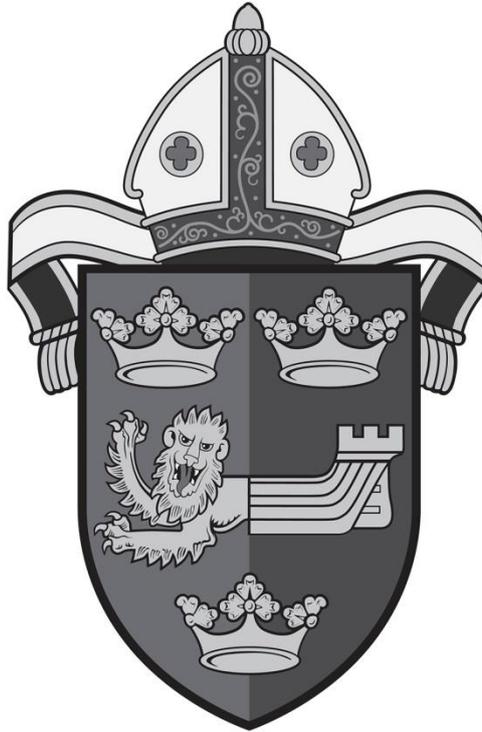


# **The St Edmundsbury and Ipswich Diocesan Board of Finance**



## **Report and Financial Statements**

**For the year ended 31 December 2021**

**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 2021.

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.

# THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

#### **2 Objectives for the year**

As in previous years, our key priorities were to:

- a. Continue to progress our vision, 'Growing in God' with a renewed focus through a clearer articulation of our priorities.
- b. Encourage 'flourishing congregations', through the funding and support of stipendiary clergy and other ministers.
- c. Stabilise and grow our income sources and maximise use of our resources.
- d. Continue to support our church schools.
- e. Maintain and extend relationships and engagement with the national Church.
- f. Safeguarding - meet the Church's national policy and practice requirements, including the completion of the required Past Case Review 2 (PCR2).

#### **3 Activities and achievements in the year**

During 2021 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, and have supported the application for funding from the national church for strategic transformation funding to enhance this vision and strategy through to 2026. This is consonant with the national agenda during the 2020's to be a simpler, humbler, and bolder Church that is Jesus centred and shaped. 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**

Year three of the two projects funded by the national Church's **Strategic Development Fund (SDF)**:

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Inspiring Ipswich

- Inspiring Christians in Ipswich to share their faith continued to be a strong theme in 2021 with two deanery-wide conferences. Both attracted circa 100 participants including guest speakers. A highlight were the videoed stories of those who had recently come to faith.
- River Church Ipswich was launched in September 2021 at the newly leased St Mary at the Quay with over 30 new 'disciples' emerging in the first 3 months under the leadership of two Church planting curates, and a planting team of 15 from St Augustine's and elsewhere.
- Civic and ecumenical relations in the town were strengthened, especially following the election of a church member as the Mayor.
- Two Messy Churches started (at St Thomas and Ravenswood School).
- The Elizabeth Walter Charity was refreshed, enabling more churches to take up the offer of funding for their mission initiatives.
- A Mission Enabler was appointed at St Matthew's to help strengthen the church following the keenly felt loss of Bridge Church people two years ago.
- A new Growing Leaders cohort started in September 2021 with over 25 lay participants.
- Over 4,000 people visited the Christmas Tree Festival at St Mary Le Tower and a brand-new Christmas-related mission initiative, Inspiring Angels, drew an online audience of around 13,000 and advertised the Christmas services of over 40 churches.
- Following departures and retirements, a Church Army Pioneer Evangelist and four clergy were recruited, including an Interim Priest-in-Charge at St Mary Le Tower.
- The South West Ipswich Team was dissolved, and three separate parishes set up with the idea of bringing fresh leadership, vision and energy.

### Growing in God in the Countryside

- Continues to make new disciples.
- There are twenty-five missional "Lightwave" groups now active and around three hundred new disciples since the beginning of the project in 2019 – an increase of 50% since last year. This is slightly behind original expectations, due largely to the impact of Covid.
- The work at Red Lodge continues to make an enormous difference through their drop in café, foodbanks, and youth ministry.
- In June 2021, the Revd Josh Bailey started as Lightwave Hub leader and priest of Bungay Benefice. Growth is already beginning with links to support outreach in other benefices.
- The Benefice of South Hartismere has seen growth in connections with schools work and families especially through their lay Lightwave pioneers Emma and Debbie. Towards the end of the year, Gail Southgate was appointed to the post of Lightwave Pioneer Evangelist at the Church Army Suffolk Centre of Mission and is supporting mission across the diocese.
- The Lightwave Community CIO, part of our plans to ensure the ongoing sustainability of Lightwave, received donations of almost £100,000 in 2021, its first year.
- **Ordination and Curate Training.** We welcomed the Revd Stuart Batten as our new Diocesan Director of Ordinands (DDO) in June 2021. He also has responsibility for promoting the vocations of all ministries and for the delivery of curate training. We continued to deliver our Auxiliary Ordination Pathway (AOP or local self-supporting pathway to ordination) with eight ordained

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through this route in 2021 alongside five stipendiary ordinations. The AOP was independently reviewed in the year, delivering recommendations with regard to sustainability and quality.

- **Licensed Lay Ministry (LLM) Training.** We went on-line to provide training for Readers, Children's and Families Ministers, Evangelists, and Pioneers. We postponed the licensing of 3 Readers, 2 Pioneers and 2 Evangelists who completed their training in 2021 to January 2022. Further lay ministers will be licensed in September 2022. We identified and delivered training in Youthscape essentials, a new course to assist the development of those ministering with young people, expecting this to lead to licensing youth ministers.
- **Suffolk Centre of Mission.** With the departure of Captain Andrew Payne as our Evangelist Advisor we are in the process of establishing a Suffolk Centre of Mission in partnership with the Church Army. This increases our capacity with two new posts funded by the Church Army alongside a replacement for Andrew. The Centre also provides an opportunity for greater integration with the two SDF projects. The Lead Evangelist post remains vacant as we continue our search for the right person. The Centre will be based at St Peter's Stoke Park but will cover the whole Diocese.
- **Mission in our Benefices.** Revd Phil Dykes joined us in May to fill a new post of Mission Enabler to develop the work of Mission in our Benefices. He has been revising the materials to support Benefice *Plans for Growth* Materials ready for 2022. In addition, he has developed the tools and procedures for Recognised Local Leaders to be identified and supported in line with our Ministry Deployment Plan.
- **Growth Fund.** In 2021 the Growth Fund supported local mission with twenty-one small grants to parishes totalling over £7,500. Requests were most frequently to support mission with Children and Families alongside provision to support livestreaming to continue to offer online provision. Reports of the impact of this funding including iconographs can be found on the website [Diocese of St Edmundsbury and Ipswich | Growth funding opportunities \(cofesuffolk.org\)](https://cofesuffolk.org)
- **Growing Younger.** Growing Younger Sunday was established on the 5<sup>th</sup> Sunday of January and although limited in impact due to Covid Restrictions enabled a number of Benefices to connect imaginatively with children and young people. Alongside continuing the network of support for those engaged in family ministry through our ReConnect groups we assisted with the publication of an all-age Eucharist booklet, suitable for children, families and all the congregation to share in. Matt Levett our Diocesan Youth Officer undertook training with Youthscape so as to provide training for volunteers working with young people to possibly explore becoming a licensed youth minister.
- **Growing in Influence.** Significant work has continued to meet the Diocesan aim to grow in influence by engaging effectively within our communities. Programmes have been developed to address the problems of food poverty, debt, mental health, and domestic violence which have all been exacerbated by Covid. A network of eight pop up shops has now been set up

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throughout the town, with each providing top up food supplies for upwards of 40+ families every week. Domestic Violence Awareness training was organised for all ministers in partnership with staff from the Lighthouse women's Support Centre and Refuge, Ipswich. The modern slavery working group continues its work with other agencies, including Suffolk police and Suffolk University, and with the National Clewer initiative to raise awareness about human trafficking and exploitation in all its forms.

- Continued to promote our **Environment Policy** through encouraging and enabling parishes, schools, and churches to understand the importance of the stewardship of creation, and to improve their green credentials, including Eco-Church awards, heating, LED lighting, tree planting and in partnership with Suffolk Council, the establishment of electric charging points. By 31 December 2021 139 of 443 (31%) (2020:109) parishes registered with Eco Church. Encouraged churches to apply for grants and funding in line with the Environment Policy in order to progress towards our net zero target.

### **b** Encouraging flourishing congregations

- Paid the stipend costs of c.120 incumbents, curates and other clergy;
- Managed, maintained and improved 154 houses, principally for clergy;
- Supported repairs and improvements to 477 churches enabled by a largely volunteer Diocesan Advisory Committee for the Care of Churches (DAC) who give freely of both their time and expertise;
- Trained PCC members in safeguarding, financial matters, social media, and responsibilities of being churchwardens.

### **c** Effective use of income and use of resources

Despite the challenges of the pandemic, we raised over £6.0m from voluntary contributions, and supported parishes by;

- Securing national Church funding for a Funding and Grants Advisor, who helps parishes to source grants for fabric and community projects;
- Continuing to promote the Parish Giving Scheme (direct debit giving). At the year end, it had been adopted by 212 parishes and 1,604 donors (2020: 179 parishes and 1,385 donors) who gave nearly £1.6m, including gift aid, to their parishes, a 21.8% increase in 2022. The average weekly gift via the PGS was £15.39, excluding gift aid;
- Promoting electronic giving:
  - Via the national Church Contactless Pilot scheme, 30 parishes received free devices and ongoing support for a year. 100 parishes (2020: 62) now have a contactless device and 72% of benefices have access to a device;
  - 105 parishes now have online giving including QR codes (2020: 76);

We manage our 154 properties carefully, aiming to minimise empty houses.

- We started the year with 15 empty properties, 13 being held for new incumbents, equating to 150 void weeks in total. This high figure was a direct function of Covid with the extended ten-month minimum tenancies. At the end of 2021 with the return to standard six-month tenancies, we held three empty properties, all of which were on hold for new incumbents;
- We developed a 10-year planned maintenance proposal to both improve the quality of our portfolio and offer savings in the future on day-to-day responsive repairs;

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- We continued to support repairs and improvements to 477 churches, despite a reduced capacity diocesan team for much of the year. We were pleased to appoint Edmund Harris to the role of DAC Secretary, and he started in January 2022.

### **d Developing church schools**

We promote a Christian vision for schools in which all can grow and flourish, and excellence in the teaching of RE and in Collective Worship. We supported our 87 Church of England schools in an incredibly challenging year through:

- Leadership and management:
  - shortlisting and interviewing for headteachers in 9 schools;
  - appointing 41 foundation governors;
  - providing advice to governors in 17 headteacher performance management reviews;
  - providing Statutory Inspection of Anglican and Methodist Schools (SIAMS)
  - Support visits/reviews for schools midway between SIAMS inspections.
  - organising a cathedral service in October 2021 for church schools
- Training:
  - delivering 33 training courses on religious education, collective worship, and other subjects, attended by 438 teachers, other staff, and governors, all on Zoom;
  - introducing training on monitoring for governors;
- Policies:
  - approving a revised academies policy
  - approving an environmental policy
- Resources:
  - providing collective worship resources for use in bubbles for the spring and summer terms, as whole school collective worship could not take place, and on values in the autumn term
  - developing a Facebook page for the Emmanuel Project-  
<https://www.facebook.com/EPSuffolkRE/>
- Support:
  - contacting headteachers by telephone and holding regular Zoom calls with groups of headteachers and chairs of governors to share advice and good practice;
  - running wellbeing sessions for headteachers, governors and administrators
  - delivering a conference for headteachers and governors in November 2021;
  - assisting with the management of ten capital projects in our Voluntary Aided schools, using £283,000 of School Capital Allocations (SCA) funding;
  - issuing a newsletter twice a term and maintaining website information.
- Strategy:
  - being part of a weekly School Co-ordination Task Group which co-ordinates information and support for all Suffolk schools through the pandemic, along with other sector leads, the DfE and Suffolk County Council officers;
  - working closely with other DfEs and members of other diocesan education teams.

The St Edmundsbury and Ipswich Diocesan Multi Academy Trust (MAT) was established in 2015 and now has 21 church primary schools, two of which joined in the autumn term 2021. 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**

Guidance and scrutiny are provided by an independently chaired, multi-agency Diocesan Safeguarding Advisory Panel. Incumbents and Parish Safeguarding Officers receive support from the diocesan safeguarding team to enable them to embed safer recruitment and safeguarding practices into their parishes. In particular;

- In line with national requirements, an independent review of safeguarding practices (Past Case Review 2 or PCR2) began in September 2021, ending in March 2022, with a report, the findings from which will be included in a national summary report, due for publication in July 2022;
- Casework numbers remained low with only 33 referrals meeting the criteria for a safeguarding concern (2020:36). The number reflected parishes limiting their in-person activities and meetings;
- 560 Disclosure and Barring Service (DBS) checks were processed (2020: 596) for those working with children and/or adults at risk of harm or abuse;
- We increased our training capacity and recruited two part time trainers (equating to one full time equivalent) to deliver a combination of online and in-person training. In total, 1,951 people successfully completed safeguarding training in the year. (2020:1,099)

## **4 Plans for the future**

Our 2022 activities are guided by the priorities determined by our vision, Growing in God, which will potentially be augmented by funding from the national church. They include:

- a. A leadership programme** for 12 incumbents a year, starting September 2022 supported by focussed funded support to develop mission initiatives;
- b. Supporting benefices to continue to be outward looking** by
  - Providing resources to plan for growth;
  - Offering opportunities to benefices to join particular programmes such as Partnership for Missional Growth;
- c. Promoting vocations to all ministries through**
  - Acting on the recommendations of the AOP review;
  - A diocesan-wide communications programme including Deanery Roadshows and a Ministries Fair in the Cathedral in May 2022;
  - A new online Learning and Development Hub providing easy access to resources for everyone to support their development as whole life disciples, follow vocational pathways with access to courses, events, and resources;
- d. Focussing on growing younger by**
  - Partnering with an incumbent, designing and running a pilot in an area of significant population with children, families or young people, aiming to double their numbers;
  - Roll out the Youthscape essential course to increase the number of licensed youth ministers;

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- Support the development of a youth orientated congregation at Chantry, Ipswich with the Suffolk Centre of Mission and identify another possible location to pilot this model of church planting.

### e. Year four of our SDF projects:

#### **Growing in God in the Countryside**

- Financial support for three benefices to be able to appoint an incumbent equipped to reach out to new generations;
- Building on schools work – different initiatives across the county including gospel choirs in the Waveney Valley;
- More support and coaching for unpaid ministers involved in rural mission;
- Establishing maps towards financial sustainability for each Lightwave rural mission initiative.

#### **Inspiring Ipswich**

##### Outreach:

- Adding two more pop-up-shops joining the existing eight;
- Starting two new Wellbeing cafés and a Wellsprings Pilates class;
- Inspiring Angels will go Suffolk-wide in December.

##### Growing disciples:

- St Mary Le Tower leading the Radio 4 Sunday Service (estimated audience of 1.6 million people);
- Starting a new afternoon congregation for families at River Church;
- Add five new Prayer Spaces in schools and another Messy Church;

##### Building capacity:

- Host two deanery-wide conferences, focusing on sharing our faith;
- Launch the Church Army Suffolk Centre of Mission;
- Begin an initiative called 'Inspiring Chaplains' to seek major funding under the direction of the Headteacher of St Margaret's School;
- Begin a second Growing Leaders cohort;
- A New Leadership school for clergy starting up.

### f. Our work in schools will continue, with the following emphases:

- Continuing to support effective links between schools and churches which enable faith to grow;
- Taking account of the anticipated White Paper in reviewing capacity for further academisation in our four existing MATs; and
- Working towards implementation of the new DBE Measure from 1 January 2023.

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### **g. Supporting and enabling the work of parishes:**

- Continue to update and refresh the website as a gateway for parishes and the public to improve accessibility of information;
- Develop and implement a seven-year external maintenance plan for parsonages alongside a 10-30 year planned maintenance programme;
- Investigate and potentially implement an on-line learning and development platform for all training offers for ministerial development, churchwardens and treasurers, and safeguarding;
- 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;
- Support parishes by developing a PCC workshop programme that covers various topics hosted by diocesan staff and local parish 'experts';
- Continue to encourage parishes to be outwardly focused and active in offering a variety of giving platforms;
- Focus resources through collaboration across teams to achieve the best financial and missional outcomes to encourage growth;
- Work with a fundraising consultant to promote legacy take-up in parishes and promote Friends Groups.

## **5 Subsidiaries, related parties and volunteers**

### **Subsidiaries**

The DBF has one wholly owned active subsidiary, Churchgates 2000 Limited, 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;
- **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 ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- 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 Diocesan 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 £9,988k (2020: £9,256k) with **expenditure** amounting to £9,173k (2020: £9,214k).

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 75% of our total regular income. As per note 1, the net parish share shortfall at £992k was worse than the budget assumption of £440k but the percentage of budgeted share collected improved slightly to 85.8% (2020: 83.1%). The net share for 2021 was £14k better than 2020 and has not been without huge effort on behalf of our parishes, given the very difficult year which they have faced. We are enormously grateful for their generosity.

The financial position was improved by £196k of sustainability funding grant from the national Church (2020: £600k) and trustees would like to record their gratitude for the ongoing support of the national Church.

During 2021, the DBF paid £222k (2020: £365k) as a deficit contribution towards the Defined Benefit Pension scheme managed by the Church of England Pensions Board. With the Triennial Valuation at 31 December 2018 now complete, the deficit is currently £218k with the expectation that this will be paid by 31 December 2022.

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

**Net income** before investment gains showed a surplus for the year of £815k (2020: surplus of £42k) supported by the grant from National Church's sustainability funding, and a gain on the sale of one parcel of glebe land

**Net gains on investments** are unrealised and amounted to £1,689k (2020: gain of £853k) as stock markets recovered during the course of the year.

The overall **increase in funds** in the year was £2,211k (2020: £971k) which, whilst pleasing, masks the underlying challenge to produce a balanced operating result. Of the total £2,211k gain, £1,340k (2020: £1,241k) relates to Endowment Funds, which are not all available to spend. There was a gain on unrestricted funds of £381k (2020: loss of £332k) and a gain of £490k (2020: gain of £62k) on restricted funds.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Net cash inflow of £221k (2020: inflow of £1,553k) arises from the sale proceeds of properties and glebe land, the receipt of a grant from national Church and an increased debtor balance for schools' capital projects. These increases offset the shortfall in parish share receipts and repayment of the forbearance loan. Net cash inflow from investing activities at £1,084k (2020: inflow of £1,081k) is mainly due to the sales receipts of properties, glebe land and investment income.

### **Significant Property Transactions**

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

- One purchase for housing a stipendiary ecclesiastical office holder.
- Sale of one property surplus to operational requirements with adjacent glebe land.

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 one parcel of glebe land for a significant surplus (2020: 1 sale). We continue to work with our land agents to complete a cycle of rent reviews and lease renewals on glebe land as advised by the DBF's land agents. We have a current holding of 317 acres over eighty-two sites.

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 £83,130k (2020: £80,919k) it must be remembered that this figure includes clergy houses, valued at £68,512k (2020: £67,766k). 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 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 – £1,152k (2020: £1,063k). At 31<sup>st</sup> December 2021, the DBF held an unrestricted cash overdraft balance of £536k (2020: a cash balance of £856k), a £1,392k worse position for 2021 but this was in part due to the repayment of the £908k forbearance loan in 2021. As per note 25, unrestricted net current assets are £175k (2020: net current assets of £2k) – still substantially below the stated requirement. In the short to medium term, cash flow is supported by 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 Diocesan Pastoral Account (DPA) within the foreseeable future, consideration will be given to subventing funds from the DPA.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### 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 2021 restricted funds totalled £3,550k (2020: £3,060k) and endowment funds totalled £75,143k (2020: £73,803k).

### 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 November 2021. Investments comprise some 19% by value of the Charity's net assets. The group investment holdings are:

	<b>Funds at 31 December 2021</b>	<b>Proportion of portfolio</b>	<b>Income yield in year</b>	<b>Total return in year</b>
<b>CBF Investment Fund</b>	11,249	72.0%	2.64%	17.46%
<b>CBF Property Fund</b>	1,448	9.3%	4.40%	19.74%
<b>Glebe Land / Buildings</b>	2,853	18.3%	0.98%	-
<b>Other</b>	66	0.4%		
<b>Total</b>	<b>15,616</b>	<b>100.0%</b>		

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

### Trust (Capital and Income) Act 2013

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### **Budget and outlook for 2022**

The budget for 2022 was approved by Bishop's Council and by Diocesan Synod in October 2021 providing for parish share of £7,000k, the same as in 2021, and a limit on operational expenditure of £10.0m.

### **Going Concern**

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

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

Trustees have prepared a 2022 budget and plans for 2023 and 2024 along with detailed cash flow forecasts and are confident that these plans demonstrate an ongoing ability to operate as a going concern.

### **7 Custodian trustee**

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

The trustees are custodian trustees in relation to Parochial Church Council (PCC) property and for trust investment assets with a market value at 31 December 2021 of £4,772,000 (2020: £4,274,000). 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 2021, the total funds held on deposit were £326,000 (2020: £315,000).

### **8 Principal risks and uncertainties**

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

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

Ongoing deficits in the unrestricted fund (day-to-day operations). This risk has become even more pronounced with Covid-19, and it recognises the combination of the heavy reliance on parish share, a voluntary income stream accounting for c 75% of total regular income (less national church funding and one-off gains from glebe land sales), with the

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

need to provide every benefice with a vicar, rector or priest-in-charge and the need to support these ministers as well as develop future ministers. The effects of Covid-19 and the consequent shutting of churches had a significant impact on parish share receipts in 2020 and 2021 and whilst the DBF took action to offset parish share losses, it is likely that the financial impact of Covid-19 in reducing PCC reserves and congregations will be felt in future years.

Mitigation to reduce the size of deficits includes:

- Securing long-term funding from the national Church to progress the Growing in God plans and sustainability of our benefices and improve DBF financial sustainability by 2026;
- Working alongside a fundraising expert to develop new income streams for the DBF;
- Continuing to promote the Parish Giving Scheme and other initiatives to support benefice stewardship campaigns to recognise generosity as a fundamental Christian calling;
- Utilising Total Return to release permanently endowed capital in the DBF; and
- Taking steps to make structural changes.

Reputational damage. Safeguarding remains a high risk and trustees anticipate with the completion of the national initiative to review all clergy files in 2021 (known as PCR2) being completed by March 2022, and whilst cases have been low during the last two years, 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., implementation of recommendations from the independent review of serious cases.

In addition, telling our story is also important to build on the Covid experience and generate more good news stories, as well as explaining our finances and those of the national church.

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.

Mitigation includes ensuring that the Strategic Development Funds are invested effectively to accelerate growth across the diocese; a new leadership programme for clergy is being finalised; ensuring the pathway to local ordination is sustainable; finalising plans to implement a long-term ministry deployment plan for the diocese and improving Parish Profiles to reflect future roles more consistently and comprehensively.

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

Mitigation includes:

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

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

Mitigation includes, within the DBF:

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

## STRUCTURE and GOVERNANCE

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

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

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

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

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

The Diocese was created in 1914 and broadly took its present form in 1924. It is arranged as three archdeaconries; Ipswich covering the deanery of Ipswich and five further deaneries; Suffolk the eastern part with six deaneries and Sudbury the western part, also with six deaneries. From 2006 until April 2019, the archdeaconries were overseen by two archdeacons, one for Suffolk and one for Sudbury, with the Ipswich deaneries shared between them. In April 2019, a new Archdeacon of Ipswich was appointed to spearhead our "Inspiring Ipswich" initiative funded by the national Church, with the remaining deaneries still overseen by the Archdeacons of Sudbury and Suffolk as before. In total, there are some 443 parishes in the diocese, serving a population of c 650,000.

### 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.

# THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

## Diocesan governance

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

## Decision making structure

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

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

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

<b>Bishop's Staff</b>	Oversight of the day-to-day operations of the DBF, clergy matters, communications, and implementation of strategy.
<b>Finance and Investment Committee</b>	Scrutiny of the accounts and audit process, budgets and financial plans and manages assets and investments, including glebe land and property.
<b>The Governance Committee</b>	Scrutiny of DBF policies, procedures, HR, H&S and overall governance. Review of senior employee remuneration. Scrutiny of wider diocesan policies and synodical matters.
<b>The Parsonages Committee</b>	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 ten ex officio members, three clergy elected by the House of Clergy from among their number and six lay people elected by the House of Laity from among their number. The Diocesan Bishop, as President, may also appoint one person nominated by the Diocesan Board of Education and one person nominated by the Diocesan Advisory Committee if those bodies are not already represented by members of the Council.

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

## Trustee recruitment, selection, induction, and training

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

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

### **Remuneration of key employees**

The Governance Committee carried out a limited review of senior staff remuneration in March 2021, and, on this basis, it was satisfied no further work was needed at that time. The Board has agreed to form a remuneration committee in 2022 to undertake a full review.

### **Public Benefit**

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

The trustees believe that, by promoting the work of the Church of England in the Diocese of St Edmundsbury and Ipswich, the charity helps to promote the whole mission of the Church (pastoral, evangelistic, social, and ecumenical) more effectively, both in the diocese and in its individual parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care, and spiritual, moral, and intellectual development both for its members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

### **Fund raising standards**

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

## **TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of St Edmundsbury and Ipswich Diocesan Board of Finance Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.) Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable company and the group for that period.

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

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities Statement of Recommended Practice 2019 (FRS 102)
- c) make judgements and estimates that are reasonable and prudent; and

## 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 operation.

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

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information on the website. Legislation in the United Kingdom 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 DL, Chairman (retired 30<sup>th</sup> April 2022)  
Mr E G Creasy, Chairman (from 1<sup>st</sup> May 2022)  
**Ex officio** The Rt Revd Dr M R Harrison Bishop of Dunwich  
The Ven Dr D H Jenkins, Archdeacon of Sudbury  
The Ven R E King, Archdeacon of Ipswich  
The Ven J Gosney, Archdeacon of Suffolk  
The Very Revd J P Hawes, Dean of St Edmundsbury

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

<b>Elected</b>	The Revd Canon 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 (retired 31 <sup>st</sup> July 2021)
	Mrs P Bird, House of Laity (retired 31 <sup>st</sup> July 2021)
	Mr D J Chambers, House of Laity (retired 31 <sup>st</sup> July 2021)
	Mr I Wigston, House of Laity (retired 31 <sup>st</sup> July 2021 and from 9 <sup>th</sup> December 2021)
	The Revd A S Dotchin, House of Clergy (retired 31 <sup>st</sup> July 2021)
	The Revd S Bates, House of Clergy (retired 31 <sup>st</sup> July 2021)
	The Revd Canon C Childs, House of Clergy (from 1 <sup>st</sup> August 2021)
	The Revd P I Clarke, House of Clergy (from 1 <sup>st</sup> August 2021)
	Mrs E L Knight, House of Laity (from 9 <sup>th</sup> December 2021)
	Mr J R Rabett, House of Laity (from 9 <sup>th</sup> December 2021)
	The Revd J A Thackray, House of Clergy (from 9 <sup>th</sup> December 2021)
Mr D L Walters, House of Laity (from 9 <sup>th</sup> December 2021)	
<b>Co-opted:</b>	Mr S R West
	The Revd C Cook (retired 31 <sup>st</sup> July 2021)

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:

<b>Diocesan Secretary</b>	Anna Hughes ACA
<b>Finance Director</b>	Gary Peverley ACMA, CGMA
<b>Director of Education</b>	Jane Sheat
<b>Director of Mission and Ministry</b>	The Revd Canon Dave Gardner
<b>Head of Property</b>	Dawn Gillett
<b>Diocesan Advisory Committee Secretary</b>	James Halsall (until 31 March 2021)
<b>Diocesan Advisory Committee Secretary</b>	Edmund Harris (from 4 January 2022)
<b>Acting Diocesan Advisory Committee Secretary</b>	Charlotte Hodgson (from 10 March 2021)

### **Company Advisers:**

<b>Auditor:</b>	Lovewell Blake LLP, Chartered Accountants & Statutory Auditor. Bankside 300 Peachman Way, Broadland Business Park, Norwich, Norfolk, NR7 0LB
<b>Bankers:</b>	The Royal Bank of Scotland plc, 5 Queen Street, Norwich, Norfolk, NR2 4TL
<b>Solicitor &amp; Registrar:</b>	Birketts, Providence House, 141-145 Princes Street, Ipswich, IP1 1QJ
<b>Investment Advisers:</b>	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 M Seeley, Bishop of St Edmundsbury and Ipswich**

Trustee and Director  
17<sup>th</sup> May 2022

### **The Ven Dr D H Jenkins, Archdeacon of Sudbury**

Trustee and Director  
17<sup>th</sup> May 2022

## 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 2021 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 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 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

#### **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report (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 the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 18-19, 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 and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

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

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

A further description of our responsibilities for the audit of financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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

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:

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Consolidated Statement of Financial Activities for the Year Ended 31 December 2021

		Unrestricted Funds	Restricted Funds	Endowed Funds	Total Funds 2021	Total Funds 2020
Note	£000	£000	£000	£000	£000	£000
<b>Income and endowments from:</b>						
Donations and legacies						
Parish share	1	6,008	-	-	6,008	5,994
Archbishops' Council	2	333	1,111	-	1,444	1,500
Other donations	3	125	93	-	218	177
Charitable activities	4	460	76	-	536	517
Other trading activities	5	428	12	-	440	354
Investments	6	296	327	-	623	591
Other income	7	-	-	719	719	123
<b>Total income</b>		<b>7,650</b>	<b>1,619</b>	<b>719</b>	<b>9,988</b>	9,256
<b>Expenditure on:</b>						
Raising funds	8	227	-	-	227	163
Charitable activities	9	7,193	1,753	-	8,946	9,051
<b>Total expenditure</b>		<b>7,420</b>	<b>1,753</b>	-	<b>9,173</b>	9,214
<b>Net Income / (expenditure) before investment gains</b>						
		<b>230</b>	<b>(134)</b>	<b>719</b>	<b>815</b>	42
Net gains on investments		<b>232</b>	<b>117</b>	<b>1,340</b>	<b>1,689</b>	853
<b>Net income / (expenditure)</b>		<b>462</b>	<b>(17)</b>	<b>2,059</b>	<b>2,504</b>	895
<b>Transfers between funds</b>	13	<b>209</b>	<b>507</b>	<b>(716)</b>	-	-
<b>Other recognised gains and (losses):</b>						
Gains/(losses) on reclassification of fixed assets		<b>(290)</b>	-	-	<b>(290)</b>	90
Actuarial (losses)/gains on defined benefit pension schemes	23	-	-	<b>(3)</b>	<b>(3)</b>	(14)
<b>Net movement in funds</b>		<b>381</b>	<b>490</b>	<b>1,340</b>	<b>2,211</b>	971
<b>Reconciliation of funds:</b>						
Total funds at 1 January 2021		<b>4,056</b>	<b>3,060</b>	<b>73,803</b>	<b>80,919</b>	79,948
Total funds at 31 December 2021		<b>4,437</b>	<b>3,550</b>	<b>75,143</b>	<b>83,130</b>	80,919

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

The accounting policies and notes on pages 30 to 63 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 2021

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Total Income (see below)	<b>9,261</b>	9,211
Expenditure (see below)	<b>9,173</b>	9,214
Operating surplus/(deficit) for the year	<b>88</b>	(3)
Interest receivable	<b>8</b>	15
Net gains on investments	<b>1,689</b>	853
Surplus for the year	<b>1,785</b>	865
<b>Other comprehensive income:</b>		
Unrealised gain/(losses) on property	<b>(290)</b>	90
Actuarial (losses)/gain on defined benefit pension scheme	<b>(3)</b>	(14)
Net assets transferred from endowments	<b>719</b>	30
Total comprehensive income for the year	<b>2,211</b>	971

### Supplementary Information

Total income comprises £7,650k for unrestricted funds, £1,619k for restricted funds and £719k 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 25 and notes 8 to 9 to the accounts.

The net surplus for the year of £2,211k comprises £381k net surplus on unrestricted funds, £1,830k surplus on restricted and endowment funds.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 25 which, together with the notes to the financial statements on pages 30 to 63, provides full information on the movements during the year of the funds in the group.

<b>Reconciliation of Summary Income and Expenditure to SoFA</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Total income per SoFA	<b>9,988</b>	9,256
Less total endowment additions	<b>(719)</b>	(30)
Less interest receivable	<b>(8)</b>	(15)
Total statutory income	<b>9,261</b>	9,211
Total expenditure per SoFA	<b>9,173</b>	9,214
Less endowment total expenditure	-	-
Total expenditure per above	<b>9,173</b>	9,214

The accounting policies and notes on pages 30 to 63 form part of these financial statements.

# THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

## Group and Charity Balance Sheet as at 31 December 2021

	Note	Group		Charity	
		2021	2020	2021	2020
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	14	<b>60,387</b>	60,068	<b>59,480</b>	58,958
Investments	15	<b>15,616</b>	14,184	<b>16,925</b>	15,404
		<b>76,003</b>	74,252	<b>76,405</b>	74,362
<b>Current assets</b>					
Assets held for resale		<b>786</b>	1,796	<b>786</b>	1,796
Debtors	16	<b>1,757</b>	500	<b>1,762</b>	549
Investments	17	<b>2,703</b>	2,724	<b>2,703</b>	2,724
Cash at bank and in hand		<b>3,207</b>	3,875	<b>2,950</b>	3,613
		<b>8,453</b>	<b>8,895</b>	<b>8,201</b>	8,682
Creditors: amounts falling due within one year	18	<b>(1,326)</b>	(2,011)	<b>(1,314)</b>	(1,994)
<b>Net current assets</b>		<b>7,127</b>	6,884	<b>6,887</b>	6,688
<b>Total assets less current liabilities</b>		<b>83,130</b>	81,136	<b>83,292</b>	81,050
Creditors: amounts falling due after one year					
Pension scheme liabilities	19	(-)	(217)	(-)	(217)
<b>Total net assets</b>		<b>83,130</b>	80,919	<b>83,292</b>	80,833
<b>Capital and reserves</b>					
Unrestricted fund		<b>2,488</b>	2,107	<b>2,504</b>	2,171
Unrestricted fund revaluation reserve		<b>1,949</b>	1,949	<b>1,949</b>	1,949
	21	<b>4,437</b>	4,056	<b>4,453</b>	4,120
Restricted fund		<b>3,233</b>	2,833	<b>3,233</b>	2,833
Restricted fund revaluation reserve		<b>317</b>	227	<b>317</b>	227
	21	<b>3,550</b>	3,060	<b>3,550</b>	3,060
Endowment fund		<b>31,591</b>	30,243	<b>31,867</b>	30,223
Endowment fund revaluation reserve		<b>43,552</b>	43,560	<b>43,422</b>	43,430
	21	<b>75,143</b>	73,803	<b>75,289</b>	73,653
		<b>83,130</b>	80,919	<b>83,292</b>	80,833

Approved by the Board and authorised for issue on 17<sup>th</sup> May 2022 and signed on the Board's behalf by:

The Rt Revd M Seeley, Bishop of St Edmundsbury and Ipswich  
Trustee and Director

The Ven Dr D H Jenkins, Archdeacon of Sudbury  
Trustee and Director

The accounting policies and notes on pages 30 to 63 form part of these financial statements,

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Consolidated Cashflow Statement Year Ended 31 December 2021

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Cashflow Statement:</b>		
Cash outflow from operating activities (note a)	<b>(1,773)</b>	(435)
Cash inflow/(outflow) from investing activities (note b)	<b>1,084</b>	1,081
Cash flows from financing activities:		
Loans advanced to the Group	-	907
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(689)</b>	1,553
Net funds at 1 January as previously stated	<b>6,599</b>	4,591
Prior year adjustment	-	455
Net funds at 1 January (restated)	<b>6,599</b>	5,046
<b>Net funds at 31 December (note c)</b>	<b>5,910</b>	6,599

#### Notes to the consolidated cashflow statement

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

Net income	<b>815</b>	42
Depreciation	<b>40</b>	40
(Profit) on disposal of tangible fixed assets	-	(14)
Returns on investments	<b>(465)</b>	(453)
(Increase)/decrease in debtors	<b>(1,257)</b>	(62)
Increase/(decrease) in creditors	<b>(906)</b>	12
<b>Net cash (outflow) from operating activities</b>	<b>(1,773)</b>	(435)

##### b) Cashflows from investing activities

Interest received	<b>8</b>	15
Investment income received	<b>457</b>	438
Receipts from sales of tangible fixed assets	<b>1,178</b>	657
Payments to acquire tangible fixed assets	<b>(559)</b>	(29)
Receipts from sales of investments	-	-
Payments to acquire investments	-	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>1,084</b>	1,081

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### c) Analysis of cash and cash equivalents / net debt

	January 2021	Cashflow	December 2021
	£000	£000	£000
<b>Cash and cash equivalents:</b>			
Cash at bank and in hand	3,875	(668)	3,207
Current asset investments	2,724	(21)	2,703
	6,599	(689)	5,910
<b>Borrowings:</b>			
Due within one year	(910)	910	-
<b>Total</b>	<b>5,689</b>	<b>221</b>	<b>5,910</b>

Of the total cash and cash equivalent balances of £5,910,000 at 31 December 2021, £6,442,000 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 2021

#### (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 2021. 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 £2,446k (2020: surplus of £975k).

#### (c) Going concern

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

#### (d) Income

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

- i. Parish Share is recognised as income of the year in respect of which it is receivable which includes amounts received in respect of the year up to the following 31 January;
- ii. Rent receivable is recognised as income in the period to which it relates;
- iii. Interest and dividends are recognised as income when receivable;
- iv. Grants received, which are subject to pre-conditions for entitlement specified by the donor, which have not been met at the year-end, are included in creditors to be carried forward to the following year;
- v. Parochial fees are recognised as income of the year to which they relate which includes assigned fees received in respect of the year up to the following 31 January;
- vi. Donations are recognised when they are receivable;

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- vii. Gains on disposal of fixed assets for the charity's own use (i.e., non-investment assets), are accounted for as a gain in other recognised income and expenditure. Losses on disposal of such assets are accounted for as impairments in other expenditure;
- viii. Stipends fund income. The Stipends fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the much larger related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

### **(e) Expenditure**

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

- i. Costs of raising funds are those costs incurred in managing the temporary renting out of parsonages and investment properties, those incurred in trading activities for fund raising, i.e., Churchgates 2000 Limited, and the net interest cost of the defined benefit pension scheme;
- ii. Charitable expenditure is analysed between contributions to the Archbishops' Council, the costs of parochial ministry, and other ministry and mission work including education and Church of England schools in the diocese;
- iii. Support costs consist of central management, administration, and governance costs. They have been allocated to activity cost categories (excluding payments to the Archbishops' Council and losses on disposal of fixed assets), on a proportional cost basis;
- iv. Grants payable are charged in the year when the offer is conveyed to the recipient or payment is made if there is no offer in advance of payment, except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the charity, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure;
- v. Provisions for liabilities are recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.
- vi. Redundancy and termination costs are recognised as payments incurred during the year, or where there is certainty that there is no further economic benefit to the DBF, and therefore expensed immediately.

### **(f) Pension Costs**

#### **Defined benefit schemes**

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Defined contribution schemes

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

### (g) Taxation

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

The charity is unable to reclaim Value Added Tax (VAT), which is included under the various relevant expenditure headings. Churchgates 2000 Limited, a subsidiary company included in these consolidated financial statements, is registered for VAT. Its income and expenditure is stated net of VAT. On 6<sup>th</sup> August 2021, the DBF registered for VAT (VAT number 388 7180 45) in order to opt to tax on a land sale, and once the transaction was complete, de-registered for VAT on 2<sup>nd</sup> November 2021.

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

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

The DBF has followed the requirements of FRS 102 in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime, legal title and the right to beneficial occupation is vested in the incumbent. The trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at cost.

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

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

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

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

Land	Nil
Buildings	Nil
Fixtures and Fittings	20% on cost

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Motor vehicles	20% on cost
Computers	20% on cost
Photocopiers	Over 3 years
Software	Over 3 years
Photo-Voltaic Panels	Over 25 years

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

### **(i) Redundant churches**

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

### **(j) Investments**

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

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

### **(k) Current asset investments**

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

### **(l) Basic financial assets**

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

### **(m) Basic financial liabilities**

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### **(n) Operating leases**

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

### **(o) Funds structure**

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

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

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

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

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

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

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

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

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

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

### **(q) Redundancies**

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

### **(r) Government grants**

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

# THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

## Notes to the Accounts

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	£000	£000	£000	£000	£000
<b>1 Parish Share</b>					
Parish share requested	7,000	-	-	7,000	7,217
Shortfall in contributions	(992)	-	-	(992)	(1,223)
	<b>6,008</b>	-	-	<b>6,008</b>	5,994
<b>2 Archbishops' Council</b>					
Selective allocation	127	142	-	269	317
Strategic Capacity Fund	-	43	-	43	47
Strategic Development Fund	-	785	-	785	481
Strategic Ministry Fund	-	104	-	104	55
Strategic Giving Advisor Fund	-	37	-	37	-
PCR2 Funding	10	-	-	10	-
Sustainability Funding	196	-	-	196	600
	<b>333</b>	<b>1,111</b>	-	<b>1,444</b>	1,500
<b>3 Other donations</b>					
Allchurches Trust	103	-	-	103	110
Donations	22	93	-	115	67
	<b>125</b>	<b>93</b>	-	<b>218</b>	177
<b>4 Charitable activities</b>					
Statutory fees and chaplaincy income	436	-	-	436	388
Miscellaneous income	24	76	-	100	129
	<b>460</b>	<b>76</b>	-	<b>536</b>	517
<b>5 Other trading activities</b>					
Rental income from parsonage, glebe & Board Houses	370	-	-	370	310
St Nicholas Centre	13	-	-	13	12
Other	45	12	-	57	32
	<b>428</b>	<b>12</b>	-	<b>440</b>	354
<b>6 Investments</b>					
Dividends receivable	148	309	-	457	438
Interest receivable	8	-	-	8	15
Rents receivable	140	18	-	158	138
	<b>296</b>	<b>327</b>	-	<b>623</b>	591
<b>7 Other Income</b>					
Coronavirus Job Retention Scheme (CJRS) income	-	-	-	-	111
Gains on disposal of property / fixed assets	-	-	719	719	12
	-	-	<b>719</b>	<b>719</b>	123
<b>8 Raising funds</b>					
Cost of renting out parsonage, glebe, and Board Houses	56	-	-	56	33
St Nicholas Centre costs of sales	68	-	-	68	56
Investment property costs	84	-	-	84	53
Net interest cost of clergy pension	1	-	-	1	7
Support costs	18	-	-	18	14
	<b>227</b>	-	-	<b>227</b>	163

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2021 £000	Total funds 2020 £000
<b>9 Charitable activities</b>					
Contributions to the Archbishops' Council:					
Training for ministry	281	-	-	281	264
National Church Responsibilities	176	-	-	176	189
Mission Agency pension contributions	11	-	-	11	9
Retired clergy housing costs (CHARM)	93	-	-	93	90
Pooling of ordinand candidates' costs	226	142	-	368	318
Other	21	-	-	21	21
	<b>808</b>	<b>142</b>	-	<b>950</b>	891
Parochial ministry:					
Ministry stipends & pensions	4,146	222	-	4,368	4,528
Housing: repairs & renewals	364	77	-	441	341
Housing: rates, council tax & administration	402	-	-	402	387
Other expenses	225	-	-	225	562
	<b>5,137</b>	<b>299</b>	-	<b>5,436</b>	5,818
Other ministry & mission:					
Ministry education & training	184	-	-	184	165
Education, youth & children's ministry	110	260	-	370	435
Specialist ministry & church buildings	357	911	-	1,268	969
	<b>651</b>	<b>1,171</b>	-	<b>1,822</b>	1,569
Support costs	597	141	-	738	773
	<b>7,193</b>	<b>1,753</b>	-	<b>8,946</b>	9,051

## 10 Grants payable

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000
<b>General grants payable</b>			
<b>Institutional grants greater than £1,000 to support the work of those institutions:</b>			
Archbishops' Council	808	142	-
Churches Together in Suffolk	2	-	-
<b>Other Trusts for the purposes detailed in the individual trust documents:</b>			
Diocese of Kagera	-	6	-
Ngara Primary School	-	7	-
Kagera Christian Training College	-	16	-
Kagera CCMP	-	10	-
Grants to individuals and others less than £1,000	99	4	-
	<b>909</b>	<b>185</b>	-

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### 11 Support costs

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2021 £000	Total funds 2020 £000
Costs of raising funds	18	-	-	18	14
Charitable activities	564	141	-	705	745
Governance Costs	33	-	-	33	28
<b>Total</b>	<b>615</b>	<b>141</b>	<b>-</b>	<b>756</b>	<b>787</b>

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

	2021 £000	2020 £000
<b>General office costs:</b>		
Depreciation	40	40
Staff costs	305	329
Office running costs	270	267
Professional fees	120	133
Governance costs:		
Audit - Lovewell Blake	24	23
Other	-	-
Secretariat	9	5
	<b>768</b>	<b>797</b>

### 12 Remuneration and staff and trustee details

Staff payroll costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	1,384	1,515
Social security costs	133	151
Pension costs – regular	63	79
Costs charged to SoFA	1,580	1,745
Pension costs - deficit reduction	6	8
<b>Total payroll costs</b>	<b>1,586</b>	<b>1,753</b>

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

	2021	2020
Resourcing ministry and mission	32.1	33.1
Education	5.5	5.7
Governance	2.0	2.0
Support	5.4	4.9
	<b>45.0</b>	<b>45.7</b>

The average number of employees during the year was:

<b>45.8</b>	<b>46.8</b>
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## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

	<b>2021</b>	<b>2020</b>
£70,000 - £80,000	2	3
£80,000 - £90,000	-	-
£90,000 - £100,000	1	1
	1	1

Pension contributions paid in respect of these staff were **£12,362** (2020: £15,852).

<b>Stipended office holders not employees (full time equivalents)</b>	<b>2021</b>	<b>2020</b>
Archdeacons	3.0	3.0
Parochial clergy	95.4	95.1
Other office holders	4.5	3.0
Curates	18.0	21.0
	120.9	122.1

<b>At a cost of</b>	<b>£000</b>	<b>£000</b>
Stipends	3,296	3,230
Employer National insurance	303	288
Apprenticeship Levy	17	16
Pension cost current year	940	835
Costs charged to SoFA	4,556	4,369
Pension costs deficit reduction	216	357
	4,772	4,726
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 2021 they were:

Diocesan Secretary	Mrs A Hughes
Finance Director	Mr G Peverley
Diocesan Director of Education	Mrs J Sheat
Diocesan Advisory Committee & Pastoral Committee Secretary	Mr J Halsall (until 31 <sup>st</sup> March 2021)
Acting Diocesan Advisory Committee	Mrs C Hodgson (from 10 <sup>th</sup> March 2021)
Director of Mission and Ministry	The Revd Canon Dave Gardner
Head of Property	Mrs D Gillett

Remuneration, pensions, and expenses for these 7 employees (2020: 7) was as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Salaries	398	467
Pensions	18	32
	416	499
Expenses	7	5

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Trustees' emoluments

None of the directors has received any emoluments from the DBF in respect of services performed as a trustee (2020: £ 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"> <li>• £46,640 stipend for 2021/22 (£46,180 2020/21)</li> <li>• Defined benefit pension scheme.</li> <li>• Living accommodation.</li> <li>• Car.</li> </ul>
Suffragan Bishop	The Rt Revd Dr M Harrison	Funded by the Church Commissioners: <ul style="list-style-type: none"> <li>• £38,050 stipend for 2021/22 (£37,670 2020/21)</li> <li>• Defined benefit pension scheme.</li> <li>• Car</li> </ul> Funded by the DBF: <ul style="list-style-type: none"> <li>• Living accommodation</li> </ul>
Archdeacons	The Ven Dr D Jenkins The Ven R King The Ven J Gosney	Funded by the DBF: <ul style="list-style-type: none"> <li>• £36,281 stipend for 2021/22 (£36,281 2020/21)</li> <li>• Defined benefit pension scheme.</li> <li>• Living accommodation</li> <li>• Car</li> </ul>
Parochial ministers	Revd Canon S J Potter Revd A S Dotchin (until 31 <sup>st</sup> July 2021) Revd S Bates (until 31 <sup>st</sup> July 2021) Revd C Cook (until 31 <sup>st</sup> July 2021) Revd Canon C Childs (from 1 <sup>st</sup> August 2021) Revd P Clarke (from 1 <sup>st</sup> August 2021) Revd J Thackray (from 9 <sup>th</sup> December 2021)	Funded by the DBF: <ul style="list-style-type: none"> <li>• £26,589 stipend for 2021/22 (£26,589 2020/21).</li> <li>• Defined benefit pension scheme.</li> <li>• Living accommodation</li> </ul>

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:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Expenses - 7 trustees (2020 - 8)	<b>6</b>	<b>7</b>
Stipends and pensions - 7 trustees (2020 - 8)	<b>359</b>	<b>326</b>

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### 13 Transfers between funds

	Un- restricted £000	Restricted £000	Endow't £000	Total 2021 £000
Past clergy pension cost, the liability for which is in the Stipends Capital Fund, but the cost is borne by the DBF Net value of Benefice property sales, purchases and improvements released from the Benefice Fund into the Pastoral Account.	(221)	-	221	-
Allocation of support costs back to the unrestricted fund	-	351	(351)	-
Churchgates 2000 Limited movement for the year	(141)	141	-	-
Loss on reclassification of fixed assets	296	-	(296)	-
Other Restricted fund movement	290	-	(290)	-
	(15)	15	-	-
<b>Total net transfers</b>	<b>209</b>	<b>507</b>	<b>(716)</b>	<b>-</b>

### 14 Tangible fixed assets

Group	Freehold land & buildings £000	Fixtures & fittings £000	Total £000
Cost / Valuation at 1 January 2021	59,900	552	60,452
Additions	546	13	559
Impairments	(200)	-	(200)
Transfers (to)/ from current assets at NRV	-	-	-
Revaluations	-	-	-
Disposals	-	-	-
Cost / Valuation at 31 December 2021	<b>60,246</b>	<b>565</b>	<b>60,811</b>
Accumulated depreciation at 1 January 2021	-	384	384
Disposals	-	-	-
Charge for the year	-	40	40
Accumulated depreciation at 31 December 2021	-	<b>424</b>	<b>424</b>
Net Book Value at 31 December 2021	<b>60,246</b>	<b>141</b>	<b>60,387</b>
Net Book Value at 31 December 2020	<b>59,900</b>	<b>168</b>	<b>60,068</b>

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

<b>Charity</b>	<b>Freehold land &amp; buildings £000</b>	<b>Fixtures &amp; fittings £000</b>	<b>Total £000</b>
Cost / Valuation at 1 January 2021	58,800	415	59,215
Additions	546	13	559
Impairments	-	-	-
Transfers (to)/ from current assets at NRV	-	-	-
Disposals	-	-	-
Cost / Valuation at 31 December 2021	<b>59,346</b>	<b>428</b>	<b>59,774</b>
Accumulated depreciation at 1 January 2021	-	257	257
Disposals	-	-	-
Charge for the year	-	37	37
Accumulated depreciation at 31 December 2021	-	<b>294</b>	<b>294</b>
Net Book Value at 31 December 2021	<b>59,346</b>	<b>134</b>	<b>59,480</b>
Net Book Value at 31 December 2020	<b>58,800</b>	<b>158</b>	<b>58,958</b>

### 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 2021: group and charity £14.3m (2020: £9.9m).

### 15 Fixed asset investments

<b>Group</b>	<b>Investment properties £000</b>	<b>Quoted investments £000</b>	<b>Total £000</b>
Valuation at 1 January 2021	3,025	11,159	14,184
Additions	-	-	-
Revaluations	(3)	1,603	1,600
Disposals	(168)	-	(168)
Valuation at 31 December 2021	<b>2,854</b>	<b>12,762</b>	<b>15,616</b>
Historical cost at 31 December 2021	1,781	4,905	6,686

The investment properties relate to glebe land and investment properties.

<b>Charity</b>	<b>Investment properties £000</b>	<b>Churchgates 2000 Ltd £000</b>	<b>Quoted investments £000</b>	<b>Total £000</b>
Valuation at 1 January 2021	2,445	1,800	11,159	15,404
Additions	-	-	-	-
Revaluations	87	-	1,603	1,690
Disposals	(169)	-	-	(169)
Valuation at 31 December 2021	<b>2,363</b>	<b>1,800</b>	<b>12,762</b>	<b>16,925</b>
Historical cost at 31 December 2021	774	3,400	4,905	9,079

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Investments held

<b>Group</b>	<b>2021</b>	2020
	<b>£000</b>	£000
Land & buildings	<b>2,853</b>	3,026
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	<b>11,249</b>	9,834
Central Board of Finance Property Fund	<b>1,448</b>	1,267
Other	<b>65</b>	57
	<b>15,615</b>	14,184

The glebe land and buildings were valued by Messrs Clarke & Simpson Chartered Surveyors as at 31 December 2021 and 11 St Nicholas Street, Ipswich was revalued as at 22 December 2021 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 2021.

<b>Charity</b>	<b>2021</b>	2020
	<b>£000</b>	£000
Land & buildings	<b>2,363</b>	2,446
Shares in Churchgates 2000 Limited	<b>1,800</b>	1,800
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	<b>11,249</b>	9,834
Central Board of Finance Property Fund	<b>1,448</b>	1,267
Other	<b>65</b>	57
	<b>16,925</b>	15,404

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 (2020: £1,800,000). Extracts of Churchgates 2000 Limited financial statements for the year ended 31 December 2021 are noted below.

Included in the consolidation:

<b>Undertaking</b>	<b>Principal activity by charity</b>	<b>Share capital</b>	<b>Holding</b>
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.

<b>Churchgates 2000 Limited year to 31 December 2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Gross income	<b>123</b>	97
Expenditure	<b>(68)</b>	(56)
Net profit	<b>55</b>	41
Loss on investment property fair value adjustment	<b>(290)</b>	-
Gift aid payable to St Edmundsbury and Ipswich Diocesan Board of Finance	<b>(-)</b>	(45)
Net loss	<b>(235)</b>	(4)

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The assets and liabilities of the subsidiary were:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fixed assets	<b>1,397</b>	1,691
Current assets	<b>307</b>	272
Creditors: amounts falling due within one year	<b>(50)</b>	(74)
Net assets	<b>1,654</b>	1,889
Aggregate share capital and reserves	<b>1,654</b>	1,889

Included in fixed assets is the Company's freehold property, Churchgates House and the St. Nicholas Centre, which was revalued at £900,000 as at 22 December 2021 by Fenn Wright, Chartered Surveyors. This property was restated in 2016 as an Investment Property, following the company ceasing to use this for its own trade. If this investment property was stated on an historical cost basis rather than a fair value basis, the carrying amount would be £1,772,534.

Included in creditors are amounts due to the holding company of £15,914 (2020: £60,455).

Included in expenditure is £4,060 of fees payable to the auditor of the subsidiary's financial statements.

### 16 Debtors

	<b>2021</b>		<b>2020</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>				
Trade	<b>497</b>	<b>486</b>	112	101
Amounts owed by group undertaking	-	<b>16</b>	-	60
Collections in progress – share	<b>260</b>	<b>260</b>	239	239
Other debtors	<b>741</b>	<b>741</b>	132	132
Prepayments	<b>15</b>	<b>15</b>	8	8
Accrued income	<b>244</b>	<b>244</b>	9	9
	<b>1,757</b>	<b>1,762</b>	500	549

### 17 Short term investments

<b>Group and charity</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Building Funds	<b>354</b>	353
Diocesan Stipends Capital Account	<b>1,282</b>	1,282
Diocesan Pastoral Account	<b>47</b>	47
Restricted Income Funds	<b>910</b>	932
Unrestricted Funds	<b>4</b>	4
Schools' Fund	<b>106</b>	106
	<b>2,703</b>	2,724

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

	2021		2020	
	Group £000	Charity £000	Group £000	Charity £000
Trade creditors	199	196	158	156
Taxes	-	-	-	-
Social security	36	36	33	33
Forebearance loan	-	-	910	910
Other creditors	670	680	461	452
Accruals and income received in advance	203	184	231	225
Clergy pension scheme liabilities	218	218	218	218
	<b>1,326</b>	<b>1,314</b>	2,011	1,994

### 19 Creditors: Amounts falling due after one year

	2021		2020	
	Group £000	Charity £000	Group £000	Charity £000
Clergy pension scheme liabilities 2-5 years	-	-	217	217
	-	-	217	217

### 20 Deferred income

	2021 £000	2020 £000
Deferred income brought forward	29	31
Income deferred in year	44	25
Income released in year	(27)	(27)
Deferred income carried forward	<b>46</b>	29

Deferred income represents amounts received in respect of 2021 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 2021	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2021
	£000	£000	£000	£000	£000	£000	£000
General reserve	802	7,650	(7,420)	232	209	(290)	1,183
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,541	-	-	-	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	408
	<b>4,056</b>	<b>7,650</b>	<b>(7,420)</b>	<b>232</b>	<b>209</b>	<b>(290)</b>	<b>4,437</b>

#### General reserve

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

#### Fixed asset reserve

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

#### Charity

	At 1 January 2021	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 2021
	£000	£000	£000	£000	£000	£000	£000
General reserve	866	7,527	(7,352)	-	158	-	1,199
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,541	-	-	-	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	408
	<b>4,120</b>	<b>7,527</b>	<b>(7,352)</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>4,453</b>

## 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 2021	Income	Expenditure	Investments	Transfers	At 31 December 2021
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	448	12	(77)	-	351	734
Schools fund	1,237	248	(260)	-	-	1,225
Schools fund revaln reserve	227	-	-	90	-	317
Other	15	1,144	(1,129)	-	15	45
Restricted						
Trusts:						
Overseas	44	64	(45)	-	-	63
Parish	76	10	(1)	1	-	86
Stipends and pension trusts	72	16	-	-	-	88
Church building trusts	627	52	(30)	16	-	665
School trusts	131	19	(7)	-	-	143
Other trusts	183	54	(63)	10	-	184
Support costs	-	-	(141)	-	141	-
	<b>3,060</b>	<b>1,619</b>	<b>(1,753)</b>	<b>117</b>	<b>507</b>	<b>3,550</b>

#### Charity

	At 1 January 2021	Income	Expenditure	Investments	Transfers	At 31 December 2021
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	448	12	(77)	-	351	734
Schools fund	1,237	248	(260)	-	-	1,225
Schools fund revaln reserve	227	-	-	90	-	317
Other	15	1,144	(1,129)	-	15	45
Restricted						
Trusts:						
Overseas	44	64	(45)	-	-	63
Parish	76	10	(1)	1	-	86
Stipends and pension trusts	72	16	-	-	-	88
Church buildings trusts	627	52	(30)	16	-	665
Schools trusts	131	19	(7)	-	-	143
Other trusts	183	54	(63)	10	-	184
Support costs	-	-	(141)	-	141	-
	<b>3,060</b>	<b>1,619</b>	<b>(1,753)</b>	<b>117</b>	<b>507</b>	<b>3,550</b>

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

<b>Endowment Funds</b>							
<b>Group</b>	<b>At 1 January 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Investments</b>	<b>Transfers</b>	<b>Reserve movements</b>	<b>At 31 December 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expendable endowment:</b>							
Parsonage houses fund	7,432	-	-	-	-	-	7,432
Parsonages houses fund							
Revaluation reserve	37,276	-	-	-	(351)	-	36,925
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,622	-	-	343	-	-	1,965
	<b>47,098</b>	<b>-</b>	<b>-</b>	<b>343</b>	<b>(351)</b>	<b>-</b>	<b>47,090</b>
<b>Permanent endowment:</b>							
Diocesan Stipends fund	18,396	719	-	456	(365)	(3)	19,203
Diocesan Stipends fund							
Revaluation reserve	4,662	-	-	-	-	-	4,662
Ordination trusts	38	-	-	6	-	-	44
Parish trusts	360	-	-	50	-	-	410
Stipend and pension trusts	733	-	-	107	-	-	840
Church building trusts	1,549	-	-	238	-	-	1,787
School trusts	645	-	-	93	-	-	738
Other trusts	322	-	-	47	-	-	369
	<b>26,705</b>	<b>719</b>	<b>-</b>	<b>997</b>	<b>(365)</b>	<b>(3)</b>	<b>28,053</b>
	<b>73,803</b>	<b>719</b>	<b>-</b>	<b>1,340</b>	<b>(716)</b>	<b>(3)</b>	<b>75,143</b>

<b>Charity</b>							
	<b>At 1 January 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Investments</b>	<b>Transfers</b>	<b>Reserve movements</b>	<b>At 31 December 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expendable endowment:</b>							
Parsonage houses fund	7,432	-	-	-	-	-	7,432
Parsonages houses fund							
Revaluation reserve	37,276	-	-	-	(351)	-	36,925
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	1,622	-	-	343	-	-	1,965
	<b>47,098</b>	<b>-</b>	<b>-</b>	<b>343</b>	<b>(351)</b>	<b>-</b>	<b>47,090</b>
<b>Permanent endowment:</b>							
Diocesan Stipends fund	18,376	719	-	456	(365)	293	19,479
Diocesan Stipends fund							
Revaluation reserve	4,532	-	-	-	-	-	4,532
Ordination trusts	38	-	-	6	-	-	44
Parish trusts	360	-	-	50	-	-	410
Stipend and pension trusts	733	-	-	107	-	-	840
Church building trusts	1,549	-	-	238	-	-	1,787
School trusts	645	-	-	93	-	-	738
Other trusts	322	-	-	47	-	-	369
	<b>26,555</b>	<b>719</b>	<b>-</b>	<b>997</b>	<b>(365)</b>	<b>293</b>	<b>28,199</b>
	<b>73,653</b>	<b>719</b>	<b>-</b>	<b>1,340</b>	<b>(716)</b>	<b>293</b>	<b>75,289</b>

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

<b>Fund</b>	<b>Application /purpose</b>
<b>Diocesan Pastoral Account</b>	
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"> <li>• Costs incurred for the purpose of the Measure or any scheme or order, excepting any salaries or wages.</li> <li>• Costs of disposing of or maintaining houses or churches vested in the Diocesan Board of Finance or Commissioners</li> <li>• For the benefit of another Diocese</li> <li>• Transfer monies surplus to the above to any other fund of the board.</li> </ul>
<b>Schools fund</b>	
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"> <li>• The purchase, construction, maintenance and improvement of any school or teacher's house in the relevant area</li> <li>• The provision of advice, guidance, and resources for the management of schools in the area</li> <li>• Inspection of relevant schools in the area</li> </ul>
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>
<b>Restricted Income</b>	Sundry receipts for specific purposes of the Board of Finance and Diocesan activities.
<b>Trusts</b>	
Ordination trust	To defray general and specific costs of ordinands' training and expenses.
Overseas trusts	To assist with mission in Rwanda and the Diocese of Kagera.
Parish trusts	To defray various costs in specific parishes. These are included in the diocesan accounts as the Board of Finance is the trustee responsible for the management of the assets in addition to being the custodian trustee.
Stipends and pension trusts	For the augmentation of particular benefices and stipends in general.
Church building trusts	For the maintenance of churches in the Diocese.
Schools trusts governors	For the use of specific schools as directed by those schools.
Other trusts	Sundry trusts for various purposes of the Board of Finance and diocesan mission.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### **Diocesan Stipends Fund**

#### Restricted Income

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

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

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

#### Permanent Endowment

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

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

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

### **Parsonage Houses Fund**

#### Expendable Endowment

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

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

22 Prior year: Analysis of movements in funds

Unrestricted Funds

Group

	At 1 January 2020 (restated)	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 20
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,134	7,963	(7,735)	6	(566)	-	802
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,541	-	-	-	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	408
	<b>4,388</b>	<b>7,963</b>	<b>(7,735)</b>	<b>6</b>	<b>(566)</b>	<b>-</b>	<b>4,056</b>

Charity

	At 1 January 2020 (restated)	Income	Expenditure	Investments	Transfers	Other Reserve movements	At 31 December 20
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,216	7,866	(7,724)	-	(492)	-	866
Fixed asset reserve	1,305	-	-	-	-	-	1,305
Fixed asset revaluation reserve	1,541	-	-	-	-	-	1,541
Investment revaluation reserve	408	-	-	-	-	-	408
	<b>4,470</b>	<b>7,866</b>	<b>(7,724)</b>	<b>-</b>	<b>(492)</b>	<b>-</b>	<b>4,120</b>

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Restricted Income Funds

#### Group

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

#### Charity

	At 1 January 2020	Income	Expenditure	Investments	Transfers	At 31 December 2020
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	487	8	(47)	-	-	448
Schools fund	1,279	268	(310)	-	-	1,237
Schools fund revaln reserve	187	-	-	40	-	227
Other	13	785	(886)	-	103	15
Restricted						
Trusts:						
Overseas	68	40	(64)	-	-	44
Parish	66	11	(1)	-	-	76
Stipends and pension trusts	57	15	-	-	-	72
Church building trusts	586	52	(19)	8	-	627
School trusts	101	39	(4)	(5)	-	131
Other trusts	154	45	(21)	5	-	183
Support costs	-	-	(127)	-	127	-
	<b>2,998</b>	<b>1,264</b>	<b>(1,479)</b>	<b>48</b>	<b>230</b>	<b>3,060</b>

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

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

## 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 two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
  - a. a deferred annuity section known as Pension Builder Classic, and,
  - b. a cash balance section known as Pension Builder 2014.

#### Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

**Pension Builder Classic** provides a pension, 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. Discretionary increases may also be added, 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. Discretionary bonuses maybe before retirement, depending on investment experience and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. 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 (2021: £63,000, 2020: £77,000)

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

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

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

The legal structure of the scheme is such that if another employer fails, 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 (2021: £845,000 (2020: £845,000)), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £940,000 for 2021 (2020: £831,000).

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

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long-term rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% per annum.

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

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

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

	2021	2020
Balance sheet liability at 1 January	<b>435,000</b>	779,000
Deficit contribution paid	<b>(222,000)</b>	(365,000)
Interest cost (recognised in SoFA)	<b>1,000</b>	7,000
Remaining change to the balance sheet liability* (recognised in SoFA)	<b>3,000</b>	14,000
<b>Balance sheet liability at 31 December</b>	<b>217,000</b>	435,000

\* 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. In general, these are set by reference to the duration of the deficit recovery payments but as at 31 December 2021 under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

	December 2021	December 2020	December 2019
Discount rate	0.0% pa	0.2% pa	1.1% pa
Price inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable payroll	-1.5% pa	1.6% pa	1.3% 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 has 36 members and is a 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 passed a special resolution on 8<sup>th</sup> March 2022 to conclude the DBF's role in the ongoing annuity payments to its members.

## 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	2021	2021	2021	2021
	Unrestricted £000	Restricted £000	Endowments £000	Total £000
<b>Fixed assets</b>				
Tangible assets	2,404	-	57,983	60,387
Investments	1,858	1,037	12,721	15,616
	<b>4,262</b>	<b>1,037</b>	<b>70,704</b>	<b>76,003</b>
<b>Current assets</b>				
Assets for resale	-	-	786	786
Debtors	989	757	11	1,757
Investments	4	1,064	1,635	2,703
Cash at bank and in hand	(536)	1,468	2,275	3,207
	<b>457</b>	<b>3,289</b>	<b>4,707</b>	<b>8,453</b>
<b>Creditors &lt; 1 year</b>	<b>(282)</b>	<b>(776)</b>	<b>(268)</b>	<b>(1,326)</b>
Net current assets	<b>175</b>	<b>2,513</b>	<b>4,439</b>	<b>7,127</b>
Total assets less current liabilities	<b>4,437</b>	<b>3,550</b>	<b>75,143</b>	<b>83,130</b>
<b>Creditors &gt; 1 year</b>				
Pension scheme liabilities	-	-	-	-
<b>Total net assets</b>	<b>4,437</b>	<b>3,550</b>	<b>75,143</b>	<b>83,130</b>

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity	2021	2021	2021	2021
	Unrestricted £000	Restricted £000	Endowments £000	Total £000
<b>Fixed assets</b>				
Tangible assets	2,404	-	57,076	59,480
Investments	1,858	1,037	14,030	16,925
	<b>4,262</b>	<b>1,037</b>	<b>71,106</b>	<b>76,405</b>
<b>Current assets</b>				
Assets for resale	-	-	786	786
Debtors	1,005	757	-	1,762
Investments	4	1,064	1,635	2,703
Cash at bank and in hand	(473)	1,443	1,980	2,950
	<b>536</b>	<b>3,264</b>	<b>4,401</b>	<b>8,201</b>
<b>Creditors &lt; 1 year</b>	<b>(345)</b>	<b>(751)</b>	<b>(218)</b>	<b>(1,314)</b>
Net current assets	191	2,513	4,183	6,887
Total assets less current liabilities	4,453	3,550	75,289	83,292
<b>Creditors &gt; 1 year</b>				
Pension scheme liabilities	-	-	-	-
<b>Total net assets</b>	<b>4,453</b>	<b>3,550</b>	<b>75,289</b>	<b>83,292</b>

### 26 Prior year: Analysis of net assets between funds

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

### 27 Custodian trusteeship

The charity 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 2021, the market value of these trust investments was £4.7m (2020: £4.3m). The trustees are also custodian trustees in relation to PCC property.

The charity also holds various devolved formula capital balances on behalf of church schools. These funds are used for capital projects with which the Diocesan Board of Education assists. The funds remain under the control of the school concerned and are not included in these accounts. At 31 December 2021, the total funds held on deposit were £0.3m (2020: £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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### 29 Schools fund

The schools fund contributes to the construction of new school buildings. On the closure of any school, 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:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Land and buildings where the lease expires:</b>		
<b>Group</b>		
Within one year of the balance sheet date	<b>10</b>	13
In the second to fifth years of the balance sheet date	<b>1</b>	9
Later than five years	-	-
	<b>11</b>	<b>22</b>
Operating leases recognised as an expense (group)	<b>15</b>	15

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Land and buildings where the lease expires:</b>		
<b>Company</b>		
Within one year of the balance sheet date	<b>72</b>	75
In the second to fifth years of the balance sheet date	<b>249</b>	257
Later than five years	<b>119</b>	181
	<b>440</b>	<b>513</b>

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 £429k over the period to 30<sup>th</sup> November 2028.

### 31 Related party transactions

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

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

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

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

### Transactions identified other than those described above include:

Trustee	Relationship and Related Party	Transaction
The Rt Revd M Seeley Bishop of St Edmundsbury and Ipswich	Bishop of St Edmundsbury and Ipswich	£20,785 (2020: £35,814) received by the DBF for administrative support and computer support services.
The Rt Revd M Seeley Bishop of St Edmundsbury and Ipswich, The Ven Dr D Jenkins, The Ven J Gosney	Trustees of Suffolk Clergy Charity	£1,500 (2020: £500) paid to the DBF for administrative support and postage costs.
The Ven R King	Trustee of Elizabeth Walter Charity	£nil (2020: £3,000) paid to the DBF for support towards Suffolk Show costs
The Ven R King	Trustee of Leading Your Church into Growth	£nil (2020: £3,320) paid to the DBF for training costs
The Very Revd J P Hawes	Trustee of the Cathedral	£nil (2020: £1,004) paid by the cathedral to the DBF for recharged staff and support costs.
Mrs J A Sheat	Trustee of Keswick Hall Trust	£60,000 (2020: £60,000) for grant towards schools' advisor post
Mrs J A Sheat	Director of St Edmundsbury and Ipswich Multi Academy Trust	£65,986 (2020: £55,495) paid to the DBF for recharged staff and support costs.
Mr D M J Ball	Trustee of Westcott House	£12,263 (2020: £17,308) for tuition fees

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

Trustee / Manager	Relationship and Related Party	2021 £	2020 £
The Ven Dr D H Jenkins	Expenses	(67)	(194)
The Ven R E King	Expenses	(2,080)	(1,116)
Mrs J A Sheat	St Edmundsbury MAT		
	Director	5,334	5,428
The Rt Revd M Seeley	Bishop's Office	3,576	524
The Ven R E King	Leading Your Church into Growth	-	3,320
The Ven J Gosney	Expenses	(863)	-

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 £000	2021 Charity £000	Group £000	2020 Charity £000
<i>Financial Assets</i>				
<b>Measured at Fair Value through net income/expenditure:</b>				
Fixed asset listed investments (note 15)	<b>12,762</b>	<b>12,762</b>	11,159	11,159
<b>Equity instruments measured at cost less impairment:</b>				
Current asset unlisted investments (note 17)	<b>2,703</b>	<b>2,703</b>	2,724	2,724

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### 33 Prior year: Comparative consolidated SOFA

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

### 34 Prior year: Analysis of transfers between funds

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

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### 35 Total Return

	<b>Endowment</b>	<b>Unapplied Total Return</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 31 December 2019:</b>			
Trust for permanent endowment	4,055	-	4,055
Unapplied Total Return	-	2,517	2,517
Additions in year	-	719	719
Movements in the accounting period 2020	-	(17)	(17)
Movements in the accounting period 2021	-	177	177
Unapplied total return allocated to income	-	-	-
<b>At 31 December 2021:</b>			
Trust for permanent endowment	4,055	-	4,055
Unapplied Total Return	-	3,396	3,396
<b>Total</b>	<b>4,055</b>	<b>3,396</b>	<b>7,451</b>
<b>Held as:</b>			
Glebe Land			2,103
Investment properties			400
Fixed asset investments			2,947
Current asset investments			1,282
Cash			719
<b>Total</b>	<b>4,055</b>	<b>3,396</b>	<b>7,451</b>