditional upon a substantial growth in self-supporting (volunteer) lay and ordained ministry in the future, with stipendiary clergy roles being increasingly to discern, equip and support those ministers.

### **5.2. Achievements against objectivities**

#### **5.2.1. Achievements in 2022**

The budget for 2022, approved by Diocesan Synod in October 2021, assumed that income from parish offers would decrease from 2021 receipts, and after planned cost adjustments, a break-even outturn could be expected.

In the event, the reduction in Parish Offer of some 0.3% compared to 2021 and some shortfalls in budgeted investment income – a result of delayed land & property sales - was largely offset by

- The deferment of some training and project activities
- Delays in being able to appoint clergy
- Reduced net administrative costs due to enforced home working and use of video-conferencing

This resulted in a small surplus of income over expenditure in the charity general fund of some £75,000, before adjusting for unrealised losses on Investments. The Board of Finance designated £100,000 as part of its commitment to providing capital investment in support of the ministry of Rydal Hall.

This is considered to be a very satisfactory financial achievement, and the hard work, patience, imagination and commitment of so many people, particularly in our local churches, is greatly appreciated by the Trustees.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

Rydal Hall faced another difficult year, incurring a deficit of £179,000.

The Trustees continue to rigorously pursue a programme of rationalisation of its property portfolio, selling surplus parsonages to maximise returns from re-invested capital in support of the costs of the Diocese's Mission and Ministry.

The Trustees fully recognise the challenges faced by parishes to maintain their parish offer giving, and are very aware of, and thankful for, the sacrificial giving throughout the Diocese that makes that possible.

#### **5.2.2. Operational Performance**

The operational performance of Carlisle DBF in 2022 helped to achieve most of the strategic aims set out above. Total expenditure on resourcing ministry and mission amounted to £7,613,000, up from £7,182,000 in 2021. Together with expenditure on education and the Diocesan retreat house at Rydal, the expenditure on charitable activities accounted for 98% of total expenditure.

Expenditure on local clergy (primarily stipends, pension and housing), chaplains and Network Youth Church leaders accounted for 73% of the total group expenditure from general funds. Stipendiary clergy remain the bedrock of local churches' mission and ministry, supporting congregations in over 300 churches and 250 parishes. Their role extends beyond leading worship to enabling, encouraging and overseeing church members to join in the wider mission & ministry of the church as it serves communities right across Cumbria.

Work continued in 2022 to establish new patterns of ministry in Ecumenical Mission Communities. Progress was however slower than planned as a result of the after-effects of the pandemic. The associated reduction in the number of stipendiary clergy (with an increase in self-supporting ministry) is helping to align the cost of local ministry with the Diocese's income. However, the 2022 end year position remained close to the planned long term clergy numbers, so there is limited scope for further cost saving to offset any further falls in income. Some of the backlog of maintenance and improvement of clergy property following Covid was cleared with plans to catch up fully by the end of 2023.

2022 saw the continued implementation of the five year 'Reaching Deeper' project drawing down Strategic Development Funding from the Church Commissioners for investment in new pioneering mission work. Although also affected by the slow recovery from the pandemic which made it hard to engage with local churches and schools, the project made further progress during the year.

Other specific areas of work that have been funded or otherwise supported by the Diocesan Board of Finance in 2022 include:

- Chaplaincies, including those in schools, hospitals, hospices, work places, Restore shops, sports clubs, old people's homes, uniformed organisations, emergency services and the Anna Chaplaincy for older people
- the Northern Mission Centre, providing training, support and inspiration to pioneer ministers across the North of England
- Restore Wellbeing cafes provided by local churches which open spaces of welcome and inclusion in partnership with mental health teams to improve mental and emotional wellbeing
- Healthy Healing Hubs through which churches become places of healing for their whole community
- A Christmas media campaign on radio and social media
- Network Youth Churches for well over a thousand teenagers across Cumbria

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

- EcoChurch awards for the Diocesan Office and churches which commit to actions to safeguard the environment and tackle the climate crisis

Spending on Training & Ministry Development activities was £644,000. This included providing funding for Emmanuel Training College in support of ordination and reader training, contributing £290,000 towards the national costs of ordination training, implementing the Diocesan Vocations Strategy, training stipendiary and non-stipendiary curates, lay ministry development – especially through the first term of the 'Discipleship Project' - and leadership development in Mission Communities. In 2022 further work was undertaken in partnership with the Church Mission Society to grow the Northern Mission Centre, to develop new approaches to training that will enable local clergy and their church congregations to be more effective in mission and outreach to their local communities.

£4,000 in donations and collections from parishes and £56,000 investment income were added to the Diocesan Growth Fund. Out of this, grants were paid to parishes and deaneries totalling £36,000 for a range of projects including youth and children's work, outreach through art and culture and local wellbeing. The balance on the Growth Fund, which is available to support the establishment of network youth church congregations and help parishes and deaneries initiate new work designed to achieve church growth, stood at £1,973,000 at 31<sup>st</sup> December 2022.

The Board for Education spent £286,000 to support education in Cumbria with its support for Church schools. The Good Shepherd Multi Academy Trust, which aims to support the provision of excellent education within a caring and Christian ethos in academies in Cumbria remains of strategic importance as the debate over the academisation of schools continues. It currently includes 12 schools. A debt of gratitude is owed to the diocesan education team, school heads, teachers and support staff for supporting their students so well through the difficult post-Covid 19 period which continued to impact on many aspects of school life.

"Restore (Cumbria)", our wholly owned but independently governed subsidiary company, continued to implement its business plan, designed to achieve a more secure and sustainable long-term future, by providing community support, recycling and re-use services, and Christian ministry in partnership with local churches in Carlisle and Penrith. The company reported a surplus of £78,000 for the year including grant income, and this major Outreach initiative continues to benefit from the hard work of many volunteers.

2022 saw a further modest decrease of £8,000 of income from the Archbishops' Council's Lowest Income Communities Funding which is used to provide ministry in places that could not otherwise afford to fund it. An additional £356,000 was received in 2022 from the Archbishops' Council, being claims for second year of 'SDF' grants in relation to the 'Reaching Deeper' project, and a further £446,000 of funding, to cover ordination training, additional curate support, funding for our Stewardship work, and energy grants mainly for parishes struggling with higher energy costs.

The statutory fees for occasional offices conducted by the Church amounted to £393,000 although still below pre-Covid levels. Rents received from letting parsonages during vacancies remained strong at £345,000 as a result of the Diocese's active approach to renting out properties wherever possible, whilst also pursuing a policy of disposal where future need to retain them is not justified and re-investment returns are potentially better. Overall total charity income increased by 8.1%.

Rydal Hall Ltd is the wholly-owned subsidiary company of Carlisle DBF operating the Diocesan Conference Centre and Retreat House in South Lakeland. It experienced a difficult year, incurring a deficit of £179,000. The hospitality sector in the Lake District remained flat, with a very quiet autumn, and the cost-of-living crisis impacted both consumer spending and Rydal's costs – particularly the cost

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

of food, energy and wages. The General Manager left Rydal during the year, with a permanent replacement only starting in post during March 2023. There are elements of encouragement with growing income in most areas, and many opportunities going forward, both in terms of mission and ministry, and to improve the financial stability going forward. The Board are currently working on an updated five-year plan.

The DBF again supported the Churches Trust for Cumbria through a grant of £22,000, to enable their work to provide external support for the care, conservation and development of church buildings across Cumbria.

#### **5.2.3. Investment Performance**

Investments are held in both restricted and unrestricted funds, managed by CCLA. Performance in 2022 was poor, in line with general market conditions, with the price of the CBF Investment Fund shares decreasing by 11.8%, (2021 increase 14.3%), and the CBF Property Fund shares decreased by 11.7% (2021 increase of 14.3%). Total unrealised losses on investments for the year were £3,505,000, (2021 gains £4,085,000). These losses are notional – they do not alter the number of shares held hence the future income streams for which these shares are held, are unaffected directly by both increases and falls. The two hydroelectric plants within Cumbria in which the DBF has invested continued to perform reasonably well in 2022, despite significant seasonal variations, and they should both provide a strong, long-term income stream for many years to come.

The Bank of England's Base Rate rose to 3.5% during 2022, with the increasing CBF Deposit Fund rate resulting in £30,000 interest income during the year.

Dividends received from the CBF Property Fund and Investment Fund were 6.51p and 61.45p per share respectively in the year, and the declared yields were 4.90% and 2.99% based on the year-end valuations. The total income from CBF Fund dividends for the year rose to £885,000 (2021 £753,000), and investment of receipts from property sale proceeds, was prudently continued.

Efforts continued to obtain planning consent for residential development on low yielding agricultural land holdings on the edge of settlements. A number of such developments have come to market in the year. All sale proceeds from these during 2022 have been invested to generate a sustainable long-term revenue stream to fund the work of the Diocese in the future.

The total return on investment – net receipts and valuation gains on investments as a percentage of the investment valuations at year-end, was -4.9% (2021 11.4%) following a general fall in market values in the year. Average yield (net receipts as a percentage of the investment valuations at year-end) was 3.1% (2021 2.6%).

#### **5.2.4. External Factors Affecting Performance**

There are a number of external factors continuing to affect the performance of Carlisle DBF. The fall over time (in both cash and real terms) in the pre-Covid level of Parish Offers made to Carlisle DBF from parishes is evidence of lower incomes in the parishes, reflecting a decline in church membership and the burden of local costs such as church repairs and energy bills. There is no sign that Parish Offers will recover to pre-pandemic levels despite the resumption of normal patterns of traditional worship in local churches. This emphasises the continuing downwards trend away from time-honoured Church, albeit replaced to some extent by new forms of pioneering (but less cash-generative) outreach and ministry.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

The difficulty in filling vacancies in clergy posts has continued during the year and the Northern Province of the Church of England is reportedly not seen to be attractive to potential applicants. Although this reduces financial pressure in the short term, it represents an operational concern as the leadership and pastoral work of clergy is key in recruiting and developing self-supporting lay and ordained ministry and helping the local church to continue to evolve.

#### **5.3. Financial Review**

##### **5.3.1. Review of the Financial Position**

The Consolidated Statement of Financial Activities (SOFA) for the year shows net incoming resources of £753,000 (2021 £785,000) before net gains on investments and other recognised gains and losses.

After revaluation adjustments, the net decrease in funds amounted to £3,505,000 (2021: increase £4,905,000). Total fund balances are now £83,456,000, of which £78,900,000 (94.5%) is restricted, mainly by ecclesiastical measures, and a further £2,390,000 has been designated for specific use by the Trustees.

Overall there was a net cash outflow for the year of £648,000 (2021: outflow £322,000). Total net current assets decreased by £1,094,000 to £447,000 with those relating to general funds decreasing by £793,000.

#### **Going Concern**

The Trustees are satisfied that Carlisle DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

##### **5.3.2. Reserves Policy**

Due to the anticipated regularity and predictability of its Income and Costs, the Diocese policy has been to hold a level of free reserves equivalent to at least two months expenditure. The Trustees keep the position under review at their bi-monthly meetings and are currently confident that cash flows can be managed to ensure that sufficient free reserves are held to enable Carlisle DBF's normal commitments to be met.

##### **5.3.3. Investment Policies**

Carlisle DBF's power to invest its funds is governed by the Memorandum and Articles of Association. It exercises these powers having due regard to the provisions of the Trustee Act 2000 in so far as it applies to Carlisle DBF as a company.

Carlisle DBF's investment policies, which are reviewed annually, are based on two key principles:

Ethical investment – Carlisle DBF seeks to pursue an investment policy consistent with the values of the Christian religion. Thus, it adheres to the policy as developed by the Church Commissioners and CCLA Investment Management Ltd for their Central Board of Finance Church of England Funds.

Long-term responsibilities - Investment policy for long-term funds seeks to strike the right balance between providing an income to help the Diocese to carry out its purposes effectively in the short term and maintain and enhance the value of the invested funds so as to enable the Diocese effectively to continue to carry out its purposes in the long term. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

basis. Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital.

#### **Investments**

Glebe property investments are held by Carlisle DBF in agricultural land, commercial and residential land and buildings. They are managed by the DBF's agents, Penrith Farmers' & Kidd's, Walton Goodland Ltd and Savills and account for 44% of the total glebe investments.

A further 53% of the glebe assets are invested through CCLA Investment Management Ltd in the CBF Church of England Funds or held on deposit. They are split between holdings in equities and property via common investment funds to spread risk, and deposits. The remaining 3% consists of shares in a hydroelectric scheme in South Cumbria.

The other DBF funds are also mainly invested in CBF Church of England deposit accounts, investment and property funds, with shares also being held in a hydro-electric scheme within the grounds of the Diocesan Residential Conference Centre and Retreat at Rydal Hall, South Lakes.

#### **Other Funds**

Funds which may be needed for working capital in the short term are held as deposits with the Central Board of Finance. The performance of all the DBF's investments is monitored regularly by the Trustees at their bi-monthly board meetings, and by the Investment Sub-Committee.

#### **5.3.4. Remuneration Policy**

The Board operates a set salary scale and employees are placed on this with regard to benchmarking against comparable roles in this and other dioceses and the external employment market. Cost of living increases are determined as part of the process of setting the budget which is approved by the Finance Committee and the Members. Remuneration of higher-paid employees is determined in consultation between the Chair of the Finance Committee, the Diocesan Secretary and the Head of HR & Governance.

#### **5.4 Plans for Future Periods**

The DBF's ongoing objective is to resource Diocesan needs, as determined by Synod and informed by local and national Church institutions and in particular to invest to meet the objectives set out in the Diocese's updated "God for All" Strategy.

A new Diocesan Development Plan for the period beyond 2022, is integrated into resource and budget planning for the period 2022-2027, which was approved by Diocesan Synod in October 2022.

#### **5.5 Principal Risks and Uncertainties**

The Trustees confirm that the major risks, to which Carlisle DBF and its subsidiary companies are exposed are continually reviewed and that systems and procedures have been established to manage those risks. The principal risks and uncertainties which face Carlisle DBF relate to:

- the reliability and timing of the income it receives from local churches which is voluntary in nature, Parish Offer accounting for 58% of total charity general fund income;
- investment performance, particularly in respect of commercial property; and
- expenditure on clergy payroll if clergy numbers are above assumptions.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

- The longer term financial effects of inflation and demography upon core income streams and operating costs.

The principal risks are reviewed regularly by the Trustees and, where necessary, further information and data are gathered to enable a more detailed examination of the risks to be made and decisions taken on the basis of the probability and likely impact of the risks occurring.

A major review of the parish offer process to reflect the Diocesan vision and strategy from 2022, is being implemented. We encourage good stewardship in the local church and the work of the Stewardship Enabler is seen as a key way in which the Diocese can support parishes and mission communities in raising income locally which, in turn, will empower them to identify the optimum affordable deployment of available trained ministry resource both lay and ordained.

Carlisle DBF provides its Trustees, officers and employees with Indemnity Insurance against any liabilities that might arise during the provision of services operated under the authority of the Diocesan Bishop and Synod.

## **6. Structure, Governance and Management**

### **6.1 Organisational Structure**

The Diocese of Carlisle was founded in 1133. It covers an area of 2,480 square miles and includes all of Cumbria, except for small areas in the east of the county which are included in the neighbouring Diocese of Newcastle. The overall population of the Diocese is around 500,000.

The Diocese is one of the 42 English dioceses of the Church of England which is organised as two provinces. The Diocese of Carlisle is part of the Northern Province led by the Archbishop of York. The Southern Province is led by the Archbishop of Canterbury.

The Diocese of Carlisle is led by the Diocesan Bishop, the Rt Revd James Newcome. It is arranged into three Archdeaconries; Carlisle covering the northern and eastern part with 4 deaneries, West Cumberland in the western part with 3 deaneries and Westmorland and Furness in the southern part with 4 deaneries. In total there are 230 parishes (102 benefices) with 79 full-time equivalent stipendiary parochial clergy and 8 serving in house for duties posts. Together with 38 non-stipendiary ministers, 107 readers, 67 local lay ministers and many other retired clergy and lay members they provide ministry in 325 churches in the Diocese.

The Diocese is in Covenanted Partnership with three other denominations – Methodist, United Reformed Church and Salvation Army. With those denominations the Diocese is establishing ecumenical Mission Communities, groups of churches that collaborate over mission and share resources, increasingly including ministry and buildings. In the course of 2022, a number of church buildings were put forward for closure at the request of their local Parochial Church Councils.

### **6.2 Diocesan Governance**

#### **Diocesan Synod**

The Diocese is governed by Standing Orders approved in 1969 and as subsequently amended. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of Bishops and Archdeacons (*ex officio members*), clergy members *elected* by the Houses of Clergy in Deanery Synods, lay persons *elected* by the Houses of Laity in Deanery Synods, up to five persons who may be *co-opted* by each of the Houses of Clergy or

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

Laity and a maximum of ten members *nominated* by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Its role is to:

- consider, and make decisions on, 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 by approving the Diocesan Budget.

#### **Deanery Synods**

Each deanery in the Diocese has its own Deanery Synod which has two houses, laity and clergy. Its 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; and
- elect members of the deanery to the Diocesan Synod and of the Diocese to General Synod.

#### **Bishop's Council and Standing Committee**

Bishop's Council consists of 9 ex officio members, including the Diocesan and Suffragan Bishop and the three Archdeacons, three clergy elected by the House of Clergy from among their number and six lay persons elected by the members of the House of Laity. A maximum of three members may also be nominated by the Diocesan Bishop.

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 (delegated to the Steering Committee);
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the President of Synod on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

### **6.3 Carlisle Diocesan Board of Finance**

The company, Carlisle Diocesan Board of Finance Ltd (Carlisle DBF), was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 22<sup>nd</sup> September 1893 as a charitable company limited by membership guarantees (No. 39625) and its governing documents are the Memorandum and Articles of Association. Carlisle DBF has been registered with the Charity Commission since 1<sup>st</sup> May 1967 (No. 251977). The Memorandum and Articles of Association have been altered by Special Resolutions the latest of which were passed on 15 June 2021, 1<sup>st</sup> May 2018 and 12<sup>th</sup> July 2006.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

From 11th November 2006 every member of Diocesan Synod is a member of Carlisle DBF for company law purposes, unless they are excluded by reason of being appointed to any salaried office of the Company or any office of the Company paid by fees. Each member has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

#### **Trustees**

From 1st January 2007 the Bishop of Carlisle and the three Archdeacons have served as ex-officio Directors of the Company. A further five Directors are elected by the members of Carlisle DBF and the Directors have power to co-opt up to another four Directors.

Mr Jim Johnson and Mrs Susan Wigley served as Chair and Vice Chair throughout the year.

All the Directors are also the Trustees and, when newly appointed, are given induction training. All Trustees are offered ongoing training, as appropriate.

#### **Trustees' Responsibilities**

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

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 the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which 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 corporate and trust assets of the charitable company and group ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also 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.

#### **6.4 Decision-making Structure**

Diocesan Synod has delegated the following functions to Carlisle DBF:

- Management of the funds and property of the Diocese;

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

- Preparation of annual estimates of expenditure;
- Advising on action needed to raise the income necessary to finance expenditure;
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod;
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred or delegated to it by Diocesan Synod.

#### Finance Committee

The Trustees met as the Finance Committee of Carlisle DBF 6 times during the year. At these meetings they received regular reports from the officers of the DBF and considered any matters for which they are responsible.

The number of meetings (and proportion of those eligible for attendance) that each Trustee attended in 2022 was:

The Rt Revd James Newcome	(ex officio)	5 (83%)	
The Ven Richard Pratt	(ex officio)	1 (100%)	(Resigned 24 January 2022)
The Ven Vernon Ross	(ex officio)	6 (100%)	
The Ven Lee Townend	(ex officio)	4 (67%)	(Resigned 31 December 2022)
The Ven Stewart Fyfe	(ex officio)	3 (60%)	(Appointed 24 January 2022)
Mr Derek Bradley	(elected)	6 (100%)	
Miss Janet Busk	(elected)	5 (83%)	
Mr Rob Cook	(elected)	6 (100%)	
Mr David Dalgoutte	(co-opted)	5 (83%)	
Mr John Edwards	(co-opted)	5 (83%)	
Mr Jim Johnson	(elected)	6 (100%)	
Mr Nigel Robson	(co-opted)	3 (75%)	(Appointed 18 May 2022)
Mrs Susan Wigley	(elected)	6 (100%)	

The Trustees have delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by a small team of staff.

#### Committee Structure

There are a number of statutory Diocesan Synod committees that, although not sub-committees of Carlisle DBF, can influence its operations:

**Carlisle Diocesan Board of Education** has responsibility for 104 Church schools across the Diocese, provides pastoral and professional support to all its schools and has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.

**The Parsonages Board** is responsible for determining policy concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by Carlisle DBF. In the Diocese the Carlisle DBF is designated as the Diocesan Parsonages Board. A number of its functions are delegated to Archdeaconry Sub-Committees under the terms of a scheme passed by Diocesan Synod on 12<sup>th</sup> October 2013.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

The **Diocesan Pastoral Committee** is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It also has responsibility for finding appropriate alternative uses for churches which have closed.

The **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.

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

#### 6.5 Related Parties

##### **General Synod**

Carlisle DBF has to comply with Measures passed by the General Synod of the Church of England. General Synod is the 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.

##### **Archbishops' Council**

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.

Carlisle DBF is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church according to a formula agreed by General Synod.

##### **Church Commissioners**

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 Commissioners also make grants to the Archbishops' Council for ministry in poorer dioceses and parishes.

Although Carlisle DBF is responsible for the funding of its clergy stipend costs, the national clergy payroll is administered by the Church Commissioners. Carlisle DBF reimburses the Church Commissioners monthly for the costs of stipendiary clergy deployed in the Diocese.

##### **Church of England Pensions Board**

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions' authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widows and widowers 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 trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Pensions Board its central

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

responsibilities for retirement welfare, the Pensions Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

Carlisle DBF contributes monthly to the Pensions Board for both the clergy and the lay pension schemes.

#### **The Cathedral**

The Cathedral Church of the Holy and Undivided Trinity is the mother church of the Diocese of Carlisle and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its Trustees' report and financial statements may be obtained from the Cathedral Office, 7 The Abbey, Carlisle, CA3 8TZ.

#### **Parishes and Parochial Church Councils (PCCs)**

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Each PCC is an independent charity and most are currently exempt from registration with the Charity Commission. However, under the terms of the Charities Act 2011 those PCCs whose gross income for the year is above £100,000 are required to register. PCCs are able to influence the decision-making within Carlisle DBF and at Diocesan Synod level through representations and input of their Deanery Synods.

The main income of Carlisle DBF is the contribution, by way of the parish offer, from the 228 parishes of the Diocese. From 2009 the parish offer system has been based on voluntary offers made by parishes towards the costs of ministry incurred throughout the whole of the Diocese of Carlisle.

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

#### **6.6 Subsidiary Undertakings**

##### **Rydal Hall Limited**

Carlisle DBF is responsible for the operation of the Diocesan Conference Centre and Retreat House, Rydal Hall. This is achieved through Rydal Hall Limited, a wholly owned subsidiary charity of Carlisle DBF. The activities of the subsidiary are included in the consolidated financial statements.

##### **Restore (Cumbria)**

Restore (Cumbria) is a registered charity which operates a charity shop and resource network in North Cumbria, as part of the Diocese's Outreach initiatives. The DBF is the sole member of the charity.

#### **6.7 Rydal Hydro Limited**

Carlisle DBF owns 50% of the issued share capital of Rydal Hydro Limited, with Ellergreen Hydro Limited and Gilkes Hydro Limited the other 50%. The joint venture company has constructed a hydroelectricity generating plant within the grounds of Rydal Hall Limited providing a renewable source of electricity for Rydal Hall and the surrounding area as well as providing a significant return on the DBF's investment.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued

#### 6.8 Other Connected Companies

Carlisle DBF together with four other dioceses from the North West of England and with York Diocese have equal shares in DBE Services Limited, a company formed to provide various services to schools. These include inspections, teaching and curriculum support, administrative services, building, equipment and construction support and insurance. DBE Services Limited has several employees with other staff employed by the participating dioceses who invoice the company for their time. The profits of DBE Services Limited are distributed to the shareholders by means of gift aid donations.

The six North West Dioceses are sponsors of Emmanuel College which trains ordinands for ministry in the Church of England across and beyond the region. The Diocesan Board of Finance is a Corporate Member of the College.

#### 7. Funds Held as Custodian Trustee for Others

Carlisle DBF is required by Measure to be custodian trustee in relation to PCC property. Carlisle DBF also holds funds on behalf of Church of England schools in the Diocese. All assets held as custodian trustee are kept independently from the Company's own assets and their details are recorded in a separate trust ledger. The assets are mainly invested through CCLA Investment Management Limited in their range of CBF Church of England Funds or on deposit with major UK clearing banks.

At 31 December 2022 the total value of these funds was £9,822,000.

#### 8. Reference and Administrative Details of the Carlisle Diocesan Board of Finance

In accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in 2015 (SORP 2015), the Directors (for the purposes of company law) and the Trustees (for the purposes of charity law) during the year and as at the date of signing follow:

**President**  
**Chairman**

Rt Revd James Newcome  
Mr Jim Johnson

#### Ex-officio Directors

The Right Reverend James Newcome, Bishop of Carlisle  
The Venerable Dr Richard Pratt, Archdeacon of West Cumberland (Resigned 24 January 2022)  
The Venerable Lee Townend, Archdeacon of Carlisle (Resigned 31 December 2022)  
The Venerable Vernon Ross, Archdeacon of Westmorland and Furness  
The Venerable Stewart Fyfe, Archdeacon of West Cumberland (appointed 24 January 2022)

#### Elected by the Members

Derek Bradley  
Janet Busk  
Rob Cook  
Jim Johnson  
Susan Wigley

#### Co-opted by the Directors

David Dalgoutte  
John Edwards  
Nigel Robson (appointed 18 May 2022)

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued**

<b>Secretary</b>	Mr Derek Hurton
<b>Head of Finance</b>	Mr Ric Jaques
<b>Director of Education</b>	Mrs Vanessa O'Dea (Resigned 31 March 2022) Mrs Charlotte Tudway (Appointed 1 April 2022)
<b>Registered Office</b>	Diocesan Church House, 19-24 Friargate, Penrith, CA11 7XR
<b>Telephone</b>	01768 807777
<b>Website</b>	<a href="http://www.carlisedioocese.org.uk">www.carlisedioocese.org.uk</a>
<b>e-mail</b>	<a href="mailto:enquiries@carlisedioocese.org.uk">enquiries@carlisedioocese.org.uk</a>
<b>Company registration number</b>	39625 (England & Wales)
<b>Charity registration number</b>	251977
<b>Auditors</b>	Dodd & Co Limited, FIFTEEN Rosehill, Carlisle, CA1 2RW
<b>Bankers</b>	HSBC plc, City Office, 29 English Street, Carlisle, CA3 8JT
<b>Legal Adviser</b>	Ms Laura Peace Sintons, The Cube, Barrack Road, Newcastle Upon Tyne, NE4 6DB
<b>Investment Advisers</b>	CCLA Investment Management Ltd, Senator House 85 Queen Victoria Street London EC4V 4ET
<b>Glebe Property Agents</b>	Penrith Farmers' & Kidd's plc, Skirsgill, Penrith, CA11 0DN  Savills, 64 Warwick Road, Carlisle CA1 1DR  Walton Goodland Ltd, 10 Lowther Street, Carlisle, CA3 8DA

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

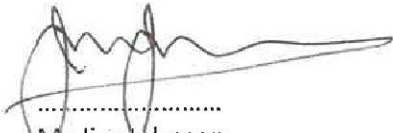
**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2022) continued**

**9. Auditors**

The Trustees as a Board confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. In addition, the Trustees have taken all reasonable steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

A resolution to reappoint Dodd & Co Limited as auditors to the company and to authorise the Trustees to fix their remuneration will be proposed at the Annual General Meeting.

The Directors' and Trustees' annual report, together with the strategic report which is incorporated into the Directors' and Trustees' annual report, have been approved by the Directors/Trustees and signed on their behalf by:



.....  
Mr Jim Johnson  
Director and Trustee  
**27th July 2023**

# Independent auditor's report to the members of Carlisle Diocesan Board of Finance Limited

## Opinion

We have audited the financial statements of Carlisle Diocesan Board of Finance Limited] ('the charitable company') for the year ended 31 December 2022 which comprise Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated Summary Income and Expenditure Account, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 the provisions available for small entities, 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 12 months from when the financial statements are authorised for issue.

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

## Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

- adequate and proper 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charitable company's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team and involving relevant internal specialists, including pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to revenue recognition and management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Act, pensions legislation and tax legislation.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

## Use of our report

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



Faye Armstrong (Senior Statutory Auditor)

For and on behalf of Dodd & Co Audit Limited, Statutory Auditor

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

22/9/23

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 December 2022

	Note	Unrestricted funds		Restricted	Endowment	Total funds	
		General	Designated	Funds	Funds	2022	2021
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,124	-	-	-	4,124	4,224
Archbishop's Council		937	-	429	-	1,366	976
Other donations		124	54	23	-	201	313
Charitable activities	3						
Fees & chaplaincy income		570	-	13	-	583	587
Rydal Hall	15	-	798	-	-	798	935
Sales of goods & services	3	28	736	-	-	764	201
Other activities	4	345	-	-	-	345	391
Investments	5	965	59	503	6	1,533	1,338
Other sources	6	-	9	409	208	626	580
<b>Total</b>		<b>7,093</b>	<b>1,656</b>	<b>1,377</b>	<b>214</b>	<b>10,340</b>	<b>9,545</b>
<b>Expenditure on</b>							
Raising funds	7	191	-	16	-	207	177
Charitable activities							
Resourcing ministry & mission	8	6,879	426	308	-	7,613	7,182
Education	9	286	-	24	-	310	310
Rydal Hall	15	38	1,407	-	-	1,445	1,041
Other purposes	10	-	-	12	-	12	50
<b>Total</b>	12	<b>7,394</b>	<b>1,833</b>	<b>360</b>	<b>-</b>	<b>9,587</b>	<b>8,760</b>
<b>Net income/(expenditure) before investment gains</b>		<b>(301)</b>	<b>(177)</b>	<b>1,017</b>	<b>214</b>	<b>753</b>	<b>785</b>
Net gains/(losses) on investments		(89)	(250)	(1,457)	(1,709)	(3,505)	4,085
<b>Net income/(expenditure)</b>		<b>(390)</b>	<b>(427)</b>	<b>(440)</b>	<b>(1,495)</b>	<b>(2,752)</b>	<b>4,870</b>
<b>Transfers between funds</b>	23	215	50	(151)	(114)	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	42	-	42	-
Actuarial gains/(losses) on defined benefit pension schemes		61	-	-	-	61	35
<b>Net movement in funds</b>		<b>(114)</b>	<b>(377)</b>	<b>(549)</b>	<b>(1,609)</b>	<b>(2,649)</b>	<b>4,905</b>
<b>Total funds brought forward</b>		<b>2,280</b>	<b>2,767</b>	<b>23,338</b>	<b>57,720</b>	<b>86,105</b>	<b>81,200</b>
<b>Total funds carried forward</b>		<b>2,166</b>	<b>2,390</b>	<b>22,789</b>	<b>56,111</b>	<b>83,456</b>	<b>86,105</b>

All activities derive from continuing activities. The notes on pages 31 to 65 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 December 2021

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2021 £'000	2020 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,224	-	-	-	4,224	4,406
Archbishop's Council		846	-	130	-	976	874
Other donations		142	154	17	-	313	217
Charitable activities	3						
Fees & chaplaincy income		569	-	18	-	587	452
Rydal Hall	15	-	935	-	-	935	466
Sales of goods & services	3	-	201	-	-	201	142
Other activities	4	391	-	-	-	391	361
Investments	5	881	53	404	-	1,338	1,389
Other sources	6	17	183	182	198	580	711
<b>Total</b>		<b>7,070</b>	<b>1,526</b>	<b>751</b>	<b>198</b>	<b>9,545</b>	<b>9,018</b>
<b>Expenditure on</b>							
Raising funds	7	163	-	14	-	177	147
Charitable activities							
Resourcing ministry & mission	8	6,591	380	211	-	7,182	6,809
Education	9	268	-	42	-	310	279
Rydal Hall	15	35	1,006	-	-	1,041	844
Other purposes	10	-	-	-	50	50	34
<b>Total</b>	12	<b>7,057</b>	<b>1,386</b>	<b>267</b>	<b>50</b>	<b>8,760</b>	<b>8,113</b>
<b>Net income/(expenditure) before investment gains</b>		<b>13</b>	<b>140</b>	<b>484</b>	<b>148</b>	<b>785</b>	<b>905</b>
Net gains/(losses) on investments		3	263	1,565	2,254	4,085	1,088
<b>Net income/(expenditure)</b>		<b>16</b>	<b>403</b>	<b>2,049</b>	<b>2,402</b>	<b>4,870</b>	<b>1,993</b>
<b>Transfers between funds</b>		<b>(51)</b>	<b>198</b>	<b>281</b>	<b>(428)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		35	-	-	-	35	(23)
<b>Net movement in funds</b>		<b>-</b>	<b>601</b>	<b>2,330</b>	<b>1,974</b>	<b>4,905</b>	<b>1,970</b>
<b>Total funds brought forward</b>		<b>2,280</b>	<b>2,166</b>	<b>21,008</b>	<b>55,746</b>	<b>81,200</b>	<b>79,230</b>
<b>Total funds carried forward</b>		<b>2,280</b>	<b>2,767</b>	<b>23,338</b>	<b>57,720</b>	<b>86,105</b>	<b>81,200</b>

All activities derive from continuing activities. The notes on pages 31 to 65 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CHARITY STATEMENT OF THE FINANCIAL ACTIVITIES**

For the year ended 31 December 2022

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2022 £'000	2021 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,124	-	-	-	4,124	4,224
Archbishop's Council		937	-	429	-	1,366	976
Other donations		124	4	23	-	151	160
Charitable activities	3						
Fees & chaplaincy income		570	-	13	-	583	587
Rydal Hall	15	53	-	-	-	53	68
Sales of goods & services	3	28	-	-	-	28	-
Other activities	4	345	-	-	-	345	391
Investments	5	965	56	503	6	1,530	1,338
Other	6	-	-	409	208	617	397
<b>Total</b>		<b>7,146</b>	<b>60</b>	<b>1,377</b>	<b>214</b>	<b>8,797</b>	<b>8,141</b>
<b>Expenditure on</b>							
Raising funds	7	191	-	16	-	207	177
Charitable activities							
Resourcing ministry & mission	8	6,879	189	308	-	7,376	6,873
Education	9	286	-	24	-	310	310
Rydal Hall	15	38	-	-	-	38	335
Other	10	-	-	12	-	12	50
<b>Total</b>		<b>7,394</b>	<b>189</b>	<b>360</b>	<b>-</b>	<b>7,943</b>	<b>7,745</b>
<b>Net income/(expenditure) before investment gains</b>		<b>(248)</b>	<b>(129)</b>	<b>1,017</b>	<b>214</b>	<b>854</b>	<b>396</b>
Net gains/(losses) on investments		(89)	(250)	(1,457)	(1,709)	(3,505)	4,085
<b>Net income/(expenditure)</b>		<b>(337)</b>	<b>(379)</b>	<b>(440)</b>	<b>(1,495)</b>	<b>(2,651)</b>	<b>4,481</b>
<b>Transfers between funds</b>	23	162	103	(151)	(114)	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	42	-	42	-
Actuarial gains/(losses) on defined benefit pension schemes		61	-	-	-	61	35
<b>Net movement in funds</b>		<b>(114)</b>	<b>(276)</b>	<b>(549)</b>	<b>(1,609)</b>	<b>(2,548)</b>	<b>4,516</b>
<b>Total funds brought forward</b>		<b>2,280</b>	<b>2,549</b>	<b>23,338</b>	<b>57,720</b>	<b>85,887</b>	<b>81,371</b>
<b>Total funds carried forward</b>		<b>2,166</b>	<b>2,273</b>	<b>22,789</b>	<b>56,111</b>	<b>83,339</b>	<b>85,887</b>

All activities derive from continuing activities. The notes on pages 31 to 65 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CHARITY STATEMENT OF THE FINANCIAL ACTIVITIES**

For the year ended 31 December 2021

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2021 £'000	2020 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,224	-	-	-	4,224	4,406
Archbishop's Council		846	-	130	-	976	874
Other donations		142	1	17	-	160	200
Charitable activities	3						
Fees & chaplaincy income		569	-	18	-	587	450
Rydal Hall	15	68	-	-	-	68	68
Sales of goods & services	3	-	-	-	-	-	38
Other activities	4	391	-	-	-	391	361
Investments	5	881	53	404	-	1,338	1,389
Other	6	17	-	182	198	397	524
<b>Total</b>		<b>7,138</b>	<b>54</b>	<b>751</b>	<b>198</b>	<b>8,141</b>	<b>8,310</b>
<b>Expenditure on</b>							
Raising funds	7	163	-	14	-	177	147
Charitable activities							
Resourcing ministry & mission	8	6,631	31	211	-	6,873	6,758
Education	9	268	-	42	-	310	279
Rydal Hall	15	35	300	-	-	335	31
Other	10	-	-	-	50	50	34
<b>Total</b>		<b>7,097</b>	<b>331</b>	<b>267</b>	<b>50</b>	<b>7,745</b>	<b>7,249</b>
<b>Net income/(expenditure) before investment gains</b>		<b>41</b>	<b>(277)</b>	<b>484</b>	<b>148</b>	<b>396</b>	<b>1,061</b>
Net gains/(losses) on investments		3	263	1,565	2,254	4,085	1,088
<b>Net income/(expenditure)</b>		<b>44</b>	<b>(14)</b>	<b>2,049</b>	<b>2,402</b>	<b>4,481</b>	<b>2,149</b>
<b>Transfers between funds</b>		<b>(79)</b>	<b>226</b>	<b>281</b>	<b>(428)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		35	-	-	-	35	(23)
<b>Net movement in funds</b>		<b>-</b>	<b>212</b>	<b>2,330</b>	<b>1,974</b>	<b>4,516</b>	<b>2,126</b>
<b>Total funds brought forward</b>		<b>2,280</b>	<b>2,337</b>	<b>21,008</b>	<b>55,746</b>	<b>81,371</b>	<b>79,245</b>
<b>Total funds carried forward</b>		<b>2,280</b>	<b>2,549</b>	<b>23,338</b>	<b>57,720</b>	<b>85,887</b>	<b>81,371</b>

All activities derive from continuing activities. The notes on pages 31 to 65 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2022

	<b>Total 2022 £'000</b>	<b>Total 2021 £'000</b>
Total income per reconciliation below	10,377	9,959
Resources expended per reconciliation below	(9,735)	(8,904)
Operating surplus for the year	642	1,055
Interest receivable	19	10
Net gains/(losses) on investments	(1,804)	1,831
<b>Net income for the year</b>	<b>(1,143)</b>	<b>2,896</b>
<b>Other comprehensive income:</b>		
Revaluation of fixed assets	42	-
Actuarial gains/(losses) on defined benefit pension schemes	61	35
<b>Total comprehensive income for the year</b>	<b>(1,040)</b>	<b>2,931</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.

<b>Reconciliation of Summary Income and Expenditure to SOFA</b>	<b>Total 2022 £'000</b>	<b>Total 2021 £'000</b>
Total incoming resources per SOFA	10,348	9,545
Less: interest receivable	(19)	(10)
total endowment additions	(214)	(198)
Add: endowment capital transferred to income funds	262	622
<b>Total income per above</b>	<b>10,377</b>	<b>9,959</b>
Resources expended per SOFA	9,587	8,760
Less: expenditure charged to endowment capital	-	(50)
Add: income funds reclassified as endowment capital	148	194
<b>Total expenditure per above</b>	<b>9,735</b>	<b>8,904</b>

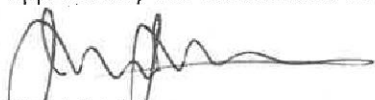
CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED BALANCE SHEET  
At 31 December 2022

Company Number – 39625

	Note	2022		2021	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	24		41,085		41,002
Investments	25		42,024		43,762
			83,109		84,764
<b>CURRENT ASSETS</b>					
Stock		8		7	
Debtors	26	3,781		3,135	
Cash on deposit	27	1,911		2,744	
Cash at bank and in hand		1,015		830	
		6,715		6,716	
<b>CREDITORS: amounts falling due within one year</b>	28	(6,268)		(5,175)	
<b>NET CURRENT ASSETS</b>			447		1,541
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			83,556		86,305
<b>CREDITORS: amounts falling due after more than one year</b>					
Pension scheme liabilities	29	-		-	
Other creditors	29	(100)		(200)	
		(100)		(200)	
<b>NET ASSETS</b>			83,456		86,105
<b>FUNDS</b>					
<b>Endowment funds</b>					
Including investment revaluation reserve of £33,396,000 (2021: £35,105,000)			56,111		57,720
<b>Restricted income funds</b>					
Including investment revaluation reserve of £6,889,000 (2021: £8,306,000)			22,789		23,338
<b>Unrestricted income funds:</b>					
General funds - Including revaluation reserve of £511,000 (2021: £600,000)			2,166		2,280
Designated funds - Including revaluation reserve of £756,000 (2021: £1,007,000)			2,390		2,767
<b>TOTAL FUNDS</b>	30 & 31		83,456		86,105

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:



Mr. J.A.E. Johnson  
27<sup>th</sup> July 2023

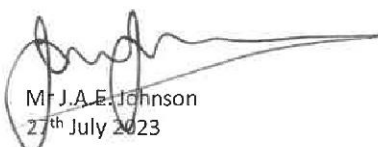
CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CHARITY BALANCE SHEET  
At 31 December 2022

Company Number – 39625

	Note	2022		2021	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	24		40,980		40,917
Investments	25		42,024		43,762
			<u>83,004</u>		<u>84,679</u>
<b>CURRENT ASSETS</b>					
Debtors	26	3,724		3,020	
Subsidiary companies		159		105	
Cash on deposit	27	1,719		2,705	
Cash at bank and in hand		836		514	
		<u>6,438</u>		<u>6,344</u>	
<b>CREDITORS: amounts falling due within one year</b>	28	<u>(6,003)</u>		<u>(4,936)</u>	
<b>NET CURRENT ASSETS</b>			435		1,408
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>83,439</u>		<u>86,087</u>
<b>CREDITORS: amounts falling due after more than one year</b>					
Pension scheme liabilities	29	-		-	
Other creditors	29	(100)		(200)	
			<u>(100)</u>		<u>(200)</u>
<b>NET ASSETS</b>			<u>83,339</u>		<u>85,887</u>
<b>FUNDS</b>					
<b>Endowment funds</b>					
Including investment revaluation reserve of £33,396,000 (2021: £35,105,000)			56,111		57,720
<b>Restricted income funds</b>					
Including investment revaluation reserve of £6,889,000 (2021: £8,306,000)			22,789		23,338
<b>Unrestricted income funds:</b>					
General funds - Including revaluation reserve of £511,000 (2021: £600,000)			2,166		2,280
Designated funds - Including revaluation reserve of £756,000 (2021: £1,007,000)			2,273		2,549
<b>TOTAL FUNDS</b>	30 & 31		<u>83,339</u>		<u>85,887</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:

  
Mr J.A.E. Johnson  
27<sup>th</sup> July 2023

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>		(759)		(836)
<b>Cash flows from investing activities</b>				
Dividends, interest and rent from investments	1,533		1,338	
Interest paid	(7)		(5)	
Proceeds from the sale of:				
Tangible fixed assets	1,372		1,599	
Investments	484		335	
Purchase of:				
Tangible fixed assets	(1,026)		(11)	
Fixed asset investments	(2,095)		(2,542)	
<b>Net cash provided by/(used in) investing activities</b>		261		714
<b>Cash flows from financing activities</b>				
Repayment of loans	(150)		(200)	
<b>Net cash provided by/(used in) financing activities</b>		(150)		(200)
<b>Change in cash and cash equivalents in the reporting period</b>		(648)		(322)
<b>Cash and cash equivalents at 1 January</b>		3,574		3,896
<b>Cash and cash equivalents at 31 December</b>		2,926		3,574
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
<b>Net movement in funds for the year ended 31 December</b>		753		785
<b>Adjustments for:</b>				
Depreciation charges		32		12
Dividends, interest and rent from investments		(1,533)		(1,338)
Interest paid		7		5
Repayment of loans advanced		31		22
Advancement of loans		(1)		(2)
Loss/(profit) on sale of functional assets		(605)		(330)
Actuarial gains/(losses) on defined benefit pensions		61		35
Decrease/(increase) in stock		(1)		(2)
Decrease/(increase) in debtors		(646)		(85)
Increase/(decrease) in creditors		1,143		62
<b>Net cash provided by/(used in) operating activities</b>		(759)		(836)
<b>Analysis of cash and cash equivalents</b>				
Cash in hand		1,015		830
Notice deposits (less than 3 months)		1,911		2,744
		2,926		3,574

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included 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 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The principal accounting policies and estimation techniques are as follows:

**a) Consolidation**

Consolidated financial statements have been prepared on a line by line basis in accordance with FRS102. The consolidated financial statements incorporate the accounts of:

- Parent, The Carlisle Diocesan Board of Finance Limited (Carlisle DBF); and
- The wholly owned subsidiary company, Rydal Hall Limited; and
- The wholly owned subsidiary company, Cumbria Christian Learning
- The wholly owned subsidiary company, Restore (Cumbria)

**b) Income**

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

- i) **Parish Offer and parochial fees** are recognised as income of the year in which they are received or within one month after the financial year end to which they relate.
- ii) **Rent** receivable is recognised as income in the period with 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) **Donations** other than grants are recognised when receivable.
- vi) **Gains on disposal of fixed assets for the DBF'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.

**1. ACCOUNTING POLICIES (continued)**

vii) **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.

viii) **Government Grants.** Grants for the purpose of giving immediate financial support with no future related costs to be incurred are recognised in the profit and loss account when the grant proceeds become receivable. Other grants relating to revenue are recognised in the profit and loss account on a systematic basis over the periods in which the related costs are recognised for which the grant is intended to compensate.

**c) Expenditure**

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

- i) **Costs of raising funds** include investment management costs of glebe and any other investment properties and interest costs on defined benefit pension scheme liabilities.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese, expenditure relating to the running of the diocesan retreat centre, and expenditure on education and Church of England schools in the diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the DBF, 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. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The DBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 32). The pension costs charged as resources expended represent the DBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which DBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

**1. ACCOUNTING POLICIES (continued)**

**d) Tangible fixed assets and depreciation**

*Freehold properties*

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

*Investment properties*

Glebe properties which are held for investment purposes and rented out have been included at their fair value, determined through external professional valuations.

*Parsonage houses*

The DBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF 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. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their deemed cost at a fair valuation at 1 January 2014.

**e) Other tangible fixed assets**

All capital expenditure over £1,000 is capitalised and depreciated. Depreciation is provided in order to write off the cost (less any expected ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:-

DBF furniture, fittings, equipment and computers	10% to 20% per annum on a straight line basis;
Rydal Hall furniture, fittings, equipment and plant	10-25% per annum on a straight line basis.

## 1. ACCOUNTING POLICIES (continued)

### f) 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. Subsidiaries (where shares are held) are valued at fair value based on balance sheet value. Jointly controlled entities are valued at fair value using the net assets of the entity and the share held.
- ii) **Leases.** The DBF has entered 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 the period to the first break clause.

### g) Fund balances

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

- **Unrestricted funds** are the DBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the DBF. There are two types of unrestricted funds:
  - **General funds** which the DBF intends to use for the general purposes of the DBF; and
  - **Designated funds** set aside out of unrestricted funds by the DBF for a purpose specified by the Trustees.
- **Restricted funds** are 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 DBF (Parsonage Houses Fund and Retired Clergy and Dependants Fund), 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.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches. Trusts where the DBF 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 notes to the financial statements.

**1. ACCOUNTING POLICIES (continued)**

**h) Going Concern**

The charity has considered whether the use of the going concern basis for accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the Charity's ability to continue as a going concern.

The trustees have prepared detailed budgets for the coming five-year period, based on actual experience and taking into account church finances the light of recovery from the pandemic and the current cost of living challenges. As a result of this work, the trustees remain confident that there are financial resources available to fund their work, and are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2022

**2. DONATIONS**

**Parish Contributions**

The majority of donations are collected from the parishes of the diocese through the parish offer system (now known as 'Ministry Offer').

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Current year						
Offer	4,172	-	-	-	4,172	4,196
Shortfall in contributions	(95)	-	-	-	(95)	(115)
	<u>4,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,077</u>	<u>4,081</u>
Receipts for previous years	47	-	-	-	47	56
Historic Offers Transferred	-	-	-	-	-	87
	<u>4,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,124</u>	<u>4,224</u>

Total receipts (including for previous years but excluding the 2021 transfer) represent 98.8% of the parish offer (2021 – 98.8%).

**Archbishop's Council**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
LINC allocation	564	-	-	-	564	572
Strategic Development Grant	356	-	-	-	356	274
Other grants	17	-	429	-	446	130
	<u>937</u>	<u>-</u>	<u>429</u>	<u>-</u>	<u>1,366</u>	<u>976</u>

**Other donations**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Benefact Trust	90	-	-	-	90	92
Other grants	-	-	23	-	23	17
Donations	34	4	-	-	38	51
	<u>124</u>	<u>4</u>	<u>23</u>	<u>-</u>	<u>151</u>	<u>160</u>
Rydal Hall	-	3	-	-	3	151
Restore (Cumbria)	-	47	-	-	47	2
	<u>124</u>	<u>54</u>	<u>23</u>	<u>-</u>	<u>201</u>	<u>313</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

3. CHARITABLE ACTIVITIES

Fees and chaplaincy income

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Statutory fees	393	-	-	-	393	385
Chaplaincy	11	-	-	-	11	11
Support for Ministry	159	-	-	-	159	162
Course and other fees	7	-	13	-	20	29
<b>Company Total</b>	<b>570</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>583</b>	<b>587</b>
Course and other fees	-	-	-	-	-	-
<b>Group Total</b>	<b>570</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>583</b>	<b>587</b>

Other sales

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Education services	28	-	-	-	28	-
<b>Company Total</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>-</b>
Rydal Hall	-	468	-	-	468	-
Restore (Cumbria)	-	268	-	-	268	201
<b>Group Total</b>	<b>28</b>	<b>736</b>	<b>-</b>	<b>-</b>	<b>764</b>	<b>201</b>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Parsonage rents	345	-	-	-	345	391
	345	-	-	-	345	391

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Dividends receivable	664	56	449	-	1,169	1,056
Interest receivable	6	-	18	6	30	5
Share of Joint Venture loss	-	-	-	-	-	(41)
Rents receivable	295	-	36	-	331	318
<b>Company total</b>	<b>965</b>	<b>56</b>	<b>503</b>	<b>6</b>	<b>1,530</b>	<b>1,338</b>
Subsidiary's interest	-	3	-	-	3	-
<b>Consolidated total</b>	<b>965</b>	<b>59</b>	<b>503</b>	<b>6</b>	<b>1,533</b>	<b>1,338</b>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Gain on sale of properties	-	-	340	208	548	347
Government Grants (covid-19)	-	-	-	-	-	17
Sales of redundant churches	-	-	69	-	69	33
Company Total	-	-	409	208	617	397
Rydal Hall	-	9	-	-	9	45
Restore (Cumbria)	-	-	-	-	-	138
Group Total	-	9	409	208	626	580

Government/Local Authority grants are made up of:

	Company		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Coronavirus Job Retention Scheme	-	17	-	131
Other Covid-Related Grants	-	-	9	69
Total	-	17	9	200

7. RAISING FUNDS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Investment management	140	-	16	-	156	130
Generating voluntary income	51	-	-	-	51	47
	191	-	16	-	207	177

8. RESOURCING MISSION AND MINISTRY

Ministry in the communities – stipend costs

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	
	General £'000	Designated £'000			2021 £'000	2021 £'000
Stipends	2,098	-	26	-	2,124	2,243
National insurance/Ap. Levy	179	-	1	-	180	190
Pension costs	610	-	9	-	619	682
Removal, resettlement & other grants	227	-	-	-	227	120
Other costs	320	75	-	-	395	234
	3,434	75	36	-	3,545	3,469

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## 8. RESOURCING MISSION AND MINISTRY (continued)

## Ministry in the communities – housing costs

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2021 £'000
Repairs & improvements	637	-	7	-	644	512
Council tax	233	-	-	-	233	238
Water charges	49	-	-	-	49	52
Insurance	30	-	-	-	30	28
Rent payable	3	-	-	-	3	2
Other costs	165	-	-	-	165	151
	<u>1,117</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>1,124</u>	<u>983</u>
<b>Total ministry in the communities</b>	<u>4,551</u>	<u>75</u>	<u>43</u>	<u>-</u>	<u>4,669</u>	<u>4,452</u>
<b>Support for ministry</b>						
<b>Lay ministry &amp; chaplaincies</b>						
Network Youth Ministers and Interns	254	-	-	-	254	241
Chaplains	33	-	-	-	33	32
	<u>287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287</u>	<u>273</u>
<b>Training &amp; ministry development</b>						
<b>Ordained ministry:-</b>						
Ordinands	344	-	102	-	446	479
Curates	10	-	-	-	10	11
Ministry development	41	-	-	-	41	47
Lay training	15	-	4	-	19	10
Northern Mission Centre	128	-	-	-	128	81
	<u>538</u>	<u>-</u>	<u>106</u>	<u>-</u>	<u>644</u>	<u>628</u>
<b>Restore (Cumbria)</b>	<u>-</u>	<u>78</u>	<u>-</u>	<u>-</u>	<u>78</u>	<u>15</u>
<b>God For All strategy</b>						
Support for local churches	2	36	24	-	62	18
Reach Team	260	-	-	-	260	223
Pioneering ministries	265	-	-	-	265	222
	<u>527</u>	<u>36</u>	<u>24</u>	<u>-</u>	<u>587</u>	<u>463</u>
<b>Care for church buildings</b>	<u>60</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>116</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2022

8. RESOURCING MISSION AND MINISTRY (continued)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2021 £'000
<b>Ministry support</b>						
National Church	257	-	-	-	257	275
Diocesan Church	640	-	-	-	640	607
Partnerships	19	-	-	-	19	19
Retired clergy	-	-	79	-	79	41
	<u>916</u>	<u>-</u>	<u>79</u>	<u>-</u>	<u>995</u>	<u>942</u>
<b>Total support for ministry</b>	<u>2,328</u>	<u>114</u>	<u>265</u>	<u>-</u>	<u>2,707</u>	<u>2,421</u>
<b>Total Company resourcing mission &amp; ministry</b>	<u>6,879</u>	<u>189</u>	<u>308</u>	<u>-</u>	<u>7,376</u>	<u>6,873</u>
<b>Training &amp; ministry development –</b>						
Ministry development	-	237	-	-	237	309
<b>Total Group resourcing mission &amp; ministry</b>	<u>6,879</u>	<u>426</u>	<u>308</u>	<u>-</u>	<u>7,613</u>	<u>7,182</u>

9. EDUCATION

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Support for church schools	286	-	24	-	310	273
Multi Academy Trust support	-	-	-	-	-	25
Grants to church schools	-	-	-	-	-	12
	<u>286</u>	<u>-</u>	<u>24</u>	<u>-</u>	<u>310</u>	<u>310</u>

10. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Deficit on fixed assets	-	-	12	-	12	50
<b>Company total</b>	<u>-</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>	<u>50</u>
Share of loss of joint venture	-	-	-	-	-	-
<b>Consolidated total</b>	<u>-</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>	<u>50</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

11. ANALYSIS OF CONTRIBUTIONS TO ARCHBISHOPS' COUNCIL

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
National Church	130	-	-	-	130	148
Grants & provisions	18	-	-	-	18	18
Mission Agency pensions	9	-	-	-	9	10
Retired clergy housing	80	-	-	-	80	78
	<u>237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237</u>	<u>254</u>

12. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs	
				2022 £'000	2021 £'000
Raising funds	129	-	78	207	177
Charitable activities:					
Resourcing Mission & Ministry	6,652	544	417	7,613	7,182
Education	239	-	71	310	310
Rydal Hall	1,415	-	30	1,445	1,041
Other	12	-	-	12	50
	<u>8,447</u>	<u>544</u>	<u>596</u>	<u>9,587</u>	<u>8,760</u>

13. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2021 £'000
Finance and administration	269	-	-	-	269	247
Interest cost on defined benefit pension schemes	-	-	-	-	-	1
Management costs	107	-	-	-	107	100
Human resources	140	-	-	-	140	125
Auditor's remuneration	19	-	-	-	19	15
Governance	61	-	-	-	61	59
	<u>596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596</u>	<u>547</u>

Governance costs include the cost of preparing annual accounts and having them audited, and the cost of Board meetings, Bishop's Council and Diocesan Synod.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

14. ANALYSIS OF GRANTS MADE

	Grants to Institutions £'000	Grants to Individuals £'000	Total 2022 £'000	Total 2021 £'000
<b>From unrestricted funds:</b>				
Contributions to Archbishops' Council	237	-	237	254
<b>From restricted funds:</b>				
Resourcing ministry and mission:				
Grants to parishes	34	-	34	30
Grants for ordinands	78	30	108	115
Grants to clergy	-	87	87	90
Grants to retired clergy	-	76	76	41
Education – Grants to schools	-	-	-	12
	<u>349</u>	<u>193</u>	<u>542</u>	<u>542</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## 15. RYDAL HALL

Rydal Hall Ltd is a wholly owned subsidiary company incorporated in England. On 21 December 2017 it became a registered charity. It is the sole owner of a trading company, Rydal Hall Trading Ltd. Its principal activity is the operation of the Carlisle Diocesan Retreat House and Conference Centre at Rydal Hall, Ambleside. Rydal Hall is owned by the Carlisle DBF and leased to the subsidiary. Any taxable profits made by the subsidiary are donated to the DBF. Audited accounts are filed annually with Companies House. A summary of the consolidated trading results of Rydal Hall Ltd and its subsidiary is shown below.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Turnover	-	1,270	-	-	1,270	1,358
Other operating income	-	-	-	-	-	-
Government Grants	-	8	-	-	8	138
	-	1,278	-	-	1,278	1,496
Interest receivable	-	3	-	-	3	-
<b>Total income</b>	-	1,281	-	-	1,281	1,496
Cost of sales	-	223	-	-	223	129
Administrative expenses	-	1,237	-	-	1,237	918
<b>Total expenditure</b>	-	1,460	-	-	1,460	1,047
<b>Profit / (loss) on ordinary activities before tax</b>	-	(179)	-	-	(179)	449
Taxation	-	-	-	-	-	-
<b>Profit / (loss) on ordinary activities after tax</b>	-	(179)	-	-	(179)	449
Retained profits b/f	-	(66)	-	-	(66)	(515)
<b>Retained profits c/f</b>	-	(245)	-	-	(245)	(66)
Other reserves	-	269	-	-	269	269
<b>Total funds carried forward</b>	-	24	-	-	24	203
Fixed assets	-	86	-	-	86	60
Net current assets / (liabilities)	-	(62)	-	-	(62)	143
<b>Net assets</b>	-	24	-	-	24	203

Included in income is a grant of £nil (2021: £300,000) from the DBF to Rydal Hall Ltd.

Included in administrative costs above are payments to the DBF of £45,000 (2021: £60,000) rent and a management charge of £8,000 (2021: £8,000).

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

16. RYDAL HYDRO LIMITED

Carlisle DBF owns a 50% share of Rydal Hydro Limited as a joint venture after investing £700,000 in the issued share capital of the company. Rydal Hydro Limited was incorporated in England on 26<sup>th</sup> February 2014 in order to construct a hydroelectric plant on Rydal Beck in the grounds of Rydal Hall to generate renewable electricity. The DBF's share of the results and net assets of Rydal Hydro Limited are shown below.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2022 £'000	2021 £'000
Turnover	248	-	-	-	248	202
Cost of sales	(31)	-	-	-	(31)	(13)
Gross profit	217	-	-	-	217	189
Administrative expenses	(79)	-	-	-	(79)	(75)
<b>Operating profit</b>	138	-	-	-	138	114
Interest payable	-	-	-	-	-	-
<b>Profit/(Loss) on ordinary activities before tax</b>	138	-	-	-	138	114
Taxation	(26)	-	-	-	(26)	(23)
<b>Profit/(loss) for the year</b>	112	-	-	-	112	91
Retained profits b/f	160	-	-	-	160	170
Dividends paid	(119)	-	-	-	(119)	(101)
<b>Retained profits c/f</b>	153	-	-	-	153	160
Called up share capital	7	-	-	-	7	7
Share premium account	693	-	-	-	693	693
<b>Total funds carried forward</b>	853	-	-	-	853	860
Fixed assets	861	-	-	-	861	882
Net current assets	68	-	-	-	68	53
Creditors falling due after more than one year	(76)	-	-	-	(76)	(75)
<b>Net assets</b>	853	-	-	-	853	860

Company Number 08912230

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

**17. CUMBRIA CHRISTIAN LEARNING LIMITED**

**(Previously called LANCASHIRE & CUMBRIA THEOLOGICAL PARTNERSHIP LIMITED)**

On 1 September 2016 the Carlisle DBF took full control of the Lancashire & Cumbria Theological Partnership (now called Cumbria Christian Learning Ltd), a company limited by guarantee and a registered charity.

In 2018 the decision was taken to bring the net assets, staff, and activities back into the Carlisle Diocesan Board of Finance. This transfer took place on 31 January 2019, with the exception of those activities around Initial Ministerial Education, which could only be transferred when the accreditation from Durham University had been novated – until which relevant staff were seconded back to CCL who continued to operate at this reduced level of activity.

CCL ceased operating in July 2021, after which existing and future ordination / reader training is being carried out the newly established Emmanuel Training College.

	Unrestricted funds		Restricted	Endowment	2022	2021
	General	Designated	Funds	Funds		
	£'000	£'000	£'000	£'000	£'000	£'000
Income from:						
Charitable activities	-	-	-	-	-	47
<b>Total income</b>	-	-	-	-	-	47
Resources expended:						
Costs of training	-	-	-	-	-	(46)
Charitable Grants	-	-	-	-	-	(7)
<b>Net income for the year</b>	-	-	-	-	-	(6)
Retained funds b/f	-	-	-	-	-	6
<b>Retained funds c/f</b>	-	-	-	-	-	-
Fixed assets	-	-	-	-	-	-
Net current assets	-	-	-	-	-	-
Creditors falling due after more than one year	-	-	-	-	-	-
<b>Net assets</b>	-	-	-	-	-	-

Company Number 04412662    Charity Number 1105055

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

18. RESTORE (CUMBRIA)

(Previously called OPSHOPS (HELPING COMMUNITIES GROW) )

Restore (Cumbria) has historically been a dormant company. On 1 July 2020, the staff, net assets and activities of the Diocese's OPSHOPS network of charity shops and ministry were transferred to Restore (Cumbria), a subsidiary charity of the Carlisle DBF.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	2022 £'000	2021 £'000
	General £'000	Designated £'000				
Income from:						
Turnover	-	268	-	-	268	167
Grants and Donations	-	82	62	-	144	84
Government Grants	-	-	-	-	-	15
<b>Total income</b>	-	350	62	-	412	266
Resources expended:						
Costs of Sales	-	-	-	-	-	1
Administrative Expenses	-	277	32	-	309	319
<b>Total resources expended</b>	-	277	32	-	309	320
<b>Net income for the year</b>	-	73	30	-	103	(54)
Retained funds b/f	-	(10)	24	-	14	68
<b>Retained funds c/f</b>	-	63	54	-	117	14
Fixed assets	-	27	-	-	27	25
Net current assets	-	36	54	-	90	(11)
Creditors falling due after more than one year	-	-	-	-	-	-
<b>Net assets</b>	-	63	54	-	117	14

Included in grants and donations above is a grant from Carlisle DBF of £78,000 (2021: £18,000).

The above-named charity – Restore (Cumbria) - is entitled to and is using an audit exemption under Section 479A of the Companies Act 2006 ("The Act"). The members have not required the charity to obtain an audit for the year in question in accordance with Section 476 of the Act.

In accordance with Section 479C of the UK Companies Act 2006, the charity - Carlisle DBF - has irrevocably guaranteed the liabilities of its above-named subsidiary in respect of the financial year ended 31 December 2022.

Company Number 08146662 Charity Number 1187078

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2022

**19. TAXATION**

Carlisle DBF is a registered charity and has no liability to corporation tax.

**20. STAFF COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Employee costs during the year were as follows:		
Wages and salaries	2,234	2,053
National insurance contributions	200	169
Employer's contributions to defined benefit pension schemes	310	302
	<u>2,744</u>	<u>2,524</u>

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

	<b>Number</b>	<b>Number</b>
Resourcing ministry and mission	48	44
Education	4	4
Opshops	10	10
Cumbria Christian Learning	-	1
Rydal Hall	37	31
	<u>99</u>	<u>90</u>

The average number of persons employed by the group during the year based on full-time equivalents:

	<b>Number</b>	<b>Number</b>
Resourcing ministry and mission	41	37
Education	4	3
Opshops	8	5
Cumbria Christian Learning	-	1
Rydal Hall	28	24
	<u>81</u>	<u>70</u>

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

	<b>Number</b>	<b>Number</b>
£60,000 - £70,000	1	-
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
	<u>2</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

**21. COSTS OF STIPENDIARY CLERGY**

Carlisle DBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The DBF 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 stipends of the Diocesan Bishop and Suffragan Bishop, funded by the Church Commissioners, are in the range £55,000 - £60,000 (2021 range £50,000 - £55,000). The annual rate of stipend, funded by Carlisle DBF, paid to Archdeacons in 2022 was £37,890 (2021 - £37,098). The Diocesan standard stipend for 2022 was £27,732 (2021 - £25,152).

Carlisle DBF paid an average of 78 (2021 – 85) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese and the costs were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Stipends	2,240	2,352
National insurance contributions and apprenticeship levy	192	200
Employer's contributions to defined benefit pension schemes:		
Current year	683	739
Deficit reduction	87	160
	<u>3,202</u>	<u>3,451</u>

2022 was an exceptional year in respect of support for clergy restructuring payments. Costs relating to the termination of Office amounted to £210,000 (stipend payments of £175,000 and pension contributions of £35,000).

**22. REMUNERATION OF TRUSTEES AND OTHER KEY MANAGEMENT PERSONNEL**

**Trustees' emoluments**

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £28,000 (2021 - £12,000) in respect of General Synod duties, duties as archdeacon and other duties as Trustees.

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

	<b>Stipend</b>	<b>Housing</b>
The Right Revd James Newcome	Yes	Yes
The Venerable Dr R Pratt	Yes	Yes
The Venerable V Ross	Yes	Yes
The Venerable L S Townend	Yes	Yes
The Venerable S J Fyfe	Yes	Yes

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2022 they were:

Diocesan Secretary and Company Secretary  
 Director of Education  
 Head of Finance

Remuneration, pensions and expenses for these 4 employees (2021: 3) amounted to £255,000 (2021: £244,000).

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2022

## 23. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
From General Fund to Rydal Fund	(100)	100	-	-
From Barchester Fund for Educational support	209	-	(209)	-
Transfer from Pastoral a/c for housing costs	201	-	(201)	-
Parsonage Houses Fund to Pastoral Account	-	-	262	(262)
Transfer of Minor Funds to Growth Fund	-	3	(3)	-
From General Fund to Stipends Capital Fund for reduction of clergy pensions deficit	(148)	-	-	148
<b>Net transfers between funds</b>	<u>162</u>	<u>103</u>	<u>(151)</u>	<u>(114)</u>
Income from Rydal Hall	53	(53)	-	-
<b>Group Net transfers between funds</b>	<u>215</u>	<u>50</u>	<u>(151)</u>	<u>(114)</u>

## 24. TANGIBLE FIXED ASSETS

Consolidated	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2022	8,474	32,413	131	216	41,234
Additions	302	679	5	40	1,026
Transfers	-	-	-	-	-
Disposals	(575)	-	-	-	(575)
Revaluations	(96)	(240)	-	-	(336)
<b>At 31<sup>st</sup> December 2022</b>	<u>8,105</u>	<u>32,852</u>	<u>136</u>	<u>256</u>	<u>41,349</u>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2022	-	-	85	147	232
Disposals	-	-	-	-	-
Depreciation for the year	-	-	9	23	32
<b>At 31<sup>st</sup> December 2022</b>	<u>-</u>	<u>-</u>	<u>94</u>	<u>170</u>	<u>264</u>
<b>Net Book Value:</b>					
<b>At 31<sup>st</sup> December 2022</b>	<u>8,105</u>	<u>32,852</u>	<u>42</u>	<u>86</u>	<u>41,085</u>
<b>At 31<sup>st</sup> December 2021</b>	<u>8,474</u>	<u>32,413</u>	<u>46</u>	<u>69</u>	<u>41,002</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

24. TANGIBLE FIXED ASSETS (continued)

Company	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2022	8,474	32,413	-	128	41,015
Additions	302	679	-	-	981
Transfers	-	-	-	-	-
Disposals	(575)	-	-	-	(575)
Revaluations	(96)	(240)	-	-	(336)
<b>At 31<sup>st</sup> December 2022</b>	<u>8,105</u>	<u>32,852</u>	<u>-</u>	<u>128</u>	<u>41,085</u>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2022	-	-	-	98	98
Disposals	-	-	-	-	-
Depreciation for the year	-	-	-	7	7
<b>At 31<sup>st</sup> December 2022</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105</u>	<u>105</u>
<b>Net Book Value:</b>					
At 31 <sup>st</sup> December 2022	<u>8,105</u>	<u>32,852</u>	<u>-</u>	<u>23</u>	<u>40,980</u>
At 31 <sup>st</sup> December 2021	<u>8,474</u>	<u>32,413</u>	<u>-</u>	<u>30</u>	<u>40,917</u>

All of the properties in the balance sheet are freehold and are vested in Carlisle DBF, except for benefice houses which are vested in the incumbent. Land and buildings at 31 December 2022 are valued at fair value as deemed cost as at 1st January 2014 or subsequent cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## 25. INVESTMENTS

## FIXED ASSET INVESTMENTS

Consolidated and Company	Value at 1 <sup>st</sup> January 2022 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	Value at 31 <sup>st</sup> December 2022 £'000
<b>Unrestricted Funds</b>						
Investment in joint ventures	871	-	-	-	8	879
CBF Investment Fund	563	545	-	-	(97)	1,011
	<u>1,434</u>	<u>545</u>	<u>-</u>	<u>-</u>	<u>(89)</u>	<u>1,890</u>
<b>Designated Funds</b>						
CBF Investment Fund	2,114	30	-	-	(250)	1,894
	<u>2,114</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>1,894</u>
<b>Restricted Funds</b>						
Investment properties	2,325	-	-	-	130	2,455
CBF Property Fund	3,912	462	-	-	(544)	3,830
CBF Investment Fund	8,804	517	-	-	(1,042)	8,279
	<u>15,041</u>	<u>979</u>	<u>-</u>	<u>-</u>	<u>(1,456)</u>	<u>14,564</u>
<b>Endowment Funds</b>						
Investment properties	9,967	-	(300)	-	18	9,685
Hydroelectric Schemes	864	-	-	-	12	876
CBF Property Fund	2,055	240	-	-	(283)	2,012
CBF Investment Fund	12,227	301	-	-	(1,455)	11,073
	<u>25,113</u>	<u>541</u>	<u>(300)</u>	<u>-</u>	<u>(1,708)</u>	<u>23,646</u>
<b>Total</b>	<u>43,702</u>	<u>2,095</u>	<u>(300)</u>	<u>-</u>	<u>(3,503)</u>	<u>41,994</u>
<b>Total Historical Cost</b>	<u>19,162</u>	<u>2,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,565</u>

## SOCIAL INVESTMENTS

Consolidated and Company	Value at 1 <sup>st</sup> January 2022 £'000	New loans £'000	Repaid £'000	Transfers £'000	Adjustment on settlement £'000	Value at 31 <sup>st</sup> December 2022 £'000
<b>Unrestricted Funds</b>						
Loans to parishes	50	1	(31)	-	-	20
Loan to Emmanuel College	10	-	-	-	-	10
	<u>60</u>	<u>1</u>	<u>(31)</u>	<u>-</u>	<u>-</u>	<u>30</u>
<b>TOTAL INVESTMENTS</b>						
<b>Total Consolidated Investments</b>	<u>43,762</u>	<u>2,096</u>	<u>(331)</u>	<u>-</u>	<u>(3,503)</u>	<u>42,024</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2022

25. INVESTMENTS (continued)

The social investments of Carlisle DBF consist of concessionary loans made to parishes and the newly established Emmanuel College, for charitable purposes.

All the investments relate to the Company. The Company also has an investment – book value £nil (2021 £nil)– original cost £250,100 (2021: £250,100) in Rydal Hall Limited.

26. DEBTORS

	Consolidated		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Due within one year</b>				
<b>Unrestricted funds</b>				
Trade debtors	58	30	58	30
Inter fund balances	1,804	1,884	1,804	1,884
Other debtors	84	81	84	81
	<u>1,946</u>	<u>1,995</u>	<u>1,946</u>	<u>1,995</u>
<b>Designated funds</b>				
Trade debtors	4	-	-	-
Inter fund balances	350	431	350	431
Other debtors	53	115	-	-
	<u>407</u>	<u>546</u>	<u>350</u>	<u>431</u>
<b>Restricted funds</b>				
School debtors	748	498	748	498
Inter fund balances	674	63	674	63
	<u>1,422</u>	<u>561</u>	<u>1,422</u>	<u>561</u>
<b>Endowment Funds</b>				
Inter fund balances	6	33	6	33
	<u>6</u>	<u>33</u>	<u>6</u>	<u>33</u>
<b>Total debtors due within one year</b>	<u>3,781</u>	<u>3,135</u>	<u>3,724</u>	<u>3,020</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2022

27. DEPOSITS

	Consolidated		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Unrestricted funds</b>				
CBF Deposit Funds	39	220	39	220
<b>Designated funds</b>				
CBF Deposit Funds	222	42	30	3
<b>Restricted funds</b>				
CBF Deposit Funds	1,454	1,620	1,454	1,620
Deposits with Church Commissioners	73	55	73	55
	1,527	1,675	1,527	1,675
<b>Endowment funds</b>				
CBF Deposit Funds	123	807	123	807
<b>Total deposits</b>	1,911	2,744	1,719	2,705

28. CREDITORS: amounts falling due within one year

	Consolidated		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Unrestricted funds</b>				
Sundry creditors and accruals	1,263	1,011	1,263	1,011
Inter fund balances	1,030	527	1,030	527
Loan repayment instalments:				
Central Board of Finance	100	100	100	100
Cumberland Building Society	50	100	50	100
	2,443	1,738	2,443	1,738
<b>Designated funds</b>				
Inter fund balances	-	-	-	-
Trade creditors	28	37	-	-
Sundry creditors and accruals	237	202	-	-
	265	239	-	-
<b>Restricted funds</b>				
Inter fund balances	1,143	1,241	1,143	1,241
Sundry creditors and accruals	1,756	1,165	1,756	1,165
	2,899	2,406	2,899	2,406
<b>Endowment funds</b>				
Inter fund balances	661	644	661	644
Clergy pension scheme	-	148	-	148
	661	792	661	792
<b>Total creditors falling due within one year</b>	6,268	5,175	6,003	4,936

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2022

28. CREDITORS: amounts falling due within one year (Continued)

Within unrestricted sundry creditors and accruals, there is £404,771 (2021 - £389,172) deferred income. The one material balance of £330,000 has been deferred as proceeds from the sale of a school building require government approval before they can be retained by the charity.

29. CREDITORS: amounts falling due after more than one year

	Consolidated		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Unrestricted funds</b>				
Loan repayment instalments:				
Central Board of Finance	100	200	100	200
Cumberland Building Society	-	-	-	-
	<u>100</u>	<u>200</u>	<u>100</u>	<u>200</u>
<b>Total creditors falling due after one year</b>	<u>100</u>	<u>200</u>	<u>100</u>	<u>200</u>

£1 million was borrowed from the Central Board of Finance Deposit Fund Diocesan Loan Scheme in 2014 in order to finance the investment in Rydal Hydro Limited. It is repayable in equal annual instalments of £100,000 over ten years with interest charged at 0.55% above the CBF Deposit Fund rate (currently 3.85%).

The loan from the Cumberland Building Society (note 28 & 29) is held on behalf of parishes. The loan is a rolling facility with up to £500,000 available. Interest is charged at 1.99% below the Society's commercial variable base rate. The loan is secured on Rydal Hall and is due for renewal in December 2023.

The maturity of the loans is analysed as follows:

	2022 £'000	2021 £'000
Between one and two years	100	100
Between two and five years	-	100
In five years or more	-	-
	<u>100</u>	<u>200</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2022

30. SUMMARY OF FUND MOVEMENTS

Unrestricted Funds - 2022

	Balance at 1 <sup>st</sup> January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2022 £'000
<b>General funds</b>						
Realised reserve	1,680	7,101	(7,394)	215	53	1,655
Revaluation reserve	600	-	-	-	(89)	511
	<u>2,280</u>	<u>7,101</u>	<u>(7,394)</u>	<u>215</u>	<u>(36)</u>	<u>2,166</u>
<b>Designated Funds</b>						
Diocesan Growth Fund	2,196	60	(36)	3	(250)	1,973
Resources Centre	1	-	-	-	-	1
Rydal Hall	-	-	-	100	-	100
Sustainability Fund	275	-	(76)	-	-	199
Restore	77	-	(77)	-	-	-
	<u>2,549</u>	<u>60</u>	<u>(189)</u>	<u>103</u>	<u>(250)</u>	<u>2,273</u>
Cumbria Christian Learning	-	-	-	-	-	-
Restore (Cumbria)	15	315	(237)	-	-	93
Rydal Hall Limited	203	1,281	(1,407)	(53)	-	24
	<u>2,767</u>	<u>1,656</u>	<u>(1,833)</u>	<u>50</u>	<u>(250)</u>	<u>2,390</u>
<b>Total Group Designated Funds</b>						
	<u>2,767</u>	<u>1,656</u>	<u>(1,833)</u>	<u>50</u>	<u>(250)</u>	<u>2,390</u>
<b>Total Group Unrestricted Funds</b>						
	<u>5,047</u>	<u>8,757</u>	<u>(9,227)</u>	<u>265</u>	<u>(286)</u>	<u>4,556</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2022

Unrestricted Funds - 2021

	Balance at 1 <sup>st</sup> January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2021 £'000
<b>General funds</b>						
Realised reserve	1,684	7,070	(7,057)	(51)	34	1,680
Revaluation reserve	596	-	-	-	4	600
	<u>2,280</u>	<u>7,070</u>	<u>(7,057)</u>	<u>(51)</u>	<u>38</u>	<u>2,280</u>
<b>Designated Funds</b>						
Diocesan Growth Fund	1,809	54	(15)	85	263	2,196
Resources Centre	1	-	-	-	-	1
Rydal Hall	300	-	(300)	-	-	-
Sustainability Fund	150	-	-	125	-	275
OpShops	77	-	(16)	16	-	77
<b>Total Company Designated</b>	<u>2,337</u>	<u>54</u>	<u>(331)</u>	<u>226</u>	<u>263</u>	<u>2,549</u>
Cumbria Christian Learning	7	-	(47)	40	-	-
Restore (Cumbria)	68	248	(301)	-	-	15
Rydal Hall Limited	(246)	1,224	(707)	(68)	-	203
<b>Total Group Designated Funds</b>	<u>2,166</u>	<u>1,526</u>	<u>(1,386)</u>	<u>198</u>	<u>263</u>	<u>2,767</u>
<b>Total Group Unrestricted Funds</b>	<u>4,446</u>	<u>8,596</u>	<u>(8,443)</u>	<u>147</u>	<u>301</u>	<u>5,047</u>

The Diocesan Growth Fund was created from a legacy from the late Miss A F Hope. It has been supplemented from the Mission Development grants from the Church Commissioners and transfers from General Funds. The Fund is used to support the establishment of youth congregations and help parishes and deaneries initiate new work designed to achieve church growth.

The Rydal Hall Fund represents the balance of Carlisle DBF's investment in the subsidiary company, Rydal Hall Limited, plus an amount of £300,000 added in 2020 and paid out in 2021 designated to support Rydal Hall following losses incurred during the Coronavirus pandemic.

The Restore (Cumbria) Fund (previously known as OpShops) represents the investment in the network of local shops through which this subsidiary charity, and local churches, provide community support and outreach for the local communities.

The Sustainability Fund was created to build a fund towards the expenditure likely to be required in future years to fund changes to bring about more sustainable models of mission and ministry across the Diocese.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2022

**Restricted Income Funds - 2022**

	Balance at 1 <sup>st</sup> January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2022 £'000
Barchester Fund	7,821	252	(40)	(209)	(584)	7,240
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	5,786	271	(56)	1,103	(770)	6,334
Diocesan Houses Fund	8,736	340	(12)	(1,041)	42	8,065
Parish Property Fund	463	13	-	-	(59)	417
Retired Clergy & Dependants Income Fund	11	59	(78)	-	-	(8)
Church Commissioners Funds	-	296	(67)	-	-	229
Other Restricted Income Funds	461	146	(107)	(4)	(44)	452
<b>Total Group Restricted Income Funds</b>	<b>23,338</b>	<b>1,377</b>	<b>(360)</b>	<b>(151)</b>	<b>(1,415)</b>	<b>22,789</b>

**Restricted Income Funds - 2021**

	Balance at 1 <sup>st</sup> January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2021 £'000
Barchester Fund	7,010	248	(56)	(220)	839	7,821
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	3,858	150	(26)	1,181	623	5,786
Diocesan Houses Fund	9,267	149	-	(680)	-	8,736
Parish Property Fund	400	14	(14)	-	63	463
Retired Clergy & Dependants Income Fund	3	50	(42)	-	-	11
Sundry Appeal Funds	4	-	-	-	-	4
Other Restricted Income Funds	406	140	(129)	-	40	457
<b>Total Group Restricted Income Funds</b>	<b>21,008</b>	<b>751</b>	<b>(267)</b>	<b>281</b>	<b>1,565</b>	<b>23,338</b>

The Barchester Fund comprises closed schools and school houses and their sale proceeds. These are held by the DBF and administered by the Diocesan Board of Education to support religious education and the work of Church schools in the Diocese. School Funds, of which Carlisle DBF is Custodian Trustee, are not included within the Barchester Fund as the DBF receives no benefit from these funds.

The Stipends Income Fund is governed by the Diocesan Stipends Measure 1953, as subsequently amended, and is used to augment the clergy stipends. Its income comes from glebe and other Stipends Capital Account investments, assigned fees and the Church Commissioners. The income is included in the DBF's General Funds in accordance with the stated accounting policy where it contributes towards the total cost of stipends which are paid from General Funds.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2022

The Diocesan Pastoral Account receives the sale proceeds of Churches and Parsonages which have become redundant under pastoral reorganisation. Its uses are governed by Section 94 of the Pastoral Measure 2011, and include grants and loans for Parsonage and Church provision, restoration, improvement or repair and other purposes of the Diocese or any benefice or parish. The reserves are represented by investments with the Central Board of Finance and by loans to parishes. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Diocesan Houses Fund consists of those properties in the legal ownership of Carlisle DBF (as distinct from benefice houses) other than investment properties. The purchase of such properties is funded primarily from the Pastoral Account.

The Parish Property Fund (formerly Diocesan Loan Fund) is used to provide loans and grants to parishes for improvements and repairs to churches and other parish property.

The Church Commissioners Funds relate to grant funding from the National Church, restricted for specific projects.

**Endowment Funds - 2022**

	Balance at 1 <sup>st</sup> January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2022 £'000
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	22,800	186	-	148	(1,523)	21,611
Education	47	-	-	-	(6)	41
PWM World Mission	73	-	-	-	(9)	64
Readers Board	2	-	-	-	-	2
General	143	-	-	-	(17)	126
	<u>23,065</u>	<u>186</u>	<u>-</u>	<u>148</u>	<u>(1,555)</u>	<u>21,844</u>
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	33,177	28	-	(262)	-	32,943
Retired Clergy & Dependants Fund	1,478	-	-	-	(154)	1,324
	<u>34,655</u>	<u>28</u>	<u>-</u>	<u>(262)</u>	<u>(154)</u>	<u>34,267</u>
<b>Total Group Endowment Funds</b>	<u>57,720</u>	<u>214</u>	<u>-</u>	<u>(114)</u>	<u>(1,709)</u>	<u>56,111</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2022

<b>Endowment Funds - 2021</b>						
	<b>Balance at 1<sup>st</sup> January 2021 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Transfers £'000</b>	<b>Gains and losses £'000</b>	<b>Balance 31<sup>st</sup> December 2021 £'000</b>
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	20,302	19	(50)	471	2,058	22,800
Education	41	-	-	-	6	47
PWM World Mission	63	-	-	-	10	73
Readers Board	2	-	-	-	-	2
General	125	-	-	-	18	143
	<u>20,533</u>	<u>19</u>	<u>(50)</u>	<u>471</u>	<u>2,092</u>	<u>23,065</u>
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	33,897	179	-	(899)	-	33,177
Retired Clergy & Dependants Fund	1,316	-	-	-	162	1,478
	<u>35,213</u>	<u>179</u>	<u>-</u>	<u>(899)</u>	<u>162</u>	<u>34,655</u>
<b>Total Group Endowment Funds</b>						
	<u>55,746</u>	<u>198</u>	<u>(50)</u>	<u>(428)</u>	<u>2,254</u>	<u>57,720</u>

The Permanent Endowment Funds are held where the DBF has no power to convert the capital into income. The capital is invested and the income used for the purposes as indicated.

The Diocesan Stipends Fund Capital Account is governed by Section 38 of the Church Property Measure 2018. It consists of investments with the Central Board of Finance and glebe properties and is held to produce income for clergy stipends. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Parsonages Houses Fund represents those houses which are benefice property, vested in the incumbents. Carlisle DBF nevertheless has financial responsibility for parsonages and they have been included in the Balance Sheet valued at deemed cost based on valuations at 31 December 2013.

The Retired Clergy and Dependants Fund provides for the relief of poverty by assisting retired clergy, licensed lay workers or deserted spouses of clergy who reside or served in the Diocese, and their dependants.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2022

31. SUMMARY OF ASSETS BY FUND

Company	Fixed Assets		Net Current Assets £'000	Liabilities after 1 year £'000	Net Assets 2022 £'000	Net Assets 2021 £'000
	Tangible £'000	Investments £'000				
<b>Unrestricted Funds</b>						
General Funds	23	1,920	323	(100)	2,166	2,280
<b>Designated Funds</b>						
Diocesan Growth Fund	-	1,894	79	-	1,973	2,196
Resources Centre	-	-	1	-	1	1
Rydal Hall	-	-	100	-	100	-
Sustainability Fund	-	-	199	-	199	275
OpShops	-	-	-	-	-	77
	-	1,894	379	-	2,273	2,549
<b>Restricted Funds</b>						
Barchester Fund	-	7,061	179	-	7,240	7,821
Stipends Income Fund	-	-	60	-	60	60
Pastoral Account	-	5,919	415	-	6,334	5,786
Diocesan Houses Fund	7,959	750	(644)	-	8,065	8,736
Parish Property Fund	-	463	(46)	-	417	463
Retired Clergy Income	-	23	(31)	-	(8)	11
Church Commissioners	-	-	229	-	229	-
Other Funds	-	349	103	-	452	461
	7,959	14,565	265	-	22,789	23,338
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	-	22,249	(638)	-	21,611	22,800
Education	-	41	-	-	41	47
PWM World Mission	-	64	-	-	64	73
Readers Board	-	2	-	-	2	2
General	-	126	-	-	126	143
	-	22,482	(638)	-	21,844	23,065
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	32,852	-	91	-	32,943	33,177
Retired Clergy & Dependants Fund	146	1,163	15	-	1,324	1,478
	32,998	1,163	106	-	34,267	34,655
<b>Total Endowment Funds</b>	32,998	23,645	(532)	-	56,111	57,720
<b>Total Company Funds</b>	40,980	42,024	435	(100)	83,339	85,887
<b>Unrestricted Funds</b>						
Restore (Cumbria)	19	-	74	-	93	14
Rydal Hall Ltd	86	-	(62)	-	24	204
<b>Total Consolidated Funds</b>	41,085	42,024	447	(100)	83,456	86,105

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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**32. PENSIONS**

The DBF 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 DBF 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 DBF 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 FRS102 requires the DBF 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 DBF. 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.

At the end of the year the DBF was paying contributions for 84 members of the scheme out of a total membership of approximately 8,500 active members. Each participating employer in the scheme pays contributions at a common contribution rate applied to the previous year's National Minimum Stipend. As this is a multi-employer scheme and it is not possible to attribute the scheme's assets and liabilities to specific employers, the scheme pension costs are accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year plus the impact of any deficit contributions (see below).

The most recent scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560 million, based on assets of £2,720 million and a funding target of £2,160 million, assessed using the following assumptions:

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

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2022

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

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

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

**A reconciliation of the balance sheet liability:**

	2022 £'000	2021 £'000
Balance sheet liability as at 1 January	148	342
Deficit contribution paid	(87)	(160)
Interest cost (recognised in the SOFA)	0	1
Re-measurement of the balance sheet liability	(61)	(35)
	<u>0</u>	<u>148</u>
Balance sheet liability as at 31 December	<u>0</u>	<u>148</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 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount Rate	n/a	0.0% pa	0.2% pa
Price Inflation	n/a	n/a	3.1% pa
Increase to total pensionable salary	n/a	-1.5% pa	1.6% pa

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

**Church Workers Pension Fund – Defined Benefits Scheme**

The Defined Benefits Scheme (“DBS”) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2022, the DBF had 2 active members, 12 deferred and 37 pensioner members in the scheme.

It is not possible to attribute the scheme’s assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. In such cases FRS102 requires the scheme pension costs to be accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year (£49,000 over 2022 compared to £47,000 over 2021) plus the impact of any deficit contributions (see below).

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers’ sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool. If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers’ sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

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

Following the valuation, the DBF has entered into an agreement with the Church Workers Pension Fund to a contribution rate from 44.6% of pensionable salaries and expenses of £5,300 per year.

	2022	2021
	£’000	£’000
Balance sheet liability as at 1 January	-	-
Contributions paid	-	-
Interest cost (recognised in the SOFA)	-	-
Re-measurement of the balance sheet liability	-	-
	<hr/>	<hr/>
Balance sheet liability as at 31 December	-	-
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

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**33. CAPITAL COMMITMENTS**

Group expenditure contracted for but not provided on the financial statements was £25,000 (Charity: £nil) (2021: Group and Charity £nil).

**34. RELATED PARTY TRANSACTIONS**

Details of transactions with the main related parties of Carlisle DBF are given in the appropriate notes to the financial statements.

**Archbishops' Council and the Church Commissioners**

As detailed in note 2 Carlisle DBF received grants from the Archbishops' Council totalling £1,366,000 (2021: £976,000). £35,000 (2021: £35,000) was received from the Church Commissioners for rent of the Bishop's House. Payments were made to the Archbishops' Council for contributions to the National Church and for training of Ordinands totalling £527,000 (2021: £551,000). Payments of £2,432,000 (2021: £2,552,000) were made to the Church Commissioners for clergy stipends and the Church of England Pensions Board was paid £770,000 (2021: £899,000) for clergy pensions. £61,000 (2021: £nil) of clergy pensions was outstanding at the year end. Further payments were made to the Pensions Board for lay pensions of £248,000 (2021: £255,000). The balance due to the Pensions Board at the year-end for December's contributions was £29,000 (2021: £24,000).

**Rydal Hall Ltd (see note 15)**

During the year Carlisle DBF invoiced Rydal Hall Ltd £45,000 (2021: £60,000) for rent and £8,000 (2021: £8,000) for management services. Carlisle DBF made a grant of £300,000 to Rydal Hall Ltd in 2021 following losses incurred during the Covid-19 pandemic.

At the year-end Rydal Hall Ltd owed £137,000 (2021: £73,000) for outstanding rent, management services and staff salaries.

**Rydal Hydro Ltd (see note 16)**

Rent of £36,000 (2021: £8,000) and dividends of £119,000 (2021: £101,000) were received from Rydal Hydro Ltd.

**Scandale Hydro Ltd**

Dividends of £135,000 (2021: £113,000) were received from Scandale Hydro Ltd, of which Carlisle DBF owns one-third of the shares.

**Cumbria Christian Learning Limited (see note 17)**

Carlisle DBF paid £nil (2021: £47,000) for ordination training, and received a grant from CCL of £nil (2021: £7,750). Carlisle DBF made no grants to CCL (2021: £nil).

At 31 December 2021 CCL owed Carlisle DBF £nil (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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**34. RELATED PARTY TRANSACTIONS (continued)**

**Restore (Cumbria) – Previously known as OpShops (see note 18)**

On 1 July 2020, the activities and net asset of OpShops - formerly an activity carried out within the Carlisle DBF - were transferred for a consideration of £nil, into a previously dormant subsidiary charity - now called Restore (Cumbria).

During 2020 a grant of £75,000 was made from the Carlisle DBF to Restore to give them a suitable level of reserves and working capital. In addition, In 2022, £77,000 (2021: £nil) of DBF designated funds were granted to Restore in support of losses in the early years of operating as a stand-alone charity.

During the early months of 2021, 9 Carlisle DBF staff were seconded to the charity, for which £49,000 (2021: £66,000) was reimbursed to the DBF.

At the year-end, Restore owed £25,000 (2021: £32,000) to Carlisle DBF for outstanding staffing and expenses paid on their behalf.

**DBE Services Ltd**

Carlisle DBF received gift aid distributions from DBE Services totalling £10,000 (2021: £25,000).



**CARLISLE DIOCESAN BOARD OF FINANCE**

England & Wales - Charity number 251977

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# Accounts

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**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**FINANCIAL STATEMENTS**

for the

**YEAR ENDED 31 DECEMBER 2021**



**CARLISLE  
DIOCESE**

**Company Registration No 39625**

**Registered Charity No 251977**



## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021



The Directors, who are also Trustees for the purposes of charity law, present their combined Directors' report, Trustees' report and Strategic report, together with the audited financial statements, for the year ended 31<sup>st</sup> December 2021. The report is separated into the following sections:

1. Legal objects
2. Strategic aims
3. Activities
4. Objectives set for the year
5. Strategic report containing:
  - 5.1. Activities in the year
  - 5.2. Achievements and performance
  - 5.3. Financial review
  - 5.4. Plans for future periods
  - 5.5. Principal risks and uncertainties
6. Structure, governance and management
7. Funds held as custodian trustee for others
8. Reference and administrative details of the Carlisle Diocesan Board of Finance (Carlisle DBF)
9. Auditors

#### **1. LEGAL OBJECTS**

##### **1.1. Objective**

The principal objective of the Carlisle Diocesan Board of Finance (Carlisle DBF) is to promote and assist the work, objectives and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Carlisle and elsewhere by acting as the financial executive of the Diocese.

Carlisle DBF acts in conjunction with the Church Commissioners, Archbishops' Council, Bishop's Council, Diocesan and Deanery Synods and Parochial Church Councils to support the work of the Church of England particularly in the Diocese of Carlisle. The major part of Carlisle DBF's activity is to organise and provide funds for the training, housing and stipends of clergy and other ministers within the Diocese of Carlisle and to support the activities of the other Boards, Councils and Committees of the Diocesan Synod.

##### **1.2. Statutory Functions**

- Carlisle DBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- Carlisle DBF is custodian trustee in relation to PCC property (see section 7).

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2021) continued

- The Trustees are aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and have had regard to it in their administration of Carlisle DBF. The Trustees believe that, by promoting the work of the Church of England in the Diocese of Carlisle, 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, and that 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 services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

## 2. STRATEGIC AIMS

Carlisle DBF's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese. Since 2015 Carlisle DBF has sought to allocate its resources in the most effective way to support the strategy "God for All" which is shared by Carlisle Diocese and the Cumbrian Methodist, United Reformed and Salvation Army churches. Since 2019 the strategy has been 'refreshed' for the coming years through a process of listening and consulting, providing new strategic focus in the coming years.

In terms of resourcing, the strategy requires the DBF to invest in lay and ordained ministry development, including pioneer ministers; support the mission and organisational structure of some 35 Mission Communities across the Diocese; support the creation of "Fresh Expressions of Church" such as Network Youth Churches; and oversee subsidiaries in support of the Mission of the Church, including a Retreat House and Conference Centre at Rydal Hall and local community Resource and Recycling retail centres through "Restore (Cumbria)", as far as may be financially viable.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit in reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Trustees consider the planned activities will contribute to the aims and objectives they have set. The Trustees confirm that public benefit has been provided by the advancement of its objectives

## 3. ACTIVITIES

The key activities may be summarised as:

- Mission and ministry in the local church (includes all clergy training, housing, stipends and pension costs and all other expenditure supporting locally-based ministry);
- Education funding (includes support services and capital expenditure support for schools); and
- Provision of a Diocesan Retreat House and Conference Centre;
- Contributions to the Archbishops' Council (mainly by grant) to support the National Church.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2021) continued

#### 4. OBJECTIVES FOR THE YEAR

As part of Carlisle DBF's overall strategy, and subject to Annual Review, the Trustees have set the following specific objectives for the current and following years:

- Taking account of Covid 19 related factors, to maximise the return from Diocesan asset holdings to support costs of Diocesan Mission and Ministry while retaining the policy of balanced budgets for 2022 and onwards.
- To minimise increases in income needed from parishes in order to allow funds to be spent on mission activity locally;
- To resource Diocesan needs, as determined by Synod and informed by local and National Church institutions.
- To invest in local ministry including greater emphasis on learning and development for lay, as well as ordained, ministers.

#### 5. STRATEGIC REPORT

##### 5.1. Activities in the year

###### 5.1.1. Specific Activities

The activities of the Diocese in 2021 continued to be fundamentally affected by the Covid 19 pandemic, with its associated and major restrictions upon normal operational effectiveness. This did not, however, prevent a thorough review of the progress of the 2015-2020 ecumenical "God For All" strategy, and its successor "Vision Refresh", adopted by Diocesan Synod in March 2021.

Specific activities in support of this strategy included:

- Full reimbursement to the Church Commissioners for the direct employment costs of stipendiary clergy, together with the DBF's share of the training costs for Ordinands and curates. The DBF also funded the provision of housing for all stipendiary and house for duty clergy;
- Funding the continued growth in outreach and evangelism throughout the Diocese as a key element of God for All (see above), including further support for the creation and growth of Fresh Expressions of Church, innovative digital outreach and other initiatives.
- Learning and ministry development work to support clergy and laity, previously provided by Cumbria Christian Learning (CCL), but now by a combination of Diocesan staff, our own newly established Northern Mission Centre, and from September 2021 by the newly established "Emmanuel Training College" for ordination and reader training, serving Dioceses in North West England.
- A focus upon embedding Stewardship principles to increase awareness within Mission Communities of the mutual inter-dependence of them and their individual Parishes with the Diocese's ability to provide necessary and appropriate Ministerial Resource and Support Services, the larger part of which continues to be funded through an efficiently structured system of "Parish Offer".
- Continued monitoring by the Investment Sub-Committee, reporting to the Finance Committee, of the mix and performance of the Diocese's investment portfolio and its professional advisors, to ensure an appropriately prudent balance of risk and reward generation associated with each class of asset.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2021) continued

#### 5.1.2. Grant-making (Beneficiary-selection) Policy

Grants are made to the National Church to cover a proportion of its central costs (see Note 11 to the financial statements). Grants are paid to parishes and to retired clergy and to other charitable projects which appear to the Trustees to support the furtherance of Carlisle DBF's objects (see Note 14 to the financial statements).

#### 5.1.3. Programme Related Investments

Loans are made to parishes in the Diocese at a preferential rate of interest, to enable them to undertake projects which further the objects of Carlisle DBF including improving and maintaining their buildings (see note 25 to the financial statements).

#### 5.1.4. Volunteers

The Trustees recognise and are grateful for the enormous contribution that volunteers throughout the Diocese give of their time for the work of the Diocese in many different ways. Retired clergy also give freely of their time. Churchwardens, Parochial Church Council Treasurers, Secretaries and Safeguarding Officers continue to enable the local church to provide mission and ministry to local communities across Cumbria. The success of the ongoing God for All project continues to be conditional upon a substantial growth in self-supporting (volunteer) lay and ordained ministry in the future, with stipendiary clergy roles being increasingly to discern, equip and support those ministers.

### 5.2. Achievements against objectivities

#### 5.2.1. Achievements in 2021

The budget for 2021, approved by Diocesan Synod in October 2020, assumed that income from parish offers would decrease from 2020 receipts, and after planned cost adjustments, a deficit of £55k could be expected, which would be corrected where possible during the year and subject to continuing effects of Covid 19 related circumstances. This was to be a one year interim budget, allowing a new 5 year plan to be created once clearer indications of post Covid 19 operating conditions could be seen.

In the event, and due to prompt remedial action by the DBF, endorsed by Bishop's Council, the reduction in Parish Offer of some 6% compared to 2020 was more than offset by

- The deferment of non-essential property-related capital projects and some training and project activities
- Delayed clergy appointments
- Reduced net administrative costs due to enforced home working and use of video-conferencing
- The benefit, where sensibly applied, of some minor use of HM Government Furlough schemes

As a result, a surplus of income over expenditure in the general fund of some £125,000 was achieved. The Board of Finance designated these funds towards meeting the future financial pressures we expect to face as we seek a sustainable model for resourcing ministry.

Given the continued severity and impact of the pandemic across the Church and communities in Cumbria through 2021, this is considered to be a very satisfactory financial achievement. The hard work, patience, imagination and commitment of so many people, particularly in our local churches, is greatly appreciated by the Trustees.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2021) continued

Rydal Hall was able to recommence operations intermittently during the year. The financial outturn was a surplus of £449k after employment support Furlough scheme receipts and appropriate cost reductions. Additional working capital to cover 2020 losses and continuing Covid related restrictions in 2021, was met by a Grant of £300k from DBF funds in Quarter One 2021 and a grant of £148k from the Lottery Heritage Fund was successfully applied for.

The financial impact of the Covid 19 pandemic will continue to be felt in our churches and the Diocese through 2022 and most likely for some years to come. A balanced budget for 2022 has been set, based on the expectation that parish offer will remain level in cash terms, investment income will grow slightly, and inflationary pressure will be absorbed by cost savings and some minor reductions in project spend.

The Trustees continue to rigorously pursue a programme of rationalisation of its property portfolio, to maximise returns from re-invested capital in support of the costs of the Diocese's Mission and Ministry.

The Trustees fully recognise the challenges faced by parishes to maintain their parish offer giving, and are very aware of, and thankful for, the sacrificial giving throughout the Diocese that makes that possible.

#### **5.2.2. Operational Performance**

The operational performance of Carlisle DBF in 2021 helped to achieve most of the strategic aims set out above. Expenditure on local clergy (primarily stipends, pension and housing), chaplains and Network Youth Church leaders accounted for 74% of the total group expenditure from general funds. Total expenditure on resourcing ministry and mission amounted to £7,182,000. Together with expenditure on education and the Diocesan retreat house at Rydal, the expenditure on charitable activities accounted for 97% of total expenditure.

2021 saw further progress in the plan to establish new patterns of ministry in Ecumenical Mission Communities. The associated reduction in the number of stipendiary clergy (with an increase in self-supporting ministry) is helping to align the cost of local ministry with the Diocese's income. However, the 2021 end year position remained close to the planned long term clergy numbers, so there is limited scope for further cost saving to offset any further falls in income. Some maintenance and improvement of clergy property was achieved to address Covid restricted arrears and this continues to be the case into 2022.

The DBF applied successfully in 2019 to the Church Commissioners for 'Strategic Development' Funding, in support of the five year 'Reaching Deeper' project, to enable investment in new pioneering mission work across the Diocese. Although some of the recruitment had to be postponed until 2021, the project was able to build during 2021 with all posts filled during the early months of 2021 and the pioneer ministry was able to commence in all of its planned areas.

2021 has been a year of recovery and rediscovery for the team that supports God for All and Reaching Deeper. In addition to responding to the ongoing impact of the pandemic, four team members left and six new people joined as the transition to new structures continued. In spite of these changes the team continued to implement its work programme with welcome results:

- the largest number of deacons were ordained for the diocese in for many years - 14. There was also a large cohort entering either reader or ordinand training consisting of 6 ordinands and 4 readers.

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- the Reaching Deeper programme saw 14 new expressions of church and mission emerge which have directly touched the lives of nearly 450 people.
- the Northern Mission Centre provided training and support to 388 people across the North of England.
- our Christmas campaign, 'He came down: a special needs nativity', reached 161,700 individuals via radio campaigns across Cumbria and 77,503 individuals via Facebook.
- two cohorts of Mission Community leaders (totalling 43 leaders) were supported through or started a leadership development programme
- a Network Youth Church project, Ablaze, held a summer event for over 200 young people in the Brough area.
- by the end of 2021, Network Youth Church was connecting with 1611 young people across the county. In spite of the pandemic, this number is the same as that at the start of 2019, and almost the level seen at the start of 2020.

Spending on Learning and Development activities was £547,000. This included providing funding for Cumbria Christian Learning (and then Emmanuel Training College) in support of ordination and reader training, contributing £298,000 towards the national costs of ordination training, implementing the Diocesan Vocations Strategy, training stipendiary and non-stipendiary curates, lay ministry development, and a leadership development programme in Mission Communities. In 2021 further work was undertaken in partnership with the Church Mission Society to grow the Northern Mission Centre, to develop new approaches to training that will enable local clergy and their church congregations to be more effective in mission and outreach to their local communities.

£1,000 in donations and collections from parishes and £53,000 investment income were added to the Diocesan Growth Fund. Out of this, grants were paid to parishes and deaneries totalling £16,000. The balance on the Growth Fund, which is available to support the establishment of network youth church congregations and help parishes and deaneries initiate new work designed to achieve church growth, stood at £2,196,000 at 31<sup>st</sup> December 2021.

The Board for Education spent £285,000 to support education in Cumbria with its support for Church schools. The Good Shepherd Multi Academy Trust, which aims to support the provision of excellent education within a caring and Christian ethos in academies in Cumbria remains of strategic importance as the debate over the academisation of schools continues. It currently includes nine schools. A debt of gratitude is owed to the diocesan education team, school heads, teachers and support staff for supporting their students so well through these exceptionally difficult few years as covid 19 impacted on all aspects of school life.

"Restore (Cumbria)", our wholly owned but independently governed subsidiary company, continued to implement its business plan, designed to achieve a more secure and sustainable long-term future, providing community support, recycling and re-use services, and Christian ministry in partnership with local churches in Carlisle and Penrith, although its normal trading operations were again severely disrupted during the year due to Covid 19 related restrictions. The company reported a deficit of £54,000 for the year after the benefit of Government Covid relief financial support and other externally generated Grant funding. This major Outreach initiative continues to benefit from the hard work of many volunteers.

2021 saw a further modest decrease of £12,000 of income from the Archbishops' Council's Lowest Income Communities Funding. An additional £274,000 was received in 2021 from the Archbishops' Council, being claims for second year of 'SDF' grants in relation to the 'Reaching Deeper' project.

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The statutory fees for occasional offices conducted by the Church increased by £62,000 after the fall experienced in 2020, when many weddings and funerals were impacted by covid 19. Rents received from letting parsonages during vacancies remained strong at £391,000 as a result of the Diocese's active approach to renting out properties wherever possible, whilst also pursuing a policy of disposal where future need to retain them is not justified and re-investment returns are potentially better. Overall total charity income decreased by 2.0%.

Rydal Hall Ltd is the wholly-owned subsidiary company of Carlisle DBF operating the Diocesan Conference Centre and Retreat House in South Lakeland. After charges for £60k rent and £8k accounting and HR services, and the benefits of the £300,000 grant from the Diocese and £148,000 from the Lottery Heritage Fund, as well as £138,000 in Covid related HM Government support grants, the net surplus for the year was £449,000. With the balance sheet restored to a net asset position, and the ending of Covid related restrictions, the Board is confident that the results of improved marketing, and management will see a speedy return to operating stability in 2022.

The DBF again supported the Churches Trust for Cumbria through a grant of £22,000, to enable their work to provide external support for the care, conservation and development of church buildings across Cumbria.

#### **5.2.3. Investment Performance**

Investments are held in both restricted and unrestricted funds, managed by CCLA. Performance in 2021 was good, with the price of the CBF Investment Fund shares increasing by 14.3%, (2020 increase 6.9%), and the CBF Property Fund shares also increased by 14.3% (2020 decrease of 5%). Total unrealised gains on investments for the year were £4,085,000, (2020 £1,088,000). These gains are notional – they do not alter the number of shares held hence the future income streams for which these shares are held, are unaffected directly by both increases and falls. The two hydroelectric plants within Cumbria in which the DBF has invested continued to perform well in 2021, despite seasonal variations, and they will both provide a strong, long-term income stream for many years to come.

The Bank of England's Base Rate remained at 0.1% through 2021, with the low CBF Deposit Fund rate resulting in negligible interest income during the year.

Dividends received from the CBF Property Fund and Investment Fund were 6.51p and 59.99p per share respectively in the year, and the declared yields were 4.40% and 2.56% based on the year-end valuations. The total income from CBF Fund dividends for the year rose to £753,000 (2020 £709,000), and investment of receipts from property sale proceeds, deferred in favour of retaining liquidity until the effects of Covid 19 upon Parish Offer receipts and other factors became clearer, was prudently resumed.

Efforts continued to obtain planning consent for residential development on low yielding agricultural land holdings on the edge of settlements. A number of such developments have come to market in the year. All sale proceeds from these during 2021 have been invested to generate a sustainable long-term revenue stream to fund the work of the Diocese in the future.

The total return on investment – net receipts and valuation gains on investments as a percentage of the investment valuations at year-end, was 11.4% (2020 5.9%). Average yield (net receipts as a percentage of the investment valuations at year-end) was 2.6% (2020 3.2%).

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#### **5.2.4. External Factors Affecting Performance**

There are a number of external factors continuing to affect the performance of Carlisle DBF. The fall over time (in both cash and real terms) in the offers (pre Covid related factors) made to Carlisle DBF from parishes is evidence of lower incomes in the parishes, reflecting a decline in church membership and the burden of local costs such as church repairs and energy bills. The effects of Covid and the enforced operational closure of Churches saw a further reduction in this essential main Diocesan income source, which has as yet not recovered despite the re-commencement of normal patterns of traditional worship. This has emphasised the continuing downwards trend away from time-honoured Church, albeit replaced to some extent by new forms of pioneering outreach (and less cash generative) ministry.

The difficulty in filling vacancies in clergy posts has continued during the year and the Northern Province of the Church of England is reportedly not seen to be attractive to potential applicants. Although this reduces financial pressure in the short term, it represents an operational concern as the leadership and pastoral work of clergy is key in recruiting and developing self-supporting lay and ordained ministry and helping the local church to continue to evolve.

#### **5.3. Financial Review**

##### **5.3.1. Review of the Financial Position**

The Consolidated Statement of Financial Activities (SOFA) for the year shows net incoming resources of £785,000 (2020 £905,000) before net gains on investments and other recognised gains and losses.

After revaluation adjustments, the net increase in funds amounted to £4,905,000, (2020: £1,970,000). Total fund balances are now £86,105,000, of which £81,058,000 (94.1%) is restricted, mainly by ecclesiastical measures, and a further £2,767,000 has been designated for specific use by the Trustees.

Overall there was a net cash outflow for the year of £322,000 (2020: inflow £675,000). Total net current assets decreased by £259,000 to £1,541,000 with those relating to general funds decreasing by £275,000.

##### **Going Concern**

The Trustees are satisfied that Carlisle DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

##### **5.3.2. Reserves Policy**

Due to the anticipated regularity and predictability of its Income and Costs, the Diocese policy has been to hold a level of free reserves equivalent to at least two months expenditure. The Trustees keep the position under review at their bi-monthly meetings and are currently confident that cash flows can be managed to ensure that sufficient free reserves are held to enable Carlisle DBF's normal commitments to be met.

##### **5.3.3. Investment Policies**

Carlisle DBF's power to invest its funds is governed by the Memorandum and Articles of Association. It exercises these powers having due regard to the provisions of the Trustee Act 2000 in so far as it applies to Carlisle DBF as a company.

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Carlisle DBF's investment policies, which are reviewed annually, are based on two key principles:

**Ethical investment** – Carlisle DBF seeks to pursue an investment policy consistent with the values of the Christian religion. Thus, it adheres to the policy as developed by the Church Commissioners and CCLA Investment Management Ltd for their Central Board of Finance Church of England Funds.

**Long-term responsibilities** - Investment policy for long-term funds seeks to strike the right balance between providing an income to help the Diocese to carry out its purposes effectively in the short term and maintain and enhance the value of the invested funds so as to enable the Diocese effectively to continue to carry out its purposes in the long term. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital.

#### **Investments**

Glebe property investments are held by Carlisle DBF in agricultural land, commercial and residential land and buildings. They are managed by the DBF's agents, Penrith Farmers' & Kidd's, Walton Goodland Ltd and Savills and account for 42% of the total glebe investments.

A further 54% of the glebe assets are invested through CCLA Investment Management Ltd in the CBF Church of England Funds or held on deposit. They are split between holdings in equities and property via common investment funds to spread risk, and deposits. The remaining 4% consists of shares in a hydroelectric scheme in South Cumbria.

The other DBF funds are also mainly invested in CBF Church of England deposit accounts, investment and property funds, with shares also being held in a hydro-electric scheme within the grounds of the Diocesan Residential Conference Centre and Retreat at Rydal Hall, South Lakes.

#### **Other Funds**

Funds which may be needed for working capital in the short term are held as deposits with the Central Board of Finance. The performance of all the DBF's investments is monitored regularly by the Trustees at their bi-monthly board meetings, and by the Investment Sub-Committee.

#### **5.3.4. Remuneration Policy**

The Board operates a set salary scale and employees are placed on this with regard to benchmarking against comparable roles in this and other dioceses and the external employment market. Cost of living increases are determined as part of the process of setting the budget which is approved by the Finance Committee and the Members. Remuneration of higher-paid employees is determined in consultation between the Chair of the Finance Committee, the Diocesan Secretary and the HR Manager.

#### **5.4 Plans for Future Periods**

The DBF's ongoing objective is to resource Diocesan needs, as determined by Synod and informed by local and national Church institutions and in particular to invest to meet the objectives set out in the Diocese's updated "God for All" Strategy.

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Work to prepare a new Diocesan Development Plan for the period beyond 2021 has continued in the light of the financial resources now envisaged as being available, and this is being integrated into resource and budget planning for the period 2022-2027.

#### 5.5 Principal Risks and Uncertainties

The Trustees confirm that the major risks, to which Carlisle DBF and its subsidiary companies are exposed are continually reviewed and that systems and procedures have been established to manage those risks. The principal risks and uncertainties which face Carlisle DBF relate to:

- the reliability and timing of the income it receives from local churches which is voluntary in nature, Parish Offer accounting for 59% of total charity general fund income;
- investment performance, particularly in respect of commercial property; and
- expenditure on clergy payroll if clergy numbers are above assumptions.
- the longer-term financial effects of Covid-19, and demography, upon core income streams

The principal risks are reviewed regularly by the Trustees and, where necessary, further information and data are gathered to enable a more detailed examination of the risks to be made and decisions taken on the basis of the probability and likely impact of the risks occurring.

A major review of the parish offer process to reflect the Diocesan vision and strategy from 2021, is continuing. We encourage good stewardship in the local church and the work of the Stewardship Enabler is seen as a key way in which the Diocese can support parishes and mission communities in raising income locally which, in turn, will empower them to identify the optimum affordable deployment of available trained ministry resource both lay and ordained.

Carlisle DBF provides its Trustees, officers and employees with Indemnity Insurance against any liabilities that might arise during the provision of services operated under the authority of the Diocesan Bishop and Synod.

## 6. Structure, Governance and Management

### 6.1 Organisational Structure

The Diocese of Carlisle was founded in 1133. It covers an area of 2,480 square miles and includes all of Cumbria, except for small areas in the east of the county which are included in the neighbouring Diocese of Newcastle. The overall population of the Diocese is around 500,000.

The Diocese is one of the 42 English dioceses of the Church of England which is organised as two provinces. The Diocese of Carlisle is part of the Northern Province led by the Archbishop of York. The Southern Province is led by the Archbishop of Canterbury.

The Diocese of Carlisle is led by the Diocesan Bishop, the Rt Revd James Newcome. It is arranged into three Archdeaconries; Carlisle covering the northern and eastern part with 4 deaneries, West Cumberland in the western part with 3 deaneries and Westmorland and Furness in the southern part with 4 deaneries. In total there are 237 parishes with 81 full-time equivalent stipendiary parochial clergy and 6 serving in house for duties posts. Together with 40 non-stipendiary ministers, 102 readers, 66 local lay ministers and many other retired clergy and lay members they provide ministry in 331 churches in the Diocese.

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The Diocese is in Covenanted Partnership with three other denominations – Methodist, United Reformed Church and Salvation Army. With those denominations the Diocese is establishing ecumenical Mission Communities, groups of churches that collaborate over mission and share resources, increasingly including ministry and buildings. In the course of 2021, a number of church buildings were put forward for closure at the request of their local Parochial Church Councils.

#### **6.2 Diocesan Governance**

##### **Diocesan Synod**

The Diocese is governed by Standing Orders approved in 1969 and as subsequently amended. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of Bishops and Archdeacons (*ex officio members*), clergy members *elected* by the Houses of Clergy in Deanery Synods, lay persons *elected* by the Houses of Laity in Deanery Synods, up to five persons who may be *co-opted* by each of the Houses of Clergy or Laity and a maximum of ten members *nominated* by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Its role is to:

- consider, and make decisions on, 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 by approving the Diocesan Budget.

##### **Deanery Synods**

Each deanery in the Diocese has its own Deanery Synod which has two houses, laity and clergy. Its 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; and
- elect members of the deanery to the Diocesan Synod and of the Diocese to General Synod.

##### **Bishop's Council and Standing Committee**

Bishop's Council consists of 9 *ex officio* members, including the Diocesan and Suffragan Bishop and the three Archdeacons, three clergy elected by the House of Clergy from among their number and six lay persons elected by the members of the House of Laity. A maximum of three members may also be nominated by the Diocesan Bishop.

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 (delegated to the Steering Committee);
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the President of Synod on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

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#### 6.3 Carlisle Diocesan Board of Finance

The company, Carlisle Diocesan Board of Finance Ltd (Carlisle DBF), was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 22<sup>nd</sup> September 1893 as a charitable company limited by membership guarantees (No. 39625) and its governing documents are the Memorandum and Articles of Association. Carlisle DBF has been registered with the Charity Commission since 1<sup>st</sup> May 1967 (No. 251977). The Memorandum and Articles of Association have been altered by Special Resolutions the latest of which were passed on 15 June 2021, 1<sup>st</sup> May 2018 and 12<sup>th</sup> July 2006.

From 11th November 2006 every member of Diocesan Synod is a member of Carlisle DBF for company law purposes, unless they are excluded by reason of being appointed to any salaried office of the Company or any office of the Company paid by fees. Each member has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

#### Trustees

From 1st January 2007 the Bishop of Carlisle and the three Archdeacons have served as ex-officio Directors of the Company. A further five Directors are elected by the members of Carlisle DBF and the Directors have power to co-opt up to another four Directors.

Mr Jim Johnson and Mrs Susan Wigley served as Chair and Vice Chair throughout the year.

All the Directors are also the Trustees and, when newly appointed, are given induction training. All Trustees are offered ongoing training, as appropriate.

#### Trustees' Responsibilities

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

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 the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which 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 corporate and trust assets of the charitable company and group ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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The Trustees are also 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.

#### **6.4 Decision-making Structure**

Diocesan Synod has delegated the following functions to Carlisle DBF:

- Management of the funds and property of the Diocese;
- Preparation of annual estimates of expenditure;
- Advising on action needed to raise the income necessary to finance expenditure;
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod;
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred or delegated to it by Diocesan Synod.

#### **Finance Committee**

The Trustees met as the Finance Committee of Carlisle DBF 6 times during the year. At these meetings they received regular reports from the officers of the DBF and considered any matters for which they are responsible.

The number of meetings (and proportion of those eligible for attendance) that each Trustee attended in 2021 was:

The Rt Revd James Newcome	(ex officio)	5 (83%)
The Ven Richard Pratt	(ex officio)	6 (100%)
The Ven Vernon Ross	(ex officio)	6 (100%)
The Ven Lee Townend	(ex officio)	6 (100%)
Mr Derek Bradley	(elected)	6 (100%)
Miss Janet Busk	(elected)	6 (100%)
Mr Rob Cook	(elected)	5 (83%)
Mr David Dalgoutte	(co-opted)	6 (100%)
Mr John Edwards	(co-opted)	6 (100%)
Mr Jim Johnson	(elected)	6 (100%)
Mrs Susan Wigley	(elected)	6 (100%)

The Trustees have delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by a small team of staff.

#### **Committee Structure**

There are a number of statutory Diocesan Synod committees that, although not sub-committees of Carlisle DBF, can influence its operations:

**Carlisle Diocesan Board of Education** has responsibility for 104 Church schools across the Diocese, provides pastoral and professional support to all its schools and has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.

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The **Parsonages Board** is responsible for determining policy concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by Carlisle DBF. In the Diocese the Carlisle DBF is designated as the Diocesan Parsonages Board. A number of its functions are delegated to Archdeaconry Sub-Committees under the terms of a scheme passed by Diocesan Synod on 12<sup>th</sup> October 2013.

The **Diocesan Pastoral Committee** is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It also has responsibility for finding appropriate alternative uses for churches which have closed.

The **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.

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

## **6.5 Related Parties**

### **General Synod**

Carlisle DBF has to comply with Measures passed by the General Synod of the Church of England. General Synod is the 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.

### **Archbishops' Council**

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.

Carlisle DBF is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church according to a formula agreed by General Synod.

### **Church Commissioners**

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 Commissioners also make grants to the Archbishops' Council for ministry in poorer dioceses and parishes.

Although Carlisle DBF is responsible for the funding of its clergy stipend costs, the national clergy payroll is administered by the Church Commissioners. Carlisle DBF reimburses the Church Commissioners monthly for the costs of stipendiary clergy deployed in the Diocese.

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#### **Church of England Pensions Board**

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions' authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widows and widowers 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 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.

Carlisle DBF contributes monthly to the Pensions Board for both the clergy and the lay pension schemes.

#### **The Cathedral**

The Cathedral Church of the Holy and Undivided Trinity is the mother church of the Diocese of Carlisle and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its Trustees' report and financial statements may be obtained from the Cathedral Office, 7 The Abbey, Carlisle, CA3 8TZ.

#### **Parishes and Parochial Church Councils (PCCs)**

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Each PCC is an independent charity and most are currently exempt from registration with the Charity Commission. However, under the terms of the Charities Act 2011 those PCCs whose gross income for the year is above £100,000 are required to register. PCCs are able to influence the decision-making within Carlisle DBF and at Diocesan Synod level through representations and input of their Deanery Synods.

The main income of Carlisle DBF is the contribution, by way of the parish offer, from the 228 parishes of the Diocese. From 2009 the parish offer system has been based on voluntary offers made by parishes towards the costs of ministry incurred throughout the whole of the Diocese of Carlisle.

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

#### **6.6 Subsidiary Undertakings**

##### **Rydal Hall Limited**

Carlisle DBF is responsible for the operation of the Diocesan Conference Centre and Retreat House, Rydal Hall. This is achieved through Rydal Hall Limited, a wholly owned subsidiary charity of Carlisle DBF. The activities of the subsidiary are included in the consolidated financial statements.

##### **Restore (Cumbria)**

Restore (Cumbria) is a registered charity which operates a charity shop and resource network in North Cumbria, as part of the Diocese's Outreach initiatives. The DBF is the sole member of the charity.

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#### 6.7 Rydal Hydro Limited

Carlisle DBF owns 50% of the issued share capital of Rydal Hydro Limited, with Ellergreen Hydro Limited and Gilkes Hydro Limited the other 50%. The joint venture company has constructed a hydroelectricity generating plant within the grounds of Rydal Hall Limited providing a renewable source of electricity for Rydal Hall and the surrounding area as well as providing a significant return on the DBF's investment.

#### 6.8 Other Connected Companies

Carlisle DBF together with four other dioceses from the North West of England and with York Diocese have equal shares in DBE Services Limited, a company formed to provide various services to schools. These include inspections, teaching and curriculum support, administrative services, building, equipment and construction support and insurance. DBE Services Limited has several employees with other staff employed by the participating dioceses who invoice the company for their time. The profits of DBE Services Limited are distributed to the shareholders by means of gift aid donations.

The six North West Dioceses are sponsors of Emmanuel College which welcomed its first intake of student trainees during the year. The Diocesan Board of Finance is a Corporate Member of the College.

#### 7. Funds Held as Custodian Trustee for Others

Carlisle DBF is required by Measure to be custodian trustee in relation to PCC property. Carlisle DBF also holds funds on behalf of Church of England schools in the Diocese. All assets held as custodian trustee are kept independently from the Company's own assets and their details are recorded in a separate trust ledger. The assets are mainly invested through CCLA Investment Management Limited in their range of CBF Church of England Funds or on deposit with major UK clearing banks.

At 31 December 2021 the total value of these funds was £13,616,000.

#### 8. Reference and Administrative Details of the Carlisle Diocesan Board of Finance

In accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in 2015 (SORP 2015), the Directors (for the purposes of company law) and the Trustees (for the purposes of charity law) during the year and as at the date of signing follow:

**President** Rt Revd James Newcome

**Chairman** Mr Jim Johnson

##### Ex-officio Directors

The Right Reverend James Newcome, Bishop of Carlisle

The Venerable Dr Richard Pratt, Archdeacon of West Cumberland (Resigned 24 January 2022)

The Venerable Lee Townend, Archdeacon of Carlisle

The Venerable Vernon Ross, Archdeacon of Westmorland and Furness

The Venerable Stewart Fyfe, Archdeacon of West Cumberland (appointed 24 January 2022)

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2021) continued**

**Elected by the Members**

Derek Bradley  
Janet Busk  
Rob Cook  
Jim Johnson  
Susan Wigley

**Co-opted by the Directors**

David Dalgoutte  
John Edwards  
Nigel Robson (appointed 18 May 2022)

**Secretary**

Mr Derek Hurton

**Head of Finance**

Mr Ric Jaques

**Director of Education**

Mrs Vanessa O'Dea (Resigned 31 March 2022)  
Mrs Charlotte Tudway (Appointed 1 April 2022)

**Registered Office**

Diocesan Church House,  
19-24 Friargate,  
Penrith, CA11 7XR

**Telephone**

01768 807777

**Website**

[www.carlislediocese.org.uk](http://www.carlislediocese.org.uk)

**e-mail**

[enquiries@carlislediocese.org.uk](mailto:enquiries@carlislediocese.org.uk)

**Company registration number**

39625 (England & Wales)

**Charity registration number**

251977

**Auditors**

Dodd & Co Limited,  
FIFTEEN Rosehill,  
Carlisle, CA1 2RW

**Bankers**

HSBC plc,  
City Office,  
29 English Street,  
Carlisle, CA3 8JT

**Legal Adviser**

Ms Laura Peace  
Sintons,  
The Cube, Barrack Road,  
Newcastle Upon Tyne, NE4 6DB

**Investment Advisers**

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

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

DIRECTORS' & TRUSTEES' ANNUAL REPORT (2021) continued

Glebe Property Agents

Penrith Farmers' & Kidd's plc,  
Skirsgill,  
Penrith, CA11 0DN

Savills,  
64 Warwick Road,  
Carlisle CA1 1DR

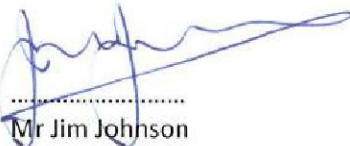
Walton Goodland Ltd,  
10 Lowther Street,  
Carlisle, CA3 8DA

**9. Auditors**

The Trustees as a Board confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. In addition, the Trustees have taken all reasonable steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

A resolution to reappoint Dodd & Co Limited as auditors to the company and to authorise the Trustees to fix their remuneration will be proposed at the Annual General Meeting.

The Directors' and Trustees' annual report, together with the strategic report which is incorporated into the Directors' and Trustees' annual report, have been approved by the Directors/Trustees and signed on their behalf by:



.....  
Mr Jim Johnson  
Director and Trustee  
14<sup>th</sup> June 2022

## Independent auditor's report to the members of Carlisle Diocesan Board of Finance Limited

### Opinion

We have audited the financial statements of Carlisle Diocesan Board of Finance Limited] ('the charitable company') for the year ended 31 December 2021 which comprise Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated Summary Income and Expenditure Account, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement 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 *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 the provisions available for small entities, 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 12 months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

- adequate and proper 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charitable company's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team and involving relevant internal specialists, including pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to revenue recognition and management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Act, pensions legislation and tax legislation.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

## Use of our report

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

A handwritten signature in black ink, appearing to read 'Faye Armstrong'.

Faye Armstrong (Senior Statutory Auditor)

For and on behalf of Dodd & Co Limited, Statutory Auditor

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

14/6/22

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
For the year ended 31 December 2021

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2021 £'000	2020 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,224	-	-	-	4,224	4,406
Archbishop's Council		846	-	130	-	976	874
Other donations		142	154	17	-	313	217
Charitable activities	3						
Fees & chaplaincy income		569	-	18	-	587	452
Rydal Hall	15	-	935	-	-	935	466
Sales of goods & services	3	-	201	-	-	201	142
Other activities	4	391	-	-	-	391	361
Investments	5	881	53	404	-	1,338	1,389
Other sources	6	17	183	182	198	580	711
<b>Total</b>		<b>7,070</b>	<b>1,526</b>	<b>751</b>	<b>198</b>	<b>9,545</b>	<b>9,018</b>
<b>Expenditure on</b>							
Raising funds	7	163	-	14	-	177	147
Charitable activities							
Resourcing ministry & mission	8	6,591	380	211	-	7,182	6,809
Education	9	268	-	42	-	310	279
Rydal Hall	15	35	1,006	-	-	1,041	844
Other purposes	10	-	-	-	50	50	34
<b>Total</b>	<b>12</b>	<b>7,057</b>	<b>1,386</b>	<b>267</b>	<b>50</b>	<b>8,760</b>	<b>8,113</b>
<b>Net income/(expenditure) before investment gains</b>		<b>13</b>	<b>140</b>	<b>484</b>	<b>148</b>	<b>785</b>	<b>905</b>
<b>Net gains/(losses) on investments</b>		<b>3</b>	<b>263</b>	<b>1,565</b>	<b>2,254</b>	<b>4,085</b>	<b>1,088</b>
<b>Net income/(expenditure)</b>		<b>16</b>	<b>403</b>	<b>2,049</b>	<b>2,402</b>	<b>4,870</b>	<b>1,993</b>
<b>Transfers between funds</b>	23	(51)	198	281	(428)	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		35	-	-	-	35	(23)
<b>Net movement in funds</b>		<b>-</b>	<b>601</b>	<b>2,330</b>	<b>1,974</b>	<b>4,905</b>	<b>1,970</b>
<b>Total funds brought forward</b>		<b>2,280</b>	<b>2,166</b>	<b>21,008</b>	<b>55,746</b>	<b>81,200</b>	<b>79,230</b>
<b>Total funds carried forward</b>		<b>2,280</b>	<b>2,767</b>	<b>23,338</b>	<b>57,720</b>	<b>86,105</b>	<b>81,200</b>

All activities derive from continuing activities. The notes on pages 31 to 63 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2020 £'000	2019 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,406	-	-	-	4,406	4,711
Archbishop's Council		757	-	117	-	874	1,022
Other donations		179	19	19	-	217	202
Charitable activities	3						
Fees & chaplaincy income		437	2	13	-	452	520
Rydal Hall	15	-	466	-	-	466	1,015
Sales of goods & services	3	2	140	-	-	142	212
Other activities	4	361	-	-	-	361	301
Investments	5	944	52	389	4	1,389	1,315
Other sources	6	160	227	283	41	711	534
<b>Total</b>		<b>7,246</b>	<b>906</b>	<b>821</b>	<b>45</b>	<b>9,018</b>	<b>9,832</b>
<b>Expenditure on</b>							
Raising funds	7	134	-	13	-	147	139
Charitable activities							
Resourcing ministry & mission	8	6,273	308	228	-	6,809	7,420
Education	9	246	-	33	-	279	319
Rydal Hall	15	31	813	-	-	844	1,012
Other purposes	10	-	-	34	-	34	-
<b>Total</b>	12	<b>6,684</b>	<b>1,121</b>	<b>308</b>	<b>-</b>	<b>8,113</b>	<b>8,890</b>
<b>Net income/(expenditure) before investment gains</b>		<b>562</b>	<b>(215)</b>	<b>513</b>	<b>45</b>	<b>905</b>	<b>942</b>
Net gains/(losses) on investments		21	119	212	736	1,088	2,349
<b>Net income/(expenditure)</b>		<b>583</b>	<b>(96)</b>	<b>725</b>	<b>781</b>	<b>1,993</b>	<b>3,291</b>
<b>Transfers between funds</b>	23	<b>(416)</b>	<b>477</b>	<b>105</b>	<b>(166)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		(23)	-	-	-	(23)	944
<b>Net movement in funds</b>		<b>144</b>	<b>381</b>	<b>830</b>	<b>615</b>	<b>1,970</b>	<b>4,235</b>
<b>Total funds brought forward</b>		<b>2,136</b>	<b>1,785</b>	<b>20,178</b>	<b>55,131</b>	<b>79,230</b>	<b>74,995</b>
<b>Total funds carried forward</b>		<b>2,280</b>	<b>2,166</b>	<b>21,008</b>	<b>55,746</b>	<b>81,200</b>	<b>79,230</b>

All activities derive from continuing activities. The notes on pages 31 to 63 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CHARITY STATEMENT OF THE FINANCIAL ACTIVITIES  
For the year ended 31 December 2021

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2021 £'000	2020 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,224	-	-	-	4,224	4,406
Archbishop's Council		846	-	130	-	976	874
Other donations		142	1	17	-	160	200
Charitable activities	3						
Fees & chaplaincy income		569	-	18	-	587	450
Rydal Hall	15	68	-	-	-	68	68
Sales of goods & services	3	-	-	-	-	-	38
Other activities	4	391	-	-	-	391	361
Investments	5	881	53	404	-	1,338	1,389
Other	6	17	-	182	198	397	524
<b>Total</b>		<b>7,138</b>	<b>54</b>	<b>751</b>	<b>198</b>	<b>8,141</b>	<b>8,310</b>
<b>Expenditure on</b>							
Raising funds	7	163	-	14	-	177	147
Charitable activities							
Resourcing ministry & mission	8	6,631	31	211	-	6,873	6,758
Education	9	268	-	42	-	310	279
Rydal Hall	15	35	300	-	-	335	31
Other	10	-	-	-	50	50	34
<b>Total</b>		<b>7,097</b>	<b>331</b>	<b>267</b>	<b>50</b>	<b>7,745</b>	<b>7,249</b>
<b>Net income/(expenditure) before investment gains</b>		<b>41</b>	<b>(277)</b>	<b>484</b>	<b>148</b>	<b>396</b>	<b>1,061</b>
Net gains/(losses) on investments		3	263	1,565	2,254	4,085	1,088
<b>Net income/(expenditure)</b>		<b>44</b>	<b>(14)</b>	<b>2,049</b>	<b>2,402</b>	<b>4,481</b>	<b>2,149</b>
<b>Transfers between funds</b>	23	<b>(79)</b>	<b>226</b>	<b>281</b>	<b>(428)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		35	-	-	-	35	(23)
<b>Net movement in funds</b>		<b>-</b>	<b>212</b>	<b>2,330</b>	<b>1,974</b>	<b>4,516</b>	<b>2,126</b>
<b>Total funds brought forward</b>		<b>2,280</b>	<b>2,337</b>	<b>21,008</b>	<b>55,746</b>	<b>81,371</b>	<b>79,245</b>
<b>Total funds carried forward</b>		<b>2,280</b>	<b>2,549</b>	<b>23,338</b>	<b>57,720</b>	<b>85,887</b>	<b>81,371</b>

All activities derive from continuing activities. The notes on pages 31 to 63 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CHARITY STATEMENT OF THE FINANCIAL ACTIVITIES**

For the year ended 31 December 2020

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2020 £'000	2019 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,406	-	-	-	4,406	4,711
Archbishop's Council		757	-	117	-	874	1,022
Other donations		179	2	19	-	200	194
Charitable activities	3						
Fees & chaplaincy income		437	-	13	-	450	510
Rydal Hall	15	68	-	-	-	68	68
Sales of goods & services	3	2	36	-	-	38	212
Other activities	4	361	-	-	-	361	301
Investments	5	944	52	389	4	1,389	1,314
Other	6	160	40	283	41	524	534
<b>Total</b>		<b>7,314</b>	<b>130</b>	<b>821</b>	<b>45</b>	<b>8,310</b>	<b>8,866</b>
<b>Expenditure on</b>							
Raising funds	7	134	-	13	-	147	139
Charitable activities							
Resourcing ministry & mission	8	6,362	168	228	-	6,758	7,427
Education	9	246	-	33	-	279	319
Rydal Hall	15	31	-	-	-	31	31
Other	10	-	-	34	-	34	-
<b>Total</b>		<b>6,773</b>	<b>168</b>	<b>308</b>	<b>-</b>	<b>7,249</b>	<b>7,916</b>
<b>Net income/(expenditure) before investment gains</b>		<b>541</b>	<b>(38)</b>	<b>513</b>	<b>45</b>	<b>1,061</b>	<b>950</b>
Net gains/(losses) on investments		21	119	212	736	1,088	2,341
<b>Net income/(expenditure)</b>		<b>562</b>	<b>81</b>	<b>725</b>	<b>781</b>	<b>2,149</b>	<b>3,291</b>
<b>Transfers between funds</b>	23	<b>(395)</b>	<b>456</b>	<b>105</b>	<b>(166)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		(23)	-	-	-	(23)	944
<b>Net movement in funds</b>		<b>144</b>	<b>537</b>	<b>830</b>	<b>615</b>	<b>2,126</b>	<b>4,235</b>
<b>Total funds brought forward</b>		<b>2,136</b>	<b>1,800</b>	<b>20,178</b>	<b>55,131</b>	<b>79,245</b>	<b>75,010</b>
<b>Total funds carried forward</b>		<b>2,280</b>	<b>2,337</b>	<b>21,008</b>	<b>55,746</b>	<b>81,371</b>	<b>79,245</b>

All activities derive from continuing activities. The notes on pages 31 to 63 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT  
For the year ended 31 December 2021

	Total 2021 £'000	Total 2020 £'000
Total income per reconciliation below	9,959	9,369
Resources expended per reconciliation below	(8,904)	(8,363)
Operating surplus for the year	1,055	1,006
Interest receivable	10	20
Net gains/(losses) on investments	1,831	352
<b>Net income for the year</b>	<b>2,896</b>	<b>1,378</b>
<b>Other comprehensive income:</b>		
Revaluation of fixed assets	-	-
Actuarial gains/(losses) on defined benefit pension schemes	35	(23)
<b>Total comprehensive income for the year</b>	<b>2,931</b>	<b>1,355</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.

<b>Reconciliation of Summary Income and Expenditure to SOFA</b>	Total 2021 £'000	Total 2020 £'000
Total incoming resources per SOFA	9,545	9,018
Less: interest receivable	(10)	(20)
total endowment additions	(198)	(45)
Add: endowment capital transferred to income funds	622	416
<b>Total income per above</b>	<b>9,959</b>	<b>9,369</b>
Resources expended per SOFA	8,760	8,113
Less: expenditure charged to endowment capital	(50)	-
Add: income funds reclassified as endowment capital	194	250
<b>Total expenditure per above</b>	<b>8,904</b>	<b>8,363</b>


CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED BALANCE SHEET  
At 31 December 2021

Company Number – 39625

	Note	2021		2020	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	24		41,002		42,276
Investments	25		43,762		37,488
			84,764		79,764
<b>CURRENT ASSETS</b>					
Stock		7		5	
Debtors	26	3,135		3,050	
Cash on deposit	27	2,744		2,845	
Cash at bank and in hand		830		1,051	
			6,716		6,951
<b>CREDITORS: amounts falling due within one year</b>	28	(5,175)		(5,151)	
<b>NET CURRENT ASSETS</b>			1,541		1,800
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			86,305		81,564
<b>CREDITORS: amounts falling due after more than one year</b>					
Pension scheme liabilities	29	-		(64)	
Other creditors	29	(200)		(300)	
			(200)		(364)
<b>NET ASSETS</b>			86,105		81,200
<b>FUNDS</b>					
<b>Endowment funds</b>					
Including investment revaluation reserve of £35,105,000 (2020: £32,851,000)			57,720		55,746
<b>Restricted income funds</b>					
Including investment revaluation reserve of £8,306,000 (2020: £6,741,000)			23,338		21,008
<b>Unrestricted income funds:</b>					
General funds - Including revaluation reserve of £600,000 (2020: £596,000)			2,280		2,280
Designated funds - Including revaluation reserve of £1,007,000 (2020: £744,000)			2,767		2,166
<b>TOTAL FUNDS</b>	30 & 31		86,105		81,200

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:

  
Mr J.A.E. Johnson  
14<sup>th</sup> June 2022

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**CHARITY BALANCE SHEET**  
At 31 December 2021

Company Number – 39625

	Note	2021		2020	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	24		40,917		42,178
Investments	25		43,762		37,488
			84,679		79,666
<b>CURRENT ASSETS</b>					
Debtors	26	3,020		2,997	
Subsidiary companies		105		485	
Cash on deposit	27	2,705		2,806	
Cash at bank and in hand		514		756	
			6,344	7,044	
<b>CREDITORS: amounts falling due within one year</b>	28	(4,936)		(4,975)	
<b>NET CURRENT ASSETS</b>			1,408		2,069
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			86,087		81,735
<b>CREDITORS: amounts falling due after more than one year</b>					
Pension scheme liabilities	29	-		(64)	
Other creditors	29	(200)		(300)	
			(200)	(364)	
<b>NET ASSETS</b>			85,887		81,371
<b>FUNDS</b>					
<b>Endowment funds</b>					
Including investment revaluation reserve of £35,105,000 (2020: £32,851,000)			57,720		55,746
<b>Restricted income funds</b>					
Including investment revaluation reserve of £8,306,000 (2020: £6,741,000)			23,338		21,008
<b>Unrestricted income funds:</b>					
General funds - Including revaluation reserve of £600,000 (2020: £596,000)			2,280		2,280
Designated funds - Including revaluation reserve of £1,007,000 (2020: £744,000)			2,549		2,337
<b>TOTAL FUNDS</b>	30 & 31		85,887		81,371

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:

  
Mr J.A.E. Johnson  
14<sup>th</sup> June 2022

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2021

	2021		2020	
	£'000	£'000	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>		(836)		(936)
<b>Cash flows from investing activities</b>				
Dividends, interest and rent from investments	1,338		1,389	
Interest paid	(5)		(11)	
Proceeds from the sale of:				
Tangible fixed assets	1,599		1,378	
Investments	335		516	
Purchase of:				
Tangible fixed assets	(11)		(46)	
Fixed asset investments	(2,542)		(1,515)	
<b>Net cash provided by/(used in) investing activities</b>		714		1,711
<b>Cash flows from financing activities</b>				
Repayment of loans	(200)		(100)	
<b>Net cash provided by/(used in) financing activities</b>		(200)		(100)
<b>Change in cash and cash equivalents in the reporting period</b>		(322)		675
<b>Cash and cash equivalents at 1 January</b>		3,896		3,221
<b>Cash and cash equivalents at 31 December</b>		3,574		3,896
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
<b>Net movement in funds for the year ended 31 December</b>		785		905
<b>Adjustments for:</b>				
Depreciation charges		12		37
Dividends, interest and rent from investments		(1,338)		(1,389)
Interest paid		5		11
Repayment of loans advanced		22		20
Advancement of loans		(2)		(13)
Loss/(profit) on sale of functional assets		(330)		(290)
Actuarial gains/(losses) on defined benefit pensions		35		(23)
Decrease/(increase) in stock		(2)		4
Decrease/(increase) in debtors		(85)		(1,073)
Increase/(decrease) in creditors		62		875
<b>Net cash provided by/(used in) operating activities</b>		(836)		(936)
<b>Analysis of cash and cash equivalents</b>				
Cash in hand		830		1,051
Notice deposits (less than 3 months)		2,744		2,845
		3,574		3,896

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included 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 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The principal accounting policies and estimation techniques are as follows:

**a) Consolidation**

Consolidated financial statements have been prepared on a line by line basis in accordance with FRS102. The consolidated financial statements incorporate the accounts of:

- Parent, The Carlisle Diocesan Board of Finance Limited (Carlisle DBF); and
- The wholly owned subsidiary company, Rydal Hall Limited; and
- The wholly owned subsidiary company, Cumbria Christian Learning
- The wholly owned subsidiary company, Restore (Cumbria)

**b) Income**

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

- i) **Parish Offer and parochial fees** are recognised as income of the year in which they are received or within one month after the financial year end to which they relate.
- ii) **Rent** receivable is recognised as income in the period with 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) **Donations** other than grants are recognised when receivable.
- vi) **Gains on disposal of fixed assets for the DBF'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.

## 1. ACCOUNTING POLICIES (continued)

- vii) **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.
- viii) **Government Grants.** Grants for the purpose of giving immediate financial support with no future related costs to be incurred are recognised in the profit and loss account when the grant proceeds become receivable. Other grants relating to revenue are recognised in the profit and loss account on a systematic basis over the periods in which the related costs are recognised for which the grant is intended to compensate.

### c) Expenditure

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

- i) **Costs of raising funds** include investment management costs of glebe and any other investment properties and interest costs on defined benefit pension scheme liabilities.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese, expenditure relating to the running of the diocesan retreat centre, and expenditure on education and Church of England schools in the diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the DBF, 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. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The DBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 32). The pension costs charged as resources expended represent the DBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which DBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

**1. ACCOUNTING POLICIES (continued)**

**d) Tangible fixed assets and depreciation**

*Freehold properties*

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

*Investment properties*

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

*Parsonage houses*

The DBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF 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. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their deemed cost at a fair valuation at 1 January 2014.

**e) Other tangible fixed assets**

All capital expenditure over £1,000 is capitalised and depreciated. Depreciation is provided in order to write off the cost (less any expected ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:-

DBF furniture, fittings, equipment and computers	10% to 20% per annum on a straight line basis;
Rydal Hall furniture, fittings, equipment and plant	10-25% per annum on a straight line basis.

1. ACCOUNTING POLICIES (continued)

f) 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. Jointly controlled entities are valued at fair value using the net assets of the entity and the share held.
- ii) **Leases.** The DBF has entered 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 the period to the first break clause.

g) Fund balances

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

- **Unrestricted funds** are the DBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the DBF. There are two types of unrestricted funds:
  - **General funds** which the DBF intends to use for the general purposes of the DBF; and
  - **Designated funds** set aside out of unrestricted funds by the DBF for a purpose specified by the Trustees.
- **Restricted funds** are 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 DBF (Parsonage Houses Fund and Retired Clergy and Dependants Fund), 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.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches. Trusts where the DBF 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 notes to the financial statements.

**1. ACCOUNTING POLICIES (continued)**

**h) Going Concern**

The charity has considered whether the use of the going concern basis for accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the Charity's ability to continue as a going concern.

Following the COVID-19 pandemic, the trustees have continued to prepare detailed budgets based on actual experience and taking into account the remaining uncertainties surrounding the ongoing and longer-term impact of the pandemic and its effect on their ability to operate. As a result of this work, the trustees remain confident that there are financial resources available while operations settle into their new levels, and are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the diocese through the parish offer system.

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	
Current year						
Offer	4,196	-	-	-	4,196	4,708
Shortfall in contributions	(115)	-	-	-	(115)	(310)
	<u>4,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,081</u>	<u>4,398</u>
Receipts for previous years	56	-	-	-	56	8
Historic Offers Transferred	87	-	-	-	87	-
	<u>4,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,224</u>	<u>4,406</u>

Total receipts (including for previous years but excluding the transfer) represent 98.6% of the parish offer (2020 – 93.6%).

Archbishop's Council

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	
LINC allocation	572	-	-	-	572	584
Strategic Development Grant	274	-	-	-	274	173
Other grants	-	-	130	-	130	117
	<u>846</u>	<u>-</u>	<u>130</u>	<u>-</u>	<u>976</u>	<u>874</u>

Other donations

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	
All Churches Trust	92	-	-	-	92	95
Other grants	-	-	17	-	17	19
Donations	50	1	-	-	51	86
	<u>142</u>	<u>1</u>	<u>17</u>	<u>-</u>	<u>160</u>	<u>200</u>
Rydal Hall	-	151	-	-	151	1
Restore (Cumbria)	-	2	-	-	2	16
	<u>142</u>	<u>154</u>	<u>17</u>	<u>-</u>	<u>313</u>	<u>217</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

**3. CHARITABLE ACTIVITIES**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General	Designated			2021	2020
	£'000	£'000			£'000	£'000
<b>Fees and chaplaincy income</b>						
Statutory fees	385	-	-	-	385	323
Chaplaincy	11	-	-	-	11	11
Support for Ministry	162	-	-	-	162	99
Course and other fees	11	-	18	-	29	17
<b>Company Total</b>	<b>569</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>587</b>	<b>450</b>
Course and other fees	-	-	-	-	-	2
<b>Group Total</b>	<b>569</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>587</b>	<b>452</b>
<b>Other sales</b>						
	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Printing and advertising	-	-	-	-	-	2
Diocesan Opshops	-	-	-	-	-	36
Education services	-	-	-	-	-	-
<b>Company Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>
Restore (Cumbria)	-	201	-	-	201	104
<b>Group Total</b>	<b>-</b>	<b>201</b>	<b>-</b>	<b>-</b>	<b>201</b>	<b>142</b>

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General	Designated			2021	2020
	£'000	£'000			£'000	£'000
Parsonage rents	391	-	-	-	391	361
	391	-	-	-	391	361

**5. INVESTMENT INCOME**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General	Designated			2021	2020
	£'000	£'000			£'000	£'000
Dividends receivable	635	53	368	-	1,056	1,062
Interest receivable	4	-	1	-	5	16
Share of Joint Venture loss	(41)	-	-	-	(41)	-
Rents receivable	283	-	35	-	318	311
<b>Company total</b>	<b>881</b>	<b>53</b>	<b>404</b>	<b>-</b>	<b>1,338</b>	<b>1,389</b>
Subsidiary's interest	-	-	-	-	-	-
<b>Consolidated total</b>	<b>881</b>	<b>53</b>	<b>404</b>	<b>-</b>	<b>1,338</b>	<b>1,389</b>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Gain on sale of properties	-	-	149	198	347	268
Government Grants (covid-19)	17	-	-	-	17	200
Sales of redundant churches	-	-	33	-	33	56
Company Total	17	-	182	198	397	524
Rydal Hall	-	45	-	-	45	4
Restore (Cumbria)	-	138	-	-	138	183
Group Total	17	183	182	198	580	711

Government/Local Authority grants are made up of:

	Company		Group	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Coronavirus Job Retention Scheme	17	160	131	340
Other Covid-Related Grants	-	40	69	47
Group Total	17	200	200	387

7. RAISING FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Investment management	116	-	14	-	130	99
Generating voluntary income	47	-	-	-	47	48
	163	-	14	-	177	147

8. RESOURCING MISSION AND MINISTRY

Ministry in the communities – stipend costs

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Stipends	2,243	-	-	-	2,243	2,336
National insurance/Ap. Levy	190	-	-	-	190	196
Pension costs	682	-	-	-	682	560
Removal, resettlement & other grants	120	-	-	-	120	67
Other costs	234	-	-	-	234	276
	3,469	-	-	-	3,469	3,435

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

## 8. RESOURCING MISSION AND MINISTRY (continued)

## Ministry in the communities – housing costs

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Repairs & improvements	512	-	-	-	512	220
Council tax	238	-	-	-	238	217
Water charges	52	-	-	-	52	55
Insurance	28	-	-	-	28	29
Rent payable	2	-	-	-	2	1
Other costs	151	-	-	-	151	160
	<u>983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>983</u>	<u>682</u>
<b>Total ministry in the communities</b>	<u>4,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,452</u>	<u>4,117</u>
<b>Support for ministry</b>						
<b>Lay ministry &amp; chaplaincies</b>						
Network Youth Ministers and Interns	241	-	-	-	241	223
Chaplains	32	-	-	-	32	29
	<u>273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273</u>	<u>252</u>
<b>Training &amp; ministry development</b>						
<b>Ordained ministry:-</b>						
Ordinands	350	-	129	-	479	468
Grants to CCL	-	-	-	-	-	25
Curates	11	-	-	-	11	3
Ministry development	47	-	-	-	47	263
Lay training	10	-	-	-	10	9
Northern Mission Centre	81	-	-	-	81	21
	<u>499</u>	<u>-</u>	<u>129</u>	<u>-</u>	<u>628</u>	<u>789</u>
<b>Restore (Cumbria)</b>	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>186</u>
<b>God For All strategy</b>						
Support for local churches	2	16	-	-	18	11
Reach Team	223	-	-	-	223	250
Pioneering ministries	222	-	-	-	222	142
	<u>447</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>463</u>	<u>403</u>
<b>Care for church buildings</b>	<u>59</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>100</u>	<u>123</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

8. RESOURCING MISSION AND MINISTRY (continued)

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
<b>Ministry support</b>						
National Church	275	-	-	-	275	285
Diocesan Church	607	-	-	-	607	543
Partnerships	19	-	-	-	19	19
Retired clergy	-	-	41	-	41	41
	<u>901</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>942</u>	<u>888</u>
<b>Total support for ministry</b>	<u>2,179</u>	<u>31</u>	<u>211</u>	<u>-</u>	<u>2,421</u>	<u>2,641</u>
<b>Total Company resourcing mission &amp; ministry</b>	<u>6,631</u>	<u>31</u>	<u>211</u>	<u>-</u>	<u>6,873</u>	<u>6,758</u>
<b>Training &amp; ministry development –</b>						
Ministry development	(40)	349	-	-	309	51
<b>Total Group resourcing mission &amp; ministry</b>	<u>6,591</u>	<u>380</u>	<u>211</u>	<u>-</u>	<u>7,182</u>	<u>6,809</u>

9. EDUCATION

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Support for church schools	243	-	30	-	273	267
Multi Academy Trust support	25	-	-	-	25	12
Grants to church schools	-	-	12	-	12	-
	<u>268</u>	<u>-</u>	<u>42</u>	<u>-</u>	<u>310</u>	<u>279</u>

10. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Deficit on fixed assets	-	-	-	50	50	34
<b>Company total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>	<u>34</u>
Share of loss of joint venture	-	-	-	-	-	-
<b>Consolidated total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>	<u>34</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

## 11. ANALYSIS OF CONTRIBUTIONS TO ARCHBISHOPS' COUNCIL

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
National Church	148	-	-	-	148	159
Grants & provisions	18	-	-	-	18	18
Mission Agency pensions	10	-	-	-	10	8
Retired clergy housing	78	-	-	-	78	76
	<u>254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254</u>	<u>261</u>

## 12. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs	
				2021 £'000	2020 £'000
Raising funds	105	-	72	177	147
Charitable activities:					
Resourcing Mission & Ministry	6,162	637	383	7,182	6,809
Education	245	-	65	310	279
Rydal Hall	1,014	-	27	1,041	844
Other	50	-	-	50	34
	<u>7,576</u>	<u>637</u>	<u>547</u>	<u>8,760</u>	<u>8,113</u>

## 13. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Finance and administration	247	-	-	-	247	275
Interest cost on defined benefit pension schemes	1	-	-	-	1	11
Management costs	100	-	-	-	100	97
Human resources	125	-	-	-	125	77
Auditor's remuneration	15	-	-	-	15	15
Governance	59	-	-	-	59	60
	<u>547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>547</u>	<u>535</u>

**14. ANALYSIS OF GRANTS MADE**

	Grants to Institutions £'000	Grants to Individuals £'000	Total 2021 £'000	Total 2020 £'000
<b>From unrestricted funds:</b>				
Contributions to Archbishops' Council	254	-	254	261
<b>From restricted funds:</b>				
Resourcing ministry and mission:				
Grants to parishes	30	-	30	26
Grants for ordinands	86	29	115	120
Grants to clergy	-	90	90	67
Grants to retired clergy	-	41	41	39
Education – Grants to schools	12	-	12	-
	<u>382</u>	<u>160</u>	<u>542</u>	<u>513</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

## 15. RYDAL HALL

Rydal Hall Ltd is a wholly owned subsidiary company incorporated in England. On 21 December 2017 it became a registered charity. It is the sole owner of a trading company, Rydal Hall Trading Ltd. Its principal activity is the operation of the Carlisle Diocesan Retreat House and Conference Centre at Rydal Hall, Ambleside. Rydal Hall is owned by the Carlisle DBF and leased to the subsidiary. Any taxable profits made by the subsidiary are donated to the DBF. Audited accounts are filed annually with Companies House. A summary of the consolidated trading results of Rydal Hall Ltd and its subsidiary is shown below.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Turnover	-	1,358	-	-	1,358	468
Other operating income	-	-	-	-	-	-
Government Grants	-	138	-	-	138	183
	-	1,496	-	-	1,496	651
Interest receivable	-	-	-	-	-	-
<b>Total income</b>	-	1,496	-	-	1,496	651
Cost of sales	-	129	-	-	129	72
Administrative expenses	-	918	-	-	918	809
<b>Total expenditure</b>	-	1,047	-	-	1,047	881
<b>Profit on ordinary activities before tax</b>	-	449	-	-	449	(230)
Taxation	-	-	-	-	-	-
<b>Profit on ordinary activities after tax</b>	-	449	-	-	449	(230)
Retained profits b/f	-	(515)	-	-	(515)	(285)
<b>Retained profits c/f</b>	-	(66)	-	-	(66)	(515)
Other reserves	-	269	-	-	269	269
<b>Total funds carried forward</b>	-	203	-	-	203	(246)
Fixed assets	-	60	-	-	60	78
Net current assets	-	143	-	-	143	(324)
Liabilities	-	-	-	-	-	-
<b>Net assets</b>	-	203	-	-	203	(246)

Included in income is a grant of £300,000 (2020: nil) from the DBF to Rydal Hall Ltd.

Included in administrative costs above are payments to the DBF of £60,000 (2020: £60,000) rent and a management charge of £8,000 (2020: £8,000).

Company Number 02561024 Charity Number 1176419

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

16. RYDAL HYDRO LIMITED

Carlisle DBF owns a 50% share of Rydal Hydro Limited as a joint venture after investing £700,000 in the issued share capital of the company. Rydal Hydro Limited was incorporated in England on 26<sup>th</sup> February 2014 in order to construct a hydroelectric plant on Rydal Beck in the grounds of Rydal Hall to generate renewable electricity. The DBF's share of the results and net assets of Rydal Hydro Limited are shown below.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Turnover	202	-	-	-	202	246
Cost of sales	(13)	-	-	-	(13)	(4)
Gross profit	189	-	-	-	189	242
Administrative expenses	(75)	-	-	-	(75)	(85)
<b>Operating profit</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>157</b>
Interest payable	-	-	-	-	-	-
<b>Profit/(Loss) on ordinary activities before tax</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>157</b>
Taxation	(23)	-	-	-	(23)	(31)
<b>Profit/(loss) for the year</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>126</b>
Retained profits b/f	170	-	-	-	170	212
Dividends paid	(101)	-	-	-	(101)	(168)
<b>Retained profits c/f</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>170</b>
Called up share capital	7	-	-	-	7	7
Share premium account	693	-	-	-	693	693
<b>Total funds carried forward</b>	<b>860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>860</b>	<b>870</b>
Fixed assets	882	-	-	-	882	902
Net current assets	53	-	-	-	53	40
Creditors falling due after more than one year	(75)	-	-	-	(75)	(72)
<b>Net assets</b>	<b>860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>860</b>	<b>870</b>

Company Number 08912230

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

**17. CUMBRIA CHRISTIAN LEARNING LIMITED**

**(Previously called LANCASHIRE & CUMBRIA THEOLOGICAL PARTNERSHIP LIMITED)**

On 1 September 2016 the Carlisle DBF took full control of the Lancashire & Cumbria Theological Partnership (now called Cumbria Christian Learning Ltd), a company limited by guarantee and a registered charity.

In 2018 the decision was taken to bring the net assets, staff, and activities back into the Carlisle Diocesan Board of Finance. This transfer took place on 31 January 2019, with the exception of those activities around Initial Ministerial Education, which could only be transferred when the accreditation from Durham University had been novated – until which relevant staff were seconded back to CCL who will continued to operate at this reduced level of activity.

CCL ceased operating in July 2021, after which existing and future ordination / reader training is being carried out the newly established Emmanuel Training College.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	2021 £'000	2020 £'000
	General £'000	Designated £'000				
Income from:						
Charitable activities	-	47	-	-	47	91
<b>Total income</b>	-	47	-	-	47	91
Resources expended:						
Costs of training	-	(46)	-	-	(46)	(86)
Charitable Grants	-	(7)	-	-	(7)	-
<b>Net income for the year</b>	-	(6)	-	-	(6)	5
Retained funds b/f	-	6	-	-	6	1
<b>Retained funds c/f</b>	-	-	-	-	-	6
Fixed assets	-	-	-	-	-	-
Net current assets	-	-	-	-	-	6
Creditors falling due after more than one year	-	-	-	-	-	-
<b>Net assets</b>	-	-	-	-	-	6

Company Number 04412662    Charity Number 1105055

**18. RESTORE (CUMBRIA)****(Previously called OPSHOPS (HELPING COMMUNITIES GROW) )**

Restore (Cumbria) has historically been a dormant company. On 1 July 2020, the staff, net assets and activities of the Diocese's OPSHOPS network of charity shops and ministry were transferred to Restore, a subsidiary charity of the Carlisle DBF.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	2021 £'000	2020 £'000
	General £'000	Designated £'000				
Income from:						
Turnover	-	167	-	-	167	111
Grants and Donations	-	51	33	-	84	85
Government Grants	-	15	-	-	15	4
<b>Total income</b>	-	233	33	-	266	200
Resources expended:						
Costs of Sales	-	1	-	-	1	2
Administrative Expenses	-	310	9	-	319	130
<b>Total resources expended</b>	-	311	9	-	320	132
<b>Net income for the year</b>	-	(78)	24	-	(54)	68
Retained funds b/f	-	68	-	-	68	-
<b>Retained funds c/f</b>	-	(10)	24	-	14	68
Fixed assets	-	25	-	-	25	20
Net current assets	-	(35)	24	-	(11)	48
Creditors falling due after more than one year	-	-	-	-	-	-
<b>Net assets</b>	-	(10)	24	-	14	68

Included in grants and donations above is a grant from Carlisle DBF of £18,000 (2020: £75,000).

The above-named charity is entitled to and using an audit exemption under Section 479A of the Companies Act 2006 ("The Act"). The members have not required the charity to obtain an audit for the year in question in accordance with Section 476 of the Act.

In accordance with Section 479C of the UK Companies Act 2006, the charity has irrevocably guaranteed the liabilities of its above-named subsidiary in respect of the financial year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2021

19. TAXATION

Carlisle DBF is a registered charity and has no liability to corporation tax.

20. STAFF COSTS

	2021 £'000	2020 £'000
Employee costs during the year were as follows:		
Wages and salaries	2,053	1,886
National insurance contributions	169	159
Employer's contributions to defined benefit pension schemes	302	315
Redundancy Costs	-	23
	<u>2,524</u>	<u>2,383</u>

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

	Number	Number
Resourcing ministry and mission	44	47
Education	4	4
Opshops	10	10
Cumbria Christian Learning	1	1
Rydal Hall	31	31
	<u>90</u>	<u>93</u>

The average number of persons employed by the group during the year based on full-time equivalents:

	Number	Number
Resourcing ministry and mission	37	38
Education	3	3
Opshops	5	6
Cumbria Christian Learning	1	1
Rydal Hall	24	25
	<u>70</u>	<u>73</u>

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

	Number	Number
£70,000 - £80,000	<u>1</u>	<u>1</u>

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

#### 21. COSTS OF STIPENDIARY CLERGY

Carlisle DBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The DBF 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 stipends of the Diocesan Bishop and Suffragan Bishop, funded by the Church Commissioners, are in the range £50,000 - £55,000 (2020 range £50,000 - £55,000). The annual rate of stipend, funded by Carlisle DBF, paid to Archdeacons in 2021 was £37,098 (2020 - £36,642). The Diocesan standard stipend for 2021 was £27,152 (2020 - £26,818).

Carlisle DBF paid an average of 85 (2020 – 89) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese and the costs were as follows:

	2021 £'000	2020 £'000
Stipends	2,352	2,432
National insurance contributions and apprenticeship levy	200	195
Employer's contributions to defined benefit pension schemes:		
Current year	739	654
Deficit reduction	160	278
	<u>3,451</u>	<u>3,559</u>

#### 22. REMUNERATION OF TRUSTEES AND OTHER KEY MANAGEMENT PERSONNEL

##### Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £12,000 (2020 - £10,000) in respect of General Synod duties, duties as archdeacon and other duties as Trustees.

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

	Stipend	Housing
The Right Revd James Newcome	Yes	Yes
The Venerable Dr R Pratt	Yes	Yes
The Venerable V Ross	Yes	Yes
The Venerable L S Townend	Yes	Yes
The Venerable S J Fyfe	Yes	Yes

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2021 they were:

Diocesan Secretary and Company Secretary  
Director of Education  
Head of Finance

Remuneration, pensions and expenses for these 3 employees (2020: 3) amounted to £244,000 (2020: £234,000).

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2021

## 23. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
From General Fund to Sustainability Fund	(125)	125	-	-
From Barchester Fund for Educational support	220	-	(220)	-
Transfer from Pastoral a/c for housing costs	121	-	(121)	-
Parsonage Houses Fund to Pastoral Account	-	-	622	(622)
Transfer of Historic Parish Offer Fund	(85)	85	-	-
Support of Restore (Cumbria) from General Fund	(16)	16	-	-
From General Fund to Stipends Capital Fund for reduction of clergy pensions deficit	(194)	-	-	194
<b>Net transfers between funds</b>	<b>(79)</b>	<b>226</b>	<b>281</b>	<b>(428)</b>
Income from Rydal Hall	68	(68)	-	-
Grant/Fees to Cumbria Christian Learning	(40)	40	-	-
<b>Group Net transfers between funds</b>	<b>(51)</b>	<b>198</b>	<b>281</b>	<b>(428)</b>

## 24. TANGIBLE FIXED ASSETS

Consolidated	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2021	9,005	33,133	131	227	42,496
Additions	-	-	-	11	11
Transfers	-	-	-	-	-
Disposals	(531)	-	-	-	(531)
Revaluations	-	(720)	-	(22)	(742)
<b>At 31<sup>st</sup> December 2021</b>	<b>8,474</b>	<b>32,413</b>	<b>131</b>	<b>216</b>	<b>41,234</b>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2021	-	-	76	144	220
Disposals	-	-	-	-	-
Depreciation for the year	-	-	9	3	12
<b>At 31<sup>st</sup> December 2021</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>147</b>	<b>232</b>
<b>Net Book Value:</b>					
<b>At 31<sup>st</sup> December 2021</b>	<b>8,474</b>	<b>32,413</b>	<b>46</b>	<b>69</b>	<b>41,002</b>
<b>At 31<sup>st</sup> December 2020</b>	<b>9,005</b>	<b>33,133</b>	<b>55</b>	<b>83</b>	<b>42,276</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

**24. TANGIBLE FIXED ASSETS (continued)**

Company	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2021	9,006	33,133	-	128	42,267
Additions	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	(532)	-	-	-	(532)
Revaluations	-	(720)	-	-	(720)
<b>At 31<sup>st</sup> December 2021</b>	<b>8,474</b>	<b>32,413</b>	<b>-</b>	<b>128</b>	<b>41,015</b>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2021	-	-	-	89	89
Disposals	-	-	-	-	-
Depreciation for the year	-	-	-	9	9
<b>At 31<sup>st</sup> December 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>98</b>
<b>Net Book Value:</b>					
<b>At 31<sup>st</sup> December 2021</b>	<b>8,474</b>	<b>32,413</b>	<b>-</b>	<b>30</b>	<b>40,917</b>
<b>At 31<sup>st</sup> December 2020</b>	<b>9,006</b>	<b>33,133</b>	<b>-</b>	<b>39</b>	<b>42,178</b>

All of the properties in the balance sheet are freehold and are vested in Carlisle DBF, except for benefice houses which are vested in the incumbent. Land and buildings at 31 December 2021 are valued at fair value as deemed cost as at 1st January 2014 or subsequent cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2021

**25. INVESTMENTS****FIXED ASSET INVESTMENTS**

Consolidated and Company	Value at 1 <sup>st</sup> January 2021 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	Value at 31 <sup>st</sup> December 2021 £'000
<b>Unrestricted Funds</b>						
Investment in joint ventures	912	-	-	-	(41)	871
CBF Investment Fund	318	200	-	-	45	563
	<u>1,230</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>1,434</u>
<b>Designated Funds</b>						
CBF Investment Fund	1,839	13	-	-	262	2,114
	<u>1,839</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>262</u>	<u>2,114</u>
<b>Restricted Funds</b>						
Investment properties	2,245	-	-	-	80	2,325
CBF Property Fund	2,869	610	-	-	433	3,912
CBF Investment Fund	7,018	734	-	-	1,052	8,804
	<u>12,132</u>	<u>1,344</u>	<u>-</u>	<u>-</u>	<u>1,565</u>	<u>15,041</u>
<b>Endowment Funds</b>						
Investment properties	9,741	-	-	-	226	9,967
Hydroelectric Schemes	912	-	-	-	(48)	864
CBF Property Fund	1,554	265	-	-	236	2,055
CBF Investment Fund	10,002	720	-	-	1,505	12,227
	<u>22,209</u>	<u>985</u>	<u>-</u>	<u>-</u>	<u>1,919</u>	<u>25,113</u>
<b>Total</b>	<u>37,410</u>	<u>2,542</u>	<u>-</u>	<u>-</u>	<u>3,750</u>	<u>43,702</u>
<b>Total Historical Cost</b>	<u>16,620</u>	<u>2,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,162</u>

**SOCIAL INVESTMENTS**

Consolidated and Company	Value at 1 <sup>st</sup> January 2021 £'000	New loans £'000	Repaid £'000	Transfers £'000	Adjustment on settlement £'000	Value at 31 <sup>st</sup> December 2021 £'000
<b>Unrestricted Funds</b>						
Loans to parishes	68	2	(22)	-	2	50
Loan to Emmanuel College	10	-	-	-	-	10
	<u>78</u>	<u>2</u>	<u>(22)</u>	<u>-</u>	<u>2</u>	<u>60</u>
<b>TOTAL INVESTMENTS</b>						
Total Consolidated Investments	<u>37,488</u>	<u>2,544</u>	<u>(22)</u>	<u>-</u>	<u>3,752</u>	<u>43,762</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

**25. INVESTMENTS (continued)**

The social investments of Carlisle DBF consist of concessionary loans made to parishes and the newly established Emmanuel College, for charitable purposes.

All the investments relate to the Company. The Company also has an investment – book value £nil (2020 £nil)– original cost £250,100 (2020: £250,100) in Rydal Hall Limited.

**26. DEBTORS**

	Consolidated		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Due within one year</b>				
<b>Unrestricted funds</b>				
Trade debtors	30	52	30	52
Inter fund balances	1,884	1,583	1,884	1,583
Other debtors	81	86	81	86
	<u>1,995</u>	<u>1,721</u>	<u>1,995</u>	<u>1,721</u>
<b>Designated funds</b>				
Trade debtors	-	29	-	-
Inter fund balances	431	528	431	528
Other debtors	115	24	-	-
	<u>546</u>	<u>581</u>	<u>431</u>	<u>528</u>
<b>Restricted funds</b>				
School debtors	498	622	498	622
Inter fund balances	63	93	63	93
	<u>561</u>	<u>715</u>	<u>561</u>	<u>715</u>
<b>Endowment Funds</b>				
Inter fund balances	33	33	33	33
	<u>33</u>	<u>33</u>	<u>33</u>	<u>33</u>
<b>Total debtors due within one year</b>	<u>3,135</u>	<u>3,050</u>	<u>3,020</u>	<u>2,997</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

**27. DEPOSITS**

	Consolidated		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Unrestricted funds</b>				
CBF Deposit Funds	220	220	220	220
<b>Designated funds</b>				
CBF Deposit Funds	42	44	3	5
<b>Restricted funds</b>				
CBF Deposit Funds	1,620	1,704	1,620	1704
Deposits with Church Commissioners	55	70	55	70
	1,675	1,774	1,675	1,774
<b>Endowment funds</b>				
CBF Deposit Funds	807	807	807	807
<b>Total deposits</b>	<b>2,744</b>	<b>2,845</b>	<b>2,705</b>	<b>2,806</b>

**28. CREDITORS: amounts falling due within one year**

	Consolidated		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Unrestricted funds</b>				
Sundry creditors and accruals	1,011	772	1,011	772
Inter fund balances	527	654	527	654
Loan repayment instalments:				
Central Board of Finance	100	100	100	100
Cumberland Building Society	100	200	100	200
	1,738	1,726	1,738	1,726
<b>Designated funds</b>				
Inter fund balances	-	35	-	35
Trade creditors	37	9	-	-
Sundry creditors and accruals	202	167	-	-
	239	211	-	35
<b>Restricted funds</b>				
Inter fund balances	1,241	1,309	1,241	1,309
Sundry creditors and accruals	1,165	1,388	1,165	1,388
	2,406	2,697	2,406	2,697
<b>Endowment funds</b>				
Inter fund balances	644	239	644	239
Clergy pension scheme	148	278	148	278
	792	517	792	517
<b>Total creditors falling due within one year</b>	<b>5,175</b>	<b>5,151</b>	<b>4,936</b>	<b>4,975</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

**28. CREDITORS: amounts falling due within one year (Continued)**

Within sundry creditors and accruals, there is £389,172 (2020 - £330,000) deferred income. The one material balance of £330,000 has been deferred as proceeds from the sale of a school building require government approval before they can be retained by the charity.

**29. CREDITORS: amounts falling due after more than one year**

	Consolidated		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Unrestricted funds</b>				
Loan repayment instalments:				
Central Board of Finance	200	300	200	300
Cumberland Building Society	-	-	-	-
	<u>200</u>	<u>300</u>	<u>200</u>	<u>300</u>
<b>Endowment funds</b>				
Clergy pension scheme	-	64	-	64
	<u>-</u>	<u>64</u>	<u>-</u>	<u>64</u>
<b>Total creditors falling due after one year</b>	<u>200</u>	<u>364</u>	<u>200</u>	<u>364</u>

£1 million was borrowed from the Central Board of Finance Deposit Fund Diocesan Loan Scheme in 2014 in order to finance the investment in Rydal Hydro Limited. It is repayable in equal annual instalments of £100,000 over ten years with interest charged at 0.55% above the CBF Deposit Fund rate (currently 0.65%).

The loan from the Cumberland Building Society (note 28 & 29) is held on behalf of parishes. The loan is a rolling facility with up to £500,000 available. Interest is charged at 1.99% below the Society's commercial variable base rate. The loan is secured on Rydal Hall and is due for renewal in December 2023.

The maturity of the loans is analysed as follows:

	2021 £'000	2020 £'000
Between one and two years	100	100
Between two and five years	100	200
In five years or more	-	-
	<u>200</u>	<u>300</u>

**30. SUMMARY OF FUND MOVEMENTS**

Unrestricted Funds	Balance at 1 <sup>st</sup> January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2021 £'000
<b>General funds</b>						
Realised reserve	1,684	7,070	(7,057)	(51)	34	1,680
Revaluation reserve	596	-	-	-	4	600
	<u>2,280</u>	<u>7,070</u>	<u>(7,057)</u>	<u>(51)</u>	<u>38</u>	<u>2,280</u>
<b>Designated Funds</b>						
Diocesan Growth Fund	1,809	54	(15)	85	263	2,196
Resources Centre	1	-	-	-	-	1
Rydal Hall	300	-	(300)	-	-	-
Sustainability Fund	150	-	-	125	-	275
OpShops	77	-	(16)	16	-	77
<b>Total Company Designated</b>	<u>2,337</u>	<u>54</u>	<u>(331)</u>	<u>226</u>	<u>263</u>	<u>2,549</u>
Cumbria Christian Learning	7	-	(47)	40	-	-
Restore (Cumbria)	68	248	(301)	-	-	15
Rydal Hall Limited	(246)	1,224	(707)	(68)	-	203
<b>Total Group Designated Funds</b>	<u>2,166</u>	<u>1,526</u>	<u>(1,386)</u>	<u>198</u>	<u>263</u>	<u>2,767</u>
<b>Total Group Unrestricted Funds</b>	<u>4,446</u>	<u>8,596</u>	<u>(8,443)</u>	<u>147</u>	<u>301</u>	<u>5,047</u>

The Diocesan Growth Fund was created from a legacy from the late Miss A F Hope. It has been supplemented from the Mission Development grants from the Church Commissioners and transfers from General Funds. The Fund is used to support the establishment of youth congregations and help parishes and deaneries initiate new work designed to achieve church growth.

The Rydal Hall Fund represents the balance of Carlisle DBF's investment in the subsidiary company, Rydal Hall Limited, plus an amount of £300,000 added in 2020 and paid out in 2021 designated to support Rydal Hall following losses incurred during the Coronavirus pandemic.

The Restore (Cumbria) Fund (previously known as OpShops) represents the investment in the network of local shops through which this subsidiary charity, and local churches, provide community support and outreach for the local communities.

The Sustainability Fund was created to build a fund towards the expenditure likely to be required in future years to fund changes to bring about more sustainable models of mission and ministry across the Diocese.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Restricted Income Funds	Balance at 1 <sup>st</sup> January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2021 £'000
Barchester Fund	7,010	248	(56)	(220)	839	7,821
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	3,858	150	(26)	1,181	623	5,786
Diocesan Houses Fund	9,267	149	-	(680)	-	8,736
Parish Property Fund	400	14	(14)	-	63	463
Retired Clergy & Dependants Income Fund	3	50	(42)	-	-	11
Sundry Appeal Funds	4	-	-	-	-	4
Other Restricted Income Funds	406	140	(129)	-	40	457
<b>Total Group Restricted Income Funds</b>	<u>21,008</u>	<u>751</u>	<u>(267)</u>	<u>281</u>	<u>1,565</u>	<u>23,338</u>

The Barchester Fund comprises closed schools and school houses and their sale proceeds. These are held by the DBF and administered by the Diocesan Board of Education to support religious education and the work of Church schools in the Diocese. School Funds, of which Carlisle DBF is Custodian Trustee, are not included within the Barchester Fund as the DBF receives no benefit from these funds.

The Stipends Income Fund is governed by the Diocesan Stipends Measure 1953, as subsequently amended, and is used to augment the clergy stipends. Its income comes from glebe and other Stipends Capital Account investments, assigned fees and the Church Commissioners. The income is included in the DBF's General Funds in accordance with the stated accounting policy where it contributes towards the total cost of stipends which are paid from General Funds.

The Diocesan Pastoral Account receives the sale proceeds of Churches and Parsonages which have become redundant under pastoral reorganisation. Its uses are governed by Section 78 of the Pastoral Measure 1983, and include grants and loans for Parsonage and Church provision, restoration, improvement or repair and other purposes of the Diocese or any benefice or parish. The reserves are represented by investments with the Central Board of Finance and by loans to parishes. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Diocesan Houses Fund consists of those properties in the legal ownership of Carlisle DBF (as distinct from benefice houses) other than investment properties. The purchase of such properties is funded primarily from the Pastoral Account.

The Parish Property Fund (formerly Diocesan Loan Fund) is used to provide loans and grants to parishes for improvements and repairs to churches and other parish property.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2021

Endowment Funds	Balance at 1 <sup>st</sup> January 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2021 £'000
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	20,302	19	(50)	471	2,058	22,800
Education	41	-	-	-	6	47
PWM World Mission	63	-	-	-	10	73
Readers Board	2	-	-	-	-	2
General	125	-	-	-	18	143
	<u>20,533</u>	<u>19</u>	<u>(50)</u>	<u>471</u>	<u>2,092</u>	<u>23,065</u>
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	33,897	179	-	(899)	-	33,177
Retired Clergy & Dependants Fund	1,316	-	-	-	162	1,478
	<u>35,213</u>	<u>179</u>	<u>-</u>	<u>(899)</u>	<u>162</u>	<u>34,655</u>
<b>Total Group Endowment Funds</b>	<u>55,746</u>	<u>198</u>	<u>(50)</u>	<u>(428)</u>	<u>2,254</u>	<u>57,720</u>

The Permanent Endowment Funds are held where the DBF has no power to convert the capital into income. The capital is invested and the income used for the purposes as indicated.

The Diocesan Stipends Fund Capital Account is governed by Section 35 of the Endowments and Glebe Measure 1976. It consists of investments with the Central Board of Finance and glebe properties and is held to produce income for clergy stipends. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Parsonages Houses Fund represents those houses which are benefice property, vested in the incumbents. Carlisle DBF nevertheless has financial responsibility for parsonages and they have been included in the Balance Sheet valued at deemed cost based on valuations at 31 December 2013.

The Retired Clergy and Dependents Fund provides for the relief of poverty by assisting retired clergy, licensed lay workers or deserted spouses of clergy who reside or served in the Diocese and their dependants.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

**31. SUMMARY OF ASSETS BY FUND**

Company	Fixed Assets		Net Current Assets £'000	Liabilities after 1 year £'000	Net Assets 2021 £'000	Net Assets 2020 £'000
	Tangible £'000	Investments £'000				
<b>Unrestricted Funds</b>						
General Funds	30	1,493	957	(200)	2,280	2,280
<b>Designated Funds</b>						
Diocesan Growth Fund	-	2,115	81	-	2,196	1,809
Resources Centre	-	-	1	-	1	1
Rydal Hall	-	-	-	-	-	300
Sustainability Fund	-	-	275	-	275	150
OpShops	-	-	77	-	77	77
	-	2,115	434	-	2,549	2,337
<b>Restricted Funds</b>						
Barchester Fund	-	7,645	176	-	7,821	7,010
Stipends Income Fund	-	-	60	-	60	60
Pastoral Account	-	5,756	30	-	5,786	3,858
Diocesan Houses Fund	8,329	750	(343)	-	8,736	9,267
Parish Property Fund	-	503	(40)	-	463	400
Retired Clergy Income	-	23	(12)	-	11	3
Sundry Appeal Funds	-	-	4	-	4	4
Other Income Funds	-	363	94	-	457	406
	8,329	15,040	(31)	-	23,338	21,008
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	-	23,578	(778)	-	22,800	20,302
Education	-	47	-	-	47	41
PWM World Mission	-	73	-	-	73	63
Readers Board	-	2	-	-	2	2
General	-	143	-	-	143	125
	-	23,843	(778)	-	23,065	20,533
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	32,413	-	764	-	33,177	33,897
Retired Clergy & Dependants Fund	145	1,271	62	-	1,478	1,316
	32,558	1,271	826	-	34,655	35,213
<b>Total Endowment Funds</b>	32,558	25,114	48	-	57,720	55,746
<b>Total Company Funds</b>	40,917	43,762	1,408	(200)	85,887	81,371
<b>Unrestricted Funds</b>						
Cumbria Christian Learning	-	-	-	-	-	6
Restore (Cumbria)	25	-	(11)	-	14	68
Rydal Hall Ltd	60	-	144	-	204	(245)
<b>Total Consolidated Funds</b>	41,002	43,762	1,541	(200)	86,105	81,200

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## 32. PENSIONS

The DBF 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 DBF 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 DBF 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 FRS102 requires the DBF 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 DBF. 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.

At the end of the year the DBF was paying contributions for 87 members of the scheme out of a total membership of approximately 8,500 active members. Each participating employer in the scheme pays contributions at a common contribution rate applied to the previous year's National Minimum Stipend. As this is a multi-employer scheme and it is not possible to attribute the scheme's assets and liabilities to specific employers, the scheme pension costs are accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year plus the impact of any deficit contributions (see below).

The most recent scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50 million, based on assets of £1,818 million and a funding target of £1,868 million, assessed using the following assumptions:

- An average discount rate of 3.2% p.a;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Following the valuation of the scheme as at 31 December 2018, the contribution rate from 1 January 2021 is 39.9% of pensionable stipends (i.e. the previous year's NMS), of which 32.8% relates to providing the benefit in relation to ongoing pensionable service, including 1.2% for the day-to-day expenses of running the scheme, and 7.1% relates to recovery of the deficit over the two years to 31 December 2022. This means that payments by the DBF relating to the deficit based on active members and pensionable stipends as at 31 December 2021, would be £160,000 in 2021 and £148,000 in 2022. The discounted deficit payments of £0.148 million over the next 3 years in respect of the shortfall have been recognised as a liability in the balance sheet.

A reconciliation of the balance sheet liability is set out below:

	2021 £'000	2020 £'000
Balance sheet liability as at 1 January	342	592
Deficit contribution paid	(160)	(278)
Interest cost (recognised in the SOFA)	1	5
Re-measurement of the balance sheet liability	(35)	23
	<hr/>	<hr/>
Balance sheet liability as at 31 December	148	342
	<hr/> <hr/>	<hr/> <hr/>

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

	December 2021	December 2020	December 2019
Discount Rate	0.0% pa	0.2% pa	1.1% pa
Price Inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable salary	-1.5% pa	1.6% pa	1.3% pa

**Church Workers Pension Fund – Defined Benefits Scheme**

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2021, the DBF had 2 active members, 12 deferred and 37 pensioner members in the scheme.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. In such cases FRS102 requires the scheme pension costs to be accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year (£47,000 over 2021 compared to £44,000 over 2020) plus the impact of any deficit contributions (see below).

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool. If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

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

Following the valuation, the DBF has entered into an agreement with the Church Workers Pension Fund to a contribution rate from 47.7% of pensionable salaries and expenses of £5,800 per year.

	2021 £'000	2020 £'000
Balance sheet liability as at 1 January	-	-
Contributions paid	-	-
Interest cost (recognised in the SOFA)	-	-
Re-measurement of the balance sheet liability	-	-
	<hr/>	<hr/>
Balance sheet liability as at 31 December	-	-
	<hr/> <hr/>	<hr/> <hr/>

**33. CAPITAL COMMITMENTS**

Expenditure contracted for but not provided on the financial statements was £nil (2020: £nil).

**34. RELATED PARTY TRANSACTIONS**

Details of transactions with the main related parties of Carlisle DBF are given in the appropriate notes to the financial statements.

**Archbishops' Council and the Church Commissioners**

As detailed in note 2 Carlisle DBF received grants from the Archbishops' Council totalling £976,000 (2020: £874,000). £35,000 (2020: £35,000) was received from the Church Commissioners for rent of the Bishop's House. Payments were made to the Archbishops' Council for contributions to the National Church and for training of Ordinands totalling £551,000 (2020: £569,000). Payments of £2,552,000 (2020: £2,640,000) were made to the Church Commissioners for clergy stipends and the Church of England Pensions Board was paid £899,000 (2020: £932,000) for clergy pensions. In all cases there was no balance outstanding at the year end. Further payments were made to the Pensions Board for lay pensions of £255,000 (2020: £244,000). The balance due to the Pensions Board at the year-end for December's contributions was £24,000 (2020: £27,000).

**Rydal Hall Ltd (see note 15)**

During the year Carlisle DBF invoiced Rydal Hall Ltd £60,000 (2020: £60,000) for rent and £8,000 (2020: £8,000) for management services. Carlisle DBF made a grant of £300,000 to Rydal Hall Ltd in 2021 (2020: £nil) following losses incurred during the Covid-19 pandemic.

At the year-end Rydal Hall Ltd owed £73,000 (2020: £354,000) for outstanding rent, management services and staff salaries.

**Rydal Hydro Ltd (see note 16)**

Rent of £8,000 (2020: £23,000) and dividends of £101,000 (2020: £168,000) were received from Rydal Hydro Ltd.

**Scandale Hydro Ltd**

Dividends of £113,000 (2020: £150,000) were received from Scandale Hydro Ltd, of which Carlisle DBF owns one-third of the shares.

**Cumbria Christian Learning Limited (see note 17)**

Carlisle DBF paid £47,000 (2020: £67,000) for ordination training, and received a grant from CCL of £7,750 (2020: £nil). Carlisle DBF made no grants to CCL (2020: £23,000).

At 31 December 2020 CCL owed Carlisle DBF £nil (2020: £54,000).

**Restore (Cumbria) – Previously known as OpShops (see note 18)**

On 1 July 2020, the activities and net asset of OpShops - formerly an activity carried out within the Carlisle DBF - were transferred for a consideration of £nil, into a previously dormant subsidiary charity - now called Restore (Cumbria).

During 2020 a grant of £75,000 was made from the Carlisle DBF to Restore to give them a suitable level of reserves and working capital. In addition, £77,000 remains designated in the Carlisle DBF accounts to support potential losses in the early years of Restore operating as a stand-alone charity. None of these funds were drawn down by Restore in 2021.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2021**

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**34. RELATED PARTY TRANSACTIONS (continued)**

During the second half of 2020, 9 Carlisle DBF staff were seconded to the charity, for which £66,000 was reimbursed to the DBF. This continued until 30 April 2021, with £49,000 being reimbursed to the DBF in 2021.

At the year-end, Restore owed £32,000 (2020: £77,000) to Carlisle DBF for outstanding staffing and expenses paid on their behalf.

**DBE Services Ltd**

Carlisle DBF received gift aid distributions from DBE Services totalling £25,000 (2020: £12,000).

**CARLISLE DIOCESAN BOARD OF FINANCE**

England & Wales - Charity number 251977

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# Accounts

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**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**FINANCIAL STATEMENTS**

for the

**YEAR ENDED 31 DECEMBER 2020**



**CARLISLE  
DIOCESE**

**Company Registration No 39625**

**Registered Charity No 251977**



## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2020



The Directors, who are also Trustees for the purposes of charity law, present their combined Directors' report, Trustees' report and Strategic report, together with the audited financial statements, for the year ended 31<sup>st</sup> December 2020. The report is separated into the following sections:

1. Legal objects
2. Strategic aims
3. Activities
4. Objectives set for the year
5. Strategic report containing:
  - 5.1. Activities in the year
  - 5.2. Achievements and performance
  - 5.3. Financial review
  - 5.4. Plans for future periods
  - 5.5. Principal risks and uncertainties
6. Structure, governance and management
7. Funds held as custodian trustee for others
8. Reference and administrative details of the Carlisle Diocesan Board of Finance (Carlisle DBF)
9. Auditors

#### **1. LEGAL OBJECTS**

##### **1.1. Objective**

The principal objective of the Carlisle Diocesan Board of Finance (Carlisle DBF) is to promote and assist the work, objectives and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Carlisle and elsewhere by acting as the financial executive of the Diocese.

Carlisle DBF acts in conjunction with the Church Commissioners, Archbishops' Council, Bishop's Council, Diocesan and Deanery Synods and Parochial Church Councils to support the work of the Church of England particularly in the Diocese of Carlisle. The major part of Carlisle DBF's activity is to organise and provide funds for the training, housing and stipends of clergy and other ministers within the Diocese of Carlisle and to support the activities of the other Boards, Councils and Committees of the Diocesan Synod.

##### **1.2. Statutory Functions**

- Carlisle DBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- Carlisle DBF is custodian trustee in relation to PCC property (see section 7).

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

- The Trustees are aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and have had regard to it in their administration of Carlisle DBF. The Trustees believe that, by promoting the work of the Church of England in the Diocese of Carlisle, 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, and that 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 services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

### **2. STRATEGIC AIMS**

Carlisle DBF's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese. Since 2015 Carlisle DBF has sought to allocate its resources in the most effective way to support the strategy "God for All" which is shared by Carlisle Diocese and the Cumbrian Methodist, United Reformed and Salvation Army churches. Since 2019 the strategy has been 'refreshed' for the coming years through a process of listening and consulting, providing new strategic focus in the coming years.

In terms of resourcing, the strategy requires the DBF to invest in lay and ordained ministry development, including pioneer ministers; enable the establishment of a new organisational structure of some 35 Mission Communities across the Diocese; support the creation of "Fresh Expressions of Church" such as Network Youth Churches; and oversee subsidiaries in support of the Mission of the Church, including a Retreat House and Conference Centre at Rydal Hall and local community Resource and Recycling retail centres through "Restore (Cumbria)", as far as may be financially viable.

### **3. ACTIVITIES**

The key activities may be summarised as:

- Mission and ministry in the local church (includes all clergy training, housing, stipends and pension costs and all other expenditure supporting locally-based ministry);
- Education funding (includes support services and capital expenditure support for schools); and
- Provision of a Diocesan Retreat House and Conference Centre;
- Contributions to the Archbishops' Council (mainly by grant) to support the National Church.

### **4. OBJECTIVES FOR THE YEAR**

As part of Carlisle DBF's overall strategy, and subject to Annual Review, the Trustees have set the following specific objectives for the current and following years:

- Taking account of Covid 19 related factors, to maximise the return from Diocesan asset holdings to support costs of Diocesan Mission and Ministry while retaining the policy of balanced budgets for 2021 and onwards.
- To minimise increases in income needed from parishes in order to allow funds to be spent on mission activity locally;

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

- To resource Diocesan needs, as determined by Synod and informed by local and National Church institutions.
- To invest in local ministry including greater emphasis on learning and development for lay, as well as ordained, ministers.

#### **5. STRATEGIC REPORT**

##### **5.1. Activities in the year**

###### **5.1.1. Specific Activities**

The activities of the Diocese in 2020 were fundamentally affected by the Covid 19 pandemic, with its associated and major restrictions upon normal operational effectiveness. This did not, however, prevent a thorough review of the progress of the 2015-2020 ecumenical "God For All" strategy, and its successor "Vision Refresh", adopted by Diocesan Synod in March 2021.

Specific activities in support of this strategy included:

- Full reimbursement to the Church Commissioners for the direct employment costs of stipendiary clergy, together with the DBF's share of the training costs for Ordinands and curates. The DBF also funded the provision of housing for all stipendiary and house for duty clergy;
- Funding the continued growth in outreach and evangelism throughout the Diocese as a key element of God for All (see above), including further support for the creation and growth of Fresh Expressions of Church, innovative digital outreach and other initiatives.
- Learning and ministry development work to support clergy and laity, previously provided by Cumbria Christian Learning (CCL), but now to be provided by a combination of Diocesan staff, our own newly established Northern Mission Centre, and to be succeeded in September 2021 by the creation of "Emmanuel College" for ordination training, serving Dioceses in North West England.
- A focus upon embedding Stewardship principles to increase awareness within Mission Communities of the mutual inter-dependence of them and their individual Parishes with the Diocese's ability to provide necessary and appropriate Ministerial Resource and Support Services, the larger part of which continues to be funded through an efficiently structured system of "Parish Offer".
- Continued monitoring by the Investment Sub-Committee, reporting to the Finance Committee, of the mix and performance of the Diocese's investment portfolio and its professional advisors, to ensure an appropriately prudent balance of risk and reward generation associated with each class of asset.

###### **5.1.2. Grant-making (Beneficiary-selection) Policy**

Grants are made to the National Church to cover a proportion of its central costs (see Note 11 to the financial statements). Grants are paid to parishes and to retired clergy and to other charitable projects which appear to the Trustees to support the furtherance of Carlisle DBF's objects (see Note 14 to the financial statements).

###### **5.1.3. Programme Related Investments**

Loans are made to parishes in the Diocese at a preferential rate of interest, to enable them to undertake projects which further the objects of Carlisle DBF including improving and maintaining their buildings (see note 25 to the financial statements).

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

#### **5.1.4. Volunteers**

The Trustees recognise and are grateful for the enormous contribution that volunteers throughout the Diocese give of their time for the work of the Diocese in many different ways. Retired clergy also give freely of their time. Churchwardens, Parochial Church Council Treasurers, Secretaries and Safeguarding Officers continue to enable the local church to provide mission and ministry to local communities across Cumbria. The success of the ongoing God for All project continues to be conditional upon a substantial growth in self-supporting (volunteer) lay and ordained ministry in the future, with stipendiary clergy roles being increasingly to discern, equip and support those ministers.

#### **5.2. Achievements against objectivities**

##### **5.2.1. Achievements in 2020**

The budget for 2020, approved by Diocesan Synod in October 2019, assumed that income from parish offers would decrease marginally from 2019 receipts, and after planned cost adjustments, a deficit of £160k could be expected, whilst still achieving the overall aim of net balanced budgets for the years 2015 to 2020.

In the event, and due to prompt remedial action by the DBF, endorsed by Bishop's Council, a major reduction in Parish Offer of some 7% was more than offset by

- The deferment of non-essential properties maintenance and some training and project activities
- Some support and services postholders sadly being made redundant as part of a reorganisation - they leave with much appreciation of their hard work and dedication
- Delayed clergy appointments
- Reduced net administrative costs due to enforced home working and use of video-conferencing
- The benefit, where sensibly applied, of HM Government Furlough schemes

As a result, a surplus of income over expenditure in the general fund of some £144,000 has been achieved.

Given the severity and impact of the pandemic across the Church and communities in Cumbria, this is considered to be a very satisfactory financial achievement. The hard work, patience, imagination and commitment of so many people is greatly appreciated by the Trustees.

Rydal Hall was unable to operate for most of the year and the forecast break-even changed into a significant deficit, despite employment support Furlough scheme receipts and significant cost reductions. This deficit and additional working capital due to continuing Covid related restrictions in 2021, will be met by a Grant of £300,000 from DBF funds to be paid in Quarter One 2021 and designated within these accounts.

Due to the continuation into 2021 of Covid related restrictions, further necessary cost savings have been projected across all Diocesan activity but in spite of these, the Diocesan budget shows a modest deficit for 2021, particularly as a result of Parish Offer receipts being forecast to remain depressed until 2022 at the earliest. The Trustees are rigorously pursuing a programme of rationalisation of its property portfolio, to maximise returns from re-invested capital in support of the costs of the Diocese's Mission and Ministry.

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

The Trustees fully recognise the challenges faced by parishes to maintain their parish offer giving, and are very aware of, and thankful for, the sacrificial giving throughout the Diocese that makes that possible.

#### **5.2.2. Operational Performance**

The operational performance of Carlisle DBF in 2020 helped to achieve most of the strategic aims set out above. Expenditure on local clergy (primarily stipends, pension and housing), chaplains and Network Youth Church leaders accounted for 75% of the total group expenditure from general funds. Total expenditure on resourcing ministry and mission amounted to £6,809,000. Together with expenditure on education and the Diocesan retreat house at Rydal, the expenditure on charitable activities accounted for 98% of total expenditure.

2020 saw further progress in the plan to establish new patterns of ministry in Ecumenical Mission Communities. The associated reduction in the number of stipendiary clergy (with an increase in self-supporting ministry) is helping to align the cost of local ministry with the Diocese's income. However, the 2020 end year position was close to the planned long term clergy numbers, so there is limited scope for further cost saving to offset any further falls in income. Maintenance and improvement of clergy property was contained within a severely reduced Budget and was limited to those works considered to be urgent or essential.

The DBF applied successfully in 2019 to the Church Commissioners for 'Strategic Development' Funding, in support of the five year 'Reaching Deeper' project, to enable investment in new pioneering mission work across the Diocese. Although some of the recruitment had to be postponed until 2021, the project was able to commence during 2020 including the appointment and work of the 'New Monastics' and 'Outdoor' pioneers.

Continued investment was made to implement the God for All strategy through the work of the Reach Team insofar as they could operate under government Covid-related restrictions. Expenditure on the Reach Team's work to support local churches and church members to become more outward looking, including support for and establishing new fresh expressions of church such as Messy Church and Mountain Pilgrims, further growing Network Youth Churches, continuing to invest in pioneering ministries, promoting covid-safe Christmas celebrations and supporting 'online church' was £393,000.

Spending on Learning and Development activities was £789,000. This included providing funding for Cumbria Christian Learning in support of ordination training, contributing £308,000 towards the national costs of ordination training, implementing the Diocesan Vocations Strategy, training stipendiary and non-stipendiary curates, lay ministry development, and a leadership development programme in Mission Communities. In 2020 further work was undertaken in partnership with the Church Mission Society to launch the Northern Mission Centre, to develop new approaches to training that will enable local clergy and their church congregations to be more effective in mission and outreach to their local communities.

£1,000 in donations and collections from parishes and £52,000 investment income were added to the Diocesan Growth Fund. Out of this, grants were paid to parishes and deaneries totalling £9,000. The balance on the Growth Fund, which is available to support the establishment of network youth church congregations and help parishes and deaneries initiate new work designed to achieve church growth, stood at £1,809,000 at 31<sup>st</sup> December 2020.

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

The Board for Education spent £267,000 to support education in Cumbria with its support for Church schools. The Good Shepherd Multi Academy Trust, which aims to support the provision of excellent education within a caring and Christian ethos in academies in Cumbria remains of strategic importance as the debate over the academisation of schools continues. It currently includes nine schools.

On 1 July 2020, the activities, staff and net assets of Carlisle DBF's network of "OpShops" were transferred into a separate subsidiary charitable company under the name "Restore (Cumbria)". With its own Board of Trustees and a business plan designed to achieve a more secure and sustainable long-term future, it continued to provide community support, recycling and re-use services, and Christian ministry in partnership with local churches in Carlisle and Penrith, although its normal operations were severely disrupted for most of the year due to Covid 19 related trading restrictions. In 2020 the income generated from the shops whilst directly part of the DBF was £36,000. The network as a whole made a deficit across the whole year (partly as a subsidiary) of £8,000 after costs incurred with Incorporation, but with the benefit of Government Covid relief financial support. This major Outreach initiative continues to benefit from the hard work of many volunteers.

2020 saw a further decrease of £11,000 of income from the Archbishops' Council's Lowest Income Communities Funding. An additional £173,000 was received in 2020 from the Archbishops' Council, being the final claim for the previous 3-year's 'SDF' grant and the first claim for the new, 'Reaching Deeper' project.

The statutory fees for occasional offices conducted by the Church decreased significantly, reflecting in part the effect of Covid related restrictions, but also the trend for more weddings and funerals to take a more secular approach. Rents received from letting parsonages during vacancies remained strong at £361,000 as a result of the Diocese's active approach to renting out properties wherever possible, whilst also pursuing a policy of disposal where future need to retain not justified and re-investment returns potentially better. Overall total charity income decreased by 6.3%.

Rydal Hall Ltd is the wholly-owned subsidiary company of Carlisle DBF operating the Diocesan Conference Centre and Retreat House in South Lakeland. After charges for £60k rent and £8k accounting and HR services, and also the benefit of £183,000 in Covid related HM Government support grants, the net deficit for the year was £230,000 against a budget of breakeven. Covid related restrictions continue in 2021, but the Board is confident that the results of improved marketing, management and the effects of foreign travel restrictions will see a speedy return to operating stability in the near future.

The DBF again supported the Churches Trust for Cumbria through a grant of £22,000, to enable their work to provide external support for the care, conservation and development of church buildings across Cumbria.

#### **5.2.3. Investment Performance**

Investments are held in both restricted and unrestricted funds. In 2020, despite the severe falls in world stock markets at the onset of Covid restrictions, the price of the CBF Investment Fund shares increased by 6.9% for the year, (2019 increase 18.7%), but the CBF Property Fund shares decreased by 5.0% (2019 decrease of 2.6%), reflected the continuing effects of Covid upon the sustainable levels of rent and demand for commercial and other non-residential property. Total unrealised gains on investments for the year were £1,088,000, (2019 £2,349,000). These gains are notional – they do not alter the number of shares held hence the future income streams for which these shares are held, are unaffected directly by both increases and falls. The two hydroelectric plants within Cumbria in which the DBF has invested continued to perform well in 2020, and they will both provide a strong, long-term income stream for many years to come.

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

The Bank of England's Base Rate reduced in March 2020 from 0.25% to 0.1%, and the CBF Deposit Fund rate also reduced in stages to 0.15% at 31 December 2020.

Dividends received from the CBF Property Fund and Investment Fund were 6.53p and 57.39p per share respectively in the year, and the declared yields were 4.59% and 2.84% based on the year-end valuations. The total income from dividends for the year rose to £325,000 (2019 £288,000), although further investment of receipts from property sale proceeds was deferred in favour of retaining liquidity until the effects of Covid 19 upon Parish Offer receipts and other factors became clearer in Quarter 4, 2020.

Efforts continued to obtain planning consent for residential development on low yielding agricultural land holdings on the edge of settlements. A number of such developments have come to market in the year. All sale proceeds from these during 2020 have been invested to generate a sustainable long-term revenue stream to fund the work of the Diocese in the future.

The total return on investment – net receipts and valuation gains on investments as a percentage of the investment valuations at year-end, was 5.9% (2019 9.4%). Average yield (net receipts as a percentage of the investment valuations at year-end) was 3.2% (2019 3.2%).

#### **5.2.4. External Factors Affecting Performance**

There are a number of external factors continuing to affect the performance of Carlisle DBF. The fall (in both cash and real terms) in the offers (pre Covid related factors) made to Carlisle DBF from parishes is evidence of lower incomes in the parishes, reflecting a decline in church membership and the burden of local costs such as church repairs and energy bills. The effects of Covid and the enforced operational closure of Churches has further seriously, although hopefully temporarily, reduced this essential main Diocesan income source, but cannot wholly mask the underlying and increasing downwards trend away from traditional ministry led congregational sources.

The difficulty in filling vacancies in clergy posts has continued during the year and the Northern Province of the Church of England is reportedly not seen to be attractive to potential applicants. Although this reduces financial pressure in the short term, it represents an operational concern as the leadership and pastoral work of clergy is key in recruiting and developing self-supporting lay and ordained ministry and helping the local church to continue to evolve. During 2020 the restrictions imposed as a result of Covid-19 allied to financial constraints have further delayed recruitment in some locations.

#### **5.3. Financial Review**

##### **5.3.1. Review of the Financial Position**

The Consolidated Statement of Financial Activities (SOFA) for the year shows net incoming resources of £905,000 (2019 £942,000) before net gains on investments and other recognised gains and losses.

After revaluation adjustments, the net increase in funds amounted to £1,970,000, (2019: £4,235,000). Total fund balances are now £81,200,000, of which £76,754,000 (94.5%) is restricted, mainly by ecclesiastical measures, and a further £2,166,000 has been designated for specific use by the Trustees.

Overall there was a net cash inflow for the year of £675,000 (2019: £1,231,000). Total net current assets increased by £615,000 to £1,800,000 with those relating to general funds increasing by £48,000.

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

#### **Going Concern**

The Trustees are satisfied that Carlisle DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

#### **5.3.2. Reserves Policy**

Due to the anticipated regularity and predictability of its Income and Costs, the Diocese policy has been to hold a level of free reserves equivalent to at least one month's expenditure. The Trustees keep the position under review at their bi-monthly meetings and are currently confident that, after taking continuing Covid related factors into account, cash flows can be managed to ensure that sufficient free reserves are held to enable Carlisle DBF's normal commitments to be met. Nevertheless, they have considered it prudent to raise the target level of free reserves to 2 months, until future income and cost trends become clearer.

#### **5.3.3. Investment Policies**

Carlisle DBF's power to invest its funds is governed by the Memorandum and Articles of Association. It exercises these powers having due regard to the provisions of the Trustee Act 2000 in so far as it applies to Carlisle DBF as a company.

Carlisle DBF's investment policies, which are reviewed annually, are based on two key principles:

Ethical investment – Carlisle DBF seeks to pursue an investment policy consistent with the values of the Christian religion. Thus, it adheres to the policy as developed by the Church Commissioners and CCLA Investment Management Ltd for their Central Board of Finance Church of England Funds.

Long-term responsibilities - Investment policy for long-term funds seeks to strike the right balance between providing an income to help the Diocese to carry out its purposes effectively in the short term and maintain and enhance the value of the invested funds so as to enable the Diocese effectively to continue to carry out its purposes in the long term. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital.

#### **Investments**

Glebe property investments are held by Carlisle DBF in agricultural land, commercial and residential land and buildings. They are managed by the DBF's agents, Penrith Farmers' & Kidd's, Walton Goodland Ltd and Savills and account for 47% of the total glebe investments.

A further 49% of the glebe assets are invested through CCLA Investment Management Ltd in the CBF Church of England Funds or held on deposit. They are split between holdings in equities and property via common investment funds to spread risk, and deposits. The remaining 4% consists of shares in a hydroelectric scheme in South Cumbria.

The other DBF funds are also mainly invested in CBF Church of England deposit accounts, investment and property funds, with shares also being held in a hydro-electric scheme within the grounds of the Diocesan Residential Conference Centre and Retreat at Rydal Hall, South Lakes.

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

#### **Other Funds**

Funds which may be needed for working capital in the short term are held as deposits with the Central Board of Finance. The performance of all the DBF's investments is monitored regularly by the Trustees at their bi-monthly board meetings, and by the Investment Sub-Committee.

#### **5.3.4. Remuneration Policy**

The Board operates a set salary scale and employees are placed on this with regard to benchmarking against comparable roles in this and other dioceses and the external employment market. Cost of living increases are determined as part of the process of setting the budget which is approved by the Finance Committee and the Members. Remuneration of higher-paid employees is determined in consultation between the Chair of the Finance Committee, the Diocesan Secretary and the HR Manager.

#### **5.4 Plans for Future Periods**

The DBF's ongoing objective is to resource Diocesan needs, as determined by Synod and informed by local and national Church institutions and in particular to invest to meet the objectives set out in the God for All Strategy up to the end of 2020 and as refreshed during 2020. The DBF was successfully achieving this until the outbreak of the Covid 19 pandemic in early 2020, which has required substantial rethinking of our financial responses and strategies.

Work to refresh the Diocesan Vision and Strategy for the period beyond 2020 has continued in the light of the financial resources now envisaged as being available, and this is being integrated into resource and budget planning for the period 2021-2025.

#### **5.5 Principal Risks and Uncertainties**

The Trustees confirm that the major risks, to which Carlisle DBF and its subsidiary companies are exposed are continually reviewed and that systems and procedures have been established to manage those risks. The principal risks and uncertainties which face Carlisle DBF relate to:

- the reliability and timing of the income it receives from local churches which is voluntary in nature, Parish Offer accounting for 60% of total charity general fund income;
- investment performance, particularly in respect of commercial property; and
- expenditure on clergy payroll if clergy numbers are above assumptions.
- the as-yet unclear longer-term financial effects of Covid-19 upon core income streams

The principal risks are reviewed regularly by the Trustees and, where necessary, further information and data are gathered to enable a more detailed examination of the risks to be made and decisions taken on the basis of the probability and likely impact of the risks occurring.

A major review of the parish offer process, exacerbated by Covid-19, and in the emerging light of the Diocesan vision and strategy from 2021, is currently in progress. We continue to encourage good stewardship in the local church and the work of the Stewardship Enabler is seen as a key way in which the diocese can support parishes and mission communities in raising income locally which, in turn, will empower them to identify the optimum affordable deployment of available trained ministry resource both lay and ordained.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued

Carlisle DBF provides its Trustees, officers and employees with Indemnity Insurance against any liabilities that might arise during the provision of services operated under the authority of the Diocesan Bishop and Synod.

## 6. Structure, Governance and Management

### 6.1 Organisational Structure

The Diocese of Carlisle was founded in 1133. It covers an area of 2,480 square miles and includes all of Cumbria, except for small areas in the east of the county which are included in the neighbouring Diocese of Newcastle. The overall population of the Diocese is around 500,000.

The Diocese is one of the 42 English dioceses of the Church of England which is organised as two provinces. The Diocese of Carlisle is part of the Northern Province led by the Archbishop of York. The Southern Province is led by the Archbishop of Canterbury.

The Diocese of Carlisle is led by the Diocesan Bishop the Rt Revd James Newcome. It is arranged into three Archdeaconries; Carlisle covering the northern and eastern part with 4 deaneries, West Cumberland in the western part with 3 deaneries and Westmorland and Furness in the southern part with 4 deaneries. In total there are 263 parishes grouped into 104 benefices with 87 full-time equivalent stipendiary parochial clergy and 3 serving in house for duties posts. Together with 28 non-stipendiary ministers, 114 readers, 72 commissioned lay ministers and many other retired clergy and lay members they provide ministry in 356 churches in the Diocese.

The Diocese is in Covenanted Partnership with three other denominations – Methodist, United Reformed Church and Salvation Army. With those denominations the Diocese is establishing ecumenical Mission Communities, groups of churches that collaborate over mission and share resources, increasingly including ministry and buildings. In the course of 2020, a handful of church buildings were put forward for closure at the request of their local Parochial Church Councils.

### 6.2 Diocesan Governance

#### Diocesan Synod

The Diocese is governed by Standing Orders approved in 1969 and as subsequently amended. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of Bishops and Archdeacons (*ex officio members*), clergy members *elected* by the Houses of Clergy in Deanery Synods, lay persons *elected* by the Houses of Laity in Deanery Synods, up to five persons who may be *co-opted* by each of the Houses of Clergy or Laity and a maximum of ten members *nominated* by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Its role is to:

- consider, and make decisions on, 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 by approving the Diocesan Budget.

#### Deanery Synods

Each deanery in the Diocese has its own Deanery Synod which has two houses, laity and clergy. Its role is to:

- respond to requests from General Synod;
- give effect to the decisions made by the Diocesan Synod;

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

- 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; and
- elect members of the deanery to the Diocesan Synod and of the Diocese to General Synod.

#### **Bishop's Council and Standing Committee**

Bishop's Council consists of 9 ex officio members, including the Diocesan and Suffragan Bishop and the three Archdeacons, three clergy elected by the House of Clergy from among their number and six lay persons elected by the members of the House of Laity. A maximum of two members may also be nominated by the Diocesan Bishop.

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 (delegated to the Steering Committee);
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the President of Synod on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

#### **6.3 Carlisle Diocesan Board of Finance**

The company, Carlisle Diocesan Board of Finance Ltd (Carlisle DBF), was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 22<sup>nd</sup> September 1893 as a charitable company limited by membership guarantees (No. 39625) and its governing documents are the Memorandum and Articles of Association. Carlisle DBF has been registered with the Charity Commission since 1<sup>st</sup> May 1967 (No. 251977). The Memorandum and Articles of Association have been altered by Special Resolutions the latest of which were passed on 1<sup>st</sup> May 2018 and 12<sup>th</sup> July 2006.

From 11th November 2006 every member of Diocesan Synod is a member of Carlisle DBF for company law purposes, unless they are excluded by reason of being appointed to any salaried office of the Company or any office of the Company paid by fees. Each member has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

#### **Trustees**

From 1st January 2007 the Bishop of Carlisle and the three Archdeacons have served as ex-officio Directors of the Company. A further five Directors are elected by the members of Carlisle DBF and the Directors have power to co-opt up to another four Directors.

Mr Jim Johnson and Mrs Susan Wigley served as Chair and Vice Chair throughout the year.

All the Directors are also the Trustees and, when newly appointed, are given induction training. All Trustees are offered ongoing training, as appropriate.

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

#### **Trustees' Responsibilities**

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

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 the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that year. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which 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 corporate and trust assets of the charitable company and group ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also 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.

#### **6.4 Decision-making Structure**

Diocesan Synod has delegated the following functions to Carlisle DBF:

- Management of the funds and property of the Diocese;
- Preparation of annual estimates of expenditure;
- Advising on action needed to raise the income necessary to finance expenditure;
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod;
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred or delegated to it by Diocesan Synod.

#### **Finance Committee**

The Trustees met as the Finance Committee of Carlisle DBF 7 times during the year. At these meetings they received regular reports from the officers of the DBF and considered any matters for which they are responsible.

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued

The number of meetings (and proportion of those eligible for attendance) that each Trustee attended in 2020 was:

The Rt Revd James Newcome	5 (71%)
The Ven Richard Pratt	6 (86%)
The Ven Vernon Ross	7 (100%)
The Ven Lee Townend	6 (86%)
Mr Derek Bradley	6 (86%)
Miss Janet Busk	7 (100%)
Mr Rob Cook	7 (100%)
Mr David Dalgoutte	7 (100%)
Mr John Edwards	7 (100%)
Mr Jim Johnson	7 (100%)
Mrs Susan Wigley	7 (100%)

The Trustees have delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by a small team of staff.

#### **Committee Structure**

There are a number of statutory Diocesan Synod committees that, although not sub-committees of Carlisle DBF, can influence its operations:

**Carlisle Diocesan Board of Education** has responsibility for 104 Church schools across the Diocese, provides pastoral and professional support to all its schools and has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.

**The Parsonages Board** is responsible for determining policy concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by Carlisle DBF. In the Diocese the Carlisle DBF is designated as the Diocesan Parsonages Board. A number of its functions are delegated to Archdeaconry Sub-Committees under the terms of a scheme passed by Diocesan Synod on 12<sup>th</sup> October 2013.

**The Diocesan Pastoral Committee** is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It also has responsibility for finding appropriate alternative uses for churches which have closed.

**The 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.

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

#### **6.5 Related Parties**

##### **General Synod**

Carlisle DBF has to comply with Measures passed by the General Synod of the Church of England. General Synod is the legislative and deliberative body at national level, making decisions on matters

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

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.

#### **Archbishops' Council**

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.

Carlisle DBF is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church according to a formula agreed by General Synod.

#### **Church Commissioners**

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 Commissioners also make grants to the Archbishops' Council for ministry in poorer dioceses and parishes.

Although Carlisle DBF is responsible for the funding of its clergy stipend costs, the national clergy payroll is administered by the Church Commissioners. Carlisle DBF reimburses the Church Commissioners monthly for the costs of stipendiary clergy deployed in the Diocese.

#### **Church of England Pensions Board**

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions' authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widows and widowers 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 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.

Carlisle DBF contributes monthly to the Pensions Board for both the clergy and the lay pension schemes.

#### **The Cathedral**

The Cathedral Church of the Holy and Undivided Trinity is the mother church of the Diocese of Carlisle and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its Trustees' report and financial statements may be obtained from the Cathedral Office, 7 The Abbey, Carlisle, CA3 8TZ.

## **CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

### **DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

#### **Parishes and Parochial Church Councils (PCCs)**

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Each PCC is an independent charity and most are currently exempt from registration with the Charity Commission. However, under the terms of the Charities Act 2011 those PCCs whose gross income for the year is above £100,000 are required to register. PCCs are able to influence the decision-making within Carlisle DBF and at Diocesan Synod level through representations and input of their Deanery Synods.

The main income of Carlisle DBF is the contribution, by way of the parish offer, from the 228 parishes of the Diocese. From 2009 the parish offer system has been based on voluntary offers made by parishes towards the costs of ministry incurred throughout the whole of the Diocese of Carlisle.

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

#### **6.6 Subsidiary Undertakings**

##### **Rydal Hall Limited**

Carlisle DBF is responsible for the operation of the Diocesan Conference Centre and Retreat House, Rydal Hall. This is achieved through Rydal Hall Limited, a wholly owned subsidiary charity of Carlisle DBF. The activities of the subsidiary are included in the consolidated financial statements.

##### **Restore (Cumbria)**

The staff, net assets and activities of the OpShops charity shop and resource network transferred into a newly established charity subsidiary, Restore (Cumbria), effective from 1 July 2020. The DBF is the sole member of the charity.

#### **6.7 Rydal Hydro Limited**

Carlisle DBF owns 50% of the issued share capital of Rydal Hydro Limited, with Ellergreen Hydro Limited and Gilkes Hydro Limited the other 50%. The joint venture company has constructed a hydroelectricity generating plant within the grounds of Rydal Hall Limited providing a renewable source of electricity for Rydal Hall and the surrounding area as well as providing a significant return on the DBF's investment.

#### **6.8 Other Connected Companies**

Carlisle DBF has joined with the four other dioceses from the North West of England and with York Diocese to have equal shares in DBE Services Limited, a company formed to provide various services to schools. These include inspections, teaching and curriculum support, administrative services, building, equipment and construction support and insurance. DBE Services Limited has several employees with other staff employed by the participating dioceses who invoice the company for their time. The profits of DBE Services Limited are distributed to the shareholders by means of gift aid donations.

In the course of 2020, the six North West Dioceses worked towards establishing a new Theological Training Institute for the region. The new college, to be called Emmanuel College will take its first intake of students in September 2021. The Diocesan Board of Finance is expected to be one of the Corporate Members of the College.

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**

**7. Funds Held as Custodian Trustee for Others**

Carlisle DBF is required by Measure to be custodian trustee in relation to PCC property. Carlisle DBF also holds funds on behalf of Church of England schools in the Diocese. All assets held as custodian trustee are kept independently from the Company's own assets and their details are recorded in a separate trust ledger. The assets are mainly invested through CCLA Investment Management Limited in their range of CBF Church of England Funds or on deposit with major UK clearing banks.

At 31 December 2020 the total value of these funds was £11,937,000.

**8. Reference and Administrative Details of the Carlisle Diocesan Board of Finance**

In accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in 2015 (SORP 2015), the Directors (for the purposes of company law) and the Trustees (for the purposes of charity law) during the year and as at the date of signing follow:

**President** Rt Revd James Newcome  
**Chairman** Mr Jim Johnson

**Ex-officio Directors**

The Right Reverend James Newcome, Bishop of Carlisle  
The Venerable Dr Richard Pratt, Archdeacon of West Cumberland  
The Venerable Lee Townend, Archdeacon of Carlisle  
The Venerable Vernon Ross, Archdeacon of Westmorland and Furness

**Elected by the Members**

Mr Derek Bradley  
Mr Rob Cook  
Mr John Edwards  
Mr Jim Johnson  
Mrs Susan Wigley

**Co-opted by the Directors**

Miss Janet Busk  
Mr David Dalgoutte

**Secretary** Mr Derek Hurton  
**Head of Finance** Mr Ric Jaques  
**Director of Education** Mrs Vanessa O'Dea

**Registered Office** Diocesan Church House,  
19-24 Friargate,  
Penrith, CA11 7XR

**Telephone** 01768 807777  
**Facsimile** 01768 868918

**Website** [www.carlisediocese.org.uk](http://www.carlisediocese.org.uk)  
**e-mail** [enquiries@carlisediocese.org.uk](mailto:enquiries@carlisediocese.org.uk)

**Company registration number** 39625 (England & Wales)  
**Charity registration number** 251977

**CARLISLE DIOCESAN BOARD OF FINANCE LIMITED**

**DIRECTORS' & TRUSTEES' ANNUAL REPORT (2020) continued**


<b>Auditors</b>	Dodd & Co Limited, FIFTEEN Rosehill, Carlisle, CA1 2RW
<b>Bankers</b>	HSBC plc, City Office, 29 English Street, Carlisle, CA3 8JT
<b>Legal Adviser</b>	Ms Laura Peace Sintons, The Cube, Barrack Road, Newcastle Upon Tyne, NE4 6DB
<b>Investment Advisers</b>	CCLA Investment Management Ltd, Senator House 85 Queen Victoria Street London EC4V 4ET
<b>Glebe Property Agents</b>	Penrith Farmers' & Kidd's plc, Skirsgill, Penrith, CA11 0DN  Savills, 64 Warwick Road, Carlisle CA1 1DR  Walton Goodland Ltd, 10 Lowther Street, Carlisle, CA3 8DA

**9. Auditors**

The Trustees as a Board confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. In addition, the Trustees have taken all reasonable steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

A resolution to reappoint Dodd & Co Limited as auditors to the company and to authorise the Trustees to fix their remuneration will be proposed at the Annual General Meeting.

The Directors' and Trustees' annual report, together with the strategic report which is incorporated into the Directors' and Trustees' annual report, have been approved by the Directors/Trustees and signed on their behalf by:

  
.....  
Mr J A E Johnson  
Director and Trustee  
15<sup>th</sup> June 2021

# Independent auditor's report to the members of Carlisle Diocesan Board of Finance Limited

## Opinion

We have audited the financial statements of Carlisle Diocesan Board of Finance Limited] ('the charitable company') for the year ended 31 December 2020 which comprise Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated Summary Income and Expenditure Account, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 the provisions available for small entities, 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 12 months from when the financial statements are authorised for issue.

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

## Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

- adequate and proper 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charitable company's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team and involving relevant internal specialists, including pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to revenue recognition and management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Act, pensions legislation and tax legislation.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

## Use of our report

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



Faye Armstrong (Senior Statutory Auditor)

For and on behalf of Dodd & Co Limited, Statutory Auditor

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

[Date] 23/2/21

**CARLISLE DIOCESAN BOARD OF FINANCE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 December 2020

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2020 £'000	2019 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,406	-	-	-	4,406	4,711
Archbishop's Council		757	-	117	-	874	1,022
Other donations		179	19	19	-	217	202
Charitable activities	3						
Fees & chaplaincy income		437	2	13	-	452	520
Rydal Hall	15	-	466	-	-	466	1,015
Sales of goods & services	3	2	140	-	-	142	212
Other activities	4	361	-	-	-	361	301
Investments	5	944	52	389	4	1,389	1,315
Other sources	6	160	227	283	41	711	534
<b>Total</b>		<b>7,246</b>	<b>906</b>	<b>821</b>	<b>45</b>	<b>9,018</b>	<b>9,832</b>
<b>Expenditure on</b>							
Raising funds	7	134	-	13	-	147	139
Charitable activities							
Resourcing ministry & mission	8	6,273	308	228	-	6,809	7,420
Education	9	246	-	33	-	279	319
Rydal Hall	15	31	813	-	-	844	1,012
Other purposes	10	-	-	34	-	34	-
<b>Total</b>	12	<b>6,684</b>	<b>1,121</b>	<b>308</b>	<b>-</b>	<b>8,113</b>	<b>8,890</b>
<b>Net income/(expenditure) before investment gains</b>		<b>562</b>	<b>(215)</b>	<b>513</b>	<b>45</b>	<b>905</b>	<b>942</b>
<b>Net gains/(losses) on investments</b>		<b>21</b>	<b>119</b>	<b>212</b>	<b>736</b>	<b>1,088</b>	<b>2,349</b>
<b>Net income/(expenditure)</b>		<b>583</b>	<b>(96)</b>	<b>725</b>	<b>781</b>	<b>1,993</b>	<b>3,291</b>
<b>Transfers between funds</b>	23	<b>(416)</b>	<b>477</b>	<b>105</b>	<b>(166)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		(23)	-	-	-	(23)	944
<b>Net movement in funds</b>		<b>144</b>	<b>381</b>	<b>830</b>	<b>615</b>	<b>1,970</b>	<b>4,235</b>
<b>Total funds brought forward</b>		<b>2,136</b>	<b>1,785</b>	<b>20,178</b>	<b>55,131</b>	<b>79,230</b>	<b>74,995</b>
<b>Total funds carried forward</b>		<b>2,280</b>	<b>2,166</b>	<b>21,008</b>	<b>55,746</b>	<b>81,200</b>	<b>79,230</b>

All activities derive from continuing activities. The notes on pages 28 to 60 form part of the financial statements.

## CARLISLE DIOCESAN BOARD OF FINANCE

### CHARITY STATEMENT OF THE FINANCIAL ACTIVITIES For the year ended 31 December 2020

	Note	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
		General £'000	Designated £'000			2020 £'000	2019 £'000
<b>Income and endowments from</b>							
Donations	2						
Parish contributions		4,406	-	-	-	4,406	4,711
Archbishop's Council		757	-	117	-	874	1,022
Other donations		179	2	19	-	200	194
Charitable activities	3						
Fees & chaplaincy income		437	-	13	-	450	510
Rydal Hall	15	68	-	-	-	68	68
Sales of goods & services	3	2	36	-	-	38	212
Other activities	4	361	-	-	-	361	301
Investments	5	944	52	389	4	1,389	1,314
Other	6	160	40	283	41	524	534
<b>Total</b>		<b>7,314</b>	<b>130</b>	<b>821</b>	<b>45</b>	<b>8,310</b>	<b>8,866</b>
<b>Expenditure on</b>							
Raising funds	7	134	-	13	-	147	139
Charitable activities							
Resourcing ministry & mission	8	6,362	168	228	-	6,758	7,427
Education	9	246	-	33	-	279	319
Rydal Hall	15	31	-	-	-	31	31
Other	10	-	-	34	-	34	-
<b>Total</b>		<b>6,773</b>	<b>168</b>	<b>308</b>	<b>-</b>	<b>7,249</b>	<b>7,916</b>
<b>Net income/(expenditure) before investment gains</b>		<b>541</b>	<b>(38)</b>	<b>513</b>	<b>45</b>	<b>1,061</b>	<b>950</b>
<b>Net gains/(losses) on investments</b>		<b>21</b>	<b>119</b>	<b>212</b>	<b>736</b>	<b>1,088</b>	<b>2,341</b>
<b>Net income/(expenditure)</b>		<b>562</b>	<b>81</b>	<b>725</b>	<b>781</b>	<b>2,149</b>	<b>3,291</b>
<b>Transfers between funds</b>	23	<b>(395)</b>	<b>456</b>	<b>105</b>	<b>(166)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		(23)	-	-	-	(23)	944
<b>Net movement in funds</b>		<b>144</b>	<b>537</b>	<b>830</b>	<b>615</b>	<b>2,126</b>	<b>4,235</b>
<b>Total funds brought forward</b>		<b>2,136</b>	<b>1,800</b>	<b>20,178</b>	<b>55,131</b>	<b>79,245</b>	<b>75,010</b>
<b>Total funds carried forward</b>		<b>2,280</b>	<b>2,337</b>	<b>21,008</b>	<b>55,746</b>	<b>81,371</b>	<b>79,245</b>

All activities derive from continuing activities. The notes on pages 28 to 60 form part of the financial statements.

**CARLISLE DIOCESAN BOARD OF FINANCE**

**CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT**

For the year ended 31 December 2020

	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
Total income per reconciliation below	9,369	9,989
Resources expended per reconciliation below	(8,363)	(10,072)
<b>Operating surplus for the year</b>	<b>1,006</b>	<b>(83)</b>
Interest receivable	20	19
Net gains/(losses) on investments	352	1,036
<b>Net income for the year</b>	<b>1,378</b>	<b>972</b>
<b>Other comprehensive income:</b>		
Revaluation of fixed assets	-	-
Actuarial gains/(losses) on defined benefit pension schemes	(23)	944
<b>Total comprehensive income for the year</b>	<b>1,355</b>	<b>1,916</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.

<b>Reconciliation of Summary Income and Expenditure to SOFA</b>	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
Total incoming resources per SOFA	9,018	9,832
Less: interest receivable	(20)	(19)
total endowment additions	(45)	(271)
Add: endowment capital transferred to income funds	416	447
<b>Total income per above</b>	<b>9,369</b>	<b>9,989</b>
Resources expended per SOFA	8,113	8,890
Less: expenditure charged to endowment capital	-	-
Add: income funds reclassified as endowment capital	250	1,182
<b>Total expenditure per above</b>	<b>8,363</b>	<b>10,072</b>

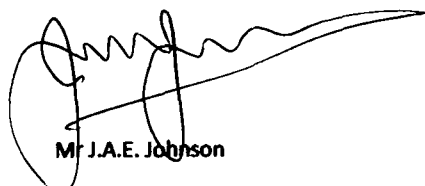
**CARLISLE DIOCESAN BOARD OF FINANCE**

**CONSOLIDATED BALANCE SHEET**  
At 31 December 2020

Company Number – 39625

		2020		2019	
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	24		42,276		43,376
Investments	25		37,488		35,389
			<u>79,764</u>		<u>78,765</u>
<b>CURRENT ASSETS</b>					
Stock		5		9	
Debtors	26	3,050		1,977	
Cash on deposit	27	2,845		2,688	
Cash at bank and in hand		1,051		533	
		<u>6,951</u>		<u>5,207</u>	
<b>CREDITORS: amounts falling due within one year</b>	28	(5,151)		(4,022)	
<b>NET CURRENT ASSETS</b>			<u>1,800</u>		<u>1,185</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>81,564</u>		<u>79,950</u>
<b>CREDITORS: amounts falling due after more than one year</b>					
Pension scheme liabilities	29	(64)		(320)	
Other creditors	29	(300)		(400)	
			<u>(364)</u>	<u>(720)</u>	
<b>NET ASSETS</b>			<u><u>81,200</u></u>		<u><u>79,230</u></u>
<b>FUNDS</b>					
<b>Endowment funds</b>					
(Including investment revaluation reserve of £32,851,000 (2019: £32,116,000))			55,746		55,131
<b>Restricted income funds</b>					
(Including investment revaluation reserve of £6,741,000 (2019: £6,516,000))			21,008		20,178
<b>Unrestricted income funds:</b>					
General funds (Including revaluation reserve of £596,000 (2019: £574,000))			2,280		2,136
Designated funds (Including revaluation reserve of £744,000 (2019: £626,000))			2,166		1,785
<b>TOTAL FUNDS</b>	30 & 31		<u><u>81,200</u></u>		<u><u>79,230</u></u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:



Mr J.A.E. Johnson

15 June 2021

**CARLISLE DIOCESAN BOARD OF FINANCE**

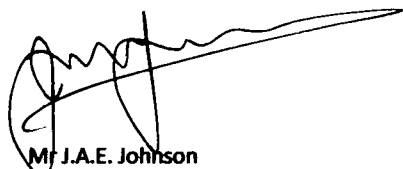
**CHARITY BALANCE SHEET**

At 31 December 2020

Company Number – 39625

	Note	2020		2019	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	24		42,178		43,304
Investments	25		37,488		35,389
			<u>79,666</u>		<u>78,693</u>
<b>CURRENT ASSETS</b>					
Debtors	26	2,997		1,940	
Subsidiary companies		485		232	
Cash on deposit	27	2,806		2,550	
Cash at bank and in hand		756		415	
		<u>7,044</u>		<u>5,137</u>	
<b>CREDITORS: amounts falling due within one year</b>	28	(4,975)		(3,865)	
<b>NET CURRENT ASSETS</b>			2,069		1,272
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>81,735</u>		<u>79,965</u>
<b>CREDITORS: amounts falling due after more than one year</b>					
Pension scheme liabilities	29	(64)		(320)	
Other creditors	29	(300)		(400)	
			<u>(364)</u>	<u>(720)</u>	
<b>NET ASSETS</b>			<u>81,371</u>		<u>79,245</u>
<b>FUNDS</b>					
<b>Endowment funds</b>					
(Including investment revaluation reserve of £32,851,000 (2019: £32,116,000))			55,746		55,131
<b>Restricted income funds</b>					
(Including investment revaluation reserve of £6,741,000 (2019: £6,516,000))			21,008		20,178
<b>Unrestricted income funds:</b>					
General funds (Including revaluation reserve of £596,000 (2019: £574,000))			2,280		2,136
Designated funds (Including revaluation reserve of £744,000 (2019: £626,000))			2,337		1,800
<b>TOTAL FUNDS</b>	30 & 31		<u>81,371</u>		<u>79,245</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:



Mr J.A.E. Johnson

15 June 2021

**CARLISLE DIOCESAN BOARD OF FINANCE**

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2020

	2020	2019
	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>		(445)
<b>Cash flows from investing activities</b>		
Dividends, interest and rent from investments	1,389	1,315
Interest paid	(11)	(14)
Proceeds from the sale of:		
Tangible fixed assets	1,378	1,299
Investments	516	1,375
Purchase of:		
Tangible fixed assets	(46)	(32)
Fixed asset investments	(1,515)	(2,210)
Movement on deposit fund investments	-	13
<b>Net cash provided by/(used in) investing activities</b>	1,711	1,746
<b>Cash flows from financing activities</b>		
Repayment of loans	(100)	(100)
New loans received	-	-
Adjustments to loans payable	-	30
<b>Net cash provided by/(used in) financing activities</b>	(100)	(70)
<b>Change in cash and cash equivalents in the reporting period</b>	675	1,231
<b>Cash and cash equivalents at 1 January</b>	3,221	1,990
<b>Cash and cash equivalents at 31 December</b>	3,896	3,221
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>		
<b>Net movement in funds for the year ended 31 December</b>	905	942
<b>Adjustments for:</b>		
Depreciation charges	37	32
Dividends, interest and rent from investments	(1,389)	(1,315)
Interest paid	11	14
Repayment of loans advanced	20	26
Advancement of loans	(13)	(4)
Loss/(profit) on sale of functional assets	(290)	(534)
Share of (profit)/loss in joint venture	-	35
Actuarial gains/(losses) on defined benefit pensions	(23)	944
Decrease/(increase) in stock	4	(3)
Decrease/(increase) in debtors	(1,073)	(96)
Increase/(decrease) in creditors	875	(486)
<b>Net cash provided by/(used in) operating activities</b>	(936)	(445)
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	1,051	533
Notice deposits (less than 3 months)	2,845	2,688
	3,896	3,221

**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included 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 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The principal accounting policies and estimation techniques are as follows:

**a) Consolidation**

Consolidated financial statements have been prepared on a line by line basis in accordance with FRS102. The consolidated financial statements incorporate the accounts of:

- The Carlisle Diocesan Board of Finance Limited (Carlisle DBF); and
- The wholly owned subsidiary company, Rydal Hall Limited; and
- The wholly owned subsidiary company, Cumbria Christian Learning

**b) Income**

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

- i) **Parish Offer and parochial fees** are recognised as income of the year in which it is received or within one month after the financial year end.
- ii) **Rent** receivable is recognised as income in the period with 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) **Donations** other than grants are recognised when receivable.
- vi) **Gains on disposal of fixed assets for the DBF'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.

**1. ACCOUNTING POLICIES (continued)**

vii) **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.

viii) **Government Grants.** Grants for the purpose of giving immediate financial support with no future related costs to be incurred are recognised in the profit and loss account when the grant proceeds become receivable. Other grants relating to revenue are recognised in the profit and loss account on a systematic basis over the periods in which the related costs are recognised for which the grant is intended to compensate.

**c) Expenditure**

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

- i) **Costs of raising funds** include investment management costs of glebe and any other investment properties and interest costs on defined benefit pension scheme liabilities.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese, expenditure relating to the running of the diocesan retreat centre, and expenditure on education and Church of England schools in the diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the DBF, 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. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The DBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 32). The pension costs charged as resources expended represent the DBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which DBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

**1. ACCOUNTING POLICIES (continued)**

**d) Tangible fixed assets and depreciation**

*Freehold properties*

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

*Investment properties*

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

*Parsonage houses*

The DBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF 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. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their deemed cost at a fair valuation at 1 January 2014.

**e) Other tangible fixed assets**

All capital expenditure over £1,000 is capitalised and depreciated. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:-

DBF furniture, fittings, equipment and computers	10% to 20% per annum on a straight line basis;
Rydal Hall furniture, fittings, equipment and plant	10-25% per annum on a straight line basis.

**1. ACCOUNTING POLICIES (continued)**

**f) 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 DBF has entered 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 the period to the first break clause.

**g) Fund balances**

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

- **Unrestricted funds** are the DBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the DBF. There are two types of unrestricted funds:
  - **General funds** which the DBF intends to use for the general purposes of the DBF; and
  - **Designated funds** set aside out of unrestricted funds by the DBF for a purpose specified by the Trustees.
- **Restricted funds** are 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 DBF (Parsonage Houses Fund and Retired Clergy and Dependants Fund), 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.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches. Trusts where the DBF 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 notes to the financial statements.

**1. ACCOUNTING POLICIES (continued)**

**h) Going Concern**

The charity has considered whether the use of the going concern basis for accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the Charity's ability to continue as a going concern.

Following the outbreak and development of the COVID-19 outbreak and the UK vaccination roll-out, the trustees have continued to prepare detailed cash flow projections and budgets to take into account the uncertainties surrounding the ongoing impact of the pandemic and its effect on their ability to operate. As a result of these reviews, the trustees remain confident that there are financial resources available to see the charity through until operations settle into their new levels, and are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern.

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**2. DONATIONS**

**Parish Contributions**

The majority of donations are collected from the parishes of the diocese through the parish offer system.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Current year						
Offer	4,708	-	-	-	4,708	4,773
Shortfall in contributions	(310)	-	-	-	(310)	(80)
	<u>4,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,398</u>	<u>4,693</u>
Receipts for previous years	8	-	-	-	8	18
Total Income	<u>4,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,406</u>	<u>4,711</u>

Total receipts (including for previous years) represent 93.6% of the parish offer (2019 – 98.7%).

**Archbishop's Council**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
LINC allocation	584	-	-	-	584	595
Strategic Development Grant	173	-	-	-	173	257
Restructure Grant	-	-	-	-	-	-
Other grants	-	-	117	-	117	170
	<u>757</u>	<u>-</u>	<u>117</u>	<u>-</u>	<u>874</u>	<u>1,022</u>

**Other donations**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
All Churches Trust	95	-	-	-	95	97
Other grants	-	-	19	-	19	22
Donations	84	2	-	-	86	75
Legacies	-	-	-	-	-	-
Sundry appeals	-	-	-	-	-	-
Company Total	<u>179</u>	<u>2</u>	<u>19</u>	<u>-</u>	<u>200</u>	<u>194</u>
Rydal Hall	-	1	-	-	1	8
Restore (Cumbria)	-	16	-	-	16	-
Group Total	<u>179</u>	<u>19</u>	<u>19</u>	<u>-</u>	<u>217</u>	<u>202</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2020

3. CHARITABLE ACTIVITIES

Fees and chaplaincy income

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Statutory fees	323	-	-	-	323	390
Chaplaincy	11	-	-	-	11	98
Support for Ministry	99	-	-	-	99	-
Course and other fees	4	-	13	-	17	22
<b>Company Total</b>	<b>437</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>450</b>	<b>510</b>
Course and other fees	-	2	-	-	2	10
<b>Group Total</b>	<b>437</b>	<b>2</b>	<b>13</b>	<b>-</b>	<b>452</b>	<b>520</b>

Other sales

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Printing and advertising	2	-	-	-	2	4
Diocesan Opshops	-	36	-	-	36	208
Education services	-	-	-	-	-	-
<b>Company Total</b>	<b>2</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>212</b>
Restore	-	104	-	-	104	-
<b>Group Total</b>	<b>2</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>142</b>	<b>212</b>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Parsonage rents	361	-	-	-	361	301
	361	-	-	-	361	301

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Dividends receivable	662	52	348	-	1,062	991
Interest receivable	5	-	7	4	16	16
Share of Joint Venture Income	-	-	-	-	-	(35)
Rents receivable	277	-	34	-	311	342
<b>Company total</b>	<b>944</b>	<b>52</b>	<b>389</b>	<b>4</b>	<b>1,389</b>	<b>1,314</b>
Subsidiary's interest	-	-	-	-	-	1
<b>Consolidated total</b>	<b>944</b>	<b>52</b>	<b>389</b>	<b>4</b>	<b>1,389</b>	<b>1,315</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2020

**6. OTHER INCOMING RESOURCES**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Gain on sale of properties	-	-	227	41	268	534
Government Grants (covid-19)	160	40	-	-	200	-
Sales of redundant churches	-	-	56	-	56	-
<b>Company Total</b>	<b>160</b>	<b>40</b>	<b>283</b>	<b>41</b>	<b>524</b>	<b>534</b>
Rydal Hall	-	4	-	-	4	-
Restore (Cumbria)	-	183	-	-	183	-
<b>Group Total</b>	<b>160</b>	<b>227</b>	<b>283</b>	<b>41</b>	<b>711</b>	<b>534</b>

Of the £200,000 (Group £387,000) Government grants relating to the coronavirus pandemic, £160,000 (Group £340,000) were under the Coronavirus Job Retention Scheme. The balance was in relation to having to close Rydal Hall and the Restore shops.

**7. RAISING FUNDS**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Investment management	86	-	13	-	99	89
Generating voluntary income	48	-	-	-	48	50
	<b>134</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>147</b>	<b>139</b>

**8. RESOURCING MISSION AND MINISTRY**

**Ministry in the communities – stipend costs**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Stipends	2,336	-	-	-	2,336	2,264
National insurance/Ap. Levy	196	-	-	-	196	189
Pension costs	560	-	-	-	560	571
Removal, resettlement & other grants	67	-	-	-	67	137
Other costs	276	-	-	-	276	325
	<b>3,435</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,435</b>	<b>3,486</b>

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**8. RESOURCING MISSION AND MINISTRY (continued)**

**Ministry in the communities – housing costs**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Repairs & improvements	220	-	-	-	220	692
Council tax	217	-	-	-	217	247
Water charges	55	-	-	-	55	57
Insurance	29	-	-	-	29	29
Rent payable	1	-	-	-	1	1
Other costs	160	-	-	-	160	166
	<u>682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682</u>	<u>1,192</u>
<b>Total ministry in the communities</b>	<u>4,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,117</u>	<u>4,678</u>
<b>Support for ministry</b>						
<b>Lay ministry &amp; chaplaincies</b>						
Network Youth Ministers and Interns	223	-	-	-	223	188
Chaplains	29	-	-	-	29	26
	<u>252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252</u>	<u>214</u>
<b>Training &amp; ministry development</b>						
<b>Ordained ministry:-</b>						
Ordinands	354	-	114	-	468	364
Grants to CCL	25	-	-	-	25	82
Curates	3	-	-	-	3	-
Ministry development	263	-	-	-	263	282
Lay training	9	-	-	-	9	-
Northern Mission Centre	21	-	-	-	21	-
	<u>675</u>	<u>-</u>	<u>114</u>	<u>-</u>	<u>789</u>	<u>728</u>
<b>Opshops network</b>	<u>28</u>	<u>158</u>	<u>-</u>	<u>-</u>	<u>186</u>	<u>271</u>
<b>God For All strategy</b>						
Support for local churches	1	10	-	-	11	72
Reach Team	250	-	-	-	250	295
Pioneering ministries	142	-	-	-	142	16
	<u>393</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>403</u>	<u>383</u>
<b>Care for church buildings</b>	<u>50</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>123</u>	<u>147</u>

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**8. RESOURCING MISSION AND MINISTRY (continued)**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
<b>Ministry support</b>						
National Church	285	-	-	-	285	289
Diocesan Church	543	-	-	-	543	648
Partnerships	19	-	-	-	19	21
Retired clergy	-	-	41	-	41	48
	<u>847</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>888</u>	<u>1,006</u>
<b>Total support for ministry</b>	<u>2,245</u>	<u>168</u>	<u>228</u>	<u>-</u>	<u>2,641</u>	<u>2,749</u>
<b>Total Company resourcing mission &amp; ministry</b>	<u>6,362</u>	<u>168</u>	<u>228</u>	<u>-</u>	<u>6,758</u>	<u>7,427</u>
<b>Training &amp; ministry development –</b>						
Ministry development	(89)	140	-	-	51	(7)
<b>Total Group resourcing mission &amp; ministry</b>	<u>6,273</u>	<u>308</u>	<u>228</u>	<u>-</u>	<u>6,809</u>	<u>7,420</u>

**9. EDUCATION**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Support for church schools	234	-	33	-	267	289
Multi Academy Trust support	12	-	-	-	12	30
Grants to church schools	-	-	-	-	-	-
	<u>246</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>279</u>	<u>319</u>

**10. OTHER RESOURCES EXPENDED**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Deficit on fixed assets	-	-	34	-	34	-
<b>Company total</b>	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>34</u>	<u>-</u>
Share of loss of joint venture	-	-	-	-	-	-
<b>Consolidated total</b>	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>34</u>	<u>-</u>

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**11. ANALYSIS OF CONTRIBUTIONS TO ARCHBISHOPS' COUNCIL**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
National Church	159	-	-	-	159	168
Grants & provisions	18	-	-	-	18	18
Mission Agency pensions	8	-	-	-	8	2
Retired clergy housing	76	-	-	-	76	72
	<u>261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261</u>	<u>260</u>

**12. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS**

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs	
				2020 £'000	2019 £'000
Raising funds	71	-	76	147	139
Charitable activities:					
Resourcing Mission & Ministry	5,924	515	370	6,809	7,420
Education	212	-	67	279	319
Rydal Hall	822	-	22	844	1,012
Other	34	-	-	34	-
	<u>7,063</u>	<u>515</u>	<u>535</u>	<u>8,113</u>	<u>8,890</u>

**13. ANALYSIS OF SUPPORT COSTS**

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Finance and administration	275	-	-	-	275	291
Interest cost on defined benefit pension schemes	11	-	-	-	11	26
Management costs	97	-	-	-	97	92
Human resources	77	-	-	-	77	77
Auditor's remuneration	15	-	-	-	15	12
Governance	60	-	-	-	60	69
	<u>535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>535</u>	<u>567</u>

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2020**

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**14. ANALYSIS OF GRANTS MADE**

	<b>Grants to Institutions £'000</b>	<b>Grants to Individuals £'000</b>	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
<b>From unrestricted funds:</b>				
Contributions to Archbishops' Council	261	-	261	260
<b>From restricted funds:</b>				
<b>Resourcing ministry and mission:</b>				
Grants to parishes	26	-	26	35
Grants for ordinands	96	24	120	68
Grants to clergy	-	67	67	137
Grants to retired clergy	-	39	39	43
	<u>383</u>	<u>130</u>	<u>513</u>	<u>543</u>

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**15. RYDAL HALL**

Rydal Hall Ltd is a wholly owned subsidiary company incorporated in England. On 21 December 2017 it became a registered charity. It is the sole owner of a trading company, Rydal Hall Trading Ltd. Its principal activity is the operation of the Carlisle Diocesan Retreat House and Conference Centre at Rydal Hall, Ambleside. Rydal Hall is owned by the Carlisle DBF and leased to the subsidiary. Any taxable profits made by the subsidiary are donated to the DBF. Audited accounts are filed annually with Companies House. A summary of the consolidated trading results of Rydal Hall Ltd and its subsidiary is shown below.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2020 £'000	2019 £'000
Turnover	-	468	-	-	468	1,015
Other operating income	-	-	-	-	-	9
Government Grants	-	183	-	-	183	-
	-	651	-	-	651	1,024
Interest receivable	-	-	-	-	-	1
<b>Total income</b>	-	651	-	-	651	1,025
Cost of sales	-	72	-	-	72	171
Administrative expenses	-	809	-	-	809	878
<b>Total expenditure</b>	-	881	-	-	881	1,049
<b>Profit on ordinary activities before tax</b>	-	(230)	-	-	(230)	(24)
Taxation	-	-	-	-	-	-
<b>Profit on ordinary activities after tax</b>	-	(230)	-	-	(230)	(24)
Retained profits b/f	-	(285)	-	-	(285)	(261)
<b>Retained profits c/f</b>	-	(515)	-	-	(515)	(285)
Other reserves	-	269	-	-	269	269
<b>Total funds carried forward</b>	-	(246)	-	-	(246)	(16)
Fixed assets	-	78	-	-	78	72
Net current assets	-	(324)	-	-	(324)	(88)
Liabilities	-	-	-	-	-	-
<b>Net assets</b>	-	(246)	-	-	(246)	(16)

Included in administrative costs above are payments to the DBF of £60,000 (2019: £60,000) rent and a management charge of £8,000 (2019: £8,000).

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**16. RYDAL HYDRO LIMITED**

Carlisle DBF owns a 50% share of Rydal Hydro Limited as a joint venture after investing £700,000 in the issued share capital of the company. Rydal Hydro Limited was incorporated in England on 26<sup>th</sup> February 2014 in order to construct a hydroelectric plant on Rydal Beck in the grounds of Rydal Hall to generate renewable electricity. The DBF's share of the results and net assets of Rydal Hydro Limited at 31 December 2019 are shown below. 2020 results and net assets were not available at the date of signing these accounts.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds	
	General £'000	Designated £'000			2019 £'000	2018 £'000
Turnover	231	-	-	-	231	190
Cost of sales	(7)	-	-	-	(7)	(7)
Gross profit	224	-	-	-	224	183
Administrative expenses	(76)	-	-	-	(76)	(66)
Operating profit	148	-	-	-	148	117
Interest payable	-	-	-	-	-	-
Profit/(Loss) on ordinary activities before tax	148	-	-	-	148	117
Taxation	(29)	-	-	-	(29)	(24)
Profit/(loss) for the year	119	-	-	-	119	93
Retained profits b/f	247	-	-	-	247	196
Dividends paid	(154)	-	-	-	(154)	(42)
Retained profits c/f	212	-	-	-	212	247
Called up share capital	7	-	-	-	7	7
Share premium account	693	-	-	-	693	693
Total funds carried forward	912	-	-	-	912	947
Fixed assets	923	-	-	-	923	943
Net current assets	58	-	-	-	58	68
Creditors falling due after more than one year	(69)	-	-	-	(69)	(64)
Net assets	912	-	-	-	912	947

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**17. CUMBRIA CHRISTIAN LEARNING LIMITED**

**(Previously called LANCASHIRE & CUMBRIA THEOLOGICAL PARTNERSHIP LIMITED)**

On 1 September 2016 the Carlisle DBF took full control of the Lancashire & Cumbria Theological Partnership (now called Cumbria Christian Learning Ltd), a company limited by guarantee and a registered charity.

In 2018 the decision was taken to bring the net assets, staff, and activities back into the Carlisle Diocesan Board of Finance. This transfer took place on 31 January 2019, with the exception of those activities around Initial Ministerial Education, which can only be transferred when the accreditation from Durham University has been novated – until which relevant staff have been seconded back to CCL who will continue to operate at this reduced level of activity.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	2020 £'000	2019 £'000
	General £'000	Designated £'000				
Income from:						
Charitable activities	-	91	-	-	91	138
Total income	-	91	-	-	91	138
Resources expended:						
Costs of training	-	(86)	-	-	(86)	(137)
<b>Net income for the year</b>	-	5	-	-	5	1
Retained funds b/f	-	1	-	-	1	-
<b>Retained funds c/f</b>	-	6	-	-	6	1
Fixed assets	-	-	-	-	-	-
Net current assets	-	6	-	-	6	1
Creditors falling due after more than one year	-	-	-	-	-	-
<b>Net assets</b>	-	6	-	-	6	1

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**18. RESTORE (CUMBRIA)**

**(Previously called OPSHOPS (HELPING COMMUNITIES GROW) )**

Restore (Cumbria) has historically been a dormant company. On 1 July 2020, the staff, net assets and activities of the Diocese's OPSHOPS network of charity shops and ministry were transferred to Restore, a subsidiary charity of the Carlisle Diocesan Board of Finance.

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	2020 £'000	2019 £'000
	General £'000	Designated £'000				
Income from:						
Turnover	-	111	-	-	111	-
Grants and Donations	-	85	-	-	85	-
Government Grants	-	4	-	-	4	-
<b>Total income</b>	-	<b>200</b>	-	-	<b>200</b>	-
Resources expended:						
Costs of Sales	-	2	-	-	2	-
Administrative Expenses	-	130	-	-	130	-
<b>Total resources expended</b>	-	<b>132</b>	-	-	<b>132</b>	-
<b>Net income for the year</b>	-	<b>68</b>	-	-	<b>68</b>	-
Retained funds b/f	-	-	-	-	-	-
<b>Retained funds c/f</b>	-	<b>68</b>	-	-	<b>68</b>	-
Fixed assets	-	20	-	-	20	-
Net current assets	-	48	-	-	48	-
Creditors falling due after more than one year	-	-	-	-	-	-
<b>Net assets</b>	-	<b>68</b>	-	-	<b>68</b>	-

Included in grants and donations above is a grant from Carlisle DBF of £75,000.

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**19. TAXATION**

Carlisle DBF is a registered charity and has no liability to corporation tax.

**20. STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Employee costs during the year were as follows:		
Wages and salaries	1,909	1,972
National insurance contributions	159	159
Employer's contributions to defined benefit pension schemes	315	295
	<u>2,383</u>	<u>2,426</u>

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

	<b>Number</b>	<b>Number</b>
Resourcing ministry and mission	47	47
Education	4	4
Opshops	10	11
Cumbria Christian Learning	1	1
Rydal Hall	31	34
	<u>93</u>	<u>97</u>

The average number of persons employed by the group during the year based on full-time equivalents:

	<b>Number</b>	<b>Number</b>
Resourcing ministry and mission	38	37
Education	3	3
Opshops	6	6
Cumbria Christian Learning	1	-
Rydal Hall	25	27
	<u>73</u>	<u>73</u>

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

	<b>Number</b>	<b>Number</b>
£70,000 - £80,000	<u>1</u>	<u>1</u>

## CARLISLE DIOCESAN BOARD OF FINANCE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

#### 21. COSTS OF STIPENDIARY CLERGY

Carlisle DBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The DBF 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 stipends of the Diocesan Bishop and Suffragan Bishop, funded by the Church Commissioners, are in the range £50,000 - £55,000 (2019 range £50,000 - £55,000). The annual rate of stipend, funded by Carlisle DBF, paid to Archdeacons in 2020 was £36,642 (2019 - £35,925). The Diocesan standard stipend for 2020 was £26,818 (2019 - £26,127).

Carlisle DBF paid an average of 89 (2019 - 89) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese and the costs were as follows:

	2020 £'000	2019 £'000
Stipends	2,432	2,341
National insurance contributions	195	188
Employer's contributions to defined benefit pension schemes:		
Current year	654	641
Deficit reduction	278	272
	<u>3,559</u>	<u>3,442</u>

#### 22. REMUNERATION OF TRUSTEES AND OTHER KEY MANAGEMENT PERSONNEL

##### Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £10,000 (2019 - £26,000) in respect of General Synod duties, duties as archdeacon and other duties as Trustees.

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

	Stipend	Housing
The Right Revd James Newcome	Yes	Yes
The Venerable Dr R Pratt	Yes	Yes
The Venerable V Ross	Yes	Yes
The Venerable L S Townend	Yes	Yes

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2020 they were:

Diocesan Secretary and Company Secretary  
Director of Education  
Head of Finance

Remuneration, pensions and expenses for these 3 employees (2019: 3) amounted to £234,000 (2019: £225,000).

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2020

23. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000
	General £'000	Designated £'000		
From General Fund to Sustainability Fund	(150)	150	-	-
From Barchester Fund for Educational support	187	-	(187)	-
Transfer from Pastoral a/c for housing costs	124	-	(124)	-
Parsonage Houses Fund to Pastoral Account	-	-	416	(416)
Support of OpShops from General Fund	(6)	6	-	-
Support of Rydal Hall from General Fund	(300)	300	-	-
From General Fund to Stipends Capital Fund for reduction of clergy pensions deficit	(250)	-	-	250
<b>Net transfers between funds</b>	<b>(395)</b>	<b>456</b>	<b>105</b>	<b>(166)</b>
Income from Rydal Hall	68	(68)	-	-
Grant to Cumbria Christian Learning	(89)	89	-	-
<b>Group Net transfers between funds</b>	<b>(416)</b>	<b>477</b>	<b>105</b>	<b>(166)</b>

24. TANGIBLE FIXED ASSETS

Consolidated	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2020	9,731	33,516	112	206	43,565
Additions	-	-	19	27	46
Transfers	-	-	-	-	-
Disposals	(726)	-	-	(6)	(732)
Revaluations	-	(383)	-	-	(383)
<b>At 31<sup>st</sup> December 2020</b>	<b>9,005</b>	<b>33,133</b>	<b>131</b>	<b>227</b>	<b>42,496</b>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2020	-	-	69	120	189
Disposals	-	-	-	(6)	(6)
Depreciation for the year	-	-	7	30	37
<b>At 31<sup>st</sup> December 2020</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>144</b>	<b>220</b>
<b>Net Book Value:</b>					
At 31 <sup>st</sup> December 2020	9,005	33,133	55	83	42,276
At 31 <sup>st</sup> December 2019	9,731	33,516	43	86	43,376

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**24. TANGIBLE FIXED ASSETS (continued)**

Company	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2020	9,732	33,516	-	133	43,381
Additions	-	-	-	1	1
Transfers	-	-	-	-	-
Disposals	(726)	-	-	(6)	(732)
Revaluations	-	(383)	-	-	(383)
<b>At 31<sup>st</sup> December 2020</b>	<u>9,006</u>	<u>33,133</u>	<u>-</u>	<u>128</u>	<u>42,267</u>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2020	-	-	-	77	77
Disposals	-	-	-	(6)	(6)
Depreciation for the year	-	-	-	18	18
<b>At 31<sup>st</sup> December 2020</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89</u>	<u>89</u>
<b>Net Book Value:</b>					
<b>At 31<sup>st</sup> December 2020</b>	<u>9,006</u>	<u>33,133</u>	<u>-</u>	<u>39</u>	<u>42,178</u>
<b>At 31<sup>st</sup> December 2019</b>	<u>9,732</u>	<u>33,516</u>	<u>-</u>	<u>56</u>	<u>43,304</u>

All of the properties in the balance sheet are freehold and are vested in Carlisle DBF, except for benefice houses which are vested in the incumbent. Land and buildings at 31 December 2020 are valued at fair value as deemed cost as at 31st December 2013 or subsequent cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

**CARLISLE DIOCESAN BOARD OF FINANCE**

**NOTES TO THE FINANCIAL STATEMENTS**

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**25. INVESTMENTS**

**FIXED ASSET INVESTMENTS**

Consolidated and Company	Value at 1 <sup>st</sup> January 2020 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	Value at 31 <sup>st</sup> December 2020 £'000
<b>Unrestricted Funds</b>						
Investment in joint ventures	912	-	-	-	-	912
CBF Investment Fund	298	-	-	-	20	318
	<u>1,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>1230</u>
<b>Designated Funds</b>						
CBF Investment Fund	1,720	-	-	-	119	1,839
	<u>1,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119</u>	<u>1,839</u>
<b>Restricted Funds</b>						
Investment properties	2,655	-	-	-	(410)	2,245
CBF Property Fund	3,020	-	-	-	(151)	2,869
CBF Investment Fund	5,119	1,515	-	-	384	7,018
	<u>10,794</u>	<u>1,515</u>	<u>-</u>	<u>-</u>	<u>(177)</u>	<u>12,132</u>
<b>Endowment Funds</b>						
Investment properties	9,675	-	-	-	66	9,741
Hydroelectric Schemes	912	-	-	-	-	912
CBF Property Fund	1,635	-	-	-	(81)	1,554
CBF Investment Fund	9,357	-	-	-	645	10,002
CBF Deposit Fund	-	-	-	-	-	-
	<u>21,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630</u>	<u>22,209</u>
<b>Total</b>	<u>35,303</u>	<u>1,515</u>	<u>-</u>	<u>-</u>	<u>592</u>	<u>37,410</u>
<b>Total Historical Cost</b>	<u>15,105</u>	<u>1,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,620</u>

**SOCIAL INVESTMENTS**

Consolidated and Company	Value at 1 <sup>st</sup> January 2020 £'000	New loans £'000	Repaid £'000	Transfers £'000	Adjustment on settlement £'000	Value at 31 <sup>st</sup> December 2020 £'000
<b>Unrestricted Funds</b>						
Loans to parishes	86	3	(20)	-	(1)	68
Loan to Emmanuel College	-	10	-	-	-	10
	<u>86</u>	<u>13</u>	<u>(20)</u>	<u>-</u>	<u>(1)</u>	<u>78</u>
<b>TOTAL INVESTMENTS</b>						
<b>Total Consolidated Investments</b>	<u>35,389</u>	<u>1,528</u>	<u>(20)</u>	<u>-</u>	<u>591</u>	<u>37,488</u>

**25. INVESTMENTS (continued)**

The social investments of Carlisle DBF consist of concessionary loans made to parishes and the newly established Emmanuel College, for charitable purposes.

All the investments relate to the Company. The Company also has an investment of £nil (2019 £nil)– original cost £250,100 (2019: £250,100) in Rydal Hall Limited.

**26. DEBTORS**

	Consolidated		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Due within one year</b>				
<b>Unrestricted funds</b>				
Trade debtors	52	43	52	43
Inter fund balances	1,583	1,443	1,583	1,443
Other debtors	86	78	86	78
	<u>1,721</u>	<u>1,564</u>	<u>1,721</u>	<u>1,564</u>
<b>Designated funds</b>				
Trade debtors	29	7	-	-
Inter fund balances	528	152	528	152
Other debtors	24	30	-	-
	<u>581</u>	<u>189</u>	<u>528</u>	<u>152</u>
<b>Restricted funds</b>				
School debtors	622	112	622	112
Inter fund balances	93	79	93	79
	<u>715</u>	<u>191</u>	<u>715</u>	<u>191</u>
<b>Endowment Funds</b>				
Inter fund balances	33	33	33	33
	<u>33</u>	<u>33</u>	<u>33</u>	<u>33</u>
<b>Total debtors due within one year</b>	<u>3,050</u>	<u>1,977</u>	<u>2,997</u>	<u>1,940</u>

**CARLISLE DIOCESAN BOARD OF FINANCE**

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**27. DEPOSITS**

	Consolidated		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Unrestricted funds</b>				
CBF Deposit Funds	220	219	220	219
<b>Designated funds</b>				
CBF Deposit Funds	44	192	5	54
<b>Restricted funds</b>				
CBF Deposit Funds	1,704	1,451	1,704	1,451
Deposits with Church Commissioners	70	23	70	23
	<u>1,774</u>	<u>1,474</u>	<u>1,774</u>	<u>1,474</u>
<b>Endowment funds</b>				
CBF Deposit Funds	807	803	807	803
<b>Total deposits</b>	<u>2,845</u>	<u>2,688</u>	<u>2,806</u>	<u>2,550</u>

**28. CREDITORS: amounts falling due within one year**

	Consolidated		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Unrestricted funds</b>				
Sundry creditors and accruals	772	591	772	591
Inter fund balances	654	264	654	264
Loan repayment instalments:				
Central Board of Finance	100	100	100	100
Cumberland Building Society	200	200	200	200
	<u>1,726</u>	<u>1,155</u>	<u>1,726</u>	<u>1,155</u>
<b>Designated funds</b>				
Inter fund balances	35	126	35	126
Trade creditors	9	22	-	-
Sundry creditors and accruals	167	135	-	-
	<u>211</u>	<u>283</u>	<u>35</u>	<u>126</u>
<b>Restricted funds</b>				
Inter fund balances	1,309	964	1,309	964
Sundry creditors and accruals	1,388	995	1,388	995
	<u>2,697</u>	<u>1,959</u>	<u>2,697</u>	<u>1,959</u>
<b>Endowment funds</b>				
Inter fund balances	239	353	239	353
Clergy pension scheme	278	272	278	272
	<u>517</u>	<u>625</u>	<u>517</u>	<u>625</u>
<b>Total creditors falling due within one year</b>	<u>5,151</u>	<u>4,022</u>	<u>4,975</u>	<u>3,865</u>

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29. CREDITORS: amounts falling due after more than one year

	Consolidated		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Unrestricted funds</b>				
Loan repayment instalments:				
Central Board of Finance	300	400	300	400
Cumberland Building Society	-	-	-	-
	<u>300</u>	<u>400</u>	<u>300</u>	<u>400</u>
<b>Designated funds</b>				
Accruals and deferred income – deferred grants	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restricted funds</b>				
Loan repayment instalments:				
Church Commissioners value linked loans for houses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Endowment funds</b>				
Clergy pension scheme	64	320	64	320
	<u>64</u>	<u>320</u>	<u>64</u>	<u>320</u>
<b>Total creditors falling due after one year</b>	<u>364</u>	<u>720</u>	<u>364</u>	<u>720</u>

£1 million was borrowed from the Central Board of Finance Deposit Fund Diocesan Loan Scheme in 2014 in order to finance the investment in Rydal Hydro Limited. It is repayable in equal annual instalments of £100,000 over ten years with interest charged at 0.55% above the CBF Deposit Fund rate (currently 0.09%).

The loan from the Cumberland Building Society is held on behalf of parishes. The loan is a rolling facility with up to £500,000 available. Interest is charged at 1.99% below the Society's commercial variable base rate. The loan is secured on Rydal Hall and was due for renewal in December 2020. The facility was subsequently renewed in January 2021.

The maturity of the loans is analysed as follows:

	2020 £'000	2019 £'000
Between one and two years	100	100
Between two and five years	200	300
In five years or more	-	-
	<u>300</u>	<u>400</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

30. SUMMARY OF FUND MOVEMENTS

Unrestricted Funds	Balance at 1 <sup>st</sup> January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 <sup>st</sup> December 2020 £'000
<b>General funds</b>						
Realised reserve	1,560	7,246	(6,684)	(416)	(22)	1,684
Revaluation reserve	576	-	-	-	20	596
	<u>2,136</u>	<u>7,246</u>	<u>(6,684)</u>	<u>(416)</u>	<u>(2)</u>	<u>2,280</u>
<b>Designated Funds</b>						
Diocesan Growth Fund	1,646	53	(9)	-	119	1,809
Resources Centre	1	-	-	-	-	1
Rydal Hall	-	-	-	300	-	300
Sustainability Fund	-	-	-	150	-	150
OpShops	153	77	(159)	6	-	77
<b>Total Company Designated</b>	<u>1,800</u>	<u>130</u>	<u>(168)</u>	<u>456</u>	<u>119</u>	<u>2,337</u>
Cumbria Christian Learning	1	2	(85)	89	-	7
Restore (Cumbria)	-	123	(55)	-	-	68
Rydal Hall Limited	(16)	651	(813)	(68)	-	(246)
<b>Total Group Designated Funds</b>	<u>1,785</u>	<u>906</u>	<u>(1,121)</u>	<u>477</u>	<u>119</u>	<u>2,166</u>
<b>Total Group Unrestricted Funds</b>	<u>3,921</u>	<u>8,152</u>	<u>(7,805)</u>	<u>61</u>	<u>117</u>	<u>4,446</u>

The Diocesan Growth Fund was created from a legacy from the late Miss A F Hope. It has been supplemented from the Mission Development grants from the Church Commissioners and transfers from General Funds. The Fund is used to support the establishment of youth congregations and help parishes and deaneries initiate new work designed to achieve church growth.

The Rydal Hall Fund represents the balance of Carlisle DBF's investment in the subsidiary company, Rydal Hall Limited, plus an amount of £300,000 (2019 £nil) designated to support Rydal Hall following losses incurred during the Coronavirus pandemic.

The Restore (Cumbria) Fund (previously known as OpShops) represents the investment in the network of local shops through which this subsidiary charity, and local churches, provide community support and outreach for the local communities.

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Restricted Income Funds	Balance at	Income	Expenditure	Transfers	Gains and losses	Balance 31*
	1 <sup>st</sup> January					December
	2020	£'000	£'000	£'000	£'000	2020
	£'000					£'000
Barchester Fund	6,834	236	(46)	(187)	173	7,010
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	2,543	180	(57)	1,198	(6)	3,858
Diocesan Houses Fund	9,994	213	(34)	(906)	-	9,267
Parish Property Fund	379	12	(17)	-	26	400
Retired Clergy & Dependants Income Fund	(7)	51	(41)	-	-	3
Sundry Appeal Funds	3	1	-	-	-	4
Other Restricted Income Funds	372	128	(113)	-	19	406
<b>Total Group Restricted Income Funds</b>	<b>20,178</b>	<b>821</b>	<b>(308)</b>	<b>105</b>	<b>212</b>	<b>21,008</b>

The Barchester Fund comprises closed schools and school houses and their sale proceeds. These are held by the DBF and administered by the Diocesan Board of Education to support religious education and the work of Church schools in the Diocese. School Funds, of which Carlisle DBF is Custodian Trustee, are not included within the Barchester Fund as the DBF receives no benefit from these funds.

The Stipends Income Fund is governed by the Diocesan Stipends Measure 1953, as subsequently amended, and is used to augment the clergy stipends. Its income comes from glebe and other Stipends Capital Account investments, assigned fees and the Church Commissioners. The income is included in the DBF's General Funds in accordance with the stated accounting policy where it contributes towards the total cost of stipends which are paid from General Funds.

The Diocesan Pastoral Account receives the sale proceeds of Churches and Parsonages which have become redundant under pastoral reorganisation. Its uses are governed by Section 78 of the Pastoral Measure 1983, and include grants and loans for Parsonage and Church provision, restoration, improvement or repair and other purposes of the Diocese or any benefice or parish. The reserves are represented by investments with the Central Board of Finance and by loans to parishes. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Diocesan Houses Fund consists of those properties in the legal ownership of Carlisle DBF (as distinct from benefice houses) other than investment properties. The purchase of such properties is funded primarily from the Pastoral Account.

The Parish Property Fund (formerly Diocesan Loan Fund) is used to provide loans and grants to parishes for improvements and repairs to churches and other parish property.

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<b>Endowment Funds</b>	<b>Balance at 1<sup>st</sup> January 2020 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Transfers £'000</b>	<b>Gains and losses £'000</b>	<b>Balance 31<sup>st</sup> December 2020 £'000</b>
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	19,375	9	-	250	668	20,302
Education	38	-	-	-	3	41
PWM World Mission	59	-	-	-	4	63
Readers Board	2	-	-	-	-	2
General	131	-	-	-	(6)	125
	<u>19,605</u>	<u>9</u>	<u>-</u>	<u>250</u>	<u>669</u>	<u>20,533</u>
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	34,277	36	-	(416)	-	33,897
Retired Clergy & Dependants Fund	1,249	-	-	-	67	1,316
	<u>35,526</u>	<u>36</u>	<u>-</u>	<u>(416)</u>	<u>67</u>	<u>35,213</u>
<b>Total Group Endowment Funds</b>	<u>55,131</u>	<u>45</u>	<u>-</u>	<u>(166)</u>	<u>736</u>	<u>55,746</u>

The Permanent Endowment Funds are held where the DBF has no power to convert the capital into income. The capital is invested and the income used for the purposes as indicated.

The Diocesan Stipends Fund Capital Account is governed by Section 35 of the Endowments and Glebe Measure 1976. It consists of investments with the Central Board of Finance and glebe properties and is held to produce income for clergy stipends. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Parsonages Houses Fund represents those houses which are benefice property, vested in the incumbents. Carlisle DBF nevertheless has financial responsibility for parsonages and they have been included in the Balance Sheet valued at deemed cost based on valuations at 31 December 2013.

The Retired Clergy and Dependants Fund provides for the relief of poverty by assisting retired clergy, licensed lay workers or deserted spouses of clergy who reside or served in the Diocese and their dependants.

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31. SUMMARY OF ASSETS BY FUND

Company	Fixed Assets		Net Current Assets £'000	Liabilities after 1 year £'000	Net Assets 2020 £'000	Net Assets 2019 £'000
	Tangible £'000	Investments £'000				
<b>Unrestricted Funds</b>						
General Funds	40	1,308	1,232	(300)	2,280	2,136
<b>Designated Funds</b>						
Diocesan Growth Fund	-	1,839	(30)	-	1,809	1,646
Resources Centre	-	-	1	-	1	1
Rydal Hall	-	-	300	-	300	-
Sustainability Fund	-	-	150	-	150	-
OpShops	-	-	77	-	77	153
	-	1,839	498	-	2,337	1,800
<b>Restricted Funds</b>						
Barchester Fund	-	6,805	205	-	7,010	6,834
Stipends Income Fund	-	-	60	-	60	60
Pastoral Account	-	3,833	25	-	3,858	2,543
Diocesan Houses Fund	8,860	750	(343)	-	9,267	9,994
Parish Property Fund	-	440	(40)	-	400	379
Retired Clergy Income	-	23	(20)	-	3	(7)
Sundry Appeal Funds	-	-	4	-	4	3
Other Income Funds	-	280	126	-	406	372
	8,860	12,131	17	-	21,008	20,178
<b>Permanent Endowment Funds</b>						
Stipends Capital Fund	-	20,870	(504)	(64)	20,302	19,375
Education	-	41	-	-	41	38
PWM World Mission	-	63	-	-	63	59
Readers Board	-	2	-	-	2	2
General	-	125	-	-	125	131
	-	21,101	(504)	(64)	20,533	19,605
<b>Expendable Endowment Funds</b>						
Parsonages Houses Fund	33,133	-	764	-	33,897	34,277
Retired Clergy & Dependants Fund	145	1,109	62	-	1,316	1,249
	33,278	1,109	826	-	35,213	35,526
<b>Total Endowment Funds</b>	33,278	22,210	322	(64)	55,746	55,131
<b>Total Company Funds</b>	42,178	37,488	2,069	(364)	81,371	79,245
<b>Unrestricted Funds</b>						
Cumbria Christian Learning	-	-	6	-	6	1
Restore (Cumbria)	20	-	48	-	68	-
Rydal Hall Ltd	78	-	(323)	-	(245)	(16)
<b>Total Consolidated Funds</b>	42,276	37,488	1,800	(364)	81,200	79,230

## **32. PENSIONS**

The DBF 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 DBF 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 DBF 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 FRS102 requires the DBF 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 DBF. 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.

At the end of the year the DBF was paying contributions for 98 members of the scheme out of a total membership of approximately 8,500 active members. Each participating employer in the scheme pays contributions at a common contribution rate applied to the previous year's National Minimum Stipend. As this is a multi-employer scheme and it is not possible to attribute the scheme's assets and liabilities to specific employers, the scheme pension costs are accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year plus the impact of any deficit contributions (see below).

The most recent scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50 million, based on assets of £1,818 million and a funding target of £1,868 million, assessed using the following assumptions:

- An average discount rate of 3.2% p.a;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;

Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a.

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Following the valuation of the scheme as at 31 December 2018, the contribution rate from 1 January 2019 is 39.9% of pensionable stipends (i.e. the previous year's NMS), of which 28.0% relates to providing the benefit in relation to ongoing pensionable service, including 1.2% for the day-to-day expenses of running the scheme, and 11.9% relates to recovery of the deficit over the three years to 31 December 2020. This means that payments by the DBF relating to the deficit based on active members and pensionable stipends as at 31 December 2020, would be £278,000 in 2020 and £278,000 in 2021. The discounted deficit payments of £0.342 million over the next 3 years in respect of the shortfall have been recognised as a liability in the balance sheet.

A reconciliation of the balance sheet liability is set out below:

	2020 £'000	2019 £'000
Balance sheet liability as at 1 January	592	1,774
Deficit contribution paid	(278)	(272)
Interest cost (recognised in the SOFA)	5	34
Re-measurement of the balance sheet liability	23	(944)
	<hr/>	<hr/>
Balance sheet liability as at 31 December	<u>£342</u>	<u>£592</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 set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount Rate	0.2% pa	1.1% pa	2.1% pa
Price Inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable salary	1.6% pa	1.3% pa	1.6% pa

**Church Workers Pension Fund – Defined Benefits Scheme**

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2020, the DBF had 3 active members, 12 deferred and 34 pensioner members in the scheme.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. In such cases FRS102 requires the scheme pension costs to be accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year (£44,000 over 2020 compared to £50,000 over 2019) plus the impact of any deficit contributions (see below).

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

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

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

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m.

Following the valuation, the DBF has entered into an agreement with the Church Workers Pension Fund to a contribution rate of 44.6% of pensionable salaries and expenses of £5,300 per year.

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Balance sheet liability as at 1 January	-	-
Contributions paid	-	-
Interest cost (recognised in the SOFA)	-	-
Re-measurement of the balance sheet liability	-	-
	<hr/>	<hr/>
Balance sheet liability as at 31 December	-	-
	<hr/> <hr/>	<hr/> <hr/>

**33. CAPITAL COMMITMENTS**

Expenditure contracted for but not provided on the financial statements was £nil (2019: £nil).

**34. RELATED PARTY TRANSACTIONS**

Details of transactions with the main related parties of Carlisle DBF are given in the appropriate notes to the financial statements.

**Archbishops' Council and the Church Commissioners**

As detailed in note 2 Carlisle DBF received grants from the Archbishops' Council totalling £874,000 (2019: £1,022,000). £35,000 (2019: £35,000) was received from the Church Commissioners for rent of the Bishop's House. Payments were made to the Archbishops' Council for contributions to the National Church and for training of Ordinands totalling £569,000 (2019: £520,000). Payments of £2,640,000 (2019: £2,563,000) were made to the Church Commissioners for clergy stipends and the Church of England Pensions Board was paid £932,000 (2019: £913,000) for clergy pensions. In all cases there was no balance outstanding at the year end. Further payments were made to the Pensions Board for lay pensions of £244,000 (2019: £224,000). The balance due to the Pensions Board at the year-end for December's contributions was £27,000 (2019: £22,000).

**Rydal Hall Ltd (see note 15)**

During the year Carlisle DBF invoiced Rydal Hall Ltd £60,000 (2019: £60,000) for rent and £8,000 (2019: £8,000) for management services.

At the year-end Rydal Hall Ltd owed £354,000 (2019: £177,000) for outstanding rent, management services and staff salaries.

**Rydal Hydro Ltd (see note 16)**

Rent of £23,000 (2019: £23,000) and dividends of £168,000 (2019: £151,000) were received from Rydal Hydro Ltd.

**Scandale Hydro Ltd (see note 24)**

Dividends of £150,000 (2019: £168,000) were received from Scandale Hydro Ltd.

**Cumbria Christian Learning Limited (see note 17)**

Carlisle DBF paid £67,000 (2019: £70,000) for training and vocational costs, and made a grant of £23,000 (2019: £8,000). At 31 December 2019 CCL owed Carlisle DBF £54,000 (2019: £55,000).

**Restore (Cumbria) – Previously known as OpShops (see note 18)**

On 1 July 2020, the activities and net asset of OpShops - formerly an activity carried out within the Carlisle DBF - were transferred for a consideration of £nil, into a previously dormant subsidiary charity - now called Restore (Cumbria).

During 2020 a grant of £75,000 was made from the Carlisle DBF to Restore to give them a suitable level of reserves and working capital. In addition, £77,000 remains designated in the Carlisle DBF accounts to support potential losses in the early years of Restore operating as a stand-alone charity.

During the second half of 2020, 9 Carlisle DBF staff were seconded to the charity, for which £66,000 was reimbursed to the DBF. At the year-end, Restore owed £77,000 to Carlisle DBF for outstanding staffing and expenses paid on their behalf.

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**34. RELATED PARTY TRANSACTIONS (continued)**

**DBE Services Ltd**

Carlisle DBF received gift aid distributions from DBE Services totalling £12,000 (2019: £11,000).