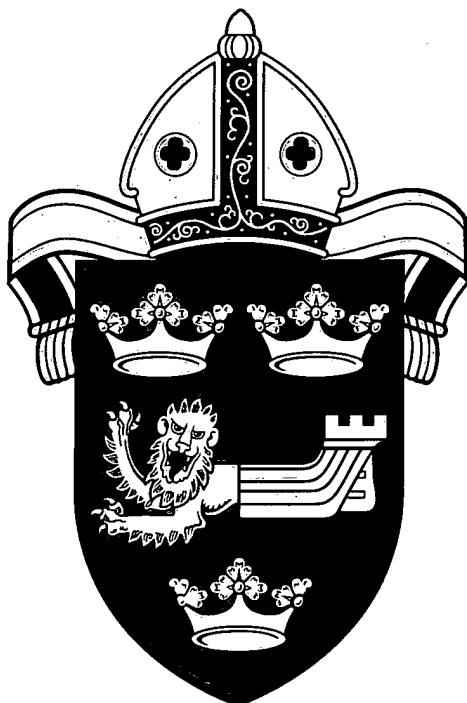


The St Edmundsbury and Ipswich Diocesan Board of Finance



Report and Financial Statements

For the year ended 31 December 2020



**Company Limited by Guarantee
Company Registration No. 00143034
Charity Registration No. 248919**

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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INTRODUCTION

The trustees, who are also directors for the purposes of company law, present their directors' and strategic reports together with the audited financial statements, for the year ended 31 December 2020.

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

This combined report satisfies the legal requirements for:

- A Directors' report for a charitable company;
- A Strategic Report under the Companies Act 2006; and
- A Trustees' Annual Report under the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

LEGAL (CHARITABLE) OBJECTS

The objects of the St Edmundsbury and Ipswich Diocesan Board of Finance (the DBF), as set out in the Memorandum of Association, are to promote and assist the work and purposes of the Church of England in the Diocese of St Edmundsbury and Ipswich and in particular to organise and provide funds in support of the work of the Church in the following essential areas:

- i. Training for and maintenance of the ministry, both stipendiary and non-stipendiary, including the provision of pensions for stipended ministers;
- ii. Securing sites for and providing for the building, alteration, improvement and repair of church buildings, mission rooms, church halls, parsonage houses, hostels, clergy houses and other buildings to be used in connection with any objects of the Board;
- iii. Religious education in all its branches, including the acquisition of buildings, equipping, improving, and repairing Church of England schools and colleges; and
- iv. Provision of expenses of the diocesan and central organisation.

The DBF's objects can, if approved by Diocesan Synod and sanctioned by the Bishop, be carried out beyond the Diocesan borders.

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STRATEGIC REPORT

Growing in God: flourishing congregations making a difference

1 Strategic aims

The primary role of the DBF is to identify and manage the financial aspects of the provision of ministry within the Diocese, so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries, and parishes to further the mission and strategic priorities in the Diocese. In particular:

- To lead the implementation of our compelling vision and strategy, Growing in God, for the next stages of mission, in witness and action, that can be owned by the whole diocese;
- To build the confidence of clergy and laity in their own faith and gifting, enabling their gospel witness in work and deed; to encourage a sense of urgency and imagination, enabling the Church to grow in depth, number, younger and in influence;
- To ensure the effective working of the Diocese through our structures, leadership, and relationships, to increase giving levels and put our finances on a more sustainable footing.

2 Objectives for the year

As in previous years, our key priorities were to:

- a. Continue to progress our strategy, 'Growing in God'.
- b. Encourage 'flourishing congregations', through the funding and support of stipendiary clergy and other ministers.
- c. Work to stabilise our income sources and maximise use of our resources.
- d. Support our church schools.
- e. Maintain and extend positive engagement with the national Church.
- f. Safeguarding - meet the Church's national policy and practice requirements.

3 Activities and achievements in the year

We continued to develop and engage with the diocesan vision and strategy, Growing in God, and its four priorities of growing in depth, influence, number and younger. This is consonant with the national Renewal and Reform agenda. By sharing exactly what it is that God is calling us to be and to do enables us to be clear in the development of our resources to fund and support that vision.

a Growing in God

- Mobilised year two of the two six-year projects funded by the national Church's **Strategic Development Fund (SDF)**:
 - **Inspiring Ipswich** managed to recruit all of its staff team, set up learning communities in virtually every church and appointed Mission Accompaniers for all but a few. Most churches completed a parish plan and most managed to pivot it for Covid-19. Ninety people attended the online Leading your Church into Growth course in November 2020. Governance structures were put in place, Alpha for 1000 launched (with thirteen Alpha courses happening online during the year), Bridge Church was sent from St Matthew's and four new fresh expressions

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were started. A monthly Missional Leaders' Lunch began as did a Churchwardens' breakfast and six community-focused 'pop up shops'. The Church Army offered the funds to set up a Centre of Mission in South West Ipswich and a number of workshops and deanery prayer meetings were started, all online.

- **Growing in God in the Countryside** exceeded its expected outcomes, with twenty-three missional Lightwave groups now active and two hundred new disciples since the beginning of the project. The Lightwave Rural Hub Church in Red Lodge is flourishing, having seen its first confirmations as well as receiving several awards for its outstanding work in the community during the pandemic. The appointment of leaders for the other two Lightwave Hubs was delayed but these appointments have now been made. The Lightwave community is now a Charitable Incorporated Organisation with strong governance structures being established. There is increasingly closer integration with diocesan structures for development of new ministries and mission support.
- **Developed and begun to implement a coherent strategy to implement our Growing Younger Objectives** with the Mission and Ministry team, Diocesan Board of Education (DBE), SDF Projects and the Cathedral for the next four years. This includes the Church of England aspiration contained in the national Growing Faith report that every aspect of mission and ministry is seen through the lens of what it means for ministry with children, young people, and households. Despite the unique challenges of Covid-19, the Diocesan Children's and Families Enabler and the Diocesan Youth and Young Adults Officer continued with a suite of family ministry training and youth webinars, creating resources for churches and families, offering support for local youth ministers and youth workers. Initial work behind the scenes has begun on two of our proposed beacon areas, one in the North of the Diocese and the other in partnership with the Inspiring Ipswich project. A key focus has been the launching of the Growing Younger Sunday on 31st January 2021.
- Development of **focal ministry training and Ministry Deployment training** more widely together with the appointment of a Mission Enabler to implement our ministry deployment plans alongside the implementation of Covid-19 learning and tailored work with individual parishes and benefices.
- **Maintained the delivery of the in-house Reader Training programme** to readers and ordinands on the Auxiliary Ordination Pathway and CMD training opportunities for clergy, lay ministers, and congregation members, along with the development of live zoom services and discipleship opportunities across the diocese.
- In 2020, for **lay ministers licenced**, there were four Children's & Families Workers; four licenced Evangelists; three lay Pioneers and three Readers.
- Continued to encourage our congregations to live out and share their faith through six faith pictures courses via a mixture of face to face and on-line to 90+ people as well as three Alpha courses to 45+ people. In partnership with the Church Army, we have developed a 'Share' evangelist course which is to be launched nationally in 2021 by the Church Army as the 'Faith Empowered' course in partnership with the Archbishops' College of Evangelists.

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- Awarded a total of 17 small mission grants through the **Growing in God Growth Fund** to support parishes unable to access Strategic Development Funding. A total of £10,703 (2019: £8,819) was allocated ranging from £200 to £999, with 14 (2019: 9) of these grants focussed on mission with children and families, and the remainder focused on enabling live-streaming throughout the Covid-19 challenges. We have been able to more readily respond to the opportunities the pandemic has presented to parishes and the feedback from recipients has been positive.
- Recruitment of ordinands via the innovative Auxiliary Ordination Pathway continues to develop with eight ordained deacons, with a further eight stipendiary ordinands in 2020, with ongoing training and support developed for those previously ordained. There are a potential seven candidates starting to prepare for the 2021 Pentecost ordinations.
- Continued to promote our Environment Policy through encouraging and enabling parishes, schools, and churches to understand the importance of the stewardship of creation, and to improve their green credentials, including Eco-Church awards, heating, LED lighting, tree planting and in partnership with Suffolk Council, the establishment of EV charging points. By 2020, 109 (2019: 96) parishes registered with Eco Church.

b Encouraging flourishing congregations

- Despite the challenges of the pandemic, raised £6.0m from voluntary contributions;
- Paid the stipend costs of c.120 incumbents, curates and other clergy;
- Managed, maintained and improved 154 houses, principally for clergy;
- Supported repairs and improvements to 477 churches enabled by a largely volunteer Diocesan Advisory Committee for the Care of Churches (DAC) who give freely of both their time and expertise;
- Trained PCC members in safeguarding, financial matters, social media, and responsibilities of being churchwardens; and
- Closely worked with Historic England with the delivery of the Taylor Review Pilot project and final report (designed to establish the benefit of local support) across the county.

c Effective use of income and use of resources

- Donations from parishes, known as parish share, fund the costs of ministry. Progress has been made in improving the process to support those parishes which struggle to meet the parish share;
- Continued to support the Parish Giving Scheme with 179 parishes and 1,385 (2019: 159 parishes and 1,100 donors) i.e., over 15% of planned givers;
- Promoted contactless giving to reflect the national trend away from use of cash. 62 parishes now have a contactless donation terminal (2019: 51);
- Promoted one-off online giving, growing the number of parishes to 76 (2019: 4);
- Secured National Church funding to grow the Parish Finance & Resourcing Team to assist in better resourcing parishes;
- Began the year with 8 empty properties, representing 52 void weeks. The impact of Covid-19 measures including the extension of the notice period to create ten-month minimum tenancies resulted in a significant rise by 31st December 2020, where we had 15 empty properties equating to 183 void weeks, with 13 being held for new incumbents, equating to 150 weeks in total.

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Despite this, lettings income was maintained for an average of 32 properties (from a total portfolio of 154) yielding a net income of £287k.

- Agreed the adoption of Total Return with Bishop's Council agreeing in principle to adopt it as a mechanism to support growth initiatives across the Diocese.

d Developing church schools

We supported our 87 Church of England schools in an incredibly challenging year through:

- Leadership and management:
 - shortlisting and interviewing for headteachers in 7 schools;
 - appointing foundation governors;
 - providing advice to governors in a record number of headteacher performance management reviews (17);
 - developing SIAMS (Statutory Inspection of Anglican and Methodist Schools) support visits/reviews for schools midway between SIAMS inspections.
- Training:
 - delivering 18 training courses on religious education, collective worship, and other subjects, attended by 169 teachers, other staff and governors;
 - introducing "Deep dive" training for RE subject leaders;
 - running Leading a Church School sessions for new and aspiring church school leaders.
- Policies:
 - developing policies on RE, collective worship and Relationships and Sex Education.
- Resources:
 - developing a teacher's handbook to accompany our Emmanuel Project RE teaching resource for schools;
 - providing collective worship resources for school staff to use in bubbles;
 - sharing a document on Developing a Christian Vision for your school with schools;
 - sharing a Responding to Racism resource developed by Coventry diocese with schools in September following Black Lives Matter;
 - disseminating bereavement guidelines;
 - developing a series of case studies on churches and schools working together as part of Growing Faith.
- Support:
 - contacting headteachers by 'phone throughout the pandemic and holding regular Zoom calls with groups of headteachers and chairs of governors to share advice and good practice;
 - leading a termly Small Schools Forum for headteachers and governors;
 - delivering a conference for headteachers and governors in November 2020;
 - assisting with the management of capital projects in 9 Voluntary Aided schools;
 - issuing a newsletter twice a term and maintaining website information.
- Strategy:
 - being part of a weekly School Co-ordination Task Group which co-ordinates information and support for all Suffolk schools through the pandemic, along with other sector leads, the DfE and Suffolk County Council officers;
 - the Deputy DDE being part of the Suffolk Learning Improvement Network Programme Board;
 - working closely with other DDEs and members of other diocesan education teams.

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Bishop Mike took on the chair of the DBE from 1 January 2020.

The St Edmundsbury and Ipswich Diocesan Multi Academy Trust (MAT) was established in 2015 and now has 19 church primary schools. The DBF provides office services and accommodation.

e **National Church**

The Diocese is supportive of working closely with the national church institutions to ensure that initiatives and plans are well coordinated. Bishop Martin chairs the Ministry Council, Bishop Mike heads up the National Pioneer Panel and is the lead Bishop for Pioneers as well as a member of the English & Welsh Anglican/Roman Catholic Group, and Anna Hughes represents the eastern region diocesan secretaries in ensuring good communication channels.

f **Safeguarding**

With ongoing guidance and scrutiny from an independently chaired, multi-agency, Diocesan Safeguarding Advisory Panel, provided support to parishes to enable their safeguarding practice and safer recruitment. In particular:

- Covid-19 forced training to go on-line, delivering training at different levels, to 1,099 people (2019: 1,339), mostly on-line;
- A new trainer was recruited;
- With regard to casework, provided advice and support in relation to 36 referrals (2019: 99) and processed 596 (2019: 551) DBS checks, for those working with children and/or adults at risk of harm or abuse. The fall in casework would appear to be a consequence of Covid-19 activity constraints.

4 **Plans for the future**

Continuing to centre around the Growing in God vision:

- a. Lead on the revitalisation of existing congregations by supporting a holistic approach to growth focussing on the local church;
- b. Support the implementation of our Ministry Deployment Plan in a sustainable manner more widely across the Diocese, following a successful pilot in one deanery;
- c. Implement the Grow Younger plan agreed by Bishop's Council in 2019, based on the national Growing Faith report; and
- d. Year 3 of our SDF projects:

Growing in God in the Countryside

- 40 missionally active small groups;
- 400 people who have started worshipping with others at least monthly in the last three years;
- 3 flourishing rural Lightwave hub churches to support rural mission through both traditional church and new initiatives across their surrounding rural areas;
- Regular financial giving well established in the Lightwave community with a trajectory towards financial sustainability.

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Inspiring Ipswich

- Over 1,000 people to be offered Alpha online and in person throughout the town (all churches);
- The work of the learning communities and mission accompaniment to be extended throughout 2021;
- River Church to launch in September 2021 following the launch of Lindbergh Road Community Church in January from St Augustine's Church;
- 10 fresh expressions are in their infancy;
- The Growing Leaders course will be repeated;
- New missional staff to be appointed and inducted at all new church plants and St Matthew's Church during 2021;
- Continued focus on Growing Younger and new worshipping communities to increase throughout 2021.

Developing ministers of the future:

With the assistance of c40% funding from the national church, taking on an additional five curates (we normally take five a year), and continuing to invest in this area.

Our work in schools:

- a. Once the new DBE Measure has been given Royal Assent in 2021, we will work towards implementation from 1 January 2023. The powers and functions of the DBE will remain unchanged, but the structure will change.
- b. From September 2021 all SIAMS inspections will be administered nationally. Support and training for schools will continue to be delivered locally.

Supporting and enabling the work of parishes:

- a. Continue to update and refresh the website as a gateway for parishes and public to improve accessibility of information;
- b. Develop and implement a 7-year external maintenance plan for parsonages;
- c. Investigate and potentially implement an on-line learning and development platform for all training offers for ministerial development, churchwardens and treasurers, safeguarding etc;
- d. To increase our engagement throughout Suffolk: supporting parishes as they lead and partner with others locally to meet the needs of their communities, being particularly attentive to areas of deprivation;
- e. Work alongside parishes to ensure that they offer a variety of giving platforms that make it easy for donors to support them in the future.

5 Subsidiaries, related parties and volunteers

Subsidiaries

The DBF has one wholly owned active, Churchgates 2000 Ltd, whose assets and liabilities are consolidated into the Stipends Capital Fund (see note 15 to the financial statements).

Related parties

The Diocese, as part of the Church of England, has a number of related parties:

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- **Parochial Church Councils (PCCs).** The DBF is required by Measure to be custodian trustee in relation to PCC property, but the Board has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements. PCCs are able to influence the decision-making within the DBF and at Diocesan Synod level through representation to those bodies;
- **General Synod, Church Commissioners and Archbishops' Council.** The DBF has to comply with Measures passed by the General Synod of the Church of England and is requested to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners.
Some of the directors have membership of or attend meetings of National Church Institutions and are engaged in their decision-making processes;
- **The Church of England Pensions Board,** to which the DBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement;
- **Charities such as the**
 - Elizabeth Walter Charitable Trust, which exists to pay for the St Lawrence Preacher and apply income for religious educational purposes in connection with the Church of England amongst children, young persons and adults in Ipswich, and the upkeep of the redundant church of St Lawrence;
 - The Suffolk Clergy Charity, which exists for the relief of widows, widowers, and other dependents of deceased clergy of the Church of England within the Diocese;
 - The St Edmundsbury and Ipswich Multi Academy Trust.

Further details are to be found in note 31.

Volunteers

The DBF is dependent on the huge number of people involved in church activities both locally and at a diocesan level, and we believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church. Trustees and senior management greatly value the considerable time given by all the volunteers across the Diocese in pursuit of the mission of the DBF.

6 Financial review

Financial Performance

The Consolidated Statement of Financial Activities (SOFA) records **total income** of £9,256k (2019: £9,240k) with **expenditure** amounting to £9,214k (2019: £9,040k).

Parish Share, the money given by parishes to the DBF to fund the mission and ministry of the diocese, is the main incoming resource for the DBF providing 65% of its income. At £1,223k, the net parish share shortfall was worse than the budget assumption of £350k. The shortfall worsened by £346k compared to 2019, and the percentage of budgeted share collected worsened slightly to 83.1% (2019: 88.1%). The net share for 2020 was only £346k less than 2019 which was one of the highest amounts in recent years and has not been without huge effort on behalf of our parishes, given the very difficult year which they have faced. We are enormously grateful for their generosity and hope to work closely over time to ensure the future sustainability of our parishes in the future.

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The financial position would have been worse were it not for the support of National Church in providing us with a sustainability funding grant of £600k in 2020 and Trustees are grateful for the financial support offered to us.

Taking these factors into account, the DBF has met all its financial obligations to continue resourcing the diocese, including the provision, development and support of ministry, the provision and maintenance of houses for the clergy, National Church responsibilities and enriching and facilitating many other aspects of church life throughout the diocese.

During 2020, the DBF paid £365k (2019: £342k) as a deficit contribution towards the Defined Benefit Pension scheme managed by the Church of England Pensions Board. With the Triennial Valuation at 31 December 2018 now complete, the deficit is currently £435k with the expectation that this will be paid by 2022 at existing contribution levels.

Net income before investment gains showed a surplus for the year of £42k (2019: surplus of £200k) but would have been a loss of £558k without the support from National Church's sustainability funding.

Net gains on investments amounted to £853k (2019: gain of £1,958k) as stock markets not only recovered during the course of the year but gained at the end of the year.

The overall **increase in funds** in the year was £971k (2019: £3,246k) which, whilst pleasing, masks the underlying challenge to produce a balanced operating result. Of the total £971k gain, £1,241k (2019: £4,014k) relates to Endowment Funds, which are not currently available to spend. There were losses on unrestricted funds of £332k (2019: loss of £382k) and a small gain of £62k (2019: gain of 386k) on restricted funds.

Net cash inflow of £1,553k (2019: outflow of £241k) arises from the sale proceeds of properties, offsetting the shortfall in parish share receipts as well as taking advantage of a forbearance loan and the receipt of a grant from National Church. The net cash inflow from investing activities at £1,081k (2019: outflow of £171k) is mainly due to the sales receipts of properties and investment income.

Significant Property Transactions

Most of the residential property portfolio is held for operational purposes. Significant operational property transactions in the year were:

- No purchases of housing for stipendiary curates in training or for housing stipendiary ecclesiastical office holders.
- Sale of two properties surplus to operational requirements.
- Sale of one interest in an historic site (Leiston Abbey).

Glebe land and property are held for investment purposes. The overall strategy is to retain a land holding, to seek to leverage value through long term development, and to dispose of less lucrative holdings. During the year, the DBF sold 1 small parcel of glebe land (2019: 4 sales). We continue to work with our land agents to complete a cycle of rent reviews and lease renewals on glebe land as advised by the DBF's land agents.

The Diocesan Stipends Capital Fund is available for providing and improving benefice and glebe property and when invested provides income for clergy stipends.

Balance Sheet Position

The trustees consider that the balance sheet, together with details in note 25, show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £80,919k (2019: £79,948k) it must be remembered that this figure includes clergy houses, valued at £67,766k (2019: £66,868k). Much of the

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remaining balance sheet assets are held in restricted funds which cannot necessarily be used for the general purposes of the DBF.

Reserves Policy

The trustees have established the level of general reserves (i.e., freely available funds) that the Charity ought to maintain in its unrestricted fund, to ensure it meets the running costs of the Diocese and to cover unforeseen or unplanned events. The DBF relies on donations from parishes for income. These donations are not all received in regular equal instalments across the year, with some parishes paying in arrears. This coupled with the risk of external economic factors on the communities' ability to pay in any one year, and the ongoing and significant shortfalls in share received compared to that required, means that the DBF considers it prudent to retain sufficient funds in liquid form to meet at least six weeks' worth of budgeted costs – £1,063k (2019: £1,043k). At 31st December 2020, the DBF held an unrestricted cash balance of £856k (2019: overdraft of £66k), a £922k better position for 2020 but this is due to the £908k forbearance loan for deferring stipendiary costs. Net current assets are £2k (2019: net current assets of £308k) – still substantially below the stated requirement. In the short to medium term, cash flow is supported from the Diocesan Pastoral Account (DPA). When it becomes apparent that the unrestricted fund will not receive sufficient cash from income, sales, or transfers to meet the cash holding requirement and repay the DPA within the foreseeable future, consideration will be given to subventing funds from the DPA.

Restricted and endowment funds

As set out in note 21, the DBF holds and administers a large number of restricted and endowment funds. As at 31 December 2020 restricted funds totalled £3,060k (2019: £2,998k) and endowment funds totalled £73,803k (2019: £72,562k).

Grant making policy

Contributions are made to the National Church to cover a proportion of its central costs and to cover the cost of training for ministry (see note 10). Grants are paid to other charities e.g., PCCs and charitable projects which appear to the DBF to support the furtherance of its objects. Other grants are approved according to the terms of reference of the relevant fund.

Investment policy and returns

The DBF holds investments to generate income, to help ensure the continuity of its charitable objectives. Investments are at the discretion of the trustees; however, they draw upon the Trustee Act 2000 to ensure best practice and compatibility across all the DBF's investment decisions and operate within the DBF's agreed investment policies. The DBF has adopted in its investment policy the Statement of Ethical Investment Policy produced by the Church of England's Ethical Advisory Group. This policy is also supported and participated in by CCLA, where the majority of funds are invested.

The Trustees last reviewed the Investment Policy in 2019. Investments comprise some 18% by value of the Charity's net assets. The group investment holdings are:

	Funds at 31 December 2020	Proportion of portfolio	Income yield in year	Total return in year
CBF Investment Fund	9,834	69.4%	2.93%	10.20%
CBF Property Fund	1,267	8.9%	4.68%	-0.48%
Glebe Land / Buildings	3,026	21.3%	1.47%	-
Other	57	0.4%		
Total	14,184	100.0%		

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	Funds at 31 December 2019	Proportion of portfolio	Income yield in year	Total return in year
CBF Investment Fund	9,204	67.9%	3.04%	23.16%
CBF Property Fund	1,333	9.8%	5.46%	2.76%
Glebe Land / Buildings	2,956	21.9%	2.02%	-
Other	56	0.4%		
Total	13,549	100.0%		

Trust (Capital and Income) Act 2013

On 7 September 2020 the Trustees used the above Act to authorise the future release of capital from the Diocesan Stipends Fund. In identifying the value of the portion of the permanent endowment fund that represented unapplied total return, the Trustees first identified the total value of the glebe assets available to be £6,752k. An unapplied total return figure of £2,517k was agreed by Trustees, representing the level of the Diocesan Stipends Fund available for release into unrestricted funds towards growth initiatives or to reduce operational deficits. When reaching the decision as to the unapplied total return to transfer to income, the Trustees have taken relevant professional advice.

Budget and outlook for 2021

The budget for 2021 was approved by Bishop's Council and by Diocesan Synod in October 2020 providing for a reduction in parish share of £129k (1.8%) to £7,000k and a limit on operational expenditure of £9.4m.

Going Concern

The financial statements have been prepared on a going concern basis.

Along with many organisations the DBF is experiencing difficult operating conditions due to the impact of coronavirus and has taken measures, with the continuing support of our parishes and the national Church, to manage costs and income so as to be able to continue to operate for the foreseeable future.

Trustees have taken full advantage of the emergency measures available to them including the furloughing of staff, the reduction of costs and the use of loans and grants.

Trustees have prepared a 2021 budget and plans for 2022 and 2023 along with detailed cash flow forecasts and are confident that these plans demonstrate an ongoing ability to operate as a going concern.

7 Custodian trustee

The DBF is responsible for the management of glebe property and investments, to generate income to support the cost of stipends. It is also the Diocesan Authority for the parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.

The trustees are custodian trustees in relation to Parochial Church Council (PCC) property and for trust investment assets with a market value at 31 December 2020 of £4,274,000 (2019: £3,750,000). The investments are held on behalf of PCCs and Vicars and Churchwardens, for trusts which benefit the parishes and so fall within the objects of the charity. Each PCC is a separate charity. The assets are held separately from those of the DBF.

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The DBF also holds various devolved funds on behalf of church schools which are used for capital projects. The funds remain under the control of the school concerned and are not included in these accounts. At 31 December 2020, the total funds held on deposit were £315,000 (2019: £300,000).

8 Principal risks and uncertainties

The trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, trustees have developed a risk policy which is supported by a register of identified risks, along with management and/or mitigation plans. The Governance Committee reviews the risk register periodically and each year the trustees are invited to review the risk register and accompanying plans. The responsibility for delivery of the identified risk management plans is delegated to the Diocesan Secretary and her executive team or to the Archdeacons as appropriate.

The trustees confirm that the major risks have been reviewed and that plans are being developed, where possible, to minimise and/or manage those risks. The register identifies five strategic risks with a pre-mitigation rating of high and these are, along with mitigation plans, as follows:

Ongoing deficits in the unrestricted fund (day-to-day operations). This risk has become even more pronounced with Covid-19 and it recognises the combination of the heavy reliance on parish share, a voluntary income stream accounting for c 75% of income, with the need to provide every benefice with a vicar, rector or priest-in-charge and the need to support these ministers as well as develop future ministers. The effects of Covid-19 and the consequent shutting of churches had a significant impact on parish share receipts in 2020 and whilst the DBF took action to offset parish share losses, it is likely that the financial impact of Covid-19 in reducing PCC reserves and congregations will be felt in future years.

Mitigation to reduce the size of deficits includes:

- Continuing to promote the Parish Giving Scheme and other initiatives to support stewardship campaigns to recognise generosity as a fundamental Christian calling;
- Developing new income streams;
- Utilising Total Return to release permanently endowed capital; and
- Taking steps to make structural changes.

Safeguarding. Safeguarding remains a high risk and trustees anticipate with the start of the national initiative to review all clergy files in 2021 (known as PCR2 and delayed from 2020), more people may come forward to share past abuses.

Mitigation includes:

- knowing how to respond well to allegations of abuse;
- having clearly defined and implemented training programmes and tracking attendance on such programmes – notably for those holding frontline positions of trust on behalf of the organisation;
- documented and implemented procedures for the referral of concerns and safer recruitment;
- a multi-agency advisory panel independently chaired by a retired Chief Constable; and
- a culture of continuous learning e.g., independent review of serious cases.

Failure to optimise ministerial resources. This recognises the risks that ministers are deployed sub-optimally in terms of mission effectiveness and that support is not applied in the most mission effective way.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Mitigation includes ensuring that the Strategic Development Funds are invested effectively to accelerate growth across the diocese; ensuring the pathway to local ordination is sustainable and finalising plans to implement a long-term ministry deployment plan for the diocese.

Resources to support the work of the diocese. Imperatives to reduce the deficits and cash outflows in previous years has reduced the capacity of the DBF to support and enable the work of ministers and parishes. Resources are often stretched, leading to the risk that important matters are overlooked or left undone and/or that employees are overworked.

Mitigation includes:

- working towards agreed priorities each year, translated into departmental objectives and job descriptions;
- ensuring the organisational structure is fit for purpose;
- increasing automation through software; and
- a relentless focus on using budgets effectively.

Loss of key personnel. Some people, both within the DBF and beyond (i.e., including senior clergy) play key roles in the running of diocesan affairs. In the event of a move or prolonged absence, there is a risk of loss of leadership, knowledge and/or process.

Mitigation includes, within the DBF:

- working towards ensuring that the work of key individuals is documented and shared with colleagues; and
- establishing a Remuneration Committee to review recruitment, remuneration levels, retention, and reward policies.

STRUCTURE and GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is the established church, and HM The Queen is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the diocese.

The National Church has a General Synod comprised of ex-officio members and elected representatives from each diocese. Amongst its other functions, it agrees Measures for the governance of the Church's affairs which, if approved by Parliament, then receive Royal Assent and have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pensions schemes for stipendiary ecclesiastical office holders and employees. Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod.

Whilst each diocese is separate with a clear responsibility for a specific geographical area, and each diocesan board of finance is a separate legal entity, being part of the Church of England requires and enables working together in a national framework and with national church institutions.

The Diocese of St. Edmundsbury and Ipswich (the Diocese)

The Diocese was created in 1914 and broadly took its present form in 1924. It is arranged as three archdeaconries; Ipswich covering the deanery of Ipswich and five further

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deaneries; Suffolk the eastern part with six deaneries and Sudbury the western part, also with six deaneries. From 2006 until April 2019, the archdeaconries were overseen by two archdeacons, one for Suffolk and one for Sudbury, with the Ipswich deaneries shared between them. In April 2019, a new Archdeacon of Ipswich was appointed to spearhead our "Inspiring Ipswich" initiative funded by the national Church, with the remaining deaneries still overseen by the Archdeacons of Sudbury and Suffolk as before. In total, there are some 454 parishes in the diocese, serving a population of c 630,000.

The Cathedral of St Edmundsbury

The relationship with the Cathedral is that of mother church of the Diocese and is legally constituted as a separate charity.

Diocesan governance

The statutory governing body in the Diocese is its Synod, which is an elected body with representation from all parts of the Diocese. It meets three times a year. Many of the Synod's responsibilities have been delegated to the Bishop's Council.

Decision making structure

The Bishop's Council brings together policy-making and financial management and satisfies the requirements of the Mission and Pastoral Measure 2011. The body has three legal identities, the Bishop's Council and Standing Committee, the Diocesan Board of Finance (the DBF) and the Diocesan Mission and Pastoral Committee. All three have the same membership and meet at least six times a year.

All members of Bishop's Council are the directors of the DBF for the purposes of the Companies Act and are trustees under charity law. The DBF is a company limited by guarantee and registered in England (00143034). It is a registered charity (248919).

The trustees, meeting within the context of Bishop's Council and the DBF are responsible for formulating and coordinating policies on mission, ministry, and finance. Certain other responsibilities are delegated to committees, following a review in 2017 and summarising their respective terms of reference, as follows:

Bishop's Staff	Oversight of the day-to-day operations of the DBF, clergy matters, communications, and implementation of strategy.
Finance and Investment Committee	Scrutiny of the accounts and audit process, budgets and financial plans and manages assets and investments, including glebe land and property.
The Governance Committee	Scrutiny of DBF policies, procedures, HR, H&S and overall governance. Review of senior employee remuneration. Scrutiny of wider diocesan policies and synodical matters.
The Parsonages Committee	Manages clergy housing, standards, and guidelines.

Reporting / providing information to the Bishop's Council

- The Archdeaconry Mission and Pastoral Sub-Committees are bodies which advise on the re-organisation of parishes and benefices.
- The Diocesan Advisory Committee is a statutory body which advises the chancellor and the Archdeacons before a faculty is granted.
- Diocesan Safeguarding Advisory Panel.
- The Diocesan Board of Education is a statutory body which provides advice, guidance and resources for Church schools and others in the diocese.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Membership

Bishop's Council consists of ten ex officio members, three clergy elected by the House of Clergy from among their number and six lay people elected by the House of Laity from among their number. The Diocesan Bishop, as President, may also appoint one person nominated by the Diocesan Board of Education and one person nominated by the Diocesan Advisory Committee if those bodies are not already represented by members of the Council.

Committee membership is as defined by each committee's terms of reference.

Trustee recruitment, selection, induction, and training

The trustees are selected as above. Trustee training is arranged at the start of each triennium and subsequently as appropriate, dependent upon a trustee's knowledge, skills, and experience.

New trustees are provided with a handbook for use as an introductory educational tool and as an on-going resource. All trustees are required to maintain their entries in the record of declarations of interest.

Remuneration of key employees

The Governance Committee carried out a limited review of senior staff remuneration in March 2021, and, on this basis, it was satisfied no further work was needed at that time. The Committee has recommended to the Board that a remuneration committee is formed to undertake a full review. The Governance Committee comprises four trustees.

Public Benefit

The trustees are aware of the Charity Commission's guidance on public benefit and the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity.

The trustees believe that, by promoting the work of the Church of England in the Diocese of St Edmundsbury and Ipswich, the charity helps to promote the whole mission of the Church (pastoral, evangelistic, social, and ecumenical) more effectively, both in the diocese 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 service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Fund raising standards

The DBF does not engage professional fundraisers or commercial partners in these activities and is not linked to or bound by a voluntary standard of fundraising. No complaints have been received by the DBF concerning fundraising activities.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of St Edmundsbury and Ipswich Diocesan Board of Finance Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

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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 company and the group for the year.

In preparing those financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

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

The trustees have responsibility for the maintenance and integrity of the corporate and financial information on the website; and are aware that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

A resolution to reappoint Lovewell Blake LLP as auditor to the company and to authorise the trustees to fix their remuneration will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

The charity's name is The St Edmundsbury and Ipswich Diocesan Board of Finance and its registered office is the Diocesan Office, St Nicholas Centre, 4 Cutler Street, Ipswich IP1 1UQ.

The charitable company is limited by guarantee and registered under the Companies Act 1985 Company No 00143034. It is governed by the Memorandum and Articles of Association and set up under the provisions of the Diocesan Boards of Finance Measure 1925. It is a Registered Charity, No 248919, and it is subject to both Company Law and Charity Law.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Trustees

In accordance with the Companies Act 2006, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), and in accordance with the governance structures (section 5), the trustees (for the purposes of charity law) and directors (for the purposes of company law) during the year and as at the date of signing were as follows:

President (ex officio)	The Rt Revd M Seeley, Bishop of St Edmundsbury and Ipswich
Chairman	Mr M Pendlington DL, Chairman
Ex officio	The Rt Revd Dr M R Harrison Bishop of Dunwich
	The Ven Dr D H Jenkins, Archdeacon of Sudbury
	The Ven R E King, Archdeacon of Ipswich
	The Ven J Gosney, Archdeacon of Suffolk (from 18 January 2020)
	The Very Revd J P Hawes, Dean of St Edmundsbury
	The Revd Canon S J Potter, Chair of the House of Clergy
	Canon A R Allwood, Chair of the House of Laity
Elected	Mr D J Lamming, House of Laity
	Mr D M J Ball, House of Laity
	Mrs P Bird, House of Laity
	Mr D J Chambers, House of Laity
	Mr I Wigston, House of Laity
	The Revd A S Dotchin, House of Clergy
	The Revd M Haworth, House of Clergy (retired 17 March 2020)
	The Revd S Bates, House of Clergy
Co-opted:	Mr S R West
	The Revd C Cook

Members are shown in the categories in which they are currently appointed. They may previously have served in a different capacity.

The Trustees delegated responsibility for the day-to-day management of the DBF to the Diocesan Secretary who is supported by a senior management team who at the date of signing are:

Diocesan Secretary	Anna Hughes ACA
Finance Director	Gary Peverley ACMA, CGMA
Director of Strategic Planning and Communications	Gavin Stone (until 31 December 2020)
Director of Education	Jane Sheat
Director of Mission and Ministry	The Revd Canon Dave Gardner
Head of Property	Dawn Gillett
Diocesan Advisory Committee Secretary	James Halsall (until 31 March 2021)
Acting Diocesan Advisory Committee Secretary	Charlotte Hodgson (from 10 March 2021)

Company Advisers:

Auditor:	Lovewell Blake LLP, Chartered Accountants & Statutory Auditor. Bankside 300 Peachman Way, Broadland Business Park, Norwich, Norfolk, NR7 0LB
Bankers:	The Royal Bank of Scotland plc, 5 Queen Street, Norwich, Norfolk, NR2 4TL
Solicitor & Registrar:	Birketts, Providence House, 141-145 Princes Street, Ipswich, IP1 1QJ
Investment Advisers:	CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London. EC4V 4ET

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The trustees' and directors' report and strategic report were approved by the trustees and directors of the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'MR Harrison', written in a cursive style.

The Rt Revd Dr M R Harrison Bishop of Dunwich

Trustee and Director

15th July 2021

A handwritten signature in black ink, appearing to be 'S R West', written in a cursive style.

Mr S R West

Treasurer of the St Edmundsbury and Ipswich Diocesan Board of Finance

15th July 2021

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of The St Edmundsbury and Ipswich Diocesan Board of Finance (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Group and the Parent Charitable Company Balance Sheet, the Consolidated Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE (CONTINUED)

Other information

The trustees are responsible for the other information contained within the trustees' and directors' 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE (CONTINUED)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 set out on page 16-17, 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE (CONTINUED)

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias.

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

A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Council's website at 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 and its trustees 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.

Lorewell Blake LLP

Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf

LOVEWELL BLAKE LLP
Chartered Accountants and Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
Norfolk
NR7 0LB

Dated: 21/07/2021

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Statement of Financial Activities for the Year Ended 31 December 2020

		Unrestricted Funds	Restricted Funds	Endowed Funds	Total Funds 2020	Total Funds 2019 (re- stated)
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and legacies						
Parish share	1	5,994	-	-	5,994	6,340
Archbishops' Council	2	750	750	-	1,500	713
Other donations	3	113	64	-	177	197
Charitable activities	4	422	95	-	517	892
Other trading activities	5	346	8	-	354	396
Investments	6	276	315	-	591	612
Other income	7	62	31	30	123	90
Total income		7,963	1,263	30	9,256	9,240
Expenditure on:						
Raising funds	8	163	-	-	163	195
Charitable activities	9	7,572	1,479	-	9,051	8,845
Total expenditure		7,735	1,479	-	9,214	9,040
Net Income / (expenditure) before investment gains		228	(216)	30	42	200
Net gains on investments		6	48	799	853	1,958
Net income /(expenditure)		234	(168)	829	895	2,158
Transfers between funds	13	(566)	230	336	-	-
Other recognised gains and (losses):						
Gains/(losses) on reclassification of fixed assets		-	-	90	90	(21)
Actuarial (losses)/gains on defined benefit pension schemes	23	-	-	(14)	(14)	1,109
Net movement in funds		(332)	62	1,241	971	3,246
Reconciliation of funds:						
Total funds at 1 January 2020 as previously reported		3,933	2,998	72,562	79,493	76,702
Prior period adjustment	36	455	-	-	455	-
Total funds at 1 January 2020 (restated)		4,388	2,998	72,562	79,948	76,702
Total funds at 31 December 2020 (restated)		4,056	3,060	73,803	80,919	79,948

The comparative figures analysed by fund are detailed in note 33 of the accounts.

The accounting policies and notes on pages 29 to 62 form part of these financial statements.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Summary Income and Expenditure Account Year Ended 31 December 2020

	2020 £000	2019 (restated) £000
Total Income (see below)	9,211	9,131
Expenditure (see below)	9,214	9,040
Operating surplus/(deficit) for the year	(3)	91
Interest receivable	15	25
Net gains/(losses) on investments	853	1,958
Surplus for the year	865	2,074
Other comprehensive income:		
Unrealised gain/(losses) on property	90	(21)
Actuarial (losses)/gain on defined benefit pension scheme	(14)	1,109
Net assets transferred from endowments	30	84
Total comprehensive income for the year	971	3,246

Supplementary Information

Total income comprises £7,963k for unrestricted funds, £1,263k for restricted funds and £30k for endowment funds. A detailed analysis of income by source is provided in the Statement of Financial Activities. Detailed analysis of expenditure is provided in the Statement of Financial Activities on page 24 and notes 8 to 9 to the accounts.

The net surplus for the year of £971k comprises £332k net deficit on unrestricted funds and £1,303k net surplus on restricted and endowment funds.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 24 which, together with the notes to the financial statements on pages 29 to 62, provides full information on the movements during the year of the funds in the group.

Reconciliation of Summary Income and Expenditure to SoFA	2020 £000	2019 (restated) £000
Total income per SoFA	9,256	9,240
Less total endowment additions	(30)	(84)
Less interest receivable	(15)	(25)
Total statutory income	9,211	9,131
 Total expenditure per SoFA	 9,214	 9,040
Less endowment total expenditure	-	-
Total expenditure per above	9,214	9,040

The accounting policies and notes on pages 29 to 62 form part of these financial statements.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Group and Charity Balance Sheet as at 31 December 2020

		Group		Charity	
		2020	2019	2020	2019
			(restated)		(restated)
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	14	60,068	60,104	58,958	58,989
Investments	15	14,184	13,549	15,404	14,769
		74,252	73,653	74,362	73,758
Current assets					
Assets held for resale		1,796	2,106	1,796	2,106
Debtors	16	500	438	549	513
Investments	17	2,724	2,627	2,724	2,627
Cash at bank and in hand		3,875	2,419	3,613	2,137
		8,895	7,590	8,682	7,383
Creditors: amounts falling due within one year	18	(2,011)	(871)	(1,994)	(859)
Net current assets		6,884	6,719	6,688	6,524
Total assets less current liabilities		81,136	80,372	81,050	80,282
Creditors: amounts falling due after one year					
Pension scheme liabilities	19	(217)	(424)	(217)	(424)
Total net assets		80,919	79,948	80,833	79,858
Capital and reserves					
Unrestricted fund		2,107	2,439	2,171	2,521
Unrestricted fund revaluation reserve		1,949	1,949	1,949	1,949
	21	4,056	4,388	4,120	4,470
Restricted fund		2,833	2,811	2,833	2,811
Restricted fund revaluation reserve		227	187	227	187
	21	3,060	2,998	3,060	2,998
Endowment fund		30,243	29,217	30,223	29,175
Endowment fund revaluation reserve		43,560	43,345	43,430	43,215
	21	73,803	72,562	73,653	72,390
		80,919	79,948	80,833	79,858

Approved by the Board and authorised for issue on 15th July 2021 and signed on the Board's behalf by:

The Rt Revd Dr M R Harrison Bishop of Dunwich
Trustee and Director

Mr S R West
Treasurer of the St Edmundsbury and Ipswich Diocesan Board of Finance

The accounting policies and notes on pages 29 to 62 form part of these financial statements,

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Cashflow Statement Year Ended 31 December 2020

	2020 £000	2019 (restated) £000
Cashflow Statement:		
Cash outflow from operating activities (note a)	(435)	(70)
Cash inflow/(outflow) from investing activities (note b)	1,081	(171)
Cash flows from financing activities:		
Loans advanced to the Group	907	-
Increase/(decrease) in cash and cash equivalents	1,553	(241)
Net funds at 1 January as previously stated	4,591	4,832
Prior year adjustment	455	-
Net funds at 1 January (restated)	5,046	4,832
Net funds at 31 December (note c)	5,689	4,591

Notes to the consolidated cashflow statement

a) Reconciliation of net expenditure before investment gains to net cash outflow from operating activities

Net income	42	200
Depreciation	40	52
(Profit) on disposal of tangible fixed assets	(14)	(90)
Returns on investments	(453)	(441)
(Decrease)/Increase in debtors	(62)	457
Increase / (decrease) in creditors	12	(248)
Net cash (outflow) from operating activities	(435)	(70)

b) Cashflows from investing activities

Interest received	15	25
Investment income received	438	416
Receipts from sales of tangible fixed assets	657	878
Payments to acquire tangible fixed assets	(29)	(1,505)
Receipts from sales of investments	-	15
Payments to acquire investments	-	-
Net cash inflow/(outflow) from investing activities	1,081	(171)

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

c) Analysis of cash and cash equivalents / net debt

	January 2020 (restated)	Cashflow	December 2020
	£000	£000	£000
Cash and cash equivalents:			
Cash at bank and in hand	2,419	1,456	3,875
Current asset investments	2,627	97	2,724
	5,046	1,553	6,599
Borrowings:			
Due within one year	-	(910)	(910)
Total	5,046	643	5,689

Of the total cash and cash equivalent balances of £6,599,000 at 31 December 2020, £5,739,000 is held in restricted and endowment funds, due to property purchases being financed from unrestricted funds in previous years. Plans are being put in place to redress the imbalance. There were no other movements in net debt in the year.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Statement of Accounting Policies for the year ended 31 December 2020

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, current assets and investment properties which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Charities Act 2011, the Statement of Recommended Practice for Charities (October 2019), the Companies Act 2006 and applicable accounting standards (FRS 102) except where detailed below. The financial statements have been prepared in pounds sterling and have been presented rounded to the nearest thousand.

The St Edmundsbury and Ipswich Diocesan Board of Finance is a private company limited by guarantee incorporated in England and Wales, and a registered charity. The registered office is St Nicholas Centre, 4 Cutler Street, Ipswich, Suffolk, IP1 1UQ. The charity constitutes a public benefit entity as defined by FRS 102.

(b) Basis of consolidation

The assets, liabilities and results of the trading subsidiary undertaking are included in the consolidated accounts using its audited accounts made up to 31 December 2020. As a consolidated statement of financial activities is published, a separate statement of financial activities for the parent entity is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

The net result for the charitable company (unconsolidated) was a surplus of £975k (2019: surplus of £3,206k).

(c) Going concern

The financial statements have been prepared on a going concern basis, as the Trustees believe no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Board to consider the group able to continue as a going concern. In making this assessment, the Trustees have taken into account the effects of Covid-19, as detailed in the Trustees' report.

(d) Income

All income is included in the Statement of Financial Activities (SoFA) when the charity 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 Share is recognised as income of the year in respect of which it is receivable which includes amounts received in respect of the year up to the following 31 January;
- ii. Rent receivable is recognised as income in the period 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. Parochial fees are recognised as income of the year to which they relate which includes assigned fees received in respect of the year up to the following 31 January;
- vi. Donations are recognised when they are receivable;

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- vii. Gains on disposal of fixed assets for the charity's own use (i.e., non-investment assets), are accounted for as a gain in other recognised income and expenditure. Losses on disposal of such assets are accounted for as impairments in other expenditure;
- viii. 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 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.

(e) Expenditure

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

- i. Costs of raising funds are those costs incurred in managing the temporary renting out of parsonages and investment properties, those incurred in trading activities for fund raising, i.e., Churchgates 2000 Limited, and the net interest cost of the defined benefit pension scheme;
- ii. Charitable expenditure is analysed between contributions to the Archbishops' Council, the costs of parochial ministry, and other ministry and mission work including education and Church of England schools in the diocese;
- iii. Support costs consist of central management, administration, and governance costs. They have been allocated to activity cost categories (excluding payments to the Archbishops' Council and losses on disposal of fixed assets), on a proportional cost basis;
- iv. Grants payable are charged in the year when the offer is conveyed to the recipient or payment is made if there is no offer in advance of payment, except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the charity, 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;
- v. Provisions for liabilities are recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.
- vi. Redundancy and termination costs are recognised as payments incurred during the year, or where there is certainty that there is no further economic benefit to the DBF, and therefore expensed immediately.

(f) Pension Costs

Defined benefit schemes

The pension schemes for lay employees of the DBF and stipendiary clergy are run by the Church of England Pensions Board and the pension charges calculated on the basis of actuarial advice. The schemes are based on final salary and are not money purchase schemes. The pension costs charged as resources are expended represent the charity's contributions payable in respect of the accounting period, in accordance with FRS 102. Deficit funding for the final salary pension schemes in which the charity participates is accrued at current value in creditors, distinguished between contributions falling due within one year and after more than one year.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Defined contribution schemes

For staff who are members of a defined contribution pension scheme, the costs charged as resources expended for the year are based on the contributions actually payable to the Scheme in the year.

(g) Taxation

The DBF is a charity and is therefore exempt from direct taxation on its investment income.

The charity is unable to reclaim Value Added Tax (VAT), which is included under the various relevant expenditure headings. Churchgates 2000 Limited, a subsidiary company included in these consolidated financial statements, is registered for VAT. Its income and expenditure is stated net of VAT.

(h) Tangible fixed assets, assets held for resale and depreciation

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 FRS 102 to ensure that the carrying value is not less than the recoverable amount.

The DBF has followed the requirements of FRS 102 in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The 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 cost.

Benefice, glebe, corporate and other properties are included in the balance sheet at cost. Fixed assets that become surplus to requirement are derecognised and transferred to current assets under properties held for resale. Gain or impairment on transfer is calculated in accordance with FRS 102.

Non-depreciable land and depreciable buildings thereon are combined for the purposes of these financial statements. The Directors consider that no helpful information would be provided by separate valuation and obtaining the information would be costly.

Where the charity is the trustee of buildings of a school which is still open, the risks and rewards of ownership are construed as belonging to the school governors. These are not therefore reflected in these financial statements. The number of school properties not included in these accounts is 53.

Depreciation is calculated to write off fixed assets over their estimated useful lives from the date of purchase on the following basis:

Land	Nil
Buildings	Nil
Fixtures and Fittings	20% on cost
Motor vehicles	20% on cost
Computers	20% on cost

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Photocopiers	Over 3 years
Software	Over 3 years
Photo-Voltaic Panels	Over 25 years

Assets are capitalised if they are to be used for more than one year and cost at least £1,000, except for laptop computers, which are all capitalised for security purposes.

(i) Redundant churches

These are capitalised at the point they are vested in the DBF at the expected final disposal value available to the DBF.

(j) Investments

Properties held as investments are included in the balance sheet at open market valuation as approximation of fair value and are revalued at least every five years. All other fixed asset investments are included in the balance sheet at fair value as at the year-end date. Profit or loss on disposal is calculated in accordance with FRS 102. Current asset investments are stated at their net realisable value. Investment gains or losses are taken to the Statement of Financial Activities.

No depreciation is provided on these assets, which is a departure from the Companies Act 2006. Management has concluded that this departure presents fairly the financial position, performance and cashflows of the investment properties as the departure from the Companies Act follows the accounting treatment required under the SORP (FRS 102) which does not permit charities using FRS 102 to subsequently measure investment properties at their cost less accumulated depreciation and any accumulated impairment losses. Depreciation is not provided on investment property - (SORP FRS102 10.48).

(k) Current asset investments

Liquid resources include all those monies held on deposit funds with withdrawal terms of 30 days or less, other than endowment monies.

(l) Basic financial assets

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

(m) Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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(n) Operating leases

Rentals paid and received under operating leases are charged to expenditure and income as incurred/due. Rental charges are charged on a straight-line basis over the term of the lease.

(o) Funds structure

Fund balances are split between unrestricted, restricted and endowment funds.

Unrestricted funds are the company's corporate funds. Undesignated general funds are freely available for any purpose within the company's objects, at the discretion of the DBF.

Restricted funds are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

Endowment funds are those held on trust to be retained for the benefit of the DBF as a capital fund. In the case of the Parsonage Houses and Schools endowment funds administered by the DBF, there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. For endowment funds, including the Stipends Capital Fund, where there is no provision for expenditure of capital, these are classified as permanent endowment.

'Special trusts' (as defined by the Charities Act 2011) and any other trusts where the DBF acts as trustee and controls the management and use of the funds, are included in the DBF's own financial statements as charity branches, subject to the Charity Commission's determination of their accounting status.

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but the total value of the assets held for these trusts is disclosed in the trustees' annual report.

Transfers between funds are made when legal ownership of assets changes and when expenditure defrayed in one fund can be properly discharged by income from another fund.

(p) Endowment income, expenditure, assets, and transfers

New endowment funds received by the DBF, and all movements within the endowment funds are treated as capital additions and movements and excluded from the statutory income and expenditure statement.

The net transfers between endowments and income funds are treated as other comprehensive income/expenditure in the statutory income and expenditure statement.

(q) Redundancies

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the charity are accounted for on an accruals basis and included within employee benefits.

(r) Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Notes to the Accounts

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2020 £000	Total funds 2019 (restated) £000
1 Parish Share					
Parish share requested	7,217	-	-	7,217	7,194
Shortfall in contributions	(1,223)	-	-	(1,223)	(854)
	5,994	-	-	5,994	6,340
2 Archbishops' Council					
Selective allocation	150	167	-	317	350
Strategic Capacity Fund	-	47	-	47	66
Strategic Development Fund	-	481	-	481	297
Strategic Ministry Fund	-	55	-	55	-
Sustainability Funding	600	-	-	600	-
	750	750	-	1,500	713
3 Other donations					
Allchurches Trust	110	-	-	110	111
Donations	3	64	-	67	86
	113	64	-	177	197
4 Charitable activities					
Statutory fees and chaplaincy income	388	-	-	388	459
Miscellaneous income	34	95	-	129	433
	422	95	-	517	892
5 Other trading activities					
Rental income from parsonage, glebe & Board Houses	310	-	-	310	331
St Nicholas Centre	12	-	-	12	8
Other	24	8	-	32	57
	346	8	-	354	396
6 Investments					
Dividends receivable	146	292	-	438	416
Interest receivable	13	2	-	15	25
Rents receivable	117	21	-	138	171
	276	315	-	591	612
7 Other Income					
Coronavirus Job Retention Scheme (CJRS) income	80	31	-	111	-
Gains on disposal of property / fixed assets	(18)	-	30	12	90
	62	31	30	123	90
8 Raising funds					
Cost of renting out parsonage, glebe, and Board Houses	33	-	-	33	41
St Nicholas Centre costs of sales	56	-	-	56	50
Investment property costs	53	-	-	53	43
Net interest cost of dergy pension	7	-	-	7	42
Support costs	14	-	-	14	19
	163	-	-	163	195

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	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2020 £000	Total funds 2019 (restated) £000
9 Charitable activities					
Contributions to the Archbishops' Council:					
Training for ministry	264	-	-	264	293
National Church Responsibilities	189	-	-	189	200
Mission Agency pension contributions	9	-	-	9	3
Retired clergy housing costs (CHARM)	90	-	-	90	86
Pooling of ordinand candidates' costs	161	157	-	318	312
Other	21	-	-	21	21
	734	157	-	891	915
Parochial ministry:					
Ministry stipends & pensions	4,343	185	-	4,528	4,299
Housing: repairs & renewals	293	48	-	341	405
Housing: rates, council tax & administration	387	-	-	387	356
Other expenses	561	1	-	562	522
	5,584	234	-	5,818	5,582
Other ministry & mission:					
Ministry education & training	165	-	-	165	183
Education, youth & children's ministry	111	324	-	435	395
Specialist ministry & church buildings	332	637	-	969	917
	608	961	-	1,569	1,495
Support costs	646	127	-	773	853
	7,572	1,479	-	9,051	8,845

10 Grants payable

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000
General grants payable			
Institutional grants greater than £1,000 to support the work of those institutions:			
Archbishops' Council	734	157	-
Churches Together in Suffolk	3	-	-
Other Trusts for the purposes detailed in the individual trust documents:			
Diocese of Kagera	-	21	-
Ngara Primary School	-	5	-
Kagera Pastors Children	-	4	-
Kagera Christian Training College	-	14	-
Kagera CCMP	-	11	-
Tearfund	-	10	-
Grants to individuals and others less than £1,000	84	6	-
	821	228	-

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11 Support costs

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2020 £000	Total funds 2019 (re- stated) £000
Costs of raising funds	14	-	-	14	19
Charitable activities	618	127	-	745	811
Governance Costs	28	-	-	28	42
Total	660	127	-	787	872

Surplus / (deficit) for the year is stated after charging:

	2020 £000	2019 £000
General office costs:		
Depreciation	40	52
Staff costs	329	354
Office running costs	267	327
Professional fees	133	106
Governance costs:		
Audit - Lovewell Blake	23	19
Other	-	4
Secretariat	5	19
	797	881

12 Remuneration and staff and trustee details

Staff payroll costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	1,515	1,309
Social security costs	151	131
Pension costs – regular	79	64
Costs charged to SoFA	1,745	1,504
Pension costs - deficit reduction	8	8
Total payroll costs	1,753	1,512

The average full-time equivalent number of employees, analysed by function was:

	2020	2019
Resourcing ministry and mission	33.1	28.3
Education	5.7	5.7
Governance	2.0	2.0
Support	4.9	5.6
	45.7	41.6

The average number of employees during the year was:

	46.8	43.0
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The number of employees earning £60,000 or more during the year were as follows:

	2020	2019
£70,000 - £80,000	3	2
£80,000 - £90,000	-	-
£90,000 - £100,000	1	1

Pension contributions paid in respect of these staff were **£15,852** (2019: £12,375).

Stipended office holders not employees (full time equivalents)	2020	2019
Archdeacons	3.0	3.0
Parochial clergy	95.1	97.6
Other office holders	3.0	2.0
Curates	21.0	16.0
	122.1	118.6

At a cost of	£000	£000
Stipends	3,230	3,032
Employer National insurance	288	242
Apprenticeship Levy	16	14
Pension cost current year	835	791
Costs charged to SoFA	4,369	4,079
Pension costs deficit reduction	357	334
Total stipendiary costs	4,726	4,413

Within the year ended 31 December 2020, £10,491 termination payments were provided for, resulting from restructuring within the property team. These costs were provided for in full at 31 December 2020. The DBF also received £111k in relation to the Coronavirus Job Retention Scheme (CJRS) which offsets the total payroll costs for staff shown above of £1,753k.

Key management personnel remuneration

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	Mrs A Hughes
Finance Director	Mr G Peverley
Director of Strategic Planning and Communications	Mr G Stone
Diocesan Director of Education	Mrs J Sheat
Diocesan Advisory Committee & Pastoral Committee Secretary	Mr J Halsall
Director of Mission and Ministry	The Revd Canon Dave Gardner
Head of Property	Mrs D Gillett

Remuneration, pensions, and expenses for these 7 employees (2019: 7) was as follows:

	2020	2019
	£000	£000
Salaries	467	455
Pensions	32	31

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Expenses

499	486
5	17

Trustees' emoluments

None of the directors has received any emoluments from the DBF in respect of services performed as a trustee (2019: £ nil).

Stipends and other benefits received by trustees, in respect of their service/capacities other than trusteeship, include ecclesiastical office holders remunerated through the Church Commissioners at the expense of the board unless indicated:

Office Holder	Trustee	Stipendiary package
Diocesan Bishop	The Rt Revd M Seeley	Funded by the Church Commissioners: £46,180 stipend for 2020/21 (£45,270 2019/20) - Defined benefit pension scheme. - Living accommodation. - Car.
Suffragan Bishop	The Rt Revd Dr M Harrison	Funded by the Church Commissioners: £37,670 stipend for 2020/21 (£36,930 2019/20) - Defined benefit pension scheme. - Living accommodation (funded by DBF). - Car.
Archdeacons	The Ven Dr D Jenkins The Ven R King The Ven J Gosney (from 18 January 2020)	£36,281 stipend for 2020/21 (£35,570 2019/20) - Defined benefit pension scheme. - Living accommodation - Car
Parochial ministers	Revd S Potter Revd A S Dotchin Revd M Haworth (until 17 th March 2020) Revd S Bates Revd C Cook	£26,589 stipend for 2020/21 (£26,068 2019/20). - Defined benefit pension scheme. - Living accommodation

Aggregate totals for expenses for travel and subsistence received by trustees and expenses for travel and subsistence and stipends and pensions in respect of other capacities on behalf of the Board were as follows:

	2020	2019
	£000	£000
Expenses - 8 trustees (2019 - 10)	7	17
Stipends and pensions - 8 trustees (2019 - 8)	326	282

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13 Transfers between funds

	Un- restricted £000	Restricted £000	Endow't £000	Total 2020 £000
Past clergy pension cost, the liability for which is in the Stipends Capital Fund, but the cost is borne by the DBF	(358)	-	358	-
Allocation of support costs back to the unrestricted fund	(127)	127	-	-
Churchgates 2000 Limited movement for the year	22	-	(22)	-
Other Restricted fund movement	(103)	103	-	-
Total net transfers	(566)	230	336	-

14 Tangible fixed assets

Group	Freehold land & buildings £000	Fixtures & fittings £000	Total £000
Cost / Valuation at 1 January 2020	59,925	523	60,448
Additions	-	29	29
Impairments	-	-	-
Transfers (to)/ from current assets at NRV	-	-	-
Revaluations	-	-	-
Disposals	(25)	-	(25)
Cost / Valuation at 31 December 2020	59,900	552	60,452
Accumulated depreciation at 1 January 2020	-	344	344
Disposals	-	-	-
Charge for the year	-	40	40
Accumulated depreciation at 31 December 2020	-	384	384
Net Book Value at 31 December 2020	59,900	168	60,068
Net Book Value at 31 December 2019	59,925	179	60,104

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity	Freehold land & buildings £000	Fixtures & fittings £000	Total £000
Cost / Valuation at 1 January 2020	58,825	386	59,211
Additions	-	29	29
Impairments	-	-	-
Transfers (to)/ from current assets at NRV	-	-	-
Disposals	(25)	-	(25)
Cost / Valuation at 31 December 2020	58,800	415	59,215
Accumulated depreciation at 1 January 2020	-	222	222
Disposals	-	-	-
Charge for the year	-	35	35
Accumulated depreciation at 31 December 2020	-	257	257
Net Book Value at 31 December 2020	58,800	158	58,958
Net Book Value at 31 December 2019	58,825	164	58,989

Group and charity

None of the above properties are held under leasehold. Included in the above are assets leased to third parties at 31 December 2020: group and charity £9.9m (2019: £10.9m).

15 Fixed asset investments

Group	Investment properties £000	Quoted investments £000	Total £000
Valuation at 1 January 2020	2,955	10,594	13,549
Additions	-	-	-
Revaluations	70	565	635
Disposals	-	-	-
Valuation at 31 December 2020	3,025	11,159	14,184
Historical cost at 31 December 2020	1,781	4,905	6,686

The investment properties relate to glebe land and investment properties.

Charity	Investment properties £000	Churchgates 2000 Ltd £000	Quoted investments £000	Total £000
Valuation at 1 January 2020	2,375	1,800	10,594	14,769
Additions	-	-	-	-
Revaluations	70	-	565	635
Disposals	-	-	-	-
Valuation at 31 December 2020	2,445	1,800	11,159	15,404
Historical cost at 31 December 2020	774	3,400	4,905	9,079

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Investments held

Group	2020 £000	2019 (restated) £000
Land & buildings	3,026	2,956
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	9,834	9,204
Central Board of Finance Property Fund	1,267	1,333
Other	57	56
	14,184	13,549

The glebe land and buildings were valued by Messrs Clarke & Simpson Chartered Surveyors as at 31 December 2019 and 11 St Nicholas Street, Ipswich was revalued as at 31 December 2017 by Fenn Wright Chartered Surveyors. The directors believe that the balance sheet valuation is a reasonable estimate of the properties' fair value as at 31 December 2020.

Charity	2020 £000	2019 (restated) £000
Land & buildings	2,446	2,376
Shares in Churchgates 2000 Limited	1,800	1,800
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	9,834	9,204
Central Board of Finance Property Fund	1,267	1,333
Other	57	56
	15,404	14,769

Included in investments above is 100% interest in the issued ordinary share capital of Churchgates 2000 Limited. The subsidiary company, company number 03954571, is incorporated and operated in England and Wales. The investment total is £1,800,000 (2019: £1,800,000). Extracts of Churchgates 2000 Limited financial statements for the year ended 31 December 2020 are noted below.

Included in the consolidation:

Undertaking	Principal activity by charity	Share capital	Holding
Churchgates 2000 Limited	See below	1,800,000 Ordinary £1	100%

Churchgates 2000 Limited was set up in 2000 by the charity. The principal activities during the year were those of holding investment properties, whose fixed assets are Churchgates House, which is occupied by the charity, St Nicholas Church and the former Sanctuary Café, and 11 St Nicholas Street, Ipswich, which is leased to a third party.

Churchgates 2000 Limited year to 31 December 2020	2020 £000	2019 £000
Gross income	97	119
Expenditure	(56)	(50)
Net profit	41	69
Gift aid payable to St Edmundsbury and Ipswich Diocesan Board of Finance	(45)	(71)
Net loss	(4)	(2)

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The assets and liabilities of the subsidiary were:

	2020	2019
	£000	£000
Fixed assets	1,691	1,695
Current assets	272	284
Creditors: amounts falling due within one year	(74)	(86)
Net assets	1,889	1,893
Aggregate share capital and reserves	1,889	1,893

Included in Fixed Assets is the Company's Freehold Property, Churchgates House and the St. Nicholas Centre, which was revalued at £1,100,000 as at 31 December 2017 by Fenn Wright, Chartered Surveyors. This property was restated in 2016 as an Investment Property, following the company ceasing to use this for its own trade. If this investment property was stated on an historical cost basis rather than a fair value basis, the carrying amount would be £1,772,534.

Included in creditors are amounts due to the holding company of £60,455 (2019: £79,310).

Included in expenditure is £3,925 of fees payable to the auditor of the subsidiary's financial statements.

16 Debtors

	2020		2019 (restated)
	Group	Charity	Group
	£000	£000	£000
Amounts falling due within one year:			
Trade	112	101	124
			120
Amounts owed by group undertaking	-	60	-
			79
Collections in progress – share	239	239	234
			234
Other debtors	132	132	3
			3
Prepayments	8	8	54
			54
Accrued income	9	9	23
			23
	500	549	438
			513

17 Short term investments

Group and charity	2020	2019
	£000	(restated)
	£000	£000
Building Funds	353	352
Diocesan Stipends Capital Account	1,282	1,282
Diocesan Pastoral Account	47	47
Restricted Income Funds	932	833
Unrestricted Funds	4	7
Schools' Fund	106	106
	2,724	2,627

These funds are all held as cash deposits.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

18 Creditors: Amounts falling due within one year

	2020 Group £000	Charity £000	2019 (restated) Group £000	Charity £000
Trade creditors	158	156	258	257
Taxes	-	-	-	-
Social security	33	33	-	-
Forebearance loan	910	910	-	-
Other creditors	461	452	79	70
Accruals and income received in advance	231	225	179	177
Clergy pension scheme liabilities	218	218	355	355
	2,011	1,994	871	859

19 Creditors: Amounts falling due after one year

	2020 Group £000	Charity £000	2019 (restated) Group £000	Charity £000
Clergy pension scheme liabilities 2-5 years	217	217	424	424
Clergy pension scheme liabilities after 5 years	-	-	-	-
	217	217	424	424

20 Deferred income

	2020 £000	2019 (restated) £000
Deferred income brought forward	31	19
Income deferred in year	25	39
Income released in year	(27)	(27)
Deferred income carried forward	29	31

Deferred income represents amounts received in respect of 2020 in respect of rents and subscriptions from schools and in respect of Red Lodge and Strategic Development Funding.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

21 Funds

Unrestricted funds

Unrestricted funds comprise those funds which are available for application for the general purposes of the charity as set out in its governing document. Movements on these funds and details of designated amounts set aside by the DBF for specific purposes are as follows:

Group

	At 1 January 2020 (restated)	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2020
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,134	7,963	(7,735)	6	(566)	-	802
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,541	-	-	-	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	408
	4,388	7,963	(7,735)	6	(566)	-	4,056

General reserve

The general reserve represents those assets held by the Board for carrying out its general activities. It provides the assets and liquidity for the DBF to carry out its objectives including statutory compliance, administration of funds and provision of office facilities. The DBF's policy is to maintain a level of cash and liquid assets of not less than six weeks' worth of average costs. This is approximately £1,063,000.

Fixed asset reserve

This reserve represents the funds tied up in properties, computers, and office fittings. The properties are used for the housing of clergy and curates, and where vacant are let to maximise revenue.

Charity

	At 1 January 2020 (restated)	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2020
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,216	7,866	(7,724)	-	(492)	-	866
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,541	-	-	-	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	408
	4,470	7,866	(7,724)	-	(492)	-	4,120

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Restricted Income Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations, grants and investment income held on trusts to be applied for specific purposes.

Group

	At 1 January 2020	Income	Expenditure	Investments	Transfers	At 31 December 2020
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	487	8	(47)	-	-	448
Schools fund	1,279	268	(310)	-	-	1,237
Schools fund revaln reserve	187	-	-	40	-	227
Other	13	785	(886)	-	103	15
Restricted						
Trusts:						
Overseas	68	40	(64)	-	-	44
Parish	66	11	(1)	-	-	76
Stipends and pension trusts	57	15	-	-	-	72
Church building trusts	586	52	(19)	8	-	627
School trusts	101	39	(4)	(5)	-	131
Other trusts	154	45	(21)	5	-	183
Support costs	-	-	(127)	-	127	-
	2,998	1,263	(1,479)	48	230	3,060

Charity

	At 1 January 2020	Income	Expenditure	Investments	Transfers	At 31 December 2020
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	487	8	(47)	-	-	448
Schools fund	1,279	268	(310)	-	-	1,237
Schools fund revaln reserve	187	-	-	40	-	227
Other	13	785	(886)	-	103	15
Restricted						
Trusts:						
Overseas	68	40	(64)	-	-	44
Parish	66	11	(1)	-	-	76
Stipends and pension trusts	57	15	-	-	-	72
Church buildings trusts	586	52	(19)	8	-	627
Schools trusts	101	39	(4)	(5)	-	131
Other trusts	154	15	(21)	5	-	183
Support costs	-	-	(127)	-	127	-
	2,998	1,263	(1,479)	48	230	3,060

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Endowment Funds							
Group	At 1 January 2020	Income	Expenditure	Investments	Transfers	Reserve movements	At 31 December 2020
	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Parsonage houses fund	7,432	-	-	-	-	-	7,432
Parsonages houses fund Revaluation reserve	37,186	-	-	-	-	90	37,276
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,497	-	-	125	-	-	1,622
	46,883	-	-	125	-	90	47,098
Permanent endowment:							
Diocesan Stipends fund	17,588	30	-	456	336	(14)	18,396
Diocesan Stipends fund Revaluation reserve	4,662	-	-	-	-	-	4,662
Ordination trusts	35	-	-	3	-	-	38
Parish trusts	338	-	-	22	-	-	360
Stipend and pension trusts	709	-	-	24	-	-	733
Church building trusts	1,442	-	-	107	-	-	1,549
School trusts	604	-	-	41	-	-	645
Other trusts	301	-	-	21	-	-	322
	25,679	30	-	674	336	(14)	26,705
	72,562	30	-	799	336	76	73,803

Charity							
	At 1 January 2020	Income	Expenditure	Investments	Transfers	Reserve movements	At 31 December 2020
	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Parsonage houses fund	7,432	-	-	-	-	-	7,432
Parsonages houses fund Revaluation reserve	37,186	-	-	-	-	90	37,276
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,497	-	-	125	-	-	1,622
	46,883	-	-	125	-	90	47,098
Permanent endowment:							
Diocesan Stipends fund	17,546	30	-	456	336	8	18,376
Diocesan Stipends fund Revaluation reserve	4,532	-	-	-	-	-	4,532
Ordination trusts	35	-	-	3	-	-	38
Parish trusts	338	-	-	22	-	-	360
Stipend and pension trusts	709	-	-	24	-	-	733
Church building trusts	1,442	-	-	107	-	-	1,549
School trusts	604	-	-	41	-	-	645
Other trusts	301	-	-	21	-	-	322
	25,507	30	-	674	336	8	26,555
	72,390	30	-	799	336	98	73,653

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Fund	Application / purpose
Diocesan Pastoral Account	
Restricted Income	These funds arise from provision of the Mission and Pastoral Measure 2011 and any other money as directed by the Bishop and Diocesan Board of Finance. The funds can be used for the following: • Costs incurred for the purpose of the Measure or any scheme or order, excepting any salaries or wages. • Costs of disposing of or maintaining houses or churches vested in the Diocesan Board of Finance or Commissioners • For the benefit of another Diocese • Transfer monies surplus to the above to any other fund of the board.
Schools fund	
Restricted Income	Subject to Section 17 of the Education Act 1993 the funds can be used for: • The purchase, construction, maintenance and improvement of any school or teacher's house in the relevant area • The provision of advice, guidance, and resources for the management of schools in the area • Inspection of relevant schools in the area
Expendable endowment	This fund is comprised of the sale proceeds of redundant Church of England school premises, teachers' houses and associated endowments which have been vested in the Board of Finance by Orders under the Education Acts 1994 and 1973. The use of the fund is restricted under Section 17 of the Education Act 1993.
Restricted Income	Sundry receipts for specific purposes of the Board of Finance and Diocesan activities.
Trusts	
Ordination trust	To defray general and specific costs of ordinands' training and expenses.
Overseas trusts	To assist with mission in Rwanda and the Diocese of Kagera.
Parish trusts	To defray various costs in specific parishes. These are included in the diocesan accounts as the Board of Finance is the trustee responsible for the management of the assets in addition to being the custodian trustee.
Stipends and pension trusts	For the augmentation of particular benefices and stipends in general.
Church building trusts	For the maintenance of churches in the Diocese.
Schools trusts governors	For the use of specific schools as directed by those schools.
Other trusts	Sundry trusts for various purposes of the Board of Finance and diocesan mission.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Diocesan Stipends Fund

Restricted Income

Subject to any charges imposed by the Scheme or Order the fund shall be applied to:

- Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese
- Meet expenses incurred in repairing and maintaining parsonage houses
- Paying secondary class 1 contributions in respect of ministers not employed under a contract of service
- Defray sequestrators' expenses.

Restricted monies credited to the DSF Income accounts are supplemented by unrestricted monies which form the majority of monies credited to the account.

Permanent Endowment

This fund represents the value of glebe property and investments at the balance sheet date. The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998 and the Miscellaneous Provisions Measure 1992. Income can arise from the sale of glebe assets, the transfer of parsonage sale money, transfers from the Diocesan Stipends Fund income account, as well as gifts, bequests, and donations.

The main function of the fund is to provide income for stipends, but it may also be used for other purposes including:

- Acquiring glebe property
- Investing in a subsidiary
- Developing and protecting glebe amenities
- Investments
- Discharging loans and levies on glebe land and properties
- Improving parsonage houses
- Discharging any loans made by the Church Commissioners under the Endowment and Glebe Measure 1976

Parsonage Houses Fund

Expendable Endowment

This fund represents the value of benefice houses at the balance sheet date, together with the parsonages building funds which were previously held by the Church Commissioners but are now held by the Diocesan Board of Finance in discrete deposit accounts. The houses are used to provide accommodation for the parochial clergy.

The diocese is not free to dispose of these houses except in accordance with the appropriate measures. There is a provision for the net proceeds of sale to be applied either to the Diocesan Pastoral Account or the Diocesan Stipends Capital Fund.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

22 Prior year: Analysis of movements in funds

Unrestricted Funds

Group

	At 1 January 2019 £000	(restated) £000	Income £000	Expenditure £000	Investments £000	Transfers £000	Other Reserve movements £000	At 31 December 19 (restated) £000
General reserve	1,465	7,893	(7,909)	90	(405)	-	-	1,134
Fixed asset reserve	1,305	-	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,596	-	-	(55)	-	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	-	408
	4,774	7,893	(7,909)	35	(405)	-	-	4,388

Charity

	At 1 January 2019 £000	(restated) £000	Income £000	Expenditure £000	Investments £000	Transfers £000	Other Reserve movements £000	At 31 December 19 (restated) £000
General reserve	1,571	7,774	(7,833)	-	(296)	-	-	1,216
Fixed asset reserve	1,305	-	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,596	-	-	(55)	-	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	-	408
	4,880	7,774	(7,833)	(55)	(296)	-	-	4,470

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Restricted Income Funds

Group

	At 1 January 2019	Income	Expenditure	Investments	Transfers	At 31 December 2019
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	1,313	8	(66)	-	(768)	487
Schools fund	1,031	533	(285)	-	-	1,279
Schools fund revaln reserve	95	-	-	92	-	187
Other	14	542	(569)	-	26	13
Restricted Trusts:						
Overseas	61	71	(64)	-	-	68
Parish	57	9	-	-	-	66
Stipends and pension trusts	42	15	-	-	-	57
Church building trusts	547	52	(30)	17	-	586
School trusts	87	19	(5)	-	-	101
Other trusts	133	15	(4)	10	-	154
Support costs	-	-	(109)	-	109	-
	3,380	1,264	(1,132)	119	(633)	2,998

Charity

	At 1 January 2019	Income	Expenditure	Investments	Transfers	At 31 December 2019
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	1,313	8	(66)	-	(768)	487
Schools fund	1,031	533	(285)	-	-	1,279
Schools fund revaln reserve	95	-	-	92	-	187
Other	14	542	(569)	-	26	13
Restricted Trusts:						
Overseas	61	71	(64)	-	-	68
Parish	57	9	-	-	-	66
Stipends and pension trusts	42	15	-	-	-	57
Church building trusts	547	52	(30)	17	-	586
School trusts	87	19	(5)	-	-	101
Other trusts	133	15	(4)	10	-	154
Support costs	-	-	(109)	-	109	-
	3,380	1,264	(1,132)	119	(633)	2,998

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Endowment Funds	At 1 January 2019	Income	Expenditure	Investments	Transfers	Reserve movements	At 31 December 2019
Group	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Parsonage houses fund	6,664	-	-	-	768	-	7,432
Parsonages houses fund							
Revaluation reserve	37,182	-	-	-	-	4	37,186
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,187	-	-	310	-	-	1,497
	45,801	-	-	310	768	4	46,883
Permanent endowment:							
Diocesan Stipends fund	15,176	84	-	918	271	1,139	17,588
Diocesan Stipends fund							
Revaluation reserve	4,662	-	-	-	-	-	4,662
Ordination trusts	30	-	-	5	-	-	35
Parish trusts	286	-	-	52	-	-	338
Stipend and pension trusts	632	-	-	77	-	-	709
Church building trusts	1,199	-	-	243	-	-	1,442
School trusts	508	-	-	96	-	-	604
Other trusts	254	-	-	47	-	-	301
	22,747	84	-	1,438	271	1,139	25,679
	68,548	84	-	1,748	1,039	1,143	72,562

Charity	At 1 January 2019	Income	Expenditure	Investments	Transfers	Reserve movements	At 31 December 2019
	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Parsonage houses fund	6,664	-	-	-	768	-	7,432
Parsonages houses fund							
Revaluation reserve	37,182	-	-	-	-	4	37,186
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,187	-	-	310	-	-	1,497
	45,801	-	-	310	768	4	46,883
Permanent endowment:							
Diocesan Stipends fund	15,105	84	-	918	271	1,168	17,546
Diocesan Stipends fund							
Revaluation reserve	4,532	-	-	-	-	-	4,532
Ordination trusts	30	-	-	5	-	-	35
Parish trusts	286	-	-	52	-	-	338
Stipend and pension trusts	632	-	-	77	-	-	709
Church building trusts	1,199	-	-	243	-	-	1,442
School trusts	508	-	-	96	-	-	604
Other trusts	254	-	-	47	-	-	301
	22,546	84	-	1,438	271	1,168	25,507
	68,347	84	-	1,748	1,039	1,172	72,390

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

23 Pension Funds

Defined Benefit Scheme – Church Workers

The DBF participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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.

Pension Builder Scheme

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

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2020: £77,000, 2019: £64,000)

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, The St Edmundsbury and Ipswich Diocesan Board of Finance could become responsible for paying a share of that employer's pension liabilities.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Defined Benefit Scheme – Clergy

The DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating employer and other participating employers in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £845,000 (2019: £791,000)), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £831,000 for 2020 (2019: £1,900,000).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long-term rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% per annum.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

	2020	2019
Balance sheet liability at 1 January	779,000	2,188,000
Deficit contribution paid	(365,000)	(342,000)
Interest cost (recognised in SoFA)	7,000	42,000
Remaining change to the balance sheet liability* (recognised in SoFA)	14,000	(1,109,000)
Balance sheet liability at 31 December	435,000	779,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions 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 payroll	1.6% pa	1.3% pa	1.6% pa

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

Defined Contribution scheme – employee and NEST

From 1 February 2017, the DBF has implemented a defined contribution scheme for lay staff, for money purchase arrangements with the Church Workers Pension Fund. The DBF contributes 5% based on salary as well as a 3% minimum contribution from the employee.

The DBF also holds a NEST scheme to fulfil any obligations under auto-enrolment. £Nil contributions were made during the year.

Defined Contribution scheme – clergy (pre-1998)

The DBF has a defined contributions scheme relating to the pension arrangements for clergy before 1998. The scheme currently has 37 members and is an occupational fully paid-up scheme with no contributions since 1 April 1985. The scheme is managed on behalf of the DBF by Barnett Waddingham LLP and the custodians are One Family. The DBF has agreed to begin proceedings to wind-up the scheme which we anticipate will be completed in 2021.

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24 Capital

The company has no share capital being limited by guarantee. The maximum number of members is restricted to 75 by the articles of association and each member's potential liability under guarantee is £1.

The company has obtained the consent of the Registrar of Companies to be exempt from the requirement to use the word Limited in its name.

25 Analysis of net assets between funds

Group	2020	2020	2020	2020
	Unrestricted £000	Restricted £000	Endowments £000	Total £000
Fixed assets				
Tangible assets	2,428	-	57,640	60,068
Investments	1,626	919	11,639	14,184
	4,054	919	69,279	74,252
Current assets				
Assets for resale	-	-	1,796	1,796
Debtors	327	162	11	500
Investments	4	1,085	1,635	2,724
Cash at bank and in hand	856	1,488	1,531	3,875
	1,187	2,735	4,973	8,895
Creditors < 1 year	(1,185)	(594)	(232)	(2,011)
Net current assets	2	2,141	4,741	6,884
Total assets less current liabilities	4,056	3,060	74,020	81,136
Creditors > 1 year				
Pension scheme liabilities	-	-	(217)	(217)
Total net assets	4,056	3,060	73,803	80,919

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Charity	2020	2020	2020	2020
	Unrestricted	Restricted	Endowments	Total
	£000	£000	£000	£000
Fixed assets				
Tangible assets	2,428	-	56,530	58,958
Investments	1,626	919	12,859	15,404
	4,054	919	69,389	74,362
Current assets				
Assets for resale	-	-	1,796	1,796
Debtors	387	162	-	549
Investments	4	1,085	1,635	2,724
Cash at bank and in hand	876	1,441	1,296	3,613
	1,267	2,688	4,727	8,682
Creditors < 1 year	(1,201)	(547)	(246)	(1,994)
Net current assets	66	2,141	4,481	6,688
Total assets less current liabilities	4,120	3,060	73,870	81,050
Creditors > 1 year				
Pension scheme liabilities	-	-	(217)	(217)
Total net assets	4,120	3,060	73,653	80,833

26 Prior year: Analysis of net assets between funds (restated)

Group	2019	2019	2019	2019
	Unrestricted	Restricted	Endowments	Total
	£000	£000	£000	£000
Fixed assets				
Tangible assets	2,460	-	57,644	60,104
Investments	1,620	870	11,059	13,549
	4,080	870	68,703	73,653
Current assets				
Assets for resale	260	-	1,846	2,106
Debtors	415	20	3	438
Investments	7	986	1,634	2,627
Cash at bank and in hand	(66)	1,324	1,161	2,419
	616	2,330	4,644	7,590
Creditors < 1 year	(308)	(202)	(361)	(871)
Net current assets	308	2,128	4,283	6,719
Total assets less current liabilities	4,388	2,998	72,986	80,372
Creditors > 1 year				
Pension scheme liabilities	-	-	(424)	(424)
Total net assets	4,388	2,998	72,562	79,948

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Charity	2019	2019	2019	2019
	Unrestricted	Restricted	Endowments	Total
	£000	£000	£000	£000
Fixed assets				
Tangible assets	2,460	-	56,529	58,989
Investments	1,620	870	12,279	14,769
	4,080	870	68,808	73,758
Current assets				
Assets for resale	260	-	1,846	2,106
Debtors	493	20	-	513
Investments	7	986	1,634	2,627
Cash at bank and in hand	(20)	1,276	881	2,137
	740	2,282	4,361	7,383
Creditors < 1 year	(350)	(154)	(355)	(859)
Net current assets	390	2,128	4,006	6,524
Total assets less current liabilities	4,470	2,998	72,814	80,282
Creditors > 1 year				
Pension scheme liabilities	-	-	(424)	(424)
Total net assets	4,470	2,998	72,390	79,858

27 Custodian trusteeship

The company acts as custodian trustee for a variety of trusts including those falling under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Tithe Act 1936. The assets are mainly held in Central Board of Finance Investments and are separate to those of the Board and not included in these accounts. At 31 December 2020, the market value of these trust investments was £4.3m (2019: £3.7m). The trustees are also custodian trustees in relation to PCC property.

The company also holds various devolved formula capital balances on behalf of church schools. These funds are used for capital projects with which the Board of Education assists. The funds remain under the control of the school concerned and are not included in these accounts. At 31 December 2020, the total funds held on deposit were £0.3m (2019: £0.3m).

28 Redundant churches

When a church becomes redundant, the obligation to maintain, 'wind and weatherproof' and dispose of the church falls on the DBF.

At the year end, the following churches are the responsibility of the DBF:

1. Santon Warren – leased
2. Southolt St Margaret – leased
3. Wangford St Denys – leased
4. Trimley St Mary – leased

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29 Schools fund properties

The schools fund contributes to the construction of new school buildings, which are conveyed in part to the Board. There is no ongoing liability or income in relation to this expenditure. On closure of the school concerned, and at the discretion of the Charity Commissioners, a proportion of the proceeds may be returned to the Board. No provision has been made for this potential income.

30 Operating lease commitments

Total commitments under non-cancellable operating leases are as follows:

	2020 £000	2019 £000
Land and buildings where the lease expires:		
Group		
Within one year of the balance sheet date	13	17
In the second to fifth years of the balance sheet date	9	22
Later than five years	-	-
	<u>22</u>	<u>39</u>
 Operating leases recognised as an expense (group)	 <u>15</u>	 <u>17</u>

Total commitments under non-cancellable operating leases are as follows:

	2020 £000	2019 £000
Land and buildings where the lease expires:		
Company		
Within one year of the balance sheet date	75	79
In the second to fifth years of the balance sheet date	257	270
Later than five years	181	243
	<u>513</u>	<u>592</u>

Included within the total above are commitments from the charity to Churchgates 2000 Limited for rent payable of £62k per annum for Churchgates House of £491k over the period to 30th November 2028.

31 Related party transactions

Due to the nature of the charitable company's and group's operations and the composition of the board of trustees, transactions will take place with organisations in which a trustee will have an interest. All transactions involving trustees are conducted in accordance with the company's normal purchasing procedures.

The following types of transactions are likely to affect most trustees and are not disclosed in the detailed list following:

- Amounts already disclosed under trustee emoluments
- Elix grants to parishes
- Parish share receipts from parishes

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- Purchase of parish requisites
- Parochial fees due to the DBF
- Transactions where the trustee cannot be held to control the transacting organisation
- Subscriptions to Church Schools

Transactions identified other than those described above include:

Trustee	Relationship and Related Party	Transaction
The Rt Revd M Seeley Bishop of St Edmundsbury and Ipswich	Bishop of St Edmundsbury and Ipswich	£35,814 (2019: £59,174) received by the DBF for administrative support and computer support services.
The Rt Revd M Seeley Bishop of St Edmundsbury and Ipswich, The Ven Dr D Jenkins, The Ven J Gosney	Trustees of Suffolk Clergy Charity	£500 (2019: £500) paid to the DBF for administrative support and postage costs.
The Ven R King	Trustee of Elizabeth Walter Charity	£3,000 (2019: £3,000) paid to the DBF for support towards Suffolk Show costs
The Ven R King	Trustee of Leading Your Church into Growth	£3,320 (2019: £Nil) paid to the DBF for training costs
The Very Revd J P Hawes	Trustee of the Cathedral	£1,004 (2019: £15,051) paid by the cathedral to the DBF for recharged staff and support costs.
Mrs J A Sheat	Trustee of Keswick Hall Trust	£60,000 (2018: £60,000) for grant towards schools' advisor post
Mrs J A Sheat	Director of St Edmundsbury and Ipswich Multi Academy Trust	£55,495 (2019: £45,474) paid to the DBF for recharged staff and support costs.
Mr D M J Ball	Trustee of Westcott House	£17,308 (2019: £40,165) for tuition fees

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Amounts due (to) and from related parties at the year-end (all transactions):

Trustee / Manager	Relationship and Related Party	2020 £	2019 £
The Ven Dr D H Jenkins	Expenses	(194)	(147)
The Ven R E King	Expenses	(1,116)	(1,042)
Mrs J A Sheat	St Edmundsbury MAT		
	Director	5,428	5,215
The Rt Revd M Seeley	Bishop's Office	524	32,853
The Ven R E King	Leading Your Church into Growth	3,320	-
The Rt Revd J Hawes	The Cathedral Office	-	(642)
The Revd S J Potter	Expenses	-	(159)

Some trustees will attend or have membership of the various National Church Institutions through the General Synod, the Archbishops' Council, the Church Commissioners, the Central Board of Finance, the Church of England Pensions Board, and other organisations related thereto.

In particular, it should be noted that funds are transferred between the Board of Finance and the Church Commissioners both in relation to the grants from the Commissioners to support the work of the Diocese and contributions towards central costs.

The financial statements of the subsidiary company are included within the consolidated financial statements. Advantage has therefore been taken of disclosure exemptions available under FRS 102.

32 Financial Instruments

The carrying amounts of the charity's financial instruments are as follows:

	2020		2019
Group	Charity	Group	Charity
£000	£000	£000	£000

Financial Assets

Measured at Fair Value through net income/expenditure:

Fixed asset listed investments (note 15)	11,159	11,159	10,594	10,594
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Equity instruments measured at cost less impairment:

Current asset unlisted investments (note 17)	2,724	2,724	2,627	2,627
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33 Prior year: Comparative consolidated SOFA (restated)

		Unrestricted Funds	Restricted Funds	Endowed Funds	Total Funds 2019	Total Funds 2018
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and legacies						
Parish share	1	6,340	-	-	6,340	6,353
Archbishops' Council	2	183	530	-	713	341
Other donations	3	125	72	-	197	214
Charitable activities	4	531	361	-	892	637
Other trading activities	5	388	8	-	396	322
Investments	6	320	292	-	612	530
Other income	7	6	-	84	90	504
Total income		7,893	1,263	84	9,240	8,901
Expenditure on:						
Raising funds	8	195	-	-	195	161
Charitable activities	9	7,713	1,132	-	8,845	8,173
Total expenditure		7,908	1,132	-	9,040	8,334
Net Income / (expenditure) before investment gains		(15)	131	84	200	567
Net gains/(loss) on investments		90	120	1,748	1,958	(3)
Net income /(expenditure)		75	251	1,832	2,158	564
Transfers between funds	13	(406)	(633)	1,039	-	-
Other recognised gains and (losses):						
Gains/(Loss) on reclassification of fixed assets		(55)	-	34	(21)	166
Actuarial gains on defined benefit pension schemes	23	-	-	1,109	1,109	144
Net movement in funds		(386)	(382)	4,014	3,246	874
Reconciliation of funds:						
Total funds at 1 January 2019		4,774	3,380	68,548	76,702	75,828
Total funds at 31 December 2019		4,388	2,998	72,562	79,948	76,702

34 Prior year: Analysis of transfers between funds (restated)

	Un- restricted £000	Restricted £000	Endow't £000	Total 2019 £000
Net value of benefice property sales, purchases & improvements released from the Benefice Fund into the Pastoral Account	-	(768)	768	-
Past clergy pension cost, the liability for which is in the Stipends Capital Fund, but the cost is borne by the DBF	(300)	-	300	-
Allocation of support costs back to the unrestricted fund	(109)	109	-	-
Churchgates 2000 Limited movement for the year	29	-	(29)	-
Other Restricted fund movement	(26)	26	-	-
Total net transfers	(406)	(633)	1,039	-

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35 Total Return

	Endowment £000	Unapplied Total Return £000	Total £000
At 31 December 2019:			
Trust for permanent endowment	4,055	-	4,055
Unapplied Total Return	-	2,517	2,517
Movements in the accounting period	-	-	-
Unapplied total return allocated to income	-	-	-
At 31 December 2020:			
Trust for permanent endowment	4,055	-	4,055
Unapplied Total Return	-	2,517	2,517
Total	4,055	2,517	6,572
Held as:			
Glebe Land			1,976
Investment properties			400
Fixed asset investments			2,914
Current asset investments			1,282
Total	4,055	2,517	6,572

36 Prior period adjustment

A prior year adjustment has been made to the financial statements relating to the accounting period ended 31 December 2019. This relates to the understatement of bank balances in the 2019 financial statements and had no effect on income or expenditure in 2020 or the previous year.

The prior year financial statements have been restated to correct the following:

Group	As previously reported £000	Prior year adjust- ment £000	Restated £000
Balance sheet			
Cash at bank and in hand	1,964	455	2,419
Unrestricted fund	3,933	455	4,388
Charity			
Balance sheet	£000	£000	£000
Cash at bank and in hand	1,690	447	2,137
Unrestricted fund	3,970	500	4,470