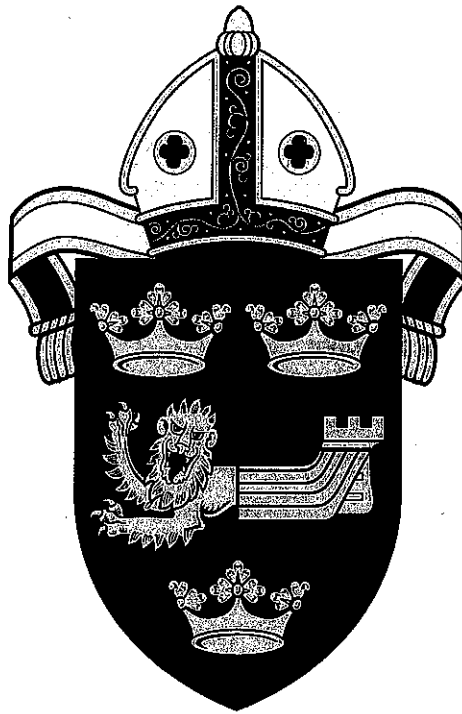


The St Edmundsbury and Ipswich Diocesan Board of Finance



Report and Financial Statements

For the year ended 31 December 2019

**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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THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 2019.

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 2018, 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. Continue to build 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 one of the two six-year projects funded by the national Church's **Strategic Development Fund (SDF)**:
 - Inspiring Ipswich managed to recruit all but one of its staff, set up learning communities in every church and appoint Mission Accompaniers for all but a few. Governance structures were put in place, Alpha for 1000 launched and four new fresh expressions were started.
 - Growing in God in the Countryside met all its expected outcomes, beginning fresh expressions of church and seeing the shoots of growth in new disciples;

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- **Developed a coherent strategy to implement our Growing Younger Objectives** with the Mission and Ministry team, DBE, SDF Projects and the Cathedral for the next five 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.
 - **Recruited Diocesan Children's and Families Enabler** following retirement of Helen Woodroffe and a new **Diocesan Youth and Young Adults Officer** to lead on the implementation of the Growing Younger Strategy.
 - **Completed the implementation of a two-year in-house Reader Training programme** to replace the previous outsourced provision. This reduces costs and increases diocesan capacity to train not only readers but also ordinands on the Auxiliary Ordination Pathway and CMD training opportunities for clergy, lay ministers and congregation members.
 - **Completed the development of three new licensed lay ministry pathways** for Children's & Families Ministers, Youth Ministers & Evangelists to support parishes and fresh expressions of church to develop new disciples in line with our Growing in God Priorities especially with under-represented groups in our churches.
 - **Licensed a record 23 new lay ministers** (8 Children's & Families; 7 Evangelists; 1 Pioneer; 2 Readers, 5 Youth).
 - As part of the culture shift envisioned through the Setting God's People Free national initiative **built up confidence of the whole people of God** to live out and share their faith in their everyday contexts by
 - delivery of 9 faith pictures courses in 7 different churches to a total of 90+ people by our Evangelist Advisor (part funded by All Churches Trust) and developing local leadership to deliver this in the future.
 - promotion of 'This Time Tomorrow' practice at our Worship Services.
 - Promotion of national digital materials 'Follow the Star etc.'
 - Awarded a total of 16 small mission grants through a **new Growing in God Growth Fund** to support parishes unable to access Strategic Development Funding. A total of £8,819 was allocated ranging from £200 to £999, with 9 of these grants focussed on mission with children and families.
 - Recruitment of ordinands via the innovative Auxiliary Ordination Pathway continues to develop with 11 ordained deacons, and ongoing training and support developed for those previously ordained.
 - Implemented our revised Environmental Policy with **96 parishes registered with Eco Church.**
- b Encouraging flourishing congregations**
- Despite the challenges, as in 2018, raised £6.3m from voluntary contributions;
 - Paid the stipend costs of c.122 incumbents, curates and other clergy;
 - Managed, maintained and improved approximately 145 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;

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- Worked with statutory partners and local villagers during the formal closure of Trimley St Mary church and successfully negotiated a lease with a local theatre company ensuring a new life for the building;
 - 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 (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 159 parishes and 1,100 donors (2018: 92 parishes and 438 donors) i.e. over 10% of planned givers;
 - Promoted contactless giving to reflect the national trend away from use of cash. 62 parishes now have a contactless donation terminal (2018: 8);
 - We continued to reduce our level of empty properties from 9, representing 95 empty weeks, to 8 representing 52 weeks by the end of the year. The processes for letting the vacant properties through our agents was improved and the average let secured in 4 weeks, with extended void periods mainly due to new clergy appointments. This improvement was reflected in our rental income.
 - Completed research into the potential implementation 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**
- Leadership and management:
 - Shortlisted and interviewed six head teachers;
 - Appointed foundation governors;
 - Held a working dinner for church school governors at Framlingham College;
 - Support:
 - For head teachers, individually;
 - For schools, before and after 25 Ofsted and 22 SIAMS inspections;
 - Led a termly Small Schools Forum for headteachers and governors;
 - Offered a wellbeing and resilience day;
 - Delivered a conference for headteachers and governors in November;
 - Assisted with the management of nine capital projects in Voluntary Aided schools;
 - Religious education and collective worship - delivered 28 training courses, attended by 240 teachers, staff and governors;
 - Resources – completed the development of the Emmanuel Project RE teaching resource. It has now been commissioned for nationwide use.
 - Celebrations at the cathedral:
 - Christingle service in January 2019
 - On the retirement of two valued and long-standing members of the team
 - The annual service to celebrate church schools in October 2019

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.

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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:

- A new Safeguarding Advisor and a new trainer were appointed mid-year.
- Provided advice and support in relation to 99 referrals (2018: 118);
- the trainer and a team of 31 volunteers delivered training to 1,339 people;
- 551 (2018: 425) DBS checks were processed, for those working with children and/or adults at risk of harm or abuse. During the year the process of checking was outsourced.

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 the principles of the Ministry Deployment Plan in a sustainable manner by piloting this in two deaneries;
- c. Implement the Grow Younger plan agreed by Bishop's Council in 2019, based on the national Growing Faith report; and
- d. Year 2 of our SDF projects:

Growing in God in the Countryside

- 26 fresh expressions of church (for people who don't do church)
- 40 missionally active small groups
- 250 people who have started worshipping with others at least monthly in the last two years
- The early stages of 3 rural resourcing churches to support rural mission through both traditional church and new initiatives across a wide rural area.

Inspiring Ipswich

- 1,000 people to be offered Alpha throughout the town (all churches);
- 10 fresh expressions;
- St Nicholas (our first church plant) to launch by April and the second, at Lindbergh Road Community Church to launch by the summer;
- Every parish learning community to have benefitted from the Leading your Church into Growth initiative and from the input of a Mission Accompanier.

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Developing ministers of the future:

- a. With the assistance of c40% funding from the national church, taking on an additional five curates in June 2020 (we normally take five a year);
- b. Train and prepare an expanded vocations and assessment team for the new national selection procedure, starting in the autumn of 2020. This is a significant conceptual and procedural shift; and
- c. Recruit and train a broad team of assessors for the introduction in the autumn of 2020 of Curacy Transition Panels.

Our work in schools:

- a. Move to a SIAMS health check mid-way between 5-yearly inspections; and
- b. Publicise the Emmanuel Project RE resources on Christianity and other world faiths which have been further developed for use nationally.

Supporting and enabling the work of parishes

- a. Complete the implementation of a new website as a gateway for parishes and public to improve accessibility of information
- b. Develop a 7-year external maintenance plan for parsonages
- c. Investigate and potentially implement an on-line learning and development platform for all training offers whether ministerial development, for churchwardens and treasurers, safeguarding etc.; and
- 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.

5 Subsidiaries, related parties and volunteers

Subsidiaries

The DBF has one wholly owned trading subsidiary, 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:

- **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;

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- **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 £9,240k (2018: £8,901k) with **expenditure** amounting to £9,040k (2018: £8,334k).

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 69% of its income. At £854k, the net parish share shortfall was worse than the budget assumption of £290k. The shortfall worsened by £104k compared to 2018, and the percentage of budgeted share collected worsened slightly to 88.1% (2018: 89.4%). Despite the net share being one of the highest in recent years, and not without huge effort on behalf of our parishes, the trustees consider the share shortfall remains unacceptably high.

Nonetheless, 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 2019, the DBF paid £342k (2018: £337k) 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, a further £1,109k adjustment was made reducing the deficit to £779k as at 31 December 2019. We expect the deficit to be paid by 2022 at existing contribution levels for 2020 onwards.

Net income before investment gains showed a surplus for the year of £200k (2018: surplus of £567k), largely arising from surpluses on restricted funds for a property sale.

Net gains on investments amounted to £1,958k (2018: loss of £3k) as stock markets rose sharply at the end of the year.

The overall **increase in funds** in the year was £3,246k (2018: £874k) which, whilst pleasing, masks the underlying challenge to produce a balanced operating result. Of the total £3,246k gain, £4,014k (2018: £396k) relates to Endowment Funds, which are not currently available to spend. There were losses on unrestricted funds of £382k (2018: gain of £167k) and £386k (2018: gain of 311k) on restricted funds.

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Net cash outflow of £241k (2018: inflow of £950k) arises from the acquisition of properties, offsetting the shortfall in parish share receipts. The net cash outflow from investing activities at £171k (2018: inflow of £1,648k) is due to purchasing of property.

Significant Property Transactions

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

- Purchase of two properties for housing stipendiary curates in training.
- Purchase of two properties for housing stipendiary ecclesiastical office holders.
- Sale of two properties surplus to operational requirements.

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 4 parcels of glebe land (2018: no sales). We will be working 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 £79,493k (2018: £76,247k) it must be remembered that this figure includes clergy houses, valued at £66,868k (2018: £62,979k). Much of the 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 – £1,043k (2018: £962k). At 31st December 2019, the DBF held an unrestricted cash overdraft of £521k (2018: £178k), a £343k worse position for 2019 and net current liabilities of £147k (2018: net current assets of £304k) – 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 2019 restricted funds totalled £2,998k (2018: £3,380k) and endowment funds totalled £72,562k (2018: £68,548k).

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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 17% by value of the Charity's net assets. The group investment holdings are:

	Funds at 31 December 2019	Proportion of portfolio	Income yield in year	Total return in year
CBF Investment Fund	9,182	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	13,527	100.0%		

Budget and outlook for 2020

The budget for 2020 was approved by Bishop's Council and by Diocesan Synod in October 2019 providing for an increase in parish share of £139k (2.0%) and a limit on operational expenditure of £8.2m.

Going Concern

The financial statements have been prepared on a going concern basis. Along with many businesses the DBF is experiencing extremely difficult operating conditions due to the impact of coronavirus and measures taken to combat this. The Trustees are taking all possible steps so as to be able to continue to operate for the foreseeable future with the continuing support of our parishes, the National Church and bankers.

The Trustees believe that the measures available to them can be successful in ensuring the DBF shall continue to operate, in these unprecedented circumstances, for the foreseeable future. Trustees have taken full advantage of the emergency measures available to them including the furloughing of staff where possible, the use of loans and grants and have prepared a detailed and full cash flow forecast for the year ended 31 December 2021. Whilst investment values fell heavily in early 2020, these are now recovering some of the ground lost, and Trustees have confidence that measures taken can ensure their 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.

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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 2019 of £3,750,000 (2018: £2,820,000). 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.

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 2019, the total funds held on deposit were £300,000 (2018: £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 recognises the combination of the heavy reliance on parish share, a voluntary income stream accounting for c 75% of income and ensuring every benefice has a vicar, rector or priest-in-charge. Clergy direct and indirect costs, the costs of developing future ministers, as well as the costs of supporting parishes, results in a reducing unrestricted fund. The effects of COVID19 and the consequent shutting of churches may have a significant impact on the parish share collected in 2020.

Mitigation includes promoting the Parish Giving Scheme and other initiatives to support stewardship campaigns to recognise generosity as a fundamental Christian calling. Trustees are trying to develop new income streams and have approved in principle the use of Total Return to release permanently endowed capital. Clergy costs are fixed by the national church and cannot be changed.

Safeguarding. Safeguarding remains a high risk and trustees anticipate with the start of the national initiative to review all clergy files in 2020 (known as PCR2), 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.

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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. An imperative 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. There is a continued reluctance to streamline priorities and governance and therefore resources are often stretched, leading to the risk that important matters are overlooked or left undone.

Mitigation includes working towards agreed priorities each year, translated into departmental objectives and job descriptions; 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.

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 and elected representatives from each diocese and it agrees and lays before Parliament Measures for the governance of the Church's affairs which, if enacted by Parliament, 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 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.

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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 the same time and place, 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.

Membership

Bishop's Council consists of 8 ex officio members, 5 clergy elected by the house of Clergy from among their number, 5 lay people elected by the House of Laity from among their number, and a maximum of 4 members nominated by the Diocesan Bishop.

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 reviews the remuneration of senior employees and will next carry out a review in November 2020. Annual reviews will be planned thereafter. The governance committee comprises 5 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 also act as directors for company law purposes) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the net incoming or outgoing resources of the group for that period. In preparing those financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and 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 group, 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.

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, 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 (from 25 March 2019)
	The Ven I D J Morgan, Archdeacon of Suffolk (died 3 October 2019)
	The Ven J Gosney, Archdeacon of Suffolk (from 18 January 2020)

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Elected	The Very Revd J P Hawes, Dean of St Edmundsbury
	The Revd S J Potter, Chair of the House of Clergy
	Canon A R Allwood, Chair of the House of Laity
	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)
Co-opted:	The Revd S Bates, House of Clergy (from 14 February 2019)
	Mr S R West
	The Revd C Cook (appointed 14 February 2019)

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
Finance Director	Gary Peverley
Director of Strategic Planning and Communications	Gavin Stone
Director of Education	Jane Sheat
Director of Mission and Ministry	The Revd Dave Gardner
Head of Property	Dawn Gillett
Diocesan Advisory Committee Secretary	James Halsall

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

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

The Rt Revd Dr M R Harrison Bishop of Dunwich

Trustee and Director
9th July 2020



Mr S R West

Treasurer of the St Edmundsbury and Ipswich Diocesan Board of Finance
9th July 2020



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 2019 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 2019, 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 and the Charities Act 2011.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

We draw attention to the narrative in the Trustees' Report and note 35 of the financial statements (concerning post balance sheet events) which describes the observed impacts to date of the COVID-19 pandemic and the charity's assessment of the pandemic on its

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)

operational activities and financial position. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' and directors' report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 and the Charities Act 2011 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 14, 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 section 151 of the Charities Act 2011 and report in accordance with those Acts.

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)

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.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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: 27/07/2020

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Statement of Financial Activities for the Year Ended 31 December 2019

	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					
Centenary share	1	6,340	-	-	6,340
Archbishops' Council	2	183	530	-	713
Other donations	3	125	72	-	197
Charitable activities	4	531	361	-	892
Other trading activities	5	388	8	-	396
Investments	6	320	292	-	612
Other income	7	6	-	84	90
Total income		7,893	1,263	84	9,240
Expenditure on:					
Raising funds	8	195	-	-	195
Charitable activities	9	7,713	1,132	-	8,845
Total expenditure		7,908	1,132	-	9,040
Net Income / (expenditure) before investment gains					
Net gains/(loss) on investments		(15)	131	84	200
Net income / (expenditure)		90	120	1,748	1,958
Transfers between funds	13	(406)	(633)	1,039	-
Other recognised gains and (losses):					
Gains/(Loss) on reclassification of fixed assets		(55)	-	34	(21)
Actuarial gains on defined benefit pension schemes	23	-	-	1,109	1,109
Net movement in funds		(386)	(382)	4,014	3,246
Reconciliation of funds:					
Total funds at 1 January 2019		4,319	3,380	68,548	76,247
Total funds at 31 December 2019		3,933	2,998	72,562	79,493

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

The notes on pages 31 to 59 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 2019

	2019	2018
	£000	£000
Total Income (see below)	9,131	8,385
Resources Expenditure (see below)	9,040	8,314
Operating surplus/(deficit) for the year	91	71
Interest receivable	25	11
Net (loss)/gain on investments	1,958	(3)
Surplus for the year	2,074	79
Other comprehensive income:		
Unrealised gain / (loss) on property	(21)	166
Actuarial gain on defined benefit pension scheme	1,109	144
Net assets transferred from endowments	84	485
Total comprehensive income for the year	3,246	874

Supplementary Information

Total income comprises £7,893k for unrestricted funds, £1,263k for restricted funds and £84k 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 21 and notes 8 to 9 to the accounts.

The net surplus for the year of £2,074k comprises £75k net surplus on unrestricted funds and £1,999k net surplus on restricted and endowment funds.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 21 which, together with the notes to the financial statements on pages 31 to 59, provides full information on the movements during the year of the funds in the group.

Reconciliation of Summary Income and Expenditure to SoFA	2019	2018
	£000	£000
Total income per SoFA	9,240	8,901
Less total endowment additions	(84)	(505)
Less interest receivable	(25)	(11)
Total statutory income	9,131	8,385
Total expenditure per SoFA	9,040	8,334
Less endowment total expenditure	-	20
Total expenditure per above	9,040	8,314

The notes on pages 31 to 59 form part of these financial statements.

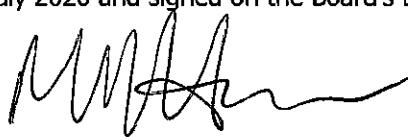
THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Group and Charity Balance Sheet as at 31 December 2019

	Note	Group		Charity	
		2019	2018	2019	2018
		£000	£000	£000	£000
Fixed assets					
Tangible assets	14	60,104	60,082	58,989	58,965
Investments	15	13,549	11,638	14,769	12,858
		73,653	71,720	73,758	71,823
Current assets					
Assets held for resale		2,106	1,456	2,106	1,456
Debtors	16	438	891	521	925
Investments	17	2,627	2,528	2,627	2,528
Cash at bank and in hand		1,964	2,304	1,690	1,997
		7,135	7,179	6,944	6,906
Creditors: amounts falling due within one year	18	(871)	(777)	(920)	(702)
Net current assets		6,264	6,402	6,024	6,204
Total assets less current liabilities		79,917	78,122	79,782	78,027
Creditors: amounts falling due after one year					
Pension scheme liabilities	19	(424)	(1,875)	(424)	(1,875)
Total net assets		79,493	76,247	79,358	76,152
Capital and reserves					
Unrestricted fund		1,984	2,315	2,021	2,421
Unrestricted fund revaluation reserve		1,949	2,004	1,949	2,004
	21	3,933	4,319	3,970	4,425
Restricted fund		2,811	3,285	2,811	3,285
Restricted fund revaluation reserve		187	95	187	95
	21	2,998	3,380	2,998	3,380
Endowment fund		29,217	25,517	29,175	25,446
Endowment fund revaluation reserve		43,345	43,031	43,215	42,901
	21	72,562	68,548	72,390	68,347
		79,493	76,247	79,358	76,152

Approved by the Board and authorised for issue on 9th July 2020 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 notes on pages 31 to 59 form part of these financial statements,

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Cashflow Statement Year Ended 31 December 2019

	2019	2018
	£000	£000
Cashflow Statement:		
Cash outflow from operating activities (note a)	(70)	(698)
Cash (outflow)/inflow from investing activities (note b)	(171)	1,648
Increase/(decrease) in cash and cash equivalents	(241)	950
Net funds at 1 January	4,832	3,882
Net funds at 31 December (note c)	4,591	4,832

Notes to the consolidated cashflow statement

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

Net incoming /(outgoing) resources	204	567
Depreciation & impairment	52	52
(Profit) / Loss on disposal of tangible fixed assets	(90)	(504)
Returns on investments	(441)	(374)
(Increase) / Decrease in debtors	453	(74)
(Decrease) / Increase in creditors	(248)	(365)
Net cash outflow from operating activities	(70)	(698)

b) Cashflows from investing activities

Interest received	25	12
Investment income received	416	362
Receipts from sales of tangible fixed assets	878	1,826
Payments to acquire tangible fixed assets	(1,505)	(940)
Receipts from sales of investments	15	388
Payments to acquire investments	-	-
Net cash (outflow)/inflow from investing activities	(171)	1,648

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

c) Analysis of cash and cash equivalents / net debt

	January 2019	Cashflow	December 2019
	£000	£000	£000
Cash at bank and in hand	2,304	(340)	1,964
Current asset investments	2,528	99	2,627
	4,832	(241)	4,591

Of the total cash and cash equivalent balances of £4,591,000 at 31 December 2019, £4,591,000 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 2019

(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 2019. 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 £3,248k (2018: surplus of £874k).

(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 be 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 and Note 35 of these accounts.

(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. Centenary 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.

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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 trading 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 49.

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

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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. 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.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Notes to the Accounts

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2019	Total funds 2018
	£000	£000	£000	£000	£000
1 Centenary Share					
Centenary share requested	7,194	-	-	7,194	7,103
Shortfall in contributions	(854)	-	-	(854)	(750)
	6,340	-	-	6,340	6,353
2 Archbishops' Council					
Selective allocation	183	167	-	350	309
Strategic Capacity Fund	-	66	-	66	28
Strategic Development Fund	-	297	-	297	4
	183	530	-	713	341
3 Other donations					
Allchurches Trust	111	-	-	111	115
Donations	14	72	-	86	99
	125	72	-	197	214
4 Charitable activities					
Statutory fees and chaplaincy income	459	-	-	459	501
Miscellaneous income	72	361	-	433	136
	531	361	-	892	637
5 Other trading activities					
Rental income from parsonage, glebe & Board houses	331	-	-	331	274
St Nicholas Centre	8	-	-	8	25
Other	49	8	-	57	23
	388	8	-	396	322
6 Investments					
Dividends receivable	150	266	-	416	362
Interest receivable	19	6	-	25	12
Rents receivable	151	20	-	171	156
	320	292	-	612	530
7 Other Income					
Gains on disposal of property / fixed assets	6	-	84	90	504
8 Raising funds					
Cost of renting out parsonage, glebe and Board houses	41	-	-	41	24
St Nicholas Centre costs of sales	50	-	-	50	45
Investment property costs	43	-	-	43	39
Net interest cost of clergy pension	42	-	-	42	35
Support costs	19	-	-	19	18
	195	-	-	195	161

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	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2019 £000	Total funds 2018 £000
9 Charitable activities					
Contributions to the Archbishops' Council:					
Training for ministry	293	-	-	293	302
National Church Responsibilities	200	-	-	200	217
Mission Agency pension contributions	3	-	-	3	2
Retired clergy housing costs (CHARM)	86	-	-	86	83
Pooling of ordinand candidates' costs	145	167	-	312	362
Other	21	-	-	21	-
	748	167	-	915	966
Parochial ministry:					
Ministry stipends & pensions	4,270	29	-	4,299	4,310
Housing: repairs & renewals	339	66	-	405	441
Housing: rates, council tax & administration	356	-	-	356	369
Other expenses	516	6	-	522	19
	5,481	101	-	5,582	5,139
Other ministry & mission:					
Ministry education & training	183	-	-	183	200
Education, youth & children's ministry	113	282	-	395	402
Specialist ministry & church buildings	444	473	-	917	589
	740	755	-	1,495	1,191
Support costs	744	109	-	853	877
	7,713	1,132	-	8,845	8,173

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	748	167	-
Churches Together in Suffolk	3	-	-
Other Trusts for the purposes detailed in the individual trust documents:			
Diocese of Kagera	-	12	-
Ngara Primary School	-	16	-
Kagera Pastors Children	-	7	-

Contd...

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

<i>Contd...</i>	Unrestricted funds £000	Restricted funds £000	Endowment funds £000
Kagera Christian Training College	-	8	-
Tearfund		20	
Grants to individuals and others less than £1,000	121	6	-
	872	236	-

11 Support costs

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2019 £000	Total funds 2018 £000
Costs of raising funds	19	-	-	19	18
Charitable activities	702	109	-	811	840
Governance Costs	42	-	-	42	37
Total	763	109	-	872	895

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

	2019 £000	2018 £000
General office costs:		
Depreciation	52	52
Staff costs	354	368
Office running costs	327	299
Professional fees	106	146
Governance costs:		
Audit - Lovewell Blake	19	19
Other	4	4
Secretariat	19	15
	881	903

12 Remuneration and staff and trustee details

Staff payroll costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	1,309	1,186
Social security costs	131	122
Pension costs – regular	64	63
Costs charged to SoFA	1,504	1,371
Pension costs - deficit reduction	8	9
Total payroll costs	1,512	1,380

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

	2019	2018
Resourcing ministry and mission	28.3	22.1
Education	5.7	5.8
Governance	2.0	2.2
Support	5.6	6.1
	41.6	36.2

The average number of employees during the year was:

	43.0	38.0
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The number of employees earning £60,000 or more during the year were as follows:

	2019	2018
£70,000 - £80,000	2	2
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
	1	-

Pension contributions paid in respect of these staff were **£12,375** (2018: £12,192).

Stipended office holders not employees (full time equivalents)	2019	2018
Archdeacons	3.0	2.0
Parochial clergy	97.6	96.7
Curates	16.0	11.5
	116.6	110.2

At a cost of	£000	£000
Stipends	3,032	2,968
Employer National Insurance	242	238
Apprenticeship Levy	14	14
Pension cost current year	791	793
Costs charged to SoFA	4,079	4,013
Pension costs deficit reduction	334	337
	4,413	4,350
Total stipendiary costs		

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 2019 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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Remuneration, pensions and expenses for these 7 employees (2018: 8) was as follows:

	2019 £000	2018 £000
Salaries	455	466
Pensions	31	32
	486	498
Expenses	17	14

Trustees' emoluments

None of the directors has received any emoluments from the DBF in respect of services performed as a trustee (2018: £ 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: <ul style="list-style-type: none"> • £45,270 stipend for 2019/20 (£44,380 2018/19) • Defined benefit pension scheme. • Living accommodation. • Car.
Suffragan Bishop	The Rt Revd Dr M Harrison	Funded by the Church Commissioners: <ul style="list-style-type: none"> • £36,930 stipend for 2019/20 (£36,210 2018/19) • Defined benefit pension scheme. • Living accommodation (funded by DBF). • Car.
Archdeacons	The Ven Dr D Jenkins The Ven I Morgan (died 3 October 2019) The Ven R King (from 25 March 2019) The Ven J Gosney (from 18 January 2020)	<ul style="list-style-type: none"> • £35,570 stipend for 2019/20 (£34,873 2018/19) • Defined benefit pension scheme. • Living accommodation • Car
Parochial ministers	Revd S Potter Revd A S Dotchin Revd M Haworth Revd S Bates (from 14 February 2019) Revd C Cook (from 14 February 2019)	<ul style="list-style-type: none"> • £26,068 stipend for 2019/20 (£25,557 2018/19). • 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:

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	2019 £000	2018 £000
Expenses - 10 trustees (2018 - 10)	17	8
Stipends and pensions - 8 trustees (2018 - 8)	282	435

13 Transfers between funds

	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	-

14 Tangible fixed assets

	Freehold land & buildings £000	Fixtures & fittings £000	Motor vehicles £000	Total £000
Cost / Valuation at 1 January 2019	59,875	493	38	60,406
Additions	1,475	30	-	1,505
Impairments	-	-	-	-
Transfers (to)/ from current assets at NRV	(1,425)	-	-	(1,425)
Revaluations	-	-	-	-
Disposals	-	-	(38)	(38)
Cost / Valuation at 31 December 2019	59,925	523	-	60,448
Accumulated depreciation at 1 January 2019	-	298	26	324
Disposals	-	-	(32)	(32)
Charge for the year	-	46	6	52
Accumulated depreciation at 31 December 2019	-	344	-	344
Net Book Value at 31 December 2019	59,925	179	-	60,104
Net Book Value at 31 December 2018	59,875	195	12	60,082

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity	Freehold land & buildings £000	Fixtures & fittings £000	Motor vehicles £000	Total £000
Cost / Valuation at 1 January 2019	58,775	358	38	59,171
Additions	1,475	28	-	1,503
Impairments	-	-	-	-
Transfers (to)/ from current assets at NRV	(1,425)	-	-	(1,425)
Disposals	-	-	(38)	(38)
Cost / Valuation at 31 December 2019	58,825	386	-	59,211
Accumulated depreciation at 1 January 2019	-	180	26	206
Disposals	-	-	(32)	(32)
Charge for the year	-	42	6	48
Accumulated depreciation at 31 December 2019	-	222	-	222
Net Book Value at 31 December 2019	58,825	164	-	58,989
Net Book Value at 31 December 2018	58,775	178	12	58,965

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 2019: group and charity £10.9m (2018: £11.4m).

15 Fixed asset investments

Group	Investment properties £000	Quoted investments £000	Total £000
Valuation at 1 January 2019	2,464	9,174	11,638
Additions	-	-	-
Revaluations	538	1,420	1,958
Disposals	(47)	-	(47)
Valuation at 31 December 2019	2,955	10,594	13,549
Historical cost at 31 December 2019	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 2019	1,884	1,800	9,174	12,858
Additions	-	-	-	-
Revaluations	538	-	1,420	1,958
Disposals	(47)	-	-	(47)
Valuation at 31 December 2019	2,375	1,800	10,594	14,769
Historical cost at 31 December 2019	774	3,400	4,905	9,079

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Investments held

Group	2019 £000	2018 £000
Land & buildings	2,956	2,465
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	9,204	7,753
Central Board of Finance Property Fund	1,333	1,369
Other	56	51
	13,549	11,638

The glebe land and buildings were valued by Messrs Clarke & Simpson Chartered Surveyors as at 31 December 2019 and 11 St Nicholas Street 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 2019.

Charity	2019 £000	2018 £000
Land & buildings	2,376	1,885
Shares in Churchgates 2000 Limited	1,800	1,800
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	9,204	7,753
Central Board of Finance Property Fund	1,333	1,369
Other	56	51
	14,769	12,858

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 (2018: £1,800,000). Extracts of Churchgates 2000 Limited financial statements for the year ended 31 December 2019 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 2019	2019 £000	2018 £000
Gross income	119	135
Expenditure	(50)	(45)
Net profit / (loss)	69	90
Gift aid payable to St Edmundsbury and Ipswich Diocesan Board of Finance	(71)	(90)
Net profit / (loss)	(2)	-

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The assets and liabilities of the subsidiary were:

	2019	2018
	£000	£000
Fixed assets	1,695	1,697
Current assets	284	310
Creditors: amounts falling due within one year	(86)	(112)
Net assets	1,893	1,895
Aggregate share capital and reserves	1,893	1,895

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 transferred 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 £79,310 (2018: included in creditors are amounts due to the holding company of £106,484).

Included in expenditure is £3,710 of fees payable to the auditor of the subsidiary's financial statements.

16 Debtors

	2019		2018	
	Group	Charity	Group	Charity
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade	124	120	122	119
Amounts owed by group undertaking	-	87	-	106
Collections in progress - share	234	234	224	224
Other debtors	3	3	457	388
Prepayments	54	54	56	56
Accrued income	23	23	32	32
	438	521	891	925

17 Short term investments

Group and charity	2019	2018
	£000	£000
Building Funds	352	349
Diocesan Stipends Capital Account	1,282	1,282
Diocesan Pastoral Account	47	47
Restricted Income Funds	833	735
Unrestricted Funds	7	9
Schools' Fund	106	106
	2,627	2,528

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

	2019		2018	
	Group £000	Charity £000	Group £000	Charity £000
Trade creditors	258	256	150	150
Taxes	-	-	15	15
Social security	-	-	20	20
Other creditors	79	133	102	54
Accruals and income received in advance	179	176	177	150
Clergy pension scheme liabilities	355	355	313	313
	871	920	777	702

19 Creditors: Amounts falling due after one year

	2019		2018	
	Group £000	Charity £000	Group £000	Charity £000
Clergy pension scheme liabilities 2-5 years	424	424	1,250	1,250
Clergy pension scheme liabilities after 5 years	-	-	625	625
	424	424	1,875	1,875

20 Deferred income

	2019 £000	2018 £000
Deferred income brought forward	19	30
Income deferred in year	39	17
Income released in year	(27)	(28)
Deferred income carried forward	31	19

Deferred income represents amounts received in respect of 2019 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 2019	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2019
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,010	7,893	(7,909)	90	(405)	-	679
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,596	-	-	(55)	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	408
	4,319	7,893	(7,909)	35	(405)	-	3,933

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 £1,043,000.

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 2019	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2019
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,116	7,774	(7,878)	-	(296)	-	716
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,596	-	-	(55)	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	408
	4,425	7,774	(7,878)	(55)	(296)	-	3,970

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 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	42	15	-	-	-	57
Church buildings	547	52	(30)	17	-	586
Schools	87	19	(5)	-	-	101
Other	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							
Group	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	15,176	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							
Group	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	46,882
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

Fund	Application /purpose
Diocesan Pastoral Account	
Restricted Income	<p>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:</p> <ul style="list-style-type: none"> • 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	<p>Subject to Section 17 of the Education Act 1993 the funds can be used for:</p> <ul style="list-style-type: none"> • 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	<p>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.</p> <p>The use of the fund is restricted under Section 17 of the Education Act 1993.</p>
Restricted Income	<p>Sundry receipts for specific purposes of the Board of Finance and Diocesan activities.</p>
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 school.
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

Group

	At 1 January 2018	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2018
	£000	£000	£000	£000	£000	£000	£000
General reserve	935	7,861	(7,653)	-	(133)	-	1,010
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,504	-	-	92	-	-	1,596
Investment revaluation reserve	408	-	-	-	-	-	408
	4,152	7,861	(7,653)	92	(133)	-	4,319

Charity

	At 1 January 2018	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2018
	£000	£000	£000	£00	£000	£000	£000
General reserve	1,095	7,726	(7,608)	-	(97)	-	1,116
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,504	-	-	92	-	-	1,596
Investment revaluation reserve	408	-	-	-	-	-	408
	4,312	7,726	(7,608)	92	(97)	-	4,425

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Restricted Income Funds

Group

	At 1 January 2018	Income	Expenditure	Investments	Transfers	At 31 December 2018
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	951	14	(73)	-	421	1,313
Schools fund	1,095	216	(280)	-	-	1,031
Schools fund revaln reserve	103	-	-	(8)	-	95
Other	-	180	(163)	-	(3)	14
Restricted	23	-	-	-	(23)	-
Trusts:						
Overseas	72	24	(35)	-	-	61
Parish	48	9	-	-	-	57
Stipends and pension trusts	24	18	-	-	-	42
Church building trusts	542	48	(40)	(3)	-	547
School trusts	109	18	(40)	-	-	87
Other trusts	102	8	-	-	23	133
Support costs	-	-	(30)	-	30	-
	3,069	535	(661)	(11)	448	3,380

Charity

	At 1 January 2018	Income	Expenditure	Investments	Transfers	At 31 December 2018
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	951	14	(73)	-	421	1,313
Schools fund	1,095	216	(280)	-	-	1,031
Schools fund revaln reserve	103	-	-	(8)	-	95
Other	-	180	(163)	-	(3)	14
Restricted	23	-	-	-	(23)	-
Trusts:						
Overseas	72	24	(35)	-	-	61
Parish	48	9	-	-	-	57
Stipends	24	18	-	-	-	42
Church buildings	542	48	(40)	(3)	-	547
Schools	109	18	(40)	-	-	87
Other	102	8	-	-	23	133
Support costs	-	-	(30)	-	30	-
	3,069	535	(661)	(11)	448	3,380

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Endowment Funds	At 1 January 2018	Income	Expenditure	Investments	Transfers	Reserve movements	At 31 December 2018
Group	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Parsonage houses fund	7,085	142	-	-	(563)	-	6,664
Parsonages houses fund							
Revaluation reserve	37,172	-	-	-	-	10	37,182
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,214	-	-	(27)	-	-	1,187
	46,239	142	-	(27)	(563)	10	45,801
Permanent endowment:							
Diocesan Stipends fund	14,272	363	-	85	248	208	15,176
Diocesan Stipends fund							
Revaluation reserve	4,662	-	-	-	-	-	4,662
Ordination trusts	31	-	-	(1)	-	-	30
Parish trusts	307	-	-	(21)	-	-	286
Stipend and pension trusts	635	-	-	(3)	-	-	632
Church building trusts	1,212	-	-	(13)	-	-	1,199
School trusts	536	-	(20)	(8)	-	-	508
Other trusts	258	-	-	(4)	-	-	254
	21,913	363	(20)	35	248	208	22,747
	68,152	505	(20)	8	(315)	218	68,548

Charity

Charity	At 1 January 2018	Income	Expenditure	Investments	Transfers	Reserve movements	At 31 December 2018
	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Parsonage houses fund	7,085	142	-	-	(563)	-	6,664
Parsonages houses fund							
Revaluation reserve	37,172	-	-	-	-	10	37,182
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,214	-	-	(27)	-	-	1,187
	46,239	142	-	(27)	(563)	10	45,801
Permanent endowment:							
Diocesan Stipends fund	14,147	363	-	85	248	262	15,105
Diocesan Stipends fund							
Revaluation reserve	4,532	-	-	-	-	-	4,532
Ordination trusts	31	-	-	(1)	-	-	30
Parish trusts	307	-	-	(21)	-	-	286
Stipend and pension trusts	635	-	-	(3)	-	-	632
Church building trusts	1,212	-	-	(13)	-	-	1,199
School trusts	536	-	(20)	(8)	-	-	508
Other trusts	258	-	-	(4)	-	-	254
	21,658	363	(20)	35	248	262	22,546
	67,897	505	(20)	8	(315)	272	68,347

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 (2019: £64,000, 2018: £63,000)

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.

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 (2019: £791,000 (2018: £793,000)), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £1,900,000 for 2019 (2018: £937,000).

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 S3NMA_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%.

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 2017 and 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 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2018 and over 2019 is set out in the table below.

	2019	2018
Balance sheet liability at 1 January	2,188,000	2,634,000
Deficit contribution paid	(342,000)	(337,000)
Interest cost (recognised in SoFA)	42,000	35,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(1,109,000)	(144,000)
Balance sheet liability at 31 December	779,000	2,188,000

* 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 2019	December 2018	December 2017
Discount rate	1.1% pa	2.1% pa	1.4% pa
Price inflation	2.8% pa	3.1% pa	3.0% pa
Increase to total pensionable payroll	1.3% pa	1.6% pa	1.5% 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 38 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 during 2020.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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	2019 Unrestricted £000	2019 Restricted £000	2019 Endowments £000	2019 Total £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	(521)	1,324	1,161	1,964
	161	2,330	4,644	7,135
Creditors < 1 year	(308)	(202)	(361)	(871)
Net current assets	(147)	2,128	4,283	6,264
Total assets less current liabilities	3,933	2,998	72,986	79,917
Creditors > 1 year				
Pension scheme liabilities	-	-	(424)	(424)
Total net assets	3,933	2,998	72,562	79,493

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity	2019	2019	2019	2019
	Unrestricted £000	Restricted £000	Endowments £000	Total £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	501	20	-	521
Investments	7	986	1,634	2,627
Cash at bank and in hand	(467)	1,276	881	1,690
	301	2,282	4,361	6,944
Creditors < 1 year	(411)	(154)	(355)	(920)
Net current assets	(110)	2,128	4,006	6,024
Total assets less current liabilities	3,970	2,998	72,814	79,782
Creditors > 1 year				
Pension scheme liabilities	-	-	(424)	(424)
Total net assets	3,970	2,998	72,390	79,358

26 Prior year: Analysis of net assets between funds

Group	2018	2018	2018	2018
	Unrestricted £000	Restricted £000	Endowments £000	Total £000
Fixed assets				
Tangible assets	2,486	-	57,596	60,082
Investments	1,529	750	9,359	11,638
	4,015	750	66,955	71,720
Current assets				
Assets for resale	315	-	1,141	1,456
Debtors	474	414	3	891
Investments	9	888	1,631	2,528
Cash at bank and in hand	(187)	1,479	1,012	2,304
	611	2,781	3,787	7,179
Creditors < 1 year	(307)	(151)	(319)	(777)
Net current assets	304	2,630	3,468	6,402
Total assets less current liabilities	4,319	3,380	70,423	78,122
Creditors > 1 year				
Pension scheme liabilities	-	-	(1,875)	(1,875)
Total net assets	4,319	3,380	68,548	76,247

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity	2019	2018	2018	2018
	Unrestricted £000	Restricted £000	Endowments £000	Total £000
Fixed assets				
Tangible assets	2,486	-	56,479	58,965
Investments	1,529	750	10,579	12,858
	4,015	750	67,058	71,823
Current assets				
Assets for resale	315	-	1,141	1,456
Debtors	511	414	-	925
Investments	9	888	1,631	2,528
Cash at bank and in hand	(187)	1,479	705	1,997
	648	2,781	3,477	6,906
Creditors < 1 year	(238)	(151)	(313)	(702)
Net current assets	410	2,630	3,164	6,204
Total assets less current liabilities	4,425	3,380	70,222	78,027
Creditors > 1 year				
Pension scheme liabilities	-	-	(1,875)	(1,875)
Total net assets	4,425	3,380	68,347	76,152

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 2019, the market value of these trust investments was £3.7m (2018: £2.8m). 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 2019, the total funds held on deposit were £0.3m (2018: £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 (from 28 January 2019)

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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:

	2019 £000	2018 £000
Land and buildings where the lease expires:		
Group		
Within one year of the balance sheet date	17	3
In the second to fifth years of the balance sheet date	22	13
Later than five years	-	1
	<u>39</u>	<u>17</u>
Operating leases recognised as an expense (group)	<u>17</u>	<u>8</u>

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

	2019 £000	2018 £000
Land and buildings where the lease expires:		
Company		
Within one year of the balance sheet date	79	65
In the second to fifth years of the balance sheet date	270	261
Later than five years	243	305
	<u>592</u>	<u>631</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 £553k 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
- Centenary 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	£59,174 (2018: £66,153) 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 I Morgan	Trustees of Suffolk Clergy Charity	£500 (2018: £55) paid to the DBF for administrative support and postage costs.
The Ven I Morgan	Trustee of Elizabeth Walters Charity	£3,000 (2018: £3,000) paid to the DBF for support towards Suffolk Show costs
The Very Revd J P Hawes	Trustee of the Cathedral	£15,051 (2018: £24,092) 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	£149,740 from the DBF grant (to be paid over 3 years from 2015).
Mr D M J Ball	Trustee of Westcott House	£40,161 (2018: £13,662) for tuition fees

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

Trustee / Manager	Relationship and Related Party	2019 £	2018 £
The Ven Dr D H Jenkins	Expenses	(147)	(90)
The Ven R E King	Expenses	(1,042)	-
The Revd R Hinsley	St Edmundsbury MAT		
	Director	5,215	(50,004)
The Rt Revd M Seeley	Bishop's Office	32,853	29,632
The Rt Revd J Hawes	The Cathedral Office	(642)	2,055
The Revd S J Potter	Expenses	(159)	-

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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:

	Group	2019	Group	2018
	£000	Charity	£000	Charity
		£000		£000
<i>Financial Assets</i>				
Measured at Fair Value through net income/expenditure:				
Fixed asset listed investments (note 15)	10,594	10,594	9,174	9,174
Equity instruments measured at cost less impairment:				
Current asset unlisted investments (note 17)	2,627	2,627	2,528	2,528

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33 Prior year: Comparative consolidated SOFA

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total Funds 2018 £000
Income and endowments from:					
Donations and legacies					
Centenary share	1	6,353	-	-	6,353
Archbishops' Council	2	209	132	-	341
Other donations	3	121	93	-	214
Charitable activities	4	569	68	-	637
Other trading activities	5	308	14	-	322
Investments	6	301	228	1	530
Other Income	7	-	-	504	504
Total income		7,861	535	505	8,901
Expenditure on:					
Raising funds	8	161	-	-	161
Charitable activities	9	7,492	661	20	8,173
Total expenditure		7,653	661	20	8,334
Net Income / (expenditure) before investment gains					
		208	(126)	485	567
Net gains on investments		-	(11)	8	(3)
Net income / (expenditure)		208	(137)	493	564
Transfers between funds	13	(133)	448	(315)	-
Other recognised gains and (losses):					
(Loss)/Gains on reclassification of fixed assets					
		92	-	74	166
Actuarial gains on defined benefit pension schemes	22	-	-	144	144
Net movement in funds		167	311	396	874
Reconciliation of funds:					
Total funds at 1 January 2018		4,152	3,069	68,152	75,373
Total funds at 31 December 2018		4,319	3,380	68,548	76,247

34 Prior year: Analysis of transfers between funds

	Un- restricted £000	Restricted £000	Endow't £000	Total 2018 £000
Net value of benefice property sales, purchases & improvements released from the Benefice Fund into the Pastoral Account	-	421	(421)	-
Profit on disposal of properties movement	142	-	(142)	-
Other restricted funds movement	3	(3)	-	-
Past clergy pension cost, the liability for which is in the Stipends Capital Fund, but the cost is borne by the DBF	(302)	-	302	-
Allocation of support costs back to the unrestricted fund	(30)	30	-	-
Churchgates 2000 Limited movement for the year	54	-	(54)	-
Total net transfers	(133)	448	(315)	-

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35 Post balance sheet event

The financial statements have been prepared on a going concern basis. Along with many businesses the DBF is experiencing extremely difficult operating conditions due to the impact of coronavirus and measures taken to combat this. The Trustees are taking all possible steps so as to be able to continue to operate for the foreseeable future with the continuing support of our parishes, the National Church and bankers.

The Trustees believe that the measures available to them can be successful in ensuring the DBF shall continue to operate, in these unprecedented circumstances, for the foreseeable future. Trustees have taken full advantage of the emergency measures available to them including the furloughing of staff where possible, the use of loans and grants and have prepared a detailed and full cash flow forecast for the year ended 31 December 2021. Whilst investment values fell heavily in early 2020, these are now recovering some of the ground lost, and Trustees have confidence that measures taken can ensure their ongoing ability to operate as a going concern.