

Annual Report



The trustees, who are also directors for the purposes of company law, present their trustees report together with the financial statements and auditors' report of the charitable company – the Birmingham Diocesan Board of Finance Limited (BDBF) for the year ended 31 December 2019. The financial statements comply with current statutory requirements, the Statement of Recommended Practice for Charities 2015 ("SORP2015") and the Companies Act 2006.

This report is set out as follows:

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** It should be noted that the Annual Report gives narrative on the activities of Birmingham Cathedral, Birmingham Trustees Registered, Church Schools, CIGB, Thrive Together Birmingham and individual parishes to give an overview of all Diocesan activities. However, the financial information of these entities is not included in the BDBF financial statements. They have their own financial statements as separately constituted organisations. (See page 42 for details of the structure of The Church of England.)*



The members of the Bishop's Council set out below have held office during the period from 1 January 2019 to the date of this report, unless otherwise stated.

EX-OFFICIO

Bishop of Birmingham
The Rt Revd David Urquhart

Chair of the Diocesan Board of Finance
Mr Phil Nunnerley (until 12 July 2019)

Chair of the Diocesan Board of Finance
Mr Steven Skakel (from 12 July 2019)

Suffragan Bishop of Aston
The Rt Revd Anne Hollinghurst

Dean of Birmingham Cathedral
The Very Revd Matt Thompson

Archdeacon of Aston
The Ven. Simon Heathfield

Acting Archdeacon of Birmingham
The Revd Julian Francis (to 11 May 2019)

Archdeacon of Birmingham
The Ven. Jennifer Tomlinson (from 12 May 2019)

Chair of the Diocesan Synod House of Clergy
The Revd Canon Priscilla White

Chair of the Diocesan Synod House of Laity
Mr Trevor Lewis (from 1 January 2019)

ELECTED – HOUSE OF CLERGY

The Revd Canon Julian Francis (until 8 November 2019)

The Revd Douglas Machiridza

The Revd Bamidele Sotonwa (from 1 January 2019)

The Revd Becky Stephens (from 1 January 2019)

The Revd Claire Turner

The Revd Richard Walker-Hill (from 1 January 2019 to 31 March 2020)

ELECTED – HOUSE OF LAITY

Miss Jennifer Clark (from 1 January 2019)

Mr Jonathan Goll (from 1 January 2019)

Mrs Gillian Gould

Mr Michael Hastilow

Mrs Deirdre Moll

Mr Julian Phillips

Mr Wayne Simmonds (from 1 January 2019)

Mr Steven Skakel (then Chair of Diocesan Board of Finance from 12 July 2019)

BISHOP'S NOMINEES

Mr Geoff Shuttleworth

The Revd Canon Catherine Grylls

The Revd Chris Hobbs

The Revd Alison Cozens (from 1 January 2019)

The Revd John Routh (from 26 September 2019)

DIOCESAN SECRETARY

Mr Andrew Halstead (until 31 December 2019)

Dr Jan Smart (from 1 January 2020)

COMPANY SECRETARY

Mr Andrew Halstead (until 31 December 2019)

Ms Melanie Crooks
(from 1 January 2020 to 31 March 2020)

Dr Jan Smart (from 1 April 2020)

DIOCESAN DIRECTOR OF FINANCE

Ms Melanie Crooks (until 30 April 2020)

Ms Karen Preece (interim) (from 1 May 2020)

DIOCESAN REGISTRAR

Ms Vicki Simpson

REGISTERED OFFICE

1 Colmore Row, Birmingham. B3 2BJ

AUDITOR

Haysmacintyre LLP,
10 Queen Street Place, London. EC4R 1AG

BANKERS

Bank of Scotland,
125 Colmore Row, Birmingham. B3 3SF

INVESTMENT ADVISERS

Smith and Williamson
Investment Management Limited,
9 Colmore Row, Birmingham. B3 2BJ

PROPERTY AGENTS

Bruton Knowles, Embassy House,
60 Church Street, Birmingham. B3 2DJ



Bishop's Foreword



The blessings of Lord Jesus through The Church of England Birmingham during 2019 are seen vividly in the following pages. Our recommitment to 'Transforming Church' and the outworking of many expressions of worship, disciple-making and prophetic action is revealing more and more confident Christians across the city-region.

In addition to the staff and volunteers who have come and gone this year, recognised in the DBF Chair's letter, not least Andrew Halstead, I am particularly grateful for the energy, loyalty and faithfulness of Hayward Osborne and for the arrival of his successor as Archdeacon of Birmingham, Jenny Tomlinson.

These and many more who are 'equipping the saints for the work of ministry, for building up the body of Christ' (Ephesians 4:10), co-working with talented and devoted priests and lay workers, have served for another year with distinction.

Reshaping The Church of England Birmingham structures and deployment to ensure a sustainable Church available to all, has been a priority, with detailed discussion and implementation of 'People & Places' and the creation of six Deaneries with full-time Deans.

Mission and Ministry have focused on local parish development, learning for discipleship, new Christian Communities, and vocations pathways for ordained and lay people.

Crosscutting mission themes, Inter-culture, BAME flourishing, Anglican Communion partnerships, Interfaith and Thrive's prophetic and practical service continue to challenge and stimulate a Church that is commissioned to be essentially outward looking.

Then, near the end of the financial year, the Covid-19 virus began to spread. The country experienced an ordeal of several months lockdown with an intense concentration by key workers, including Chaplains, on care for sick, bereaved, vulnerable and isolated people, and in delivering essential services. There were abrupt effects from restrictions to movement, gathering and working, including closure of church buildings for worship and the drying up of PCC income from alms and rent.

Now with complex, constantly changing arrangements for public meeting and domestic contact, continuing disruption to economic and social life and the uncertainty of a long period of pandemic containment and management, Church life and ministry faces massive readjustment.

Across The Church of England Birmingham there has been a rapid expansion of digital ministry for prayer and online fellowship and imaginative personal care, notably urgent commitments to gather and deliver emergency food supplies. We are learning how the Holy Spirit connects social distancing and are now constructing a hybrid Church for regular services, life events and community outreach, as home working persists, businesses try to survive, schools and colleges reopen and relatives struggle with care for the elderly.

Many will have used this Crisis to reassess their motivations and priorities. Christians and The Church of England Birmingham are doing just that, taking the opportunity to go on re-imagining and resourcing Church and Society, lived locally and networked, attracting people to Jesus when they see how his followers love one another. We are asking God what is ahead as we take the long road of recovering step by step. At home, online and in small groupings we will worship and pray, in lament and repentance, receiving humbling forgiveness and joyful heart filling, in praise of the living Lord Jesus who outpours the grace of Holy Spirit broken-power-brokering for service in His world.

+David Birmingham

The Rt Revd David Urquhart
Bishop of Birmingham



Chairman's statement



At the AGM in July, Phil Nunnerley stood down after ten years of service. Additionally, Andrew Halstead, Diocesan Secretary handed over in December to Dr Jan Smart, previously Director of HR. Both Phil and Andrew have made a huge contribution to leading and transforming The Church of England Birmingham and we wish them well in retirement.

2019 was the first year where parochial contribution or common fund from our parishes was based on the new common fund methodology. We achieved a very modest rise of 0.3% versus a budgeted increase of 2%, very slightly below the national average which was 0.7%. Underlying income overall was slightly up, an increase of £244,000 or 2.1%. This was achieved as a result of the generous support we receive from the national church, other grants and an increase in housing rental income. I invite you to turn to the strategic and operating review for a detailed account behind these headline numbers. At this point I want to say a huge thank you to everyone that has made this possible and particularly to our parishes for their sacrificial regular giving and exceptional gifts.

As Chair, I have been elected to serve on Archbishop's Council - Finance. Consequently, I am acutely aware of the importance of delivering outcomes from the Church Commissioners' Strategic Development Funding. As you read this report you will find a detailed account of work our staff and clergy are doing to deliver on our promises under the Shaping the Future programme and the commencement of the People & Places framework which contributed £830,000 to our income during 2019.

We live in a time of unparalleled turmoil with the Coronavirus global pandemic potentially entering its second phase in Autumn 2020. Our prudent budget for 2020 has been overtaken by events with significant shortfalls in common fund resulting from months of lockdown and church closures. There remains considerable uncertainty about any return to business-as-usual in the foreseeable future, however, at the time of writing we are confident that we have sufficient resources to meet the Going Concern criteria.

Not surprisingly this has already had an impact on the valuation of our investments and dividend yields will drop in the coming months. That said, we have a mature and effective governance structure and modest plans to divest surplus land and assets which will provide some security in the short to medium term. We also have the necessary IT systems and platform that have enabled home-workers that would simply not have been possible in the past.

Ultimately, we will continue to face difficult decisions in order to balance our income and expenditure understanding that you can only sell surplus assets once. In addition, we are working together with the National Church to examine urgently the steps necessary to achieve year-on-year carbon reductions towards a net zero impact by 2030 and safeguarding continues to be a major focus for us. In addition to the regular work of our Safeguarding Team, we have begun a Past Cases Review which will be completed during 2020.

One further piece of news, Melanie Crooks our Director of Finance left us at Easter after seven years of outstanding service. Thank you, Mel, for your meticulous attention to detail in underpinning everything we do and for your contribution to leading and shaping our transformational strategy as a senior member of our executive team.

I am grateful to the many volunteers throughout Church of England Birmingham who give so much of their time both in the parishes and across the whole Diocese.

Steven Skakel

Steven Skakel
Chair of Birmingham Diocesan Board of Finance





FRAMEWORK

PEOPLE & PLACES

PEOPLE & PLACES is our new framework in which The Church of England Birmingham operates, enables its leaders, and lives out its vision for "growing churches at the heart of each community".

The traditional model of every church led by a single 'vicar' is not solely sufficient to serve the people of our diverse, urban and rural region.

Instead, every Christian community will have a trained leader, some of whom may be clergy people, who is the focus for a ministry team. This team encompasses the range of required roles as identified by any expression of church. Leadership and resources are no longer allocated by parish boundaries. The new framework enables them to be shared more fairly across all our worshipping communities and form a supporting network.

It is a model that enables **growth**, recognises and equips all God's people to be **capable** disciples and leaders. It allows us to be **fair** and generous in our distribution of resources and for a **sustainable** future to be built for all the people and places of The Church of England Birmingham.



INTERCULTURAL

L I F E T O G E T H E R



Loving God and loving our neighbour is a key element of our Christian faith.

To live that out faithfully means recognising the gift of difference and diversity reflected in God's creation and in society, which also includes our churches. Being 'intercultural', that is, how we value our life together as God's people across different cultures, is an approach to supporting cross-cultural relationships in Birmingham.

Based on the generous hospitality of God, the aim of living interculturally is that everyone is made welcome and given the opportunity to offer their gifts to God and in service of others. Christ went out of his way to welcome and include people. Following Christ's example, the early church as Christ's followers, reflected a range of people who came from across the Roman Empire.

Today, we are also called to imitate Christ by paying attention to those who are strangers, feel excluded or are missing from the church. For The Church of England Birmingham questions such as: What does it mean to celebrate difference while promoting life together in Christ? How can we value various gifts, cultures and experiences of congregations so that every individual can deepen in their faith, flourish as disciples and bless others? And what is



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required to support churches to live in ways that encourage different cultures to worship, live and learn together, and inform our future plans. One main concern for the Diocese has been to encourage the participation of everyone in the life of the church, particularly those from Black, Asian and Minority Ethnic communities. Goal nine of our Transforming Church Goals states this aim: *To increase the number of leaders of all ages, and drawn from every ethnic group, who are trained and deployed in the church and wider community.*

Research from the 2018 Birmingham ward profile (Birmingham City Council, 2018) indicates that 47% of Birmingham's population self-define as having a distinct ethnic heritage. This reality shapes our Christian life together: our worship, missional activity, recruitment and selection procedures etc. to form the collective witness by the diverse people of God. Our own research, carried out in partnership with the Cadbury Centre at University of Birmingham, found that Minority Ethnic Anglicans had greater affiliation, and a greater sense of identity and belonging with the wider Anglican Communion than with The Church of England Birmingham.

Our commitment to increasing a sense of belonging for everyone has resulted in several initiatives. Over 2018/19 there was a significant increase in the provision of Unconscious Bias Training (UBT) and Intercultural Awareness Training (ICAT)

offered by the Diocese, with four people also trained to deliver the sessions and an external specialist in diversity and culture brought in to help. To date, there has been eight sessions of UBT and two sessions of ICAT with 102 people attending in total. The hope is to train others to deliver more sessions.

Along with major services for Sanctuary Sunday and Black History Month held at the Cathedral, there has also been a conference for women in leadership. Called 'The Deborah Gathering' the conference drew a diverse group of 100 participants from the local region and beyond. A meeting of over 40 Minority Ethnic Anglican Leaders (MEAL) meets quarterly to pray and learn together.

Disability: 'All Accessible, All Inclusive' initiative



Issues of access have been the focus of a group exploring low cost, sustainable solutions to barriers that may prevent the inclusion of those with disabilities. 2019 saw significant work with the Communications Department to promote the "All Accessible, All Inclusive" initiative. Work to date has included the production of a video and brochure for churches, together with several web-based resources listing practical ideas, advice and the experiences of those with a range of obvious and hidden disabilities.

Strategically over the next year our priorities are:

- Ensure that an ethos of diversity and inclusion is embedded in everything we do
- Develop criteria for Intercultural Church and Mission that describes life together
- Monitor and set targets around diversity and representation and accessibility
- Record and formally review incidents of inequality and exclusion.

It is crucial for The Church of England Birmingham to be representative in everything that it does. Where there is an obvious effort to include diversity in worship, leadership and communal life together, there is an obvious impact on growth. While dialogue is important, plans for change and prayer are integral to our hope of reflecting the Kingdom of God in its entirety.



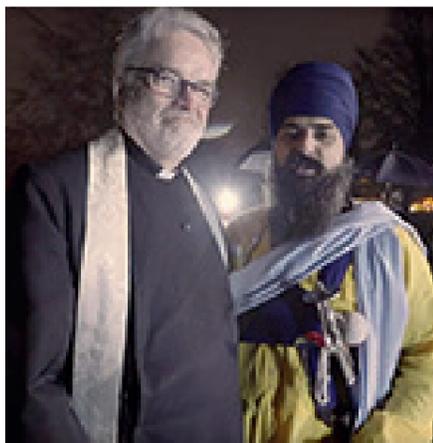


Making God's Love Visible Mission and Ministry Support

The Church of England Birmingham embraces wonderful diversity. Our Transforming Church vision and strategic plans are essentially about making God's love visible across all this diversity and maintaining a vibrant Christian witness. Behind strategic changes in 2019 to our central resourcing of mission and ministry, were the goals of shaping these to meet our particular opportunities and challenges in imaginative and sustainable ways.

Mission and outreach happens above all within our parishes and local Christian communities and the framing of the new Parish Mission Support team makes this clear. Committed to the full five marks of mission, it offers support and specialist skills, including in youth, families and children's work. We were delighted to appoint Liz Dumain as Director. We are also encouraging mission initiatives to form new Christian communities to reach new people in new places in new ways. We were able to use strategic development funding to appoint Jon Turner as Director of New Christian Communities. Jon leads a small team which includes Fresh Expressions and church planting expertise, and has brought significant momentum.

Supporting local churches in their making of disciples and growing of vocations / lay leadership, Guy Donegan-Cross, our new Director of Learning for Discipleship and Mission, has begun to renew our core discipleship and leadership pathways. He is also leading our response to the Setting God's People Free agenda and emphasis on "everyday faith" - more and more confident Christians living out their faith in their daily lives. There is much reimagining of ministry across the Church of England and



in all our own thinking about vocations discernment, training and formation, we have been responding to this in the light of our particular Birmingham needs. It has been good to welcome Paul Hinton to the role of Head of Ministry Formation, looking after our Reader and Pastoral Teams training, and Initial Ministerial Education for curates. Along with continuing staff and officers, 2019 saw a gifted team come together right across our mission, ministry and vocations areas and creative collaboration.

Future

Alongside the refreshing of existing training and formation, 2020 will see the creation of new learning pathways, coaching and mentoring, to support development in leadership and oversight ministries. Gillian Sheail and a support team will manage the project to establish the platform for all this, whilst our Director of Ministry will be working with our DDO, Urban Estates Mission Enabler and other colleagues to create new discernment processes and pathways for licenced local lay and ordained ministries. These will be designed to meet the missional and sustainability needs of church communities within our People & Places framework, as we continue to make God's love visible across The Church of England Birmingham.

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PARISH MISSION SUPPORT

2019 saw the creation of a new team called 'Parish Mission Support' - intentionally a 'does what it says on the tin' team, created to support and resource parishes with mission in their local context. The team has particular resource to support parish mission with young adults, young people, children and families, local church and their local schools, intergenerational mission, mission planning and connecting and participating with the wider community.

The last 12 months has seen the team work alongside around 100 parishes in a wide variety of mission and ministry: new intergenerational worship experiences, growing Messy Churches, working with schools to develop prayer spaces, opening new expressions of youth ministry and supporting churches as they refresh or develop new Transforming Church Action Plans (TCAP).

The launch of a new annual celebration of confirmation event for young people called 'Life' drew young people to celebrate together at St Martin's in the Bullring, and the Parish Mission Support team also hosted training and learning sessions for those wanting to develop and grow in all kinds of ways. At one event 30 young people came to explore how to feel more confident. Youth workers whose young people had attended reported seeing their young people literally standing taller and straighter by the end of the day.

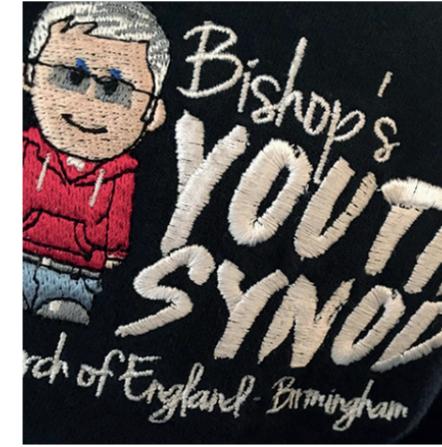
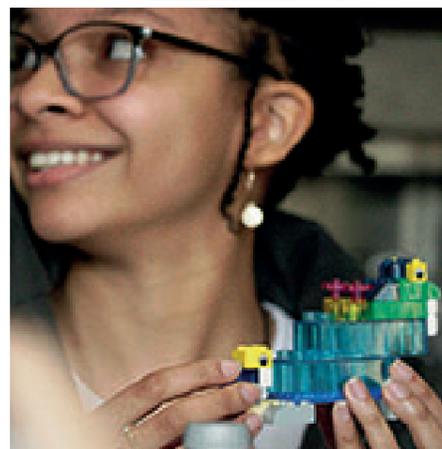
Our **Youth Synod** continues to grow, supporting a diversity of young people to grow in leadership and explore living as young Christians in the public sphere.

Throughout the year we have supported parishes as they develop new connections with Early Years groups, and recently hosted a 'Big Messy Thank You' to support and encourage leaders of the 50 plus Messy Churches across The Church of England Birmingham. Our schools project has supported prayer spaces in schools and training for pupils as leaders of worship in schools.

Our annual conference Growing with God drew together over 100 local volunteers who enjoyed a day of equipping, resourcing and inspiration in children's work, and 11 young adults participated in a pilgrimage to Taizé, two of whom are now stepping out into the ordination process.

Our expanding TCAP team are enjoying working with a growing number of parishes to refresh or create new action plans. It has been a delight to support parishes as they reflect on new areas of mission and ministry, greater connection with their local school, use of their building and a wide variety of other ways to be part of growing and supporting more, and more confident Christians.

We remain grateful for the ongoing support of the Church Commissioners for their financial support, and are thankful for the opportunity to serve parishes across The Church of England Birmingham.



Transforming Church Action Plans

Central to the implementation of People & Places is Transforming Church Action Planning (TCAP) as a tool for worshipping communities to realise the Transforming Church vision in their own contexts; becoming growing churches at the heart of their communities.

In 2019, we formed the TCAP team with the goal of supporting every worshipping community and oversight area in the creation of their own Transforming Church Action Plan – a 'living' document that sets out a vision for the future and serves to direct mission activities over the coming years – and joining them on a journey of prayer, listening, action and reflection and making it simpler to access the wealth of resources available from staff at 1 Colmore Row.

As these Transforming Church Action Plans are completed and implemented they will be incorporated, by each Area Dean, into a deanery plan to shape the vision and direction of the deanery and the deployment of context ministry as part of People & Places.

As a team, we recognise that each worshipping community is uniquely placed in a specific context and so we do not offer a rigid 'off-the-shelf' process but instead a commitment to listen first and to tailor our engagement accordingly. We also acknowledge that many churches across the diocese are already using action planning effectively to reach out with the love of Jesus; the vision from these plans can also be gathered into the deanery plan without the need to start from scratch. Through action planning we are not asking people to do more, but to do that which they believe God is calling them to in a more focused way, if possible, and we are excited to be a part of that journey and see lives transformed by encounters with God's love.

Beginning in August 2019, the TCAP team visited, and began a missional journey with nearly 40 parishes and in the coming year will be offering to journey with every worshipping community across The Church of England Birmingham.





Churches across The Church of England Birmingham have continued in their ministry amongst people of different faiths and have been supported in this by the Interfaith Relations team which includes the Director of Interfaith Relations, the Catholic lead on Interfaith relations and the Presence and Engagement Team made up of clergy and lay leaders. Presence and Engagement, or P&E, is the national project supporting churches in parishes where 10% or more of the population are of other faiths. Engaging with people of other faiths has always been one of the Transforming Church goals and remains a significant ministry for the whole church. Whilst there are some activities that engage groups from across the region much of this work happens locally with churches befriending, working with and sharing their faith with those of other faiths living and working in their parishes.

Once again, many churches reached out in friendship running activities such as parent, carer and toddler groups, leading school collective worship or hosting school groups when they visit the church building. Whilst there are some excellent examples of these ministries taking place, we are looking at how we can encourage and equip more churches especially in their work with children and young people.

During the year a group has been convened involving members of the interfaith team along with colleagues from the Education and Parish Mission Support teams. We have been working on developing a project that will focus on helping churches in P&E Parishes to do more sustainable work with children and young people.

Throughout the year churches have extended hospitality and welcome to people of different faiths and have noted the number of people choosing to visit churches for personal prayer, special services, especially at Christmas, or to explore the Christian faith more fully. Often it is the presence of a building that is 'obviously a church' that initially draws people in. Some of whom choose to visit more regularly has led to some churches developing close friendships with people who, although still rooted in their faith, these visitors talk about 'our church' and see it as a place of welcome and belonging. The P&E team has been reflecting on how we can further develop this work in line with the Transforming Church goal of '*making the most of Occasional Offices*'.

Fr Julian Sampson took up the role of Catholic lead in interfaith relations in 2018 and during 2019 has met with clergy from Anglo-Catholic churches to encourage their ministry, particularly thinking through mission and sustainability from within the Anglo-Catholic tradition.

November saw many events to commemorate the 550th birth of Guru Nanak the founder of Sikhism. This was a major event for all Sikhs and The Church of England Birmingham marked this occasion by giving a gift of a commemorative plaque to all the Gurdwaras (Sikh Temples) in Birmingham. These were gratefully received and gave opportunity for clergy to make a first connection or deepen a friendship with people at their local Gurdwara. Holy Trinity Church in Smethwick partnered with the Gurdwara next to the church in a tree-planting ceremony which marked this occasion as a chance for deeper friendships between Sikhs and Christians in that community.

Interfaith Plans 2020

We will be encouraging churches in Presence and Engagement parishes (P&E) to develop and grow their ministry amongst children and young people. We will be working on plans for a religious community in Bordesley for those from an Anglo-Catholic background to live and minister in a P&E context whilst exploring their vocation.

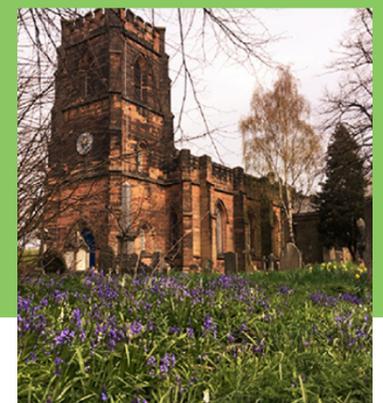
During 2019 we have been identifying the issues and working on collecting stories of good practice and resources for churches and these will be rolled out as part of a year-long strategy during 2020 to see this work grow across The Church of England Birmingham area.

Learning Community

Fr Julian has led a learning community for clergy from Anglo-Catholic parishes. It has met three times during the year and will be having a pilgrimage to Walsingham during 2020. They are using 'The eight Essential Quality Characteristics of Healthy Growing Churches' as the framework for their learning.



PARISH HIGHLIGHT: Transforming Leadership



St John the Evangelist, Perry Barr

Since the start of the weekly youth club for the local community in September 2018, it has become very popular and highly valued by local families. A group of the teenagers attended the diocesan course in 2019 for developing young people's confidence and leadership. Some of the volunteers and leaders have also begun training on the FLEX course.

Parish Finance

The overall ethos of the Parish Finance team is to help and support those involved in the delivery of the mission and ministry of the Church. We do this by providing bespoke support in the areas of parish bookkeeping, payroll and generous giving or stewardship.

We often hear from PCCs that they are finding it increasingly difficult to recruit skilled volunteers, especially treasurers. Most volunteers are not accountants and worry that they don't have the technical skills to serve in this role. Our book-keeping service helps parishes struggling to answer the following questions:

- How much money does it have coming in?
- How much money is going out?
- How much money is left over?
- Is the money being spent on the things that people gave us the money for?
- How can we get up to date information to help us make a decision?

Many parishes employ staff, either on a full-time or part-time basis. We have been providing a payroll bureau service for over 20 years and currently work with 91 employers, paying around 350 employees each month.

As Christians we are called by God to give and to live generously. This will enable God's work in our local communities and churches, and in the wider world. It shapes and changes how we live and all our decisions and actions; giving is at the heart of faith when we choose to follow Jesus Christ.

The parishes of our diocese are full of people who give generously of their time, skills and money. Our Generous Giving and Stewardship Adviser supports parishes and deaneries in growing and nurturing generosity and giving, to grow and develop in new and exciting ways!



Human Resources

The Human Resources (HR) Team provides a comprehensive HR service across The Church of England Birmingham; helping to recruit, retain and develop the right people, lay and ordained in the right roles and to support the mission and ministry of our worshipping communities, with all roles making their own contribution to our shared vision of Transforming Church.

In addition to providing HR expertise to BDBF staff teams, we also provide, as part of the Parish Support Services stream of People & Places, support and guidance to parishes that employ,

or are considering employing staff. Over half of our parishes currently employ staff. We are aiming to reduce the concern and administrative burden of being an employer. We regularly answer parishes employment-related queries using our understanding of the parish context. In addition, we help PCCs with recruitment, contracts of employment, policies, procedures, handbooks and letters relating to employment matters. Over the coming year we are planning to run workshop sessions as well as drop-in surgeries, to equip church leaders to handle HR related queries, with increased confidence and subject knowledge.

Communications

'Let your conversation be full of grace, seasoned with salt, so that you may know how to answer everyone.' Colossians 4:6.

In 2019 the Communications Team welcomed our People & Places funded Production Manager, Graphic Designer and Film Maker. The team continues to support parishes and the diocesan teams by developing all areas of communication through on-going conversation, including visual identity, accessible resources, news stories, press interaction and regular governance



updates, seeking to enable relationships across The Church of England Birmingham family.

During the Covid pandemic, working closely with diocesan staff and parishes, the Communications Team forged new paths. Offering daily Parish FAQ Zoom meetings, Mid-Week Sessions, and varied resources through social media, including a weekly message from Bishop David, helping to communicate the God that we know and see, at work in all our lives, our churches and across our diocese.

Property: Surveyors & Historic Places

It has been an exciting year for the Property Team as it continues to transform, providing more and more parish support with Church projects, lettings, purchases, sales and maintenance.

At the time of the 2017 assessment, the total estimated cost of repairs needed to all 167 church buildings was over £28million, approximately three times the Diocese's annual income. The People & Places bid enabled recruitment of two Parish Building Surveyors to complement the existing team of the Property

Director, Care of Churches Officer, Places of Worship Support Officer and Residential Property Officer.

In addition to supporting churches and freeing incumbents and PCCs time spent on maintenance, the enlarged Property Team has been busy helping churches to achieve their Transforming Church goals, by assisting with 'Promoting a church that is visible, welcoming and accessible' and fit for missional purpose.

SAFEGUARDING

The safeguarding team of three officers has worked throughout the year to improve and increase the advice and support we offer to parishes with concerns, recruitment, policy, good practice and training. Nationally, we've responded to new policies and consultations, attended training and continue to respond to IICSA when requested. The work of our team supports all areas of Transforming Church by helping those who come to our churches to feel cared for, safe and welcome.

As directed by the National Safeguarding Team, we have begun our review of all our past cases and will be implementing the ongoing learning in our everyday practices, and we responded to a Subject Access Request under the new General Data Protection Act Regulation.

We have continued to make substantial progress with the training and safer recruitment of ordained and lay ministers and officers, and have introduced refresher training for those trained three years ago. We've focussed on ensuring that parish officers appointed to safeguarding roles have completed their safer recruitment training and introduced training on domestic abuse.

Our annual day for parish safeguarding co-ordinators helped them to develop their practice in responding well to domestic abuse and we've provided further networking opportunities at our well attended safeguarding drop-in surgeries.

In partnership with a small group of parish safeguarding co-ordinators we worked to summarise national guidance on responding to concerns about children, young people and adults and reporting serious safeguarding incidents to the Charity Commission.



Bishop's Safeguarding Adviser:

Steph Haynes

Tel: 07342 993 844 Email: StephH@cofebirmingham.com

We are committed to developing resources and processes to help parishes implement good safeguarding practice and change culture and have introduced the Parish Safeguarding Dashboard, a simple to use online tool to help parishes keep track of their safeguarding arrangements as outlined in the Parish Safeguarding Handbook. In the summer we gave help and advice to parishes to include safeguarding on their websites.

We're working in partnership with our mission and ministry colleagues to ensure safeguarding is integrated into the development and growth of new leaders as part of the People & Places strategy.

The team have visited more parishes than ever and reassured many churches about to begin a vacancy of the safeguarding support available for them. As well as visiting to help parishes with concerns, we've visited to help with governance and safe practice and we've had induction meetings with new parish safeguarding co-ordinators and incumbents to ensure they're briefed on safeguarding arrangements throughout The Church of England Birmingham.

2020 Priorities

In 2020 our team will focus on:

- Developing our strategy to care for and listen to survivors
- Listening well to children, young people and vulnerable adults
- Completing our past cases review
- Collaborating with Area Deans to identify further safeguarding support for parishes
- Making safeguarding simpler for parishes by using the Parish Safeguarding Dashboard
- Developing quality assurance processes.

PARISH HIGHLIGHT: Transforming Relationships



St Michael & All Angels', Bartley Green

John Jenkinson is a member of the church in Bartley Green. John had always wanted to write his life story so unbeknown to any of us he wrote it and had it published. Publishing is expensive so he began to rent a copy out charging a small amount which was then donated to the church hall fund. Particularly moving are the sections on his childhood, marriage and finding faith.

Lay Ministry in Action

As part of the Transforming Church strategy, the Bishop of Birmingham intends to create new pathways for Licensed and Authorised Ministry in The Church of England Birmingham. These new pathways take forward our missionary commitment to 'proclaim afresh the faith in each generation', reimagining ministry in ways which foster, sustain and extend Christian presence, service, witness and outreach in every community, as envisaged by the People & Places programme.

Lay ministry is thriving in many different ways, and Authorised Lay Ministry further enables and affirms this. Many men and women want to offer their time and a great diversity of talents, so focussed Diocesan training equips them for specific roles in their parishes.

Training builds on skills and experience that people already have, and allows them to develop their gifts for ministry even further. Many people find it useful to have this 'official' aspect to their ministry.



PEOPLE
&
PLACES

Mission Apprentices

Our eight Mission Apprentices (MAs) are completing their second year in some of our poorest parishes. We praise God for the incredible gift of their service. Each MA has started two or more new missional activities from Stay and Plays to Young Adult Bible Studies to Men's Outreach. They're building up volunteers, changing the mission outlook of their congregations and growing in leadership. A big thank you to AllChurches Trust for supporting this inspiring project.



Women's Ministry

2019 saw a national celebration of the priestly ministry of women. A Eucharist celebrating 25 years of women and men sharing in priestly ministry was celebrated in the cathedral on 23rd March. We were joined by some of the women priested in Birmingham in 1994, pictured here with Bishop Mark, the ordaining bishop.

In November, a conference led by Archbishop Justin on the development of women's ministry was held at Lambeth Palace. The day was attended by The Revd Becky Stephens (Bishop's Advisor in Women's Ministry), Bishop David and Bishop Anne. Although there was much to celebrate, it was recognised that more work was required in order to enable and encourage women in ordained ministry.

Here in The Church of England Birmingham, ordained women are still underrepresented in the roles of Incumbent, Area Dean and Training Incumbent. However, the appointments of Archdeacon Jenny and Canon Josephine have meant our senior clergy leadership is now more evenly gender balanced.



Licensed & Commissioned Ministries

Under the leadership of our bishops, the team supporting licensed and commissioned ministries in The Church of England Birmingham is committed to the call, discernment, formation and continuing development of lay and ordained ministers from all sections of our church, who serve faithfully and lead God's people to participate in God's mission with imagination and energy.

Holding together local transformation with initiatives required by the national church, our priority is to enable the formation of ministers who are:

- Deeply rooted in God's wisdom through prayer, learning and study of Holy Scripture;
- Adaptable and flourishing in ministry, owning responsibility for their own wellbeing as they care for others;
- Generative theologians and skilled teachers who nurture growth, equipping confident disciples and leading transforming churches.

Changes in key personnel in 2019:

- The Revd Paul Hinton was appointed to the new role of Head of Ministry Formation to lead in training of Curates, Readers and Lay Pastoral Care Teams, building on the work of the Revd Liz Howlett and the Revd Nick Ladd.
- The Revd Nick Ross succeeded Revd Canon Helen Hingley in directing the continuing development of newly licensed Readers in the NEXT Programme.
- The Revd Nicola Sheppard relinquished her role as Chaplain of Aston University to take up a full-time teaching post in the University.

Initial Training for Reader Ministry

Fifteen Readers in Training from 14 parishes completed their first phase of formation during 2019, all of whom were Admitted and Licensed in January 2020 by Bishop David.

This formation was accomplished thanks to skillful and committed tutoring by three Readers – Theresa Perry, Moira Johnson and Stephanie Hayton – working with the Revd Paul Hinton as Director of Reader Training.

Each Reader in Training spent a month on placement in a parish other than their own, helping them to grow in insight about their calling and confidence in their practice. Our thanks are extended to parishes, incumbents and other Readers who mentored and encouraged them in their formation.

In October 2019, a new cohort of 13 Readers in Training began their initial phase of formation, drawn from a wide variety of social and educational backgrounds, bringing vast life experience to this most valued of ministries. The age range spans 35 to 68.

Newly licensed Readers have the opportunity to continue developing their ministry through the NEXT programme, led with wisdom and insight by the Revd Canon Helen Hingley. We welcome the Revd Nick Ross to the team as the new director of NEXT.



Vocations Development & Initial Discernment

The Church of England Birmingham vocations team is led by the DDO the Revd Calvert Prentis, working with Assistant DDO The Revd Emma Sykes and a large team of Vocation Advisors and Examining Chaplains.

This group is working towards growth in vocations through: Cultivating a broad sense of vocation development; Consolidating local discernment and assessment panels; and increasing younger vocations, particularly to ordained ministry.

A new six month discernment programme - Called to Serve, Equipped to Go - attracted over 50 participants, including a large diversity of individuals representing the demographic make up of Birmingham.

Participants explored areas of spirituality, Anglicanism, mission & evangelism through a range of speakers from lay and ordained ministries, with the opportunity for one-to-one conversations.

Work continues to address the issue of encouraging indigenous candidates to all kinds of ministry, particularly people from estate churches, young people and people of colour.

Intentional encouragement of vocational development of people of colour, in partnership with the Dean of BAME Affairs, has enabled them to discern their gifts and calling through MEAL (Minority Ethnic Anglican Leaders) gatherings.

Extensive discussions are underway regarding the development of local discernment models to support new training pathways.

Four people were recommended for training after attending a Bishop's Advisory Panel (BAP) that discerned their vocation to ordained ministry.

In 2019 Bishop David ordained six deacons and seven priests. Currently there are 19 people preparing for ordained ministry.



Reader Ministry

Reader Ministry across The Church of England Birmingham is overseen by Canon Catherine Grylls, Warden of Readers, with a team of Assistant Wardens commissioned by the Bishop to focus on the pastoral needs of Readers within each Deanery.

Over 200 Readers are licensed by the Bishop for a ministry of 'preaching and teaching in a pastoral context', serving in a variety of different situations from parishes to workplace chaplaincy. Readers range in age from 30's - 90's, and in length of experience of Reader ministry from 0 - 40 years.

Readers bring an extraordinary range of gifts into ministry in Christ's name: preaching the Gospel, leading study groups, pastoral ministry, connecting a world of work and social need with public worship, drawing on insights from daily life and many realms of experience.

Readers lead in parishes in different ways: two serve as Minister-in-Charge, and others are key members of teams during parish vacancies. Reader Canon Jill MacDonald was honoured with the Alphege Award by the Archbishop of Canterbury in recognition of her leadership in estates ministry and mission.

In 2019, 16 people took part in the annual Discernment and Selection Day for Reader Ministry, 13 of whom started training in September. One will begin training in 2020.

The diocese celebrated 50 years since women were first Admitted as Readers in The Church of England. Canon Theologian Dr Paula Gooder, herself a Reader, preached at a well attended service at Birmingham Cathedral in July.

Readers participated in a number of continuing ministerial education days, including a focus on Matthew's Gospel, and training for Funeral Ministry.

Work is underway to share the The Church of England Central Readers' Council renewed vision for Reader Ministry: www.transformingministry.co.uk

Reader roles in Birmingham are changing to reflect this vision in the light of People & Places. This will continue in 2020.

Initial Training for Ordained Ministry

During 2019, 29 Curates were placed with experienced training Incumbents in parishes in a range of contexts around the diocese for up to 42 months. Their formation programme is overseen by the Revd Paul Hinton.

Eight Curates completed their initial formation and moved into new posts of responsibility in Birmingham and other dioceses.

Regular monthly training events for Curates included the annual January retreat at Holland House, Cropthorne, led by Revd David Runcorn, a well known and beloved spiritual writer: *Becoming who I am - Reflections on Ministry and Calling from John's Gospel.*

Year 1 Curates joined with clergy newly appointed to posts in the diocese in a 'Wellbeing in Ministry' workshop led by therapist Rachel Dunkley-Jones.

We continue to be very grateful for the wide range of expertise and wisdom which supports Curates in their formation, including the work of Revd Sharon Jones and Revd Hazel White, and lay assessor Miss Mary Edwards.

Thanks are extended to Revd Nick Ladd and to the Revd Dr Andrea Russell from the Queen's Foundation, for crucial work in educating Training Incumbents.



Clergy Continuing Ministerial Development

The Church of England Birmingham continues to support the flourishing in ministry of clergy at every stage through Continuing Ministry Development and Ministry Development Review, directed by Revd Canon Mark Pryce.

The highlight of the year was the Bishop's residential conference for clergy and key lay leaders at Swanwick in June, exploring the theme Rooted & Grounded in Love with speakers the Rt Hon Gisela Stuart, the Revd Professor Sarah Coakley, the Revd Dr Kate Coleman, and Dame Carol-Ann Duffy, Poet Laureate.

Bishop's Study Mornings at the Cathedral also included reflection on how parishes can engage with the fifth mark of mission - To strive to safeguard the integrity of creation, and sustain and renew the life of the earth - including integrating creation-focussed liturgy in our public worship.

Newly appointed Incumbents shared with 36 peers from other dioceses across the West Midlands region in a programme helping them to focus on the skills required for their new role, including parish finance and stewardship, canon law, sustaining wellbeing and resilience in ministry.

Clergy and lay theologians shared theological research insights at regular Round Table Theology seminars, including Dr Sam Gibson 'Acts and Epistles in the Byzantine Lectionary'; Revd Canon Dr Mark Pryce 'Poetry, Practical Theology and Reflective Practice'; Revd Dr Sarah Hayes 'Church autonomy in the precinct - protecting the Temple, or projecting a Church's identity into the wider community?' and Revd Nick Ladd 'Insights from an ethnographic study of a Church in a process of congregational transformation'.

A number of clergy enjoyed sabbaticals and extended study leave to enrich their on going ministry, and over 40 clergy received grants for retreats and ministry development courses.

Design proposals for new pathways in training for licensed ministry are in process, responding to pastoral and mission opportunities opened up through People & Places.

Commissioned Lay Ministry Offering Pastoral Care and Community Skills

The scheme continues to equip Lay Pastoral Teams who are commissioned to work with Clergy and Readers in the mission and ministry of congregations across the diocese. Tutors with practical experience in a wide range of pastoral ministry support this ongoing training.

In 2019 two new teams - at St Hilda, Warley Woods and St Bernard, Hamstead - began training together, joining 40 lay pastoral teams across the diocese.

More than 100 people from these teams came together for an Annual Away Day in March, entitled Letting God's Love Flow: Living our life of prayer with keynote speaker Bishop John Pritchard.

The scheme continues to be supported by CME Advisers and volunteer tutors with particular skills and expertise. We depend upon their wisdom and insight.



University Chaplaincy

Birmingham's universities are vast international institutions in which Anglican Chaplains provide pastoral support, holding a space for staff and students to nurture their relationship with God and explore God's calling on their lives.

In the University of Birmingham, which comprises 42,000 people, Chaplain Dr Sharon Jones facilitated an ecumenical Retreat in Daily Life, and convened interfaith events allowing students of different faiths to grow in understanding and respect. Over 100 people gathered at the first open air Act of Remembrance under 'Old Joe' at 11am on the 11th November.

Organised by Chaplain Dr David Veale, Birmingham City University ecumenical Carol Service at Birmingham Cathedral attracted hundreds of staff and students to hear the Christmas story.

Conversations have begun about expanding Chaplaincy provision across the Higher Education sector, reaching out in new ways to Birmingham's six universities.

Religious Life and Religious Communities

The Church of England Birmingham is blessed to have close relationships with a number of Religious Communities resident in the diocese, including sisters of The Community of St John the Divine in Marston Green (www.csjdivine.wordpress.com), and brothers of the Society of St Francis in Gillott Road (www.franciscans.org.uk).

Revd Canon Dr Mark Pryce, at Bishop David's request, has particular responsibility for sustaining connections with Anglican Religious Communities and individuals in Consecrated Life.

Mark also fosters links with Roman Catholic communities in the Archdiocese of Birmingham, facilitating invitations for Anglican Religious Communities to share in study days and the annual renewal of vows at Candlemas in St Chad's Cathedral.

It is a particular joy that Sr Margaret-Angela, The Community of St John the Divine, celebrating 50 years of life in community, was included among the Jubilarians at this Mass, receiving personal congratulations from Archbishop Bernard Longley and the Catholic religious communities.

PARISH HIGHLIGHT: Transforming Outreach



St Paul, Blackheath

St. Paul's Church, Blackheath 150th anniversary was marked in 2019 with a packed programme. Including Choral Evensong services, concerts and nine Lessons and Carols service. The highlights being the Celebration lunch in February for 80 guests including past and present clergy (some of them seen here), and the Flower and Christmas Tree Festivals which attracted hundreds of visitors into the church.



Discipleship

There is a conviction at the heart of Transforming Church that growing confident followers of Jesus and seeing a plan in every parish for making confident, prayerful disciples in their daily life is a must-win battle. Everything hangs on this. God grows His church, we join in with God's mission to all creation. But our specific call is to make disciples.

In 2019 the 3D course has been our central offering for Developing Disciples, and has been led by committed and enthusiastic tutors, with 130 participants - the course began with a meaningful service at which Bishop David preached.

Growing Gifts events are designed for anyone wanting to continue to grow in faith and understanding. They are particularly useful for anyone who has recently done 3D or something similar and is now ready to explore and grow further. The Spring Study Day, Acts: Fellowship, Meals and Sharing, was facilitated by Revd Dr Fiona Gregson over two days at St John's Harborne and Colmore Row.

Learning for Discipleship is a programme for anyone who wishes to try a more formal study course or looking for development or refreshment. It enables participants to engage in several modules on a range of theological subjects. This year included Studies in Luke's Gospel led by Ann Conway-Jones and Introducing the New Testament led by Sam Gibson.

In August Revd Guy Donegan-Cross began as Director of Learning for Discipleship and Mission, coming from parish ministry in Yorkshire and Teesside. In November the online "Grand Survey of Discipleship and Servant Leadership" was launched as part of finding out the best way to grow disciples across our area. It was a review of the outcomes of 23 discipleship courses, asking people to say what they consider is essential for the development of all disciples.

The results of the survey will be shared in early 2020 and help us discern what discipleship looks like in our time and area. September 2020 will see an offering of renewed pathways to help grow disciples and leaders, based on the results of this survey. These will draw on the strengths of what has been done before, while adopting a flexible and modular approach. In 2020 we will also be embarking on a Learning Community with other dioceses to explore how to respond to "Setting God's People Free", building a culture in which vocations can be encouraged, and the whole people of God equally included in discipleship.



PARISH HIGHLIGHT: Transforming Discipleship



Holy Cross, Billesley Common

Discipling young families beyond Messy Church has been a priority, so we offer a modified START! course exploring together, playing with fabric, building bricks and train sets, alongside biblical stories and themes. Leading these five weekly sessions has opened us up to new learning from the insight and spirituality of our young children and is helping us grow young leaders in church.

Mentoring



We continue to pursue our aim, that through the development of a mentoring network, The Church of England Birmingham has a growing group of lay leaders drawn from every benefice and all ethnic groups, who are confident disciples of Jesus and active in mission in their local parish. Mentoring is increasingly being integrated with other aspects of Shaping the Future, e.g. participants on the FLEX programme receive a mentor and we're developing a strand of work on mentoring in estate contexts. Taster courses have succeeded in attracting new participants for more in-depth mentoring training. We have at least 44 mentees who are matched with mentors and are in the happy position of having potential mentees who are waiting for a mentor! If you think this might be you, then please contact Gillian at GillianS@cofebirmingham.com.

2020 Priorities

Over the next few months, we will be exploring other ways to grow and develop leaders through mentoring as part of FLEX and other programmes. We are also in the process of looking at new and adapted training, particularly in relation to mentoring in parishes and offering more taster and introductory sessions for potential mentors, so supporting the making of confident, prayerful disciples.

We are trialling some new software which will enable us to better support mentors and match them with mentees and an exciting initiative currently under way is to offer mentoring courses and resources online using the Moodle platform.



PARISH HIGHLIGHT: Transforming Partnerships



St Cuthbert, Shustoke

For the last three years we have been marking Rural Mission Sunday in our parish. This year, along with local farmers, families and businesses (& scarecrows), we invited Bishop David. The children made mitres so they all looked like bishops too. One of our farmers brought along his tractor; needless to say, we lost Bishop David for a while as he was driven around the fields of Shustoke.



Community Regeneration

Thrive Together Birmingham's (Thrive) primary aim is to encourage and support people who are motivated by their faith to tackle poverty and build community.

As a Christian charity our values are founded on our understanding of the Christian faith and we actively encourage Christians and churches to play their part in helping their neighbourhoods to flourish and to do so in collaboration with other faith communities and people of goodwill and common values.

We are part of a wider movement of people in Birmingham and the wider West Midlands who are motivated to make a difference in their neighbourhoods, communities and lives of people who are marginalised. We particularly aim to support the development of a growing movement of Christians and churches who are participating in activities in their local neighbourhoods and across the Diocese of Birmingham that challenge the impact of poverty on individuals and communities.

We rarely do anything alone but seek to model collaboration as we partner with other organisations and individuals who share our vision for flourishing neighbourhoods and communities. We are proud that this leads to us working in partnership with local authorities, charities, businesses, faith organisations, local residents and community groups

Our collaborative approach and range of partners can be clearly seen through some of the activities we have been involved in over the last year:

'Body, Mind and Spirit Partnership'

Thrive continues to co-ordinate and guide the Body, Mind and Spirit Partnership (BMSP) which is a collaboration of 14 churches and Christian projects developing participant-led preventative activities with older people to enable them to live independently in their local communities. Together the partners facilitate activities for around 2,000 older people in neighbourhoods around Birmingham. Significantly Thrive led on securing funding from Birmingham City Council to sustain the Partnership until October 2021 and this gives a sound foundation to develop the size and breadth of the Partnership engaging new partners in developing similar approaches. The award of funding is further affirmation that BMSP is respected as an exemplar for delivery of prevention activities with older people.

Places of Welcome

Thrive has continued to employ a co-ordinator to grow and support the network of Places of Welcome around Birmingham and the city region which has now reached 80. As the number, geographical spread and diversity has increased we have been preparing to celebrate the Fifth Anniversary of Places of Welcome in early 2020. A community artist has been commissioned to create a collaborative piece of art involving as many Birmingham groups as possible. Meanwhile nationally the network of Places of Welcome has grown to over 420 and Thrive staff continue to support the national development.



Safe Spaces for Young People

Recognising the lack of support and meeting places for young people in Birmingham, Thrive is collaborating with Christian youth work organisations to encourage churches and Christian organisations to set up Safe Spaces for young people in neighbourhoods around the city. Through collaboration with Worth Unlimited, a national youth work organisation, we have contracted a part-time Development Worker who has created a network of 79 Safe Spaces meeting each week across Birmingham, which are attended by almost 2050 young people and run by 285 volunteers, some of whom are supported by professionally qualified youth workers. Requests have been received from groups in the wider voluntary sector to sign up as Safe Spaces. Additionally youth workers have been brought together to explore key issues that are impacting on the young people they work with, notably mental health and knife crime, and an 'Introduction to Youth Work' training course has been piloted for volunteers for some of the groups. Not surprisingly this activity has attracted a lot of interest from statutory organisations and we are looking to build on this to develop the capacity to expand the work in 2020.

Children and Families

Through our contract with Birmingham Forward Steps, Thrive employs an Early Years Development Worker who has visited and mapped around 120 church-led or hosted Stay and Play groups around Birmingham. This exercise has enabled us to build a network of relationships and a good understanding of the needs of these mostly volunteer-led groups, and to start to provide some support in partnership with colleagues from the Early Years Alliance. From this basis we are developing a strategy to work with faith groups to set up more groups focussing particularly on areas where there is a high number of young families but the area lacks provision. Our Development Worker is also looking at building a Stay and Play Network across the city so that those running the activities can find mutual support and encouragement.

Your Local Pantry

In 2019 Thrive entered into a new partnership with national charity, Church Action on Poverty, to develop their Your Local Pantry programme across the West Midlands. Your Local Pantry is a network of community food membership schemes run by volunteers for the benefit of their local communities. Rather than providing emergency food as a Food Bank would, they focus on the security of a weekly affordable food offering at a reduced price with some choice of staple food items. They aim to help people make their money go further by reducing food shopping bills, providing advice and support, and developing volunteers. Thrive has been funded to employ a Development Worker, initially for two years, who has promoted the idea and then supported and equipped four local groups in Birmingham, Dudley, Smethwick and Stoke to open Pantries engaging about 400 active members.

Near Neighbours

Continued funding from the Government through the Ministry of Housing, Communities and Local Government (MHCLG) has enabled us to sustain our Near Neighbours work bringing people with different backgrounds together to build friendships and create community connections. Some groups have been enabled to secure funding for local neighbourhood activities through the national small grants programme. We have continued our involvement in co-ordination of activities during Refugee Week and International Women's Day, supporting the development of Birmingham's Community Cohesion Strategy, and hosting briefing events for Civil Servants including a series of open conversations with members of the African Caribbean community. A big focus has been on delivering a programme of neighbourhood-based conversations in different parts of Birmingham called 'Real People, Honest Talk' which culminated in bringing the four separate conversations together in one celebratory event. A highlight was the opportunity to invite representatives of a number of our community partners to attend a royal reception at Buckingham Palace to celebrate the Near Neighbours programme.

Birmingham Poverty Truth Commission

Hosting Birmingham Poverty Truth Commission has been really important in shaping Thrive's work as we have developed our understanding of how poverty impacts on individual lives and how systems impact unjustly on people without wealth. The commissioners, some who have experience of poverty and others who have some influence and power in the city, continued to meet fortnightly up to the launch of the final Commission Report in May 2019. The final report 'Birmingham Poverty Truth Commission: A Window on our Conversations 2017-2019' was launched at a very well attended event at which all in the city were asked to play a part in challenging the issues that the report raised particularly around the key themes of poverty and education, housing and mental health. Following the launch Commissioners have continued to meet monthly and have held follow up meetings with Birmingham City Council and other influential bodies to explore succession activities. Every participant has spoken positively of the impact that hearing different perspectives, developing new friendships and the shared experience, has had on them.

Sandwell Churches Link

Sandwell Churches Links (SCL) now operates as an independent charity across the Sandwell Borough, some of which is in the geographical area covered by Thrive. We continue to support and collaborate with SCL's trustees and Development Worker as they support churches with their community engagement to address issues of poverty and disadvantage.

Supporting churches to connect to their local communities and address issues of poverty

Over the last year members of the Thrive team have worked with numerous churches to help them think through how this might happen in ways that reflect their different contexts, and to host and deliver community activities usually in partnership with other charities or community organisations. Notably this year Thrive has assisted a church to develop a housing project to offer accommodation to homeless people, supported church partners and Birmingham City Mission to re-establish the Churches Winter Night Shelter project, and a number of churches to better understand and connect with their local communities and to reflect on how they can use their buildings to support their local community.



Estates



The work with our Urban Estate Parishes continues to go from strength to strength. In line with national practice, we have brought the old outer estate and inner city parishes together, and are committed to General Synod's vision for a loving, serving, worshipping Christian community on every significant social housing estate. We are supporting Estate Churches and their leaders through learning communities, the Urban Congress and innovative mission support through resources like Jesus Shaped People.

2020 Priorities

As part of a grant to support Estate Ministry in the Church of England, we have received funding from Allchurches Trust for one of two pilot projects to develop local leadership in our Estate Churches. Led by the Revd Andy Delmege, an initial Group for Deepening Formation and Leadership will develop into formal pathways for ordained and lay leadership in a way that will enable leaders from these parishes to flourish.

PARISH HIGHLIGHT: Transforming Presence



St Gabriel, Weoley Castle

Over the summer half term, we had a youth gathering called Gabs in the Park. There was basketball, arts and crafts and street dancing. This is when two rival gangs came together and were having fun, laughing and dancing together. It was amazing to see these two gangs, that would never be in the same place without violence happening, laughing and playing basketball together. God works in amazing ways and because of this we were able to speak to them and other people in the community. We made new connections and relationships; it was a great day of mission.



World Community: Bolivia Link

In the 2018 Report we noted that the experience of the team visit to Bolivia that year had impressed upon us the value placed upon the relationship by the churches that receive us. These congregations are widely separated geographically. The Bolivian clergy and lay leaders are deeply committed but hard pressed with many demands upon them. The Anglican Church in this Republic has great potential but is still small and fragile. Bishop Raphael Samuel was looking for something new in this link with Birmingham, but we were uncertain as to its future shape.

For this reason the Bolivian Task Group here offered to send Bishop Maurice Sinclair to consult face to face with the Bishop and the Anglican leaders in four cities: Santa Cruz, La Paz, Cochabamba, and Tarija. This suggestion was accepted, and last August Maurice and his wife, Gill spent two very full weeks in Bolivia. They received the warm welcome that we have always enjoyed, and had very open and valuable conversations at all points on the journey. At the end of the time they shared in a Diocesan Synod in which a regionalisation of the relationship was agreed in principle. Groups of interested churches in The Church of England Birmingham would commit to regular communication and mutual intercession with the church or churches in a particular city and region of Bolivia, each of course with its particular situation and needs. Out of that special relationship new initiatives in the partnership are to be proposed and then, granted the Bishop's approval, put into effect.

In Birmingham, the Task Group and seven churches have committed to this plan, and the new level of communication has

proved vital. Last autumn Bolivia was plunged into crisis through a fraudulent election result which could have precipitated civil war. We received urgent pleas for prayer. The Anglican churches joined with others in a prayerful peace-keeping role in the areas of violent confrontation. Mercifully the result of the election has been annulled, a provisional government is functioning, and there is the promise of fair elections in the future.

Clergy and Lay training remains an urgent priority in our relationship with Bolivia, and in the course of the year it became increasingly apparent that this concern is widely shared among Anglican dioceses across the world. Bishop David had invited the bishops not only of our Partner Dioceses of Malawi and Bolivia, to the Lambeth 2020 conference, along with bishops from the Provinces of South America and Chile. The presence of bishops in England creates the opportunity for joint consideration of this pressing matter. During the Pre-Lambeth hospitality programme we were expecting eight South American, four Malawian and three bishops from other South American relating English Dioceses for this Birmingham Consultation on intentional discipleship and leadership training. The conference has now been rescheduled to 2021.

2020 Priorities

We are looking to the possibility of new initiatives resulting from closer communication between congregations here and those in Santa Cruz, La Paz, Cochabamba and Tarija. We value prayer, and await these developments.



World Community: Malawi Partnership

This partnership aims to meet Transforming Church Goal Eight - increasing partnerships and initiatives for social and environmental justice and community building across the world, through Transforming Presence but also through Transforming Discipleship and Leadership.

In March 2019 Cyclone Idai, and rains a week previously, hit southern Malawi very badly. Tens of thousands were displaced, crops lost, homes and infrastructure damaged or destroyed. Considerably more than £10,000 was sent from Birmingham. In addition, a bumper number of household items were sent on the 2019 container lorry to help replace what people had lost. Our brothers and sisters in Malawi really appreciated this very practical response of love.

The cyclone again underlined the issue that has been increasingly facing Malawi in recent years: climate change. In 2018 Birmingham expressed keenness in helping schools to start using solar lighting and cooking.

For some years, teams of teachers from Birmingham have run teacher skills courses for their opposite numbers in Malawi.

In summer 2019, on behalf of The Church of England Birmingham, Lucy Ward and two others jointly ran courses with a team of Malawian teachers. Overwhelmingly positive feedback showed the roughly 80 Malawian teachers who attended found their understanding of teaching and classroom practice to have been significantly enhanced.

For some time, The Church of England Birmingham (together with USPG and MACS) has been helping the four Malawian dioceses and other institutions to improve their accountancy practices. Progress has been slower than at first anticipated, and is still a work in progress, but three dioceses and the Anglican Council have made great strides during 2019. Now we are ready to start earmarking Birmingham's giving for particular priests, parishes and purposes.

Our giving to the Diocese of Upper Shire, however, remains suspended, as we cannot yet be confident regarding their accounting practices.

Once again, a huge thank you to all who have contributed in 2019!

PARISH HIGHLIGHT: Transforming Outreach



Holy Cross, Billesley Common

'Welcoming Wednesdays' was an intergenerational project across the summer, using clay and mosaic in creative ways for display as wall art in our Eco Garden, part of the Community Centre. Conversations flowed and new skills were learned by those who attended our Place of Welcome and the vibrant girl's Youth Group which offered the additional blessings of the wider community coming together.

Eco



Diocesan Synod Motion on Climate Emergency

On 16 November the Birmingham Diocesan Synod unanimously set a target that all parts of the diocese should achieve net zero emissions by 2030 at the latest. This is an ambitious goal and will provide a key focus for environmental action by the diocese in the coming years.

Eco Diocese and Eco Church

By December 2019 we were on the cusp of achieving the Silver Eco Diocese award, but A Rocha UK have now given notice that they want to raise the bar higher for Silver and the new criteria are not yet defined.

Currently we have 56 churches who have registered their intent to become an Eco church. 15 churches now have a bronze award and 3 have gained silver. Those gaining bronze in 2019 are St Nicholas Elmdon, Holy Cross Billesley, St Peter Hall Green, Christ Church Selly Park, St Helen Solihull, St Mary Magdalen Tanworth in Arden and St Matthew Perry Beeches. St Peter Balsall Common gained a silver award.

Bishop's Study Day

On 14 March, there was a Bishop's Study Day focused on the environment, helping clergy to keep up with environmental developments and highlighting opportunities for local parish communities to engage, especially through Eco Church. The Creationtide worship resources were highlighted. Rich Bee of A Rocha UK presented the Diocese with the Bronze Eco Diocese award, which had been secured in 2018.

Partnerships

On 29th June many Anglicans supported an environmental conference 'No planet B...' hosted by Central England Quakers Low Carbon Commitment Forum. Churches across the diocese were once again able to come together, learn, and network with others also on the quest to gain Eco Church status.

Anglicans continue to engage with the multi-faith Footsteps Group, which is becoming increasingly influential with Birmingham City Council as it plans for its goal of zero net emissions by 2030.

2020 Priorities

As noted above, working towards the aim of net zero emissions by 2030 will be a major focus for 2020 and beyond. We aspire to get many more church communities engaged with Eco Church and to attain our Eco Diocese Silver accreditation.



The Diocesan Advisory Committee for the Care of Churches (DAC)

The DAC provides advice to the Diocesan Chancellor and the Archdeacons on the effective stewardship and development of church buildings; church architecture, archaeology, art and history; conserving historic fabric and furnishings; and liturgy and worship.

The DAC is always available to engage with parishes working to maintain and grow their living church buildings as places of worship, mission and community engagement at all stages of a project, from discussing initial thoughts on possible initiatives to confirming final technical details for work to be carried out. For the Church of England to retain as much freedom over the development of its listed churches as possible, the essential requirement of its Faculty permission process is to achieve equivalence with civil consents, while giving due regard to the mission and worship needs of parishes and congregations.

The DAC is constituted by experienced specialists, appointed by the Bishop's Council, who provide a senior consultant level of advice on a voluntary basis. It also includes the Archdeacons, two members of the Diocesan Synod and nominees from Historic England, the National Amenity Societies and a Local Government Association, giving each parish access to a very wide range of experience and input.



Church Buildings

Our church buildings bring people together and must be diverse and flexible to provide for different community requirements. Future designs must respond to the exciting diversity of The Church of England Birmingham, various community interests, and the continuous change of people and needs. The Property Team has been working closely with Thrive Together Birmingham to make sure there is a collaborative approach to building projects and that community engagement is an early step for any project. This offers projects an opportunity to collate information, views and great ideas, that can help ensure projects move forward better informed, and we end up with more sustainable places.

Highlights of the year

In 2019, the Diocesan Chancellor granted 48 applications for works to church buildings, while 28 projects were given permission by the Archdeacons under List B. The DAC was involved in:

- 113 separate cases that covered everything from the installation of a birdbath in the churchyard to a major reordering and redevelopment of a historic church interior;
- Ten projects to reorder church spaces and develop the buildings as significant centres of worship, mission and community engagement;
- a wide range of everyday yet vital repair and improvement projects at churches, such as new heating systems, introducing new lighting, managing building repairs and churchyard trees.

The DAC was sorry to see the standing down of Mr Phil Nunnerley as Chair in November 2019 and is extremely grateful for his exemplary chairmanship for the past four years. It looks forward to welcoming Mr Richard Berry as the new Chair of the DAC in January 2020.

The DAC was also sorry to see the departure of Mr Adrian Mann as DAC Secretary in February 2019, after serving for over eight years. Mr Ben Smith took over as the new DAC Secretary and The Church of England Birmingham's new Historic Places of Worship Support Officer, Ian Simpson, joined in June 2019.

PARISH HIGHLIGHT: Transforming Worship



St Laurence, Northfield

St Laurence Church has a large and ancient churchyard. Upkeep is a challenge but it is also an opportunity for mission. This year we held our first 'churchyard service' which was attended by people who don't normally come to church and by three well-behaved dogs. On Good Friday it was the venue for Stations of the Cross and on Halloween we set up a 'Saintry Trail'. We also have bird boxes to place around the churchyard.

PARISH HIGHLIGHT: Transforming Worship



St Marys, Handsworth

At Candlemass we sang, "Lord let your servant depart in peace" and we left the church building so that a new heating system could be installed and the church reordered. We now have a warm and flexible building and have had a renewed interest in who we are and what we are here for.

New Christian Communities



In September 2019 we appointed Dr Jon Turner as Director of New Christian Communities. Jon's role is to bring focus and strategic leadership to our vision of reaching new people in new places in new ways. Primarily this will be achieved through the oversight of church planting, revitalisation and fresh expressions of church across The Church of England Birmingham. The position is supported for five years through Strategic Development Funding from the Church Commissioners and helps fulfil our first Transforming Church goal of growing the number of adults, young people and children worshipping in our various Christian communities.

We are pleased that three new and different types of church have recently launched. In April, under the guidance of The Revd Chris Mitton, 'Anchor Church' began as a new creative expression of ministry into the Jewellery Quarter area. We also saw the launch of 'Hope Collective,' a monthly congregation that meets at Hazelwell and is growing under the guidance of lay leaders Steve and Jo Squires. In South West Birmingham, near the Lickey Hills, 'Foundry' started as a new afternoon congregation with the hope and intention of serving a new housing estate of 650 homes being built within the parish of Cofton Hackett and Barnt Green.

Our Fresh Expressions enabler, Mark Berry, has also been active in supporting fresh expressions and pioneering ministry across The Church of England Birmingham. Indeed, we welcomed a new pioneer minister, Suzette Maguire, who is tasked with developing outreach work into various communities in Solihull. We also saw other fresh expressions of church develop from our missional community based at Newbigin House in Winson Green. 'Peacemeal' is a monthly gathering where people share a meal and fellowship together, and 'Sanctuary,' is a new worshipping community amongst British Asians.

2020 Priorities

Plans for 2020 include the establishment of new church plants into strategic locations. Supporting the growth of mission and outreach across all churches within The Church of England Birmingham, looking at key locations for church revitalisation projects: identifying and recognising resource churches that can support church planting; supporting and equipping the establishment of pioneer ministry and fresh expressions so as to reach new people, in new places in new ways.



PARISH HIGHLIGHT: Transforming Outreach



'Hope Collective' - Hazelwell', Moseley

We are a new Christian community excited about making new connections with people in the Stirchley/Kings Heath area. We want 80% of what we do to be in, and with, the community. We welcomed over 200 residents to a community fun day in Easter and have connected with around 40 people at our monthly Hope Gatherings (a new interactive way of exploring faith).



Church Plants

A church plant is a new church initiative and perhaps resembles something familiar to how we currently do church. Sometimes this is appropriate when new housing developments are built, or there are population or demographic changes in an area.

Fresh Expressions

Fresh Expressions are completely new ways of being church, grown among those with whom the church finds it hardest to connect. These may be within distinct cultural groups or within networks of people, e.g. 'church' in a gym, a pub or at a local park.

Revitalisations

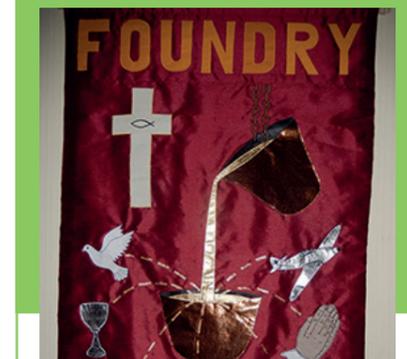
Revitalisation supports something that has gone before – that could be in terms of resourcing existing struggling congregations or a church starting something new at an existing site. All churches, big or small should be seeking to expand their mission and influence. A revitalisation might include the establishment of a new congregation or the commencement of activities that will connect with people outside their current sphere. Some revitalisations work by resourcing churches adopting redundant church premises and reinvigorating worship and missional activity there.

Resourcing Churches

Resourcing churches are churches that plant other churches. These (often larger) churches release their capacity and assets to energise and support a wider vision for church planting across an area. Resourcing churches undergird the establishment of new worshipping communities, as this is perhaps the best way of multiplying disciples, churches and networks.



PARISH HIGHLIGHT: Transforming Outreach



St Michael's, Cofton Hackett and St Andrew's, Barnt Green

Where the foundry which made components for Minis and Spitfires stood, a new Foundry is taking shape. That's the name of our church plant in the new Cofton Village Hall on the site of the former Rover factory. Foundry aims to be informal, intergenerational, creative, and community based. Supported by members of local churches, it is reaching out to the many new families moving into the estate.

PARISH HIGHLIGHT: Transforming Outreach



Anchor Church

Anchor Church is a Bishop's Mission Order church plant, led by Revd Chris Mitton, with a view to engaging unchurched young adults across the city. Anchor is serving as a partner mission project in the Jewellery Quarter alongside St Paul's Church, where the rapidly regenerating Jewellery Quarter population will soon reach 10,000 with many of the old workshops and warehouses being transformed into apartments.

Diocesan Board of Education (DBE)

2019 saw a newly formed Diocesan Board of Education. The board has three sub committees; a Curriculum and RE Committee, a Standards Committee and a Governor Committee. These committees enable more in-depth discussion and feed into the main DBE agendas. The board has a three year development plan and has successfully achieved the first milestones.

The Board's work is aligned with Transforming Church goals. Much of the work that happens in schools can be seen to deliver against many of the goals and areas of transformation. In particular we seek to grow the number of young people and children within the worshipping Christian community year on year through increasing the number of church school places, recognising that in our schools we have a total of approximately 18,000 children and young people taking part in a daily act of Collective Worship. Our plans to increase secondary places through opening Christ Church, Church of England Secondary Academy situated in Yardley Wood, are well under way, with our 'spade in the ground' ceremony taking place on 11 November, and due to open to students in September 2021.

We make the most of opportunities presented by the occasional offices and the church calendar and invitational events. They provide good opportunities for our schools to engage with their local church and our cathedral. This work has been very much supported by the 'Schools Project' funded through the strategic development funding and has involved a number of our schools being involved in hosting 'Prayer Space events' and developing our young people as leaders of collective worship themselves.

Much of the work of the DBE officers is supporting our schools in being good 'church' schools, developing a spiritually-enriching provision of education rooted in a vision stemming from Biblical thought. The board gives considerable thought as to how it supports schools in maintaining the distinctive nature of being a church school, supporting the trust deeds which underpin our schools as they deliver an education for everyone they serve within a distinctive Christian framework. The board has a responsibility to ensure schools maintain and develop this. Much of our training and support focuses on this.

Many of our schools serve areas where children come from families of different beliefs to the Christian one. Our schools are inclusive and the board has developed guidance which supports schools in serving their local communities and welcoming local children whatever their belief background may be.

The Birmingham Diocesan Multi Academy Trust has grown to 16 schools and the Trust works in partnership with the DBE to provide a wide range of training opportunities and support for the Diocesan schools. Each school receives an annual Christian distinctiveness visit.

Father Barrie Scott joined our team in January 2019 as our Assistant Director of Education and has provided invaluable support to both clergy and schools.

2020 Priorities

The Board of Education is pursuing further opportunities to develop secondary education. It continues to focus on developing leaders, both governors and school senior leaders who are able to lead the Christian vision of our schools. Officers are working closely with the Parish Mission Support team to develop pathways which link church, school and family together.



*The narrative on the activities are shown here to give an overview of all Diocesan activities. However the financial information of these entities is not included in the BDBF financial statements.

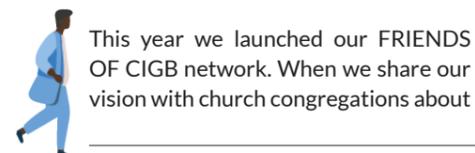


Chaplains



Workplace Chaplaincy is a surprise to many people. We visit, we listen, we support. Over the year we have about 8000 significant conversations with people at work. We pray for faithfulness in working life; we know that the place of work is holy ground.

We witness to young, old, rich and poor, engaging with people of all backgrounds. Black, Asian and Minority Ethnic (BAME) Christians make up about 20% of our diverse team. About half of our volunteers belong to The Church of England Birmingham.



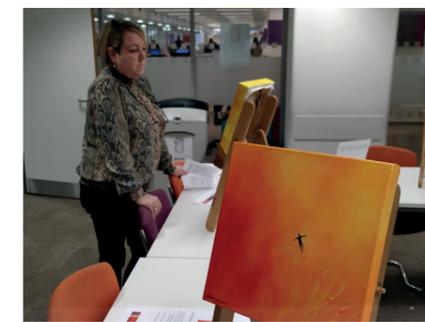
This year we launched our FRIENDS OF CIGB network. When we share our vision with church congregations about



our experiences in industry, retail, or the public sector, they see the connection with Jesus's marketplace ministry. www.cigb.org.uk/friends

Our retail Chaplains journeyed with staff through the downturn and re-birth of Hays Travel, and we were asked in a number of workplaces to help colleagues manage the grief and sadness of sudden deaths at work. As Ariana Grande began her UK return concert tour after the Manchester bombing with a Birmingham visit to the Arena, we supported emotional staff. "Thank you for helping to make the job bearable" was one comment received.

Workplace Chaplaincy was recognised by the All Party Parliamentary Group on Faith



and Society as one way of tackling growing loneliness in society. Workplace Chaplaincy CIGB is funded by other denominations of the Church and by donations from businesses and individuals.

A full report of our work can be found online: www.cigb.org.uk/reports

2020 Priorities

- To deepen our engagement with Church members through our FRIENDS network
- To increase our number of chaplains to support retailers facing major change
- To develop our representation of other faiths in our Chaplaincy team at Birmingham Airport.

Birmingham Cathedral

Birmingham Cathedral is a house of prayer and the seat of the Bishop of Birmingham.

Built in 1715, it is Grade 1 listed and one of the oldest buildings in the city still used for its original purpose.

The rhythm of prayer 'morning, noon and night' shapes our identity, sustains all that we do and provides an environment into which people can come for a moment of quiet reflection during the day. Our excellent choir nurtures over 30 children and young people in the life of faith. We are also well served by the work of two adult voluntary choirs. At the heart of the business community and at a busy 'crossing place' we seek to offer generous hospitality and collaborate widely to promote the common good. We manage a busy programme of activities including charitable fundraising, education, arts, markets and music events.

Highlights from the year

- Thousands of people observed the Passion Play being performed in the city centre, Cathedral Square and inside the cathedral
- Dean of Birmingham, The Very Reverend Matt Thompson visited Rome for the Canonisation of John Henry Newman
- Black History Month was commemorated with a special service inside the cathedral
- Nearly 1,000 people slept outside in Cathedral Square to raise funds and awareness for the homeless charity St Basils
- Families and members of the public attended a special service to remember those affected by the Birmingham pub bombings 45 years ago
- The NHS set up a weekly screening unit in Cathedral Square and tested over 350 people for Hepatitis C



- Free Summer Music Clubs and music outreach sessions were held throughout the year
- Hundreds of members of the homeless community received a Christmas lunch with Let's Feed Brum
- World Aids Day was commemorated with an exhibition piece inside the cathedral
- An exhibition marking the 550th birth anniversary of the founder of the Sikh religion, Guru Nanak Dev Ji was held inside the cathedral
- We saw a rise in carol services and events held to celebrate Advent and Christmas.

Impact and response to COVID-19 - Finance update

Since the end of the financial year, the daily life of The Church of England Birmingham has been changed beyond recognition as a result of the COVID-19 pandemic. The doors of our churches were closed from 23rd March 2020 and services in many instances have become virtual. Our pastoral support is being delivered at a safe social distance and key events in the life of the church, including Easter, have looked very different.

The next sections look to give a flavour of how The Church of England Birmingham family has responded to these challenges. Many have accepted new roles and direction to support those that are in need as a result of the pandemic. However, there has been a significant financial impact on our own resources as a direct result of church doors being closed.

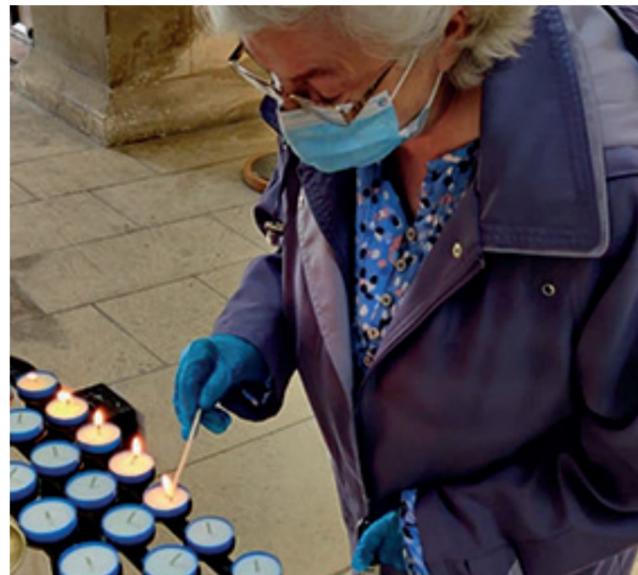
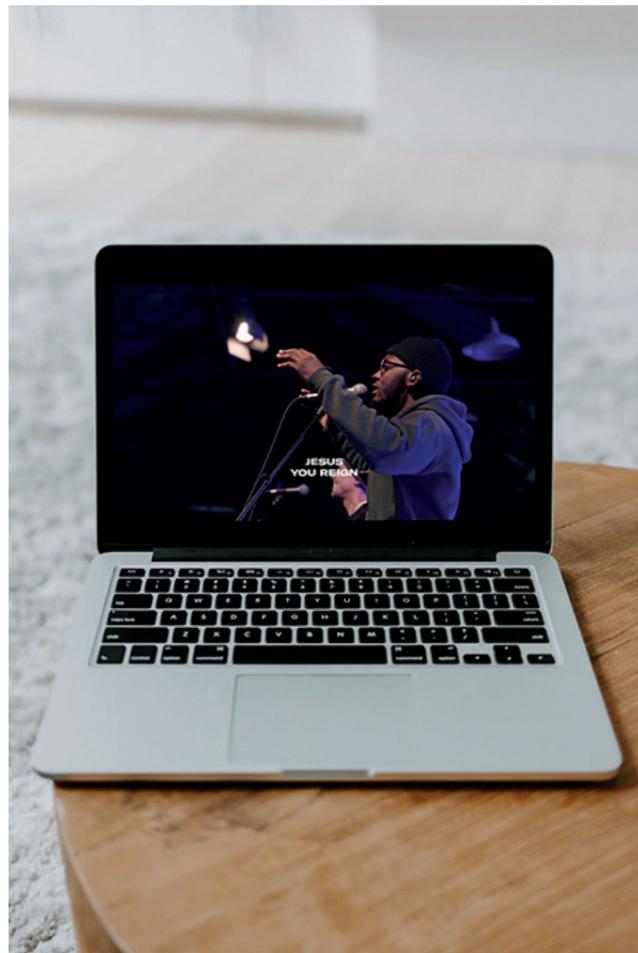
As a diocese our single largest source of income is parochial contributions – otherwise known as Common Fund. These funds are remitted to us by our parishes out of their income, which substantially

comes from two key sources: voluntary giving and the rental of the church halls and other property. Both income streams have been badly hit by the lockdown and we anticipate that this will have a substantial and direct impact on our collection of Common Fund for 2020.

Since March, a substantial piece of work has been undertaken to revisit our costs and our operating structures in order to make financial savings. We have taken advantage of government assistance through the COVID-19 Job Retention Scheme and a substantial number of The Church of England Birmingham staff have been placed on furlough. We have received support from the National Church through early payment of many already agreed grants and we were awarded a further £1,000,000 of sustainability funding from them in September 2020 as a direct response to the crisis. This is gap funding for 2020 only and we are continuing to work hard to manage the shortfall in income that we expect to continue into 2021 and beyond.

We have been working closely with our parishes to understand how they are faring financially and supporting them where we can in order to maintain our Common Fund income as far as possible. However, we expect that this will become increasingly difficult to do as the year progresses, especially as the doors of our church buildings have remained closed for extended periods.

Despite all of this work, there remains a substantial cashflow gap in our expected 2020 finances and the Board has therefore made some difficult decisions around changes to the utilisation of the Strategic Investment Fund totalling £1.2m that had previously been designated to support the next stages of our evolution through the various Transforming Church programmes. Work will continue to minimise this re-allocation of funds. We will also continue the planned programme to further increase this fund over the next few years to ensure that the transformation programmes still deliver on our vision.



Parishes' response to COVID-19

In the first few weeks of lockdown and closure of church buildings, parishes responded very quickly with a variety of support for their congregations appropriate to their context. This included Facebook live, recorded services, distribution of orders of service and encouragement to engage with existing online worship.

As the pandemic has unfolded parishes have constantly adapted to serve both congregations and the wider community. Holding crosses have been distributed to grieving families, walls have been used for chalk prayer walls, art projects created with local schools, and increasing confidence with online platforms is seeing the emergence of online bible studies, prayer meetings, 'after church coffee' and home groups.

Parishes have also been active in the wider community working tirelessly alongside charities and community groups in Foodbanks, welfare support and pastoral situations. Our admiration, prayerful support and thanks goes out to every ordained and lay leader in this time of constant adaptation and change.



#FeedBirmingham



People are hungry. Please support the work of The Active Wellbeing Society, Birmingham Real Junk Food Project and Foodbanks in their fantastic efforts to feed people who need food during the Covid-19 crisis.
You can help #feedbirmingham...

"The Tusell Trust report that 81% more emergency food parcels are being given out across the UK, including 122% more parcels going to children, compared to the same period in 2019."

Supported by Thrive Together Birmingham, a joint venture between the Church of England in the city and Church Urban Fund, #FeedBirmingham is helping top up food supplies in foodbanks across Birmingham amid a rise in demand during lockdown.

Residents began the food collections in just five streets in the Kings Heath and Hall Green areas of Birmingham and in just over a fortnight the project has grown to cover street collections across the city.

Supporters of the project include the Edgbaston Foundation, Warwickshire County Cricket Club's charity, and volunteers at the Edgbaston cricket ground and West Midlands Police.

Fred Rattley, Chief Executive Officer of Thrive Together Birmingham and the Bishop of Birmingham's Community Regeneration Director, says people in the city are being encouraged to continue to support their local foodbanks. The #FeedBirmingham project is aimed at helping refill shelves where foodbank supplies are running low.

Emotional health and wellbeing



A rise in stress levels as a result of the coronavirus pandemic, was a key factor in setting up an emotional health and wellbeing phone line for people aged 18 years and above at St Germain's Church in Birmingham.

The service, launched during lockdown, offers a non-judgemental listening ear, self-help strategies and skills for managing difficult emotions and stressful situations, and support accessing other services. It is run by trained practitioners and serves an area slightly larger than the parish in north Edgbaston.

The Vicar, Revd Dr Sarah Hayes, says "We are an urban community with a lot of people who either don't speak English as a first language or maybe at all. Many people don't have access to the internet - there are a lot of hostels in the parish and people who are temporary residents."

"The phone line is in addition to a hot meal and food parcel service provided by the parish that has been running for the past eight weeks for more than 1,000 people a week, including those self-isolating or shielding during the pandemic."

Supporting the mission

The Church of England Birmingham through the Birmingham Diocesan Board of Finance (BDBF) aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Birmingham Diocese and elsewhere. This includes the provision of facilities for public worship, pastoral care and spiritual, moral and intellectual development, together with the promotion of Christian values and services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

In this, the BDBF acts as the financial executive for the Diocesan Synod in the administration of The Church of England Birmingham's interests.

The BDBF helps to facilitate the pursuit of our Ten Diocesan Goals by its ongoing objective to maintain a sound financial structure that resources the needs determined by Diocesan Synod and informed by local and national church institutions. This financial structure includes supporting clergy through the payment of stipends, managing parsonages and other ministerial houses, and also by providing other facilities and resources in the support of the ministry of both clergy and lay people in parishes across the Diocese.

Constitution

The BDBF is established under the Diocesan Boards of Finance Measure 1925. It is a company limited by guarantee and subject to its own Memorandum and Articles of Association. The BDBF is also a registered charity.

The BDBF is constituted as the financial executive of the Diocesan Synod, each member of which is also a member of the BDBF. Trustees are appointed by the members on a triennial basis. The BDBF acts as the Parsonages Board and the Diocesan Mission and Pastoral Committee for the purposes of ecclesiastical legislation.

The BDBF, which meets four times each year, is the principal policy making body. It takes advice from its Board of Trustee Directors, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also takes executive action in certain matters and deals with day-to-day issues. The membership of the Bishop's Council is contained on page 3 of this report.

Delegation of day-to-day delivery The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the BDBF in accordance with the policies framed by the Trustees. The Diocesan Secretary and key staff during 2019 were:

| | |
|-------------------------------------|-----------------------|
| Mr Andrew Halstead | Diocesan Secretary |
| Ms Melanie Crooks | Director of Finance |
| Mrs Sarah Smith | Director of Education |
| Mr Daniel Mayes | Property Director |
| Dr Jan Smart | Director of HR |

Recruitment and training of trustees

Trustees are recruited through a mixture of ex-officio positions, elections and nominations. Elections take place every three years at the first meeting of the new Diocesan Synod (itself elected every three years). The trustees have the power to co-opt members according to their assessment of the needs of the BDBF in terms of required skills and experience.

Induction for new trustees consists of a one day course designed to ensure that all trustees are familiar with the BDBF's governing document and its aims and objectives. They are also given relevant literature which explains the role and obligations associated with their role as a director and trustee of the BDBF. Trustees then

receive ongoing training as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the Diocese and an introduction to any special areas with which they will be working such as the Board of Education. Trustees are encouraged to visit Diocesan operations.

All trustees are required to maintain their entry in the register of declarations of interests.

Some senior staff have job titles incorporating the title "Director" but they are not directors of the company (for the purposes of company law) and therefore are not "charity trustees".

Charity Governance Code

The BDBF welcomes the "Charity Governance Code" and is working on its application. During 2020, the trustees intend to undertake a 'self-audit' review which will be overseen by the Finance, Investment and Property Subcommittee.

Management structure

The BDBF is assisted in its work during the year by a number of committees:

Board of Education The Diocesan Board of Education is a statutory body whose financial responsibilities are reported as part of the BDBF. The Board is also responsible for the Diocesan Church Schools' Fund (restricted fund).

Finance, Investment and Property Subcommittee (FIPS) Acts in all finance matters, including audit, remuneration of BDBF staff, the management of BDBF investment property and fiscal investments and parsonage maintenance issues, and makes recommendations to Bishop's Council.

Transforming Church Committee As noted in last year's Annual Report, was reconfigured as the *Transforming Church Roundtable* during 2019. This had the aim to more effectively facilitate multi-disciplinary focus and working on strategic mission initiatives in line with our Transforming Church goals. From this Roundtable, proactive working groups have emerged who are accountable for Progress, Issues and Plans (PIPs) in specific strategic areas.

Other organisations with which the BDBF co-operates in achieving its objectives

Within the ministry of The Church of England Birmingham, the BDBF plays an important role in co-operation with other persons and charities which form part of the Church. Under the oversight of the Bishop of Birmingham, who shares the cure of souls with clergy and lay workers across the Diocese, the day by day responsibility for the funding of clergy stipend costs, providing clergy housing, training clergy and other Diocesan costs falls to the BDBF. Some of these clergy are trustees of the BDBF and they are listed on page 3.

The BDBF has important relationships with the national institutions of the Church of England, specifically:

The Archbishops' Council to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.

The Church Commissioners from which the BDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The BDBF pays clergy stipends through the Church Commissioners.

The Church of England Pensions Board which provides pensions for clergy and the BDBF's lay staff. It also offers schemes to provide housing for clergy in retirement.

At local level key relationships include:

Parochial Church Councils (PCCs) which are the main income source for the BDBF through the Common Fund system. PCCs are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. They are able to influence decision making within the BDBF and at Diocesan Synod level through representation to those bodies and through the input of their Deanery Synods.

Church Urban Fund (CUF) Joint Venture which the Bishop of Birmingham, the BDBF and CUF are the founding members of a subsidiary of CUF, Thrive Together Birmingham. This is a company limited by guarantee with charitable status. The BDBF Director of Community Regeneration, an employee of BDBF, has oversight of the work of development workers who are employed by Thrive Together Birmingham.

The Diocese of Birmingham Educational Trust which is a charity set up in response to the challenge of a large number of Church of England Schools converting or otherwise becoming Church of England Academies under the Academies Act 2010. The charity operated as a sponsor or co-sponsor of Church of England Academies in the Diocese as required and supports Academy Trusts to both fulfil their responsibilities and provide a challenge to governors in this regard.

Birmingham Diocesan Multi Academy Trust which is the Diocesan multi academy trust that was established during 2017. The six sponsored academies which were under the umbrella of The Diocese of Birmingham Educational Trust transferred to this multi academy trust on 1 September 2017. The trust now has sixteen schools.

Birmingham Cathedral with whom there is now an established pattern of close collaborative working, including the sharing of offices and associated resources.

St Martin's Trust and other local trusts which generously provide financial support to the Diocese's most economically deprived parishes.

Other Christian Denominations with and through whom the BDBF resources matters of workplace chaplaincy and ecumenical relations, notably through Churches & Industry Group Birmingham, Churches Together Birmingham and Local Ecumenical Partnerships.

Interfaith bodies, such as *The Feast*, as part of our cross-community work to promote good interfaith relations.

Birmingham Diocesan Trust (BDT) which is the custodian trustee for properties and permanent endowments on behalf of parishes and schools. BDT is a separately registered charity.

Volunteers

The Church of England Birmingham is dependent on the huge number of people involved in church activities both locally and at Diocesan level. 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, particularly at times of crisis.

Within this, the BDBF greatly appreciates the considerable time given by all the committee members across the Diocese in pursuit of the mission of The Church of England Birmingham.

Estimating the 'in-kind' value of volunteer time to the operations of the BDBF is particularly difficult to measure in a meaningful way. It is for this reason that no estimate of the value of this time has been included in the financial statements.

Public benefit

The Church of England Birmingham through the BDBF reviews its work each year and considers outcomes and plans for the future. It takes account of the Charity Commission's general guidance on public benefit when reviewing its purpose and in considering how planned activities will meet that aim.

How our activities deliver public benefit

Our main activities aim to deliver public benefit in the following ways:

- **Clergy** Providing parish and other clergy to offer Christian services and spiritual oversight
- **Parochial Church Councils** Assisting PCCs to provide churches, sacred spaces and worship services
- **Parish Mission** Assisting parishes particularly through the *Transforming Church* strategy and the *Growing Younger* initiative
- **Education** Contributing to the spiritual and moral education of children and young people in over 50 church schools
- **Social action** Contributing to and assisting in social action in parishes and elsewhere, such as food banks and night shelters
- **Training** Providing training and assistance in order that parishes have clergy and volunteers who are competent, for example, to assist clergy in providing Christian services, visiting the sick, and comforting the bereaved
- **Grants** Making grants to enable the national church institutions to function and have a positive wider influence
- **World Mission** In part through links with the Anglican Dioceses in Malawi and Bolivia

Who benefits from our services?

We aim to make our services open to as wide a section of the public as possible. For example:

- Everywhere in the Diocese is part of a Church of England parish that has a member of clergy who has concern for the spiritual welfare of the individuals who reside in it
- Parishes in wealthier areas generally contribute somewhat more than the cost of their clergy in order that clergy can also be provided in less wealthy areas
- Training courses are offered at reduced or no cost where appropriate, in order that ability to pay is not a barrier to participation

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The BDBF does not undertake fundraising from the general public but from time to time does apply for grant funding from grant-awarding charities. Any such amounts receivable are presented in the financial statements as 'voluntary income' and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees. The BDBF is not bound by any undertaking to be bound by any regulatory scheme. The BDBF has received no complaints in relation to fundraising activities. Its terms of employment require staff to behave reasonably at all times; as the BDBF does not approach individuals for funds, contracts of employment do not particularise this requirement for fundraising activities nor does the BDBF consider it necessary to design specific procedures to monitor such activities.

Financial review

The 2019 headline income figure of £12,241,000 shows an overall significant increase in income of £855,000 compared to £11,386,000 in the prior year. However, if we remove the impact of significant gains on the disposal of redundant assets in 2019 of £611,000, this gives us a current year comparative income of £11,630,000 and thus a smaller real increase in income of £244,000. As is always the case, we need to dig deeper to understand the core underlying trends beneath the headlines.

Underpinning our day-to-day diocesan finances is our single largest source of income – parochial contributions or “Common Fund” from our parishes. To complement the work, we are carrying out under the *People & Places* deployment framework, we implemented a new common fund methodology in 2019. In determining the new methodology, we drew inspiration from St Paul’s inspiring letter to Corinth (2 Corinthians 8) where he writes of two communities that need to share. It is a powerful, practical application of God’s generosity where people first have their hearts changed as they give themselves to God, the first gift. That inspires them to give to others who they don’t really know but with whom they share the faith.

In this spirit of generosity, we are asking our parishes to start to think about Common Fund in four separate ways:

- Financial contribution
- Exceptional gift offering
- Gifts in kind
- Partnerships

In 2019, we began working with our parishes focusing on how to reconsider the financial contribution aspect of Common Fund. This element of Common Fund now comprises a calculated Sum Requested based on a parish’s ability to pay from their unrestricted income (based on the latest available parish annual statutory accounts) and a gift of intentional generosity towards others. The gift is prayerfully discerned by the parish. The total calculated initial Sum Requested was £5,400,000 with initial pledged gifts of £656,000.

In 2019, our parishes contributed £4,894,000 towards the calculated Sum Requested and generously gave £678,000 in gifts. We recognise that this is a huge commitment from our parishes and again we are immensely grateful for their continued support. However, the budgeted Common Fund target was not met for a fourth year running. This is against a backdrop of a 2% increase in the diocesan stipend rate, in line with the rise in the national minimum stipend as promulgated by the National Church Institutions. We recognise that 2019 was the start of a transitional journey for the new Common Fund methodology, alongside the *People & Places* framework – this is a step change in the practical application of our generosity in response to a generous God.

Remitted statutory fees from occasional offices (such as weddings and funerals) experienced a further significant fall of 10.5% on the prior year with increasing competition from non-religious venues and also from other denominations and those of no faith. This was again a decrease for the fourth year running.

We have during the year, proactively let empty parsonages during parish vacancies and increased our housing rental income by £138,000 year on year.

The BDBF continues to receive significant support from the Church Commissioners in the form of Lowest Income Communities funding based on the Index of Multiple Deprivation for each parish. We received £1,972,000 of this funding in 2019 – this was £10,000 lower than in 2018 and as we noted last year, this funding reduces each year for the next nine years with no inflationary increases. During this period of transition, we have been able to access Strategic Restructuring funding of £151,000 from Church Commissioners for specific activities which has helped to cushion the financial result for the year.

We have continued to reap the financial benefits of Strategic Development and Capacity funding through a full twelve months of activity under the *Shaping the Future* programme and the commencement of the *People & Places* framework contributing income of £830,000. However, these income sources are restricted in nature and can only be utilised for specific activities.

A further £224,000 of restricted grant income has been received to support resourcing and planting church initiatives along with mission apprentices, mission facilitators and our places of worship support officer role. We are immensely grateful to Church Commissioners, Allchurches Trust, The Jerusalem Trust, Historic England and the many individual donors who share our mission vision.

In summary, without the increased housing rental income and non-Church Commissioner restricted income grants, our income would have remained static in 2019.

The 2019 headline expenditure figure of £11,350,000 when compared to the prior year figure of £11,433,000 shows a decrease in expenditure of £83,000. As noted within our income commentary, we need to again dig deeper to understand the core underlying trends beneath the headlines.

As noted in our key financial indicators below, we have experienced again this year a higher than expected parish clergy vacancy rate, which had implications for our ministry costs. We have also focussed on containing expenditure in other core unrestricted areas to counterbalance the static Common Fund contributions and falling statutory fees noted above.

Instead our main areas of investment expenditure have been within our restricted grant income sourced *People & Places* framework and missional initiative programmes such as *Shaping the Future*, Allchurches Trust Mission Apprentices, together with restructuring and historical places of worship support. Funding for the Growing Younger missional programme switched into our own match funding from a designated fund.

| KEY FINANCIAL INDICATOR | 2019 ACTUAL | 2019 BUDGET |
|---|-------------|-------------|
| Common Fund collection rate on sum requested amount % | 91.45% | 90.54% |
| Common Fund collection rate on pledged gifts amount % | 100% | 100% |
| Common Fund overall collection rate on budgeted amount % | 96.09% | 100% |
| Common Fund overall % rise year-on-year in cash terms | 0.3% | 2% |
| Parish clergy establishment posts | 117 | 119 |
| Parish clergy vacancy rate | 16 | 11 |
| Dividend yield on Smith & Williamson investment portfolio % | 3.4% | 3.8% |
| Dividend yield on CCLA investment portfolio % | 4.0% | 3.8% |
| Reserves policy met | Yes | Yes |

On an overall funds basis, there is a surplus for the year of £891,000 (2018: £47,000 deficit) before considering unrealised gains on the year end revaluation of investments (£1,208,000), a reduction in the clergy pension scheme deficit in the year yielding a further £1,507,000 and the impact of the loss on the disposal of an asset (See Significant Property Transactions for further information) of £1,873,000.

The increase in the valuation of our investment portfolio year on year highlights how the general worldwide stock markets have improved following a low point at 31 December 2018. The completion of the latest clergy pension scheme actuarial valuation during the year with a revised funding methodology has revealed that the headline

national deficit in the clergy pension scheme is now £50 million as at 31 December 2018, compared to £236 million at the previous valuation. The BDBF element of this deficit is now just £842,000 (see note 24). Both of these items totalling £2,715,000 are year end financial statement adjustments which have no impact on the day-to-day running of and cash flows of the BDBF.

Work has continued developing a five year and beyond, sustainable financial and organisation plan, informed from a broad review of:

- Ministry deployment: ordained and lay, paid and unpaid, parochial and pioneer
- Parish finances, including Common Fund contributions and parochial fees
- Centrally organised parish support services
- An emerging buildings strategy
- Possible additional funding streams

Balance Sheet position

The BDBF trustees consider that the balance sheet, together with details in note 21 to the financial statements show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets, given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £44,292,000 (2018: £ 42,559,000) it must be remembered that included in this total are properties, mostly in use for ministry whose value amounted to £23,761,000 (2018: £23,951,000). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the BDBF.

Significant Property Transactions

During the year, we have completed the sale of the two surplus properties and glebe land we had earmarked for disposal at 31 December 2018, with net proceeds of £1,350,000. We also made progress on our long term property estate development plan, which resulted in a disposal of a corporate property and the active marketing of two further investment properties for sale. Property sale proceeds of £1,140,000 have been earmarked in a designated fund by the BDBF for intentional strategic mission investment over the next five years. It is intended that proceeds from future property development transactions will be reinvested in the mission and ministry of the BDBF. Our property strategy continues to be:

- To replace unsuitable properties;
- To accommodate the changing geographical deployment of clergy within the diocese;
- To realise development potential in some properties thereby using our resources more effectively for the mission and ministry of the Church

During the year, we also completed on the long term lease of the Gas Street property to the parish of St Luke, Birmingham. Over the last five years, the parish has worked with the BDBF to raise funds of approximately £2 million to convert the old Retort House building into a thriving place of worship. These funds have been recognised as income to the BDBF over the period 2015-2018. Due to the long term nature of the lease, the transaction has been accounted for as an effective disposal of the building in 2019 with an apparent loss on disposal of £1.8 million. However, the cumulative financial impact of the original purchase, conversion and then lease is broadly cost neutral to the BDBF.

Factors that may impact on future financial performance

There are a number of factors which can impact on the BDBF’s ability to meet its objectives, but which are outside its control. Most important is the collection of the Common Fund from the parishes.

Any significant shortfall in that collected could have implications for our mission objectives and deployment.

As is the case for all charities with historic endowment, the BDBF is vulnerable to changes in the value and returns upon its properties and stock market based (fiscal) investments. This is mitigated by employing specialist fund managers and advisors to help develop an appropriate investment policy.

As noted above, the BDBF receives significant support from the Church Commissioners and although we are one of the most economically deprived dioceses within the Church of England, the level of support based on economic need is reducing over the next ten years, with no inflationary uplifts. This brings into focus our business planning activities as we “reimagine” the shape of mission and ministry for the next generation.

Reserves Policy

Free reserves are maintained for the following purposes:

- To avoid bank borrowing if there is a temporary shortfall in income and/or surge in expenditure
- To provide for emergencies

The reserves policy of the BDBF is formulated in line with recommendations of the Charity Commission of England and Wales. The basic policy statement is as follows:

“The BDBF aims to maintain the equivalent of at least three months operating expenditure in cash and readily liquid assets in the general unrestricted fund. This excludes all designated funds and loans. The policy is to be reviewed on an annual basis”

In arriving at the minimum amount, account has been taken of the Board’s well-established effective income raising and budgeting process. Most income is now received in a steady stream throughout the year and performance against budget is monitored regularly. As at 31 December 2019, the reserves policy target is £2,602,000 representing three months unrestricted operating expenditure as budgeted for the forthcoming year. The trustees believe that such a reserves target will cushion the BDBF from short term revenue problems and will enable them to meet their legal requirements in case of serious financial problems.

The total unrestricted reserve stands at £8,628,000 and £6,736,000 for undesignated unrestricted reserves. However, the undesignated unrestricted reserve includes £5,667,000 of non readily realisable fixed assets, which leaves the BDBF with apparent free unrestricted reserves of £1,069,000, which would be below the target of £2,602,000 as at 31 December 2019. This position could be remedied if the trustees chose to un-designate an element of their designated funds of £1,687,000 back into the unrestricted fund if the need arose.

Designated funds

The BDBF may with the approval of the board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their destination is no longer considered adequate for their retention. A description of each reserve with the intended use of the reserve is set out in note 22. There are two significant designated funds, the first being the full provision for the payment of deficit contributions to the clergy and church workers pension schemes over the period to 31 December 2027. This amounts to £1,144,000 as at 31 December 2019. The second is the strategic investment fund approved and created during 2019. This fund represents proceeds of £1,216,000 from property disposal proceeds. The fund will be used for intentional strategic mission investments such as further implementation of context ministry and match funding for our Church Commissioner grant funded *Shaping the Future* and *People & Places* strategic programmes.

STRATEGIC AND OPERATING REVIEW

Restricted and endowment funds

As set out in note 22 the BDBF holds and administers a number of restricted and endowment funds. As at 31 December 2019 restricted funds totalled £7,100,000 (2018: £8,213,000) and endowment funds totalled £28,769,000 (2018: £ 28,517,000). Neither are available for the general purposes of the BDBF.

Investment policy

The BDBF maintains a review of its investments through its FIPS subcommittee, which also monitors performance against market benchmarks and considers the adequacy of its investment mix.

The overarching investment principles embedded in our Statement of Investment Principles are as follows:

- Implement a balanced asset allocation approach to the portfolio with a medium risk profile
- Portfolio to be well diversified to provide an appropriate base for both long term capital and income growth
- Performance to in excess of the APCIMS Balanced Index benchmark with specific income target as agreed with the trustees
- Performance at least 2% better than the Retail Price Index
- The Church of England Ethical Investment Forum guidelines will be complied with

The portfolio is managed in the following manner:

- Direct property investments managed by Bruton Knowles
- Marketable investments actively managed by Smith & Williamson
- Remaining funds within CCLA/ CBF funds on a self-managed basis

Investment funds within certain restricted funds (Malawi / Church Schools / Bishop Brown) are held within CCLA funds selected on the basis of the income/capital needs of the respective fund as appropriate.

There has been a strong investment performance on a total return basis over the last twelve months, following the challenging markets at the end of 2018. Performance against our benchmark portfolio was 1.9% higher on a total return basis on a twelve-month performance basis at 18.1%. An analysis of our total return performance against other market indices was as shown in the table below.

| | TOTAL RETURN % | COMPARISON TO OUR STATEMENT OF INVESTMENT PRINCIPLES |
|------------------------|----------------|--|
| Portfolio | 18.1 | |
| Benchmark portfolio | 16.2 | Objective met |
| RPI +2% | 4.3 | Objective met |
| Markit iBoxx GBP Gilts | 7.1 | Objective met |
| MSCI PIMFA Growth | 18.2 | Objective not met |
| MSCI PIMFA Income | 15.1 | Objective met |
| FTSE 100 | 17.3 | Objective met |

Investment management advisor performance for both direct property and marketable investments will continue to be robustly monitored in the forthcoming year. We plan to also conduct a review of our published Statement of Investment Principles.

Grant making policy

The BDBF has established its grant making policy to achieve its objectives for public benefit (as detailed on page 37). We deliver our public benefit to the wider population in the Diocese by the work of our parishes. We support this work by grant programmes that help parishes to further engage and service their local communities. This may be mission activities, community regeneration, church maintenance, schools and world mission. All grant applications must be made in writing. Parish mission and delivery plans and available resources are taken into account in the distribution of available grants.

Remuneration of key management personnel

Emoluments of higher paid employees are determined by the Chair of the DBF with reference to regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

Principal risks and uncertainties

The trustees of the BDBF have overall responsibility for ensuring that the charitable company has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- An annual budget and five-year financial plan approved by the trustees
- Regular consideration of both financial results and other performance indicators
- Delegation of authority and segregation of duties

As part of this responsibility, the trustees are also required to ensure that effective and adequate risk management is in place to manage the major risks to which the BDBF is exposed. They have a clear mechanism for obtaining assurance on the management of risks. The trustees agree the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

To support the identification and evaluation of the BDBF's key risks, a risk assessment model has been developed which incorporates our activities towards the achievement of our strategic diocesan goals through the *Transforming Church* strategy alongside day to day operational activities. Risks are considered and presented as either Strategic or Operational risks within an active risk register. Strategic risks are significant risks that influence the achievement of the BDBF's strategic aims. These may include major internal risks, such as financial sustainability or compliance risks. Or they may be external events with high impact which the BDBF cannot control and for which the BDBF needs to develop response mechanisms. All strategic risks are mapped back to our ten *Transforming Church* goals and seven Areas of Transformation. During 2019, the trustees spent time taking a fresh look at strategic risks, reviewing strategic risk from the perspective of a 'blank sheet of paper' in comparison to those contained in the existing risk register. Operational risks are day-to-day risks and more likely to be internal within the BDBF's control and with a higher level of probability of the risk event happening. The BDBF's focus of attention on these risks relates to how it can control, manage or transfer the risk to a third party.

Individual risks are then assessed using a scoring mechanism, with respect to the inherent likelihood of occurrence, severity of impact on the BDBF, the steps in place to mitigate the risk and the resulting impact on residual risk. Residual risks are ranked using a 'traffic light' scheme (red / amber / green). Each risk is allocated to a board committee who will oversee the management of that risk and the risk register notes the source of assurance that they will receive in respect of that risk management.

To embed risk management as an active and continuous process, risk is formally considered at each board and sub committee meeting, with changes and progress noted within the risk register. The Finance, Investment and Property subcommittee oversees the detailed risk management process.

The risks which are currently assessed as scoring highest, and the outline mitigating strategies to address them, are shown in the table below.

| RISK | MITIGATION STRATEGY |
|---|--|
| Failure to effectively embed the new Common Fund methodology leading to non-payment of Common Fund | <ul style="list-style-type: none"> • Clear biblical foundation to methodology with a clear and effective communication, generosity and discipleship plans • Monthly contribution discount incentives • Monthly review of contribution profile assisted by proactive discussions with parishes |
| The impact of COVID-19 pandemic results in a significant financial loss for the BDBF that it is unable to sustain | <ul style="list-style-type: none"> • New cashflow (and outturn) forecasts based on latest information to identify pinch points • Engagement with parishes to establish sustainability of Common Fund budgets • Additional grant funding from the National Church • Re-evaluation of designated reserves to provide bridge funding to cover deficit on unrestricted fund activity in 2020 |
| The <i>People & Places</i> framework for mission and ministry does not deliver the required culture change in a timely manner | <ul style="list-style-type: none"> • Appointment of full time Area Deans to facilitate culture change • Supported by increased focus and support on <i>Transforming Church</i> Action Planning • Implementation of a new approach to clergy and lay learning and development • Effective monitoring and evaluation processes |
| Failure to grow the Church in its mission, especially at the speed required by Church Commissioners funding streams | <ul style="list-style-type: none"> • New governance structures for more effective monitoring and evaluation of mission goals and financial impact consequences |
| Dependency on Church Commissioners funding for missional growth support activities | <ul style="list-style-type: none"> • Effective management and delivery mechanisms on existing Church Commissioners funded programmes to ensure trust and confidence in delivery capacity |
| Reputational and financial risks associated with safeguarding of young people and vulnerable adults | <ul style="list-style-type: none"> • Comprehensive training programme for all parishes • Independent scrutiny group established • Safeguarding Management Group monitors Diocesan compliance |

Plans for future periods

Our vision to "grow churches at the heart of each community" continues to be central to our plans for future periods. We want to:

- Grow a vibrant church
- Help Christians become more confident in their faith and mission
- Be sustainable
- Make sure resources are shared more fairly

We recognise that our pattern of ministry and mission needs to be relevant to each local context and will vary across locations. In 2020, the key activities that we will be focusing on include:

- Continued embedding of the *People & Places* deployment framework and associated culture change
- To implement plans for New Christian Communities and continued identification of new opportunities
- Focus on *Transforming Church* Action Planning to support churches to engage with their local communities and play their part in the transformation of their neighbourhoods
- Further investment in context ministry
- Development of a new approach to pathways for learning and discipleship that is accessible to all
- Continued reimagining of ministry, particularly to encourage the *Setting God's People Free* agenda
- Collaboration with the DBE to further deepen and promote the Christian Distinctiveness of our schools
- To scope and plan our response to our goal to achieve net zero emissions by 2030
- Embedding an ethos of diversity, inclusivity and generosity into everything that we do

STRATEGIC AND OPERATING REVIEW

Directors' report**Going concern**

The lockdown and closure of church buildings as a result of the COVID-19 pandemic in the first quarter of 2020 has required the Directors to consider the question of going concern in significantly more detail than it would have done previously. Cash inflows to parishes as a result of church closures have been seriously damaged, which is expected to negatively impact on the likely level of Common Fund contributions into the BDBF over 2020. Revised cashflow forecasts have been prepared to reflect the changed circumstances and the mitigating actions and decisions that have been taken in order to manage a significant unplanned cashflow deficit on unrestricted activities for 2020. Sustainability funding from The National Church will bridge some or all of this 2020 shortfall. Levels of restricted activity are expected to reduce slightly over the year and income (particularly from the draw-down of grants) will reduce to match this. A draft 2021 budget has been prepared to reflect lower expectations about unrestricted income and overhead costs have been reduced accordingly. In the changed circumstances, the Board of Directors have also considered the need to retain the Strategic Investment Reserves that have been designated in these 2019 accounts and expect to use some of these to bridge the 2021 forecast deficit.

Based on the above, the trustees are satisfied that the BDBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Charitable and political donations

No political contributions were made during the year. Charitable contributions have been made as part of the BDBF's objectives, mainly to projects sponsored under parish initiatives.

Taxation status

The BDBF is a charity having been established under the Diocesan Boards of Finance Measure 1925 and, as such, is not liable to income tax or corporation tax. The BDBF is also registered as a charity (reg. No. 249403).

Responsibilities of the trustees

The trustees are responsible for preparing the Trustees' strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

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

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

Statements as to disclosure of information to auditors

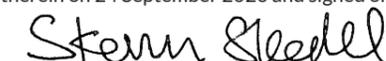
The trustees have taken all the necessary steps to make sure that they are aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware.

Appointment of auditors

A resolution to re-appoint Haysmacintyre LLP will be proposed at the forthcoming annual general meeting.

The Board of Trustees approve their Annual Report and, in their capacity as company directors, also approve the Strategic Report incorporated therein on 24 September 2020 and signed on its behalf.



Mr Steven Skakel

Chair and Director of Birmingham Diocesan Board of Finance

The Structure of the Church of England

The Church of England is organised as two provinces, each led by an archbishop. The Archbishop of Canterbury leads the Southern Province and the Archbishop of York leads the Northern Province. Each province is comprised of dioceses of which there are 41 in England (42 including the Diocese of Europe).

Dioceses, each under the spiritual leadership of a Diocesan Bishop, are the principal pastoral, financial and administrative resource of the Church of England. Each diocese is divided into parishes. Each parish is overseen by a parish priest, who is an Incumbent (Vicar or Rector) or Priest-in-Charge. From ancient times through to today, incumbents and their bishop are responsible for the 'cure of souls' in their parish.

Her Majesty The Queen, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and some deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally-led, with 108 bishops including Diocesan bishops and assistant and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or 'houses' of members: the Houses of Bishops, of Clergy and of Laity. General Synod meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

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

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

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for surviving partners of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close co-operation both with the Archbishops' Council and with the Church Commissioners.

The Diocese

The Cathedral Birmingham Cathedral is the Mother Church of the Diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Cathedral Offices, 1 Colmore Row, Birmingham, B3 2BJ.

Diocesan Synod The statutory governing body of the Diocese is Diocesan Synod which is made up of broadly equal numbers of clergy and lay representatives elected from across the Diocese together with the bishops and archdeacons. Its role is to:

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

Deanery Synod There is a Deanery Synod in each of the Diocese's deaneries. Each Deanery Synod has two houses, laity and clergy, and Deanery Synod's role is to:

- Respond to requests from General Synod
- Give effect to the decisions made by Diocesan Synod
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod
- Raise with Diocesan Synod such matters as it considers appropriate
- Elect members of the deanery to Diocesan Synod and of the Diocese to General Synod

The Bishop's Council

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

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- To initiate proposals for action by the Synod and to advise it on matters of policy
- To advise the President (the Diocesan Bishop) on any matter
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees
- To carry out such functions as the Synod may delegate to it

Parochial Church Council (PCC) A PCC is the elected governing body of an individual parish which in general is the smallest pastoral area in the Church of England. Typically each parish has one parish church. A PCC is made up of the incumbent as chair, the churchwardens, and a number of elected and ex-officio members. Each PCC is a charity. All PCCs with gross income over £100,000 are required by law to register with the Charity Commission (as soon as practical after their gross income exceeds £100,000) unless the Charity Commission issues a written determination to the contrary. This may be possible in exceptional circumstances such as when gross income includes a substantial grant for a purpose that will not be repeated for the foreseeable future. If not required to register, PCCs are 'excepted' charities.

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

Parishes, Benefices, Deaneries and Archdeacons A benefice is an ecclesiastical office in a parish or group of parishes normally served by an incumbent. Team ministries may have several clergy of incumbent status serving in one benefice. A deanery is a group of parishes over which an area dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Birmingham Diocesan Board of Finance for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 41, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the

preparation of the financial statements is not appropriate; or

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Annual Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report of the Trustees (which includes 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 accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

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



Adam Halsey Senior Statutory Auditor
For and on behalf of **Haysmactyre LLP, Statutory Auditors**
10 Queen Street Place, London. EC4R 1AG Date 12 October 2020

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Statement of financial activities

FOR YEAR ENDED 31 DECEMBER 2019
COMPANY NUMBER: 440966

| | Note | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|--|------|-----------------------------|-------------------------|------------------------------|--------------------------------|------------------------------|------------------------------|
| | | Endowment funds £'000 | Other funds £'000 | Designated funds £'000 | Undesignated funds £'000 | | |
| | | | | | | | |
| INCOME | | | | | | | |
| INCOME AND ENDOWMENTS FROM | | | | | | | |
| Donations: | 2 | | | | | | |
| Parish contributions | | - | 30 | - | 5,613 | 5,643 | 5,622 |
| Archbishops' Council | | - | 1,197 | - | 1,972 | 3,169 | 3,158 |
| Other donations | | - | 253 | 26 | 815 | 1,094 | 955 |
| Charitable activities | 3 | - | 83 | - | 454 | 537 | 593 |
| Other trading activities | 4 | - | 27 | - | 423 | 450 | 312 |
| Investments | 5 | 3 | 206 | 14 | 514 | 737 | 720 |
| Other income | 6 | 58 | - | 389 | 164 | 611 | 26 |
| TOTAL INCOME | | 61 | 1,796 | 429 | 9,955 | 12,241 | 11,386 |
| EXPENDITURE ON | | | | | | | |
| Raising funds | 7 | 32 | - | - | 235 | 267 | 189 |
| Charitable activities | 8 | - | 1,780 | (222) | 9,463 | 11,021 | 11,173 |
| Other | 9 | - | - | 60 | 2 | 62 | 71 |
| TOTAL EXPENDITURE | | 32 | 1,780 | (162) | 9,700 | 11,350 | 11,433 |
| Net income / (expenditure) before investment gains and losses | | 29 | 16 | 591 | 225 | 891 | (47) |
| Net gains / (losses) on investments | | 584 | 360 | 2 | 262 | 1,208 | (473) |
| Net loss on investment Property | | - | (1,517) | - | (356) | (1,874) | - |
| NET INCOME / (EXPENDITURE) | | 613 | (1,141) | 593 | 161 | 226 | (520) |
| Transfers between funds | 22 | (361) | 28 | 1,126 | (793) | - | - |
| Other recognised gains / (losses) | 24 | - | - | 1,507 | - | 1,507 | 342 |
| NET MOVEMENT IN FUNDS | | 252 | (1,113) | 3,226 | (632) | 1,733 | (178) |
| Total funds brought forward | 22 | 28,517 | 8,213 | (1,539) | 7,368 | 42,559 | 40,737 |
| TOTAL FUNDS CARRY FORWARD | 22 | 28,769 | 7,100 | 1,687 | 6,736 | 44,292 | 42,559 |

Transfers between funds

For analysis of transfers between funds, see note 22.
All activities derive from continuing operations.

Balance sheet

FOR YEAR ENDED 31 DECEMBER 2019
COMPANY NUMBER: 440966

| | Note | 2019 | | 2018 | |
|--|------|----------------|---------------|----------------|----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | |
| Tangible assets | 15 | 23,942 | | 24,162 | |
| | | | 23,942 | | 24,162 |
| INVESTMENTS: | | | | | |
| Investment properties | 16 | 2,623 | | 5,023 | |
| Other investments | | 12,762 | | 11,320 | |
| | | | 15,385 | | 16,343 |
| TOTAL FIXED ASSETS | | | 39,327 | | 40,505 |
| CURRENT ASSETS | | | | | |
| Current asset investments | 17 | - | | 1,311 | |
| Debtors | 18 | 2,268 | | 858 | |
| Cash at bank | | 5,161 | | 4,366 | |
| | | 7,429 | | 6,535 | |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 19 | (1,652) | | (1,783) | |
| NET CURRENT ASSETS | | | 5,777 | | 4,752 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 45,104 | | 45,257 |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 20 | | (812) | | (2,698) |
| NET ASSETS | 22 | | 44,292 | | 42,559 |
| FUNDS | | | | | |
| Restricted income funds | | | 7,100 | | 8,213 |
| Endowment funds | | | 28,769 | | 28,517 |
| Unrestricted income funds: | | | | | |
| Designated | | | 1,687 | | (1,539) |
| Undesignated | | | 6,736 | | 7,368 |
| | 22 | | 44,292 | | 42,559 |

The Statement of Financial Activities, Income and Expenditure Account, Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 24 September 2020 and signed on behalf of the Board by:



Mr Steven Skakel Chair

FINANCIAL STATEMENTS

Income and expenditure account

FOR YEAR ENDED 31 DECEMBER 2019

| | 2019 | 2018 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Total incoming resources | 12,180 | 11,349 |
| Resources expended | (11,318) | (11,415) |
| Net income / (expenditure) before gains for the year | 862 | (66) |
| Net gains / (losses) on investments | 624 | (90) |
| Net loss on investment property | (1,873) | |
| NET (EXPENDITURE) FOR THE YEAR | (386) | (156) |
| Other comprehensive income: | | |
| Net assets transferred to endowments | - | - |
| TOTAL COMPREHENSIVE (EXPENDITURE) | (386) | (156) |

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

Cash flow statement

FOR YEAR ENDED 31 DECEMBER 2019

| | 2019 | 2018 |
|--|--------------|--------------|
| | £'000 | £'000 |
| NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES | (859) | (964) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividends, interest and rent from investments | 743 | 720 |
| Interest paid | (2) | (2) |
| Proceeds from sale of: | | |
| Tangible fixed assets / current assets for the use of the BDBF | 358 | 496 |
| Fixed asset investments | 1,081 | 854 |
| Investment property | - | 41 |
| Purchase of: | | |
| Tangible fixed assets for the use of the BDBF | (37) | (320) |
| Fixed asset investments | (2) | (826) |
| NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES | 1,705 | 963 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Loans repaid by BDBF | (101) | (101) |
| Loans repaid to BDBF | 60 | 59 |
| New loans made by BDBF | (10) | (1) |
| NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES | (51) | (43) |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD | 795 | (44) |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | 4,366 | 4,410 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 5,161 | 4,366 |

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NOTES TO THE ACCOUNTS

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, applicable accounting standards (FRS102), Charities SORP (FRS102), The Church of England Diocesan Annual Reports and Financial Statements Guide, and under the historical cost accounting rules except that fixed asset investments, current asset investments and investment properties are included at fair valuation.

The BDBF meets the definition of a public benefit entity under FRS102.

Company status

The company is limited by guarantee, which is incorporated and registered in England and Wales (No. 440966). The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The company's registered office is 1 Colmore Row, Birmingham, B3 2BJ.

Going concern

The trustees assess whether the use of the going concern principle is appropriate i.e. whether there are any principal uncertainties, related events or conditions that may cast significant doubt on the ability of the BDBF to continue as a going concern. The worldwide COVID-19 pandemic has had a significant impact on the work of the BDBF since the end of the financial year. The Directors' Report on page 41 sets out the response of the BDBF to this unexpected and unprecedented change to the activities of the charity, and in particular the unrestricted income of the charity. The report briefly sets out the mitigating actions that have been taken and will continue to be taken to ensure that the BDBF can continue as a going concern. The trustees make this assessment in respect of the period of at least one year from the date of the authorisation for issue of the financial statements and have concluded that the BDBF has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the BDBF's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The principal accounting policies and estimation techniques are as follows:

Income

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

Common Fund and income from parochial fees The principal source of income comes from voluntary giving in the form of parish contributions (Common Fund), which includes amounts received up to the 31 January following the year end. Common Fund income also includes any arrears received from previous years.

Grant income Income from the Archbishops' Council is accounted for on a receivable basis and represents the annual grant for Diocesan and parish mission, the funds for which originate in a block grant by the Church Commissioners to the Archbishops' Council. The annual grants from the Archbishops' Council may be used for either mission and ministry support for lower income communities (Lower Income Communities Fund), restructuring activities (Restructuring Fund) or the *People & Places* and *Shaping the Future* mission programmes (Strategic Development and Capacity Funding). Other grant income is recognised when receivable.

Rent and investment income Rent and investment income are recognised as income when receivable.

Gains on disposal of fixed assets for the BDBF's own use Gains on disposal of fixed assets for the BDBF's own use (ie non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

Birmingham Diocesan Endowment Fund income The income from this fund is restricted for purpose of clergy stipends. However the income is fully expended within the year of receipt and the legal restrictions therefore are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

Glebe Fund income All clear income derived from its investments is transferred to the General Fund as contribution towards the cost of clergy stipends. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources. Expenditure is included on the accruals basis under the following headings; all costs are allocated to a specific category.

Costs of raising funds These are the costs of managing the Endowment, Glebe and Unrestricted funds investments, plus the costs associated with letting the vacant parsonages and investment properties.

Charitable Expenditure Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry and expenditure on education and Church of England schools in the diocese.

Resourcing ministry and mission includes the direct costs for the clergy and parishes, plus the costs of supporting the work of the parishes within the Diocese of Birmingham. This principally includes the cost of clergy stipends, costs related to maintaining clergy housing in the parishes, the payment of grants to assist parish work, plus the related staff costs and overheads.

Grants payable Grants payable are accounted for when authorised, when the award of the grant has been specifically communicated to the recipient and when the trustees have agreed to pay the grant without condition, or any condition attaching to the grant is outside the control of the BDBF. Grants offered subject to certain conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Support costs Support costs consist of central management, administration and governance costs. They are allocated to categories of expenditure (resourcing ministry and mission, raising funds and education) on the basis of the proportion of staff time spent on each area of activity.

Pension costs and other post-retirement benefits The BDBF contributes to the Church of England Funded Pension Scheme for clergy and the Church Workers Pension Fund for other staff. Both these schemes are multi-employer pension schemes. The pension costs charged as resources expended represent the BDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding liabilities for the pension schemes to which the BDBF participates is recognised at the present value of contributions payable that arise from the deficit funding agreement. The liability is recognised in creditors distinguishing between contributions falling due within one year and after more than one year. Details of the schemes are given in note 24 to the financial statements.

Redundancy and termination benefits Redundancy and termination benefits are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources.

Tangible fixed assets and depreciation

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

The BDBF 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.

Parsonage houses recognition The BDBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The BDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if declared redundant. The Trustees therefore consider the most suitable accounting policy to be to capitalise such properties as expendable endowment assets and to carry them at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 council tax band value.

Other non-investment properties The BDBF now includes all other non-investment properties at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 council tax band value.

For properties that are jointly owned with a third party such as a parochial church council, only the proportion of the BDBF's investment in the property is accounted for within the financial statements of the BDBF.

Redundant churches are included at nil value.

Investment properties In accordance with FRS102, investment properties are carried at their fair value and this is considered by the Trustees annually and the aggregate surplus or deficit is recognised in the Endowment Fund, Glebe Fund and Unrestricted Fund. Investment properties were last professionally valued as at 31 December 2015, the results of which are included in these financial statements. If an asset changes category in the period under review, then a professional valuation of the property is undertaken as the property changes category. The next professional valuation of properties is due as at 31 December 2020. No depreciation is provided on investment properties.

Non-Property fixed assets Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation Depreciation of non-property assets is charged by equal annual instalments at rates estimated to write off their cost less any residual value over the expected useful lives that are as follows:

| | |
|-------------------------------|--|
| Computer equipment | 3 years |
| Office furniture and fittings | 10 years or the end of the property lease if relating to tenant's improvements |

Financial investments

Financial investments are stated at fair value. Realised gains or losses are recognised in the Statement of Financial Activities when financial investments are sold. Unrealised gains and losses are accounted for on revaluation of financial investments at the year end.

Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Accounting estimates

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

Valuation of investment properties The BDBF carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The BDBF engaged independent valuation specialists to determine fair value at 31 December 2015. Some of the key assumptions used to determine the fair value of these assets are based on the valuer's knowledge and experience of the market and values of similar properties, which could be deemed subjective.

Assumptions surrounding the clergy and church workers pension schemes The BDBF contributes to the Church of England Funded Pension Scheme for clergy and the Church Workers Pension Fund for other staff. Although both these schemes are determined to be multi-employer pension schemes, as required under FRS102, the BDBF recognises its agreed deficit funding liabilities on its balance sheet. The key actuarial assumptions that underpin the required deficit funding contributions liability are based on the actuary's knowledge and experience. Any changes in these assumptions as given in note 24 could have a significant impact on the required deficit funding contributions and resulting balance sheet liability.

Areas of judgement

Current assets held for resale The BDBF carries its current assets held for resale at fair value, which includes the estimated realisable proceeds net of costs associated with selling the asset. The estimated net proceeds are based on the "for sale" price and associated costs determined by an independent valuation specialist or an offer made by a buyer post year end.

Concessionary loans Concessionary loans (both made and received) are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

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

All estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Funds

Funds over which the BDBF's control is limited by statute or the terms of a trust deed, or which are restricted in their use, have been defined as "restricted funds". Funds which are controlled by the BDBF and

over which there are essentially no restrictions as to their use (either by statute or trust) have been defined as "unrestricted". Designated funds are unrestricted funds that have been set aside by the BDBF for purposes designated by BDBF policy. Such designations may be set aside from time to time according to policy decisions.

Endowments

The Endowment Funds are those whose capital represent permanent endowment and are therefore not available for revenue expenditure. For two of the funds, the income derived from the properties and other investments is available for meeting the costs of clergy stipends:

Diocesan Glebe This represents those historic lands and buildings which were held by incumbents and formed part of the benefice prior to the Endowment and Glebe Measure 1976. Glebe investments are subject to regulations under this Measure and previous Acts of Parliament, the main provisions being that Glebe should be held only as land or property.

The Endowment Fund This is a local fund originally set up under a Charity Commissioners Scheme of 1906 (amended in 1930) and is available for investment at the discretion of the BDBF subject to general charities legislation.

Details of the other two endowment funds are given in Note 22 to the financial statements, along with details of other major funds held by the BDBF.

Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the overall lease term.

Schools major repair and capital projects

The Board of Education (as incorporated within the BDBF) receives contributions from governors of church schools in the Diocese in connection with major repair and capital projects to Church Schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as incoming resources or resources expended in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and short term deposits with any qualifying institution repayable within a three month notice period.

Financial instruments

The BDBF has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments" of FRS102 in full to all of its financial instruments.

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost being the transaction price less any amounts settled and any impairment losses.

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price

and subsequently measured at amortised cost, being the transaction price less amounts settled.

Concessionary loans (both made and received) are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

NOTES TO THE ACCOUNTS

2 Donations

| | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|--|------------------|-------------|--------------------|--------------------|---------------------------|---------------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| PARISH CONTRIBUTIONS | | | | | | |
| Common Fund – current | - | - | - | 5,572 | 5,572 | 5,540 |
| Common Fund – prior | - | - | - | 41 | 41 | 49 |
| TOTAL COMMON FUND | - | - | - | 5,613 | 5,613 | 5,589 |
| Contributions to Malawi Fund | - | 30 | - | - | 30 | 33 |
| TOTAL PARISH CONTRIBUTIONS | - | 30 | - | 5,613 | 5,643 | 5,622 |
| ARCHBISHOPS' COUNCIL | | | | | | |
| Strategic Restructuring | - | 151 | - | - | 151 | 232 |
| Strategic Development | - | 735 | - | - | 735 | 810 |
| Strategic Capacity | - | 95 | - | - | 95 | - |
| Lowest Income Communities Funding | - | - | - | 1,972 | 1,972 | 1,982 |
| Resourcing Ministerial Education Block Grant | - | 216 | - | - | 216 | 134 |
| TOTAL ARCHBISHOPS' COUNCIL | - | 1,197 | - | 1,972 | 3,169 | 3,158 |
| OTHER DONATIONS | | | | | | |
| Stipend sources | - | - | - | 626 | 626 | 645 |
| Allchurches Trust | - | 109 | - | 150 | 259 | 136 |
| Other donations to Malawi Fund | - | 24 | - | - | 24 | 15 |
| Historic England – Places of Worship officer | - | 17 | - | - | 17 | 23 |
| Resourcing Church – fabric | - | 68 | - | - | 68 | 68 |
| Jerusalem Trust – Growing Younger Facilitators | - | 30 | - | - | 30 | 15 |
| Other donations | - | 5 | 26 | 39 | 70 | 53 |
| TOTAL OTHER DONATIONS | - | 253 | 26 | 815 | 1,094 | 955 |

The annual grants from Archbishops' Council may be used for either specific parish mission and development projects or for clergy stipends. The Strategic Development Funding is restricted to the *Shaping the Future* and *People & Places* programmes of mission activities (2018: *Growing Younger* and *Shaping the Future*). The Strategic Capacity funding is restricted to the *People & Places* programme. The Resourcing Ministerial Education Block Grant is to be used for approved clergy training pathways. The Strategic Restructuring Funding is restricted to activities that support diocesan strategic development work. Total donations for the year ended 31 December 2018 of £9,735,000 was split between funds as follows: £1,338,000 in other restricted funds, £30,000 in designated funds and £8,367,000 in undesignated funds.

3 Income from charitable activities

| | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|--------------------------------------|------------------|-------------|--------------------|--------------------|---------------------------|---------------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| Statutory fees | - | - | - | 344 | 344 | 384 |
| Parish training events | - | 1 | - | 59 | 60 | 24 |
| Insurance proceeds | - | - | - | 11 | 11 | 20 |
| Schools training events and services | - | 80 | - | - | 80 | 114 |
| Payroll Bureau service | - | - | - | 11 | 11 | 16 |
| Interest receivable on parish loans | - | 2 | - | 29 | 31 | 35 |
| TOTAL | - | 83 | - | 454 | 537 | 593 |

Total income from charitable activities for the year ended 31 December 2018 of £593,000 was split between funds as follows: £119,000 in other restricted funds and £474,000 in undesignated funds.

4 Other trading activities

| | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|--|------------------|-------------|--------------------|--------------------|---------------------------|---------------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| Housing income | - | - | - | 409 | 409 | 301 |
| Recharges to other Christian organisations | - | 17 | - | 14 | 31 | 7 |
| Recharges to Diocese of Birmingham Educational Trust | - | - | - | - | - | 4 |
| Recharges to Birmingham Diocesan Multi Academy Trust | - | 10 | - | - | 10 | - |
| TOTAL | - | 27 | - | 423 | 450 | 312 |

Total income from other trading activities for the year ended 31 December 2018 of £312,000 was wholly within undesignated funds.

NOTES TO THE ACCOUNTS

5 Investment income

| | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|------------------------------|------------------|-------------|--------------------|--------------------|---------------------------|---------------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| Dividends and interest | 8 | 196 | 15 | 282 | 501 | 492 |
| Loss on sales of investments | (5) | - | (1) | - | (6) | - |
| Rents | - | 10 | - | 232 | 242 | 228 |
| TOTAL | 3 | 206 | 14 | 514 | 737 | 720 |

Total investment income for the year ended 31 December 2018 of £720,000 was split between funds as follows: £11,000 in endowment funds, £202,000 in other restricted funds, £15,000 in designated funds and £492,000 in undesignated funds.

6 Other income

| | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|------------------------------|------------------|-------------|--------------------|--------------------|---------------------------|---------------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| Gain on sale of fixed assets | 58 | - | 389 | 164 | 611 | 26 |
| TOTAL | 58 | - | 389 | 164 | 611 | 26 |

Total other income for the year ended 31 December 2018 of £26,000 was wholly within endowment funds.

7 Fundraising costs

| | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|-----------------------------|------------------|-------------|--------------------|--------------------|---------------------------|---------------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| Investment management costs | 23 | - | - | 6 | 29 | 29 |
| Property rental costs | 9 | - | - | 229 | 238 | 160 |
| TOTAL | 32 | - | - | 235 | 267 | 189 |

Total fundraising costs for the year ended 31 December 2018 of £189,000 was split between funds as follows: £10,000 in endowment funds and £179,000 in undesignated funds.

8 Expenditure on charitable activities

| | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|---|------------------|-------------|--------------------|--------------------|---------------------------|---------------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| CONTRIBUTION TO ARCHBISHOPS' COUNCIL | | | | | | |
| Training for ministry | - | - | - | 189 | 189 | 184 |
| National Church responsibilities | - | - | - | 166 | 166 | 162 |
| Mission agency pension costs | - | - | - | 2 | 2 | 2 |
| Retired clergy housing costs | - | - | - | 65 | 65 | 61 |
| Pooling of ordinands maintenance grants | - | - | - | 13 | 13 | (11) |
| TOTAL | - | - | - | 435 | 435 | 398 |
| RESOURCING MINISTRY AND MISSION | | | | | | |
| Parish Ministry: | | | | | | |
| Stipends and National Insurance | - | 238 | - | 3,803 | 4,041 | 4,196 |
| Pension contributions | - | 35 | (386) | 1,193 | 842 | 895 |
| Housing costs | - | - | - | 1,219 | 1,219 | 1,189 |
| Removal, resettlement and grants | - | 40 | - | 180 | 220 | 190 |
| Training for ministry tuition fees | - | 192 | - | - | 192 | 120 |
| Archdeacons, vocations, chaplaincy & other expenses | - | 204 | - | 366 | 567 | 380 |
| TOTAL | - | 709 | (386) | 6,761 | 7,084 | 6,970 |
| Mission grants | - | 114 | 1 | 31 | 146 | 89 |
| Support for parish ministry | - | 721 | 163 | 2,068 | 2,952 | 3,110 |
| TOTAL | - | 835 | 164 | 2,099 | 3,098 | 3,199 |
| EXPENDITURE ON EDUCATION | | | | | | |
| Support for Church Schools | - | 236 | - | 168 | 404 | 606 |
| TOTAL | - | 1,780 | (222) | 9,463 | 11,021 | 11,173 |

Total expenditure on charitable activities for the year ended 31 December 2018 of £11,173,000 was split between funds as follows: £8,000 in endowment funds, £1,758,000 in other restricted funds, £(197,000) in designated funds and £9,604,000 in undesignated funds.

NOTES TO THE ACCOUNTS

NOTES TO THE ACCOUNTS

9 Other expenditure

| | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|--|------------------|-------------|--------------------|--------------------|---------------------------|---------------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| Interest payable on other loans | - | - | - | 2 | 2 | 2 |
| Loss on sale of property | - | - | - | - | - | 24 |
| Interest charge on pension liabilities | - | - | 60 | - | 60 | 45 |
| TOTAL | - | - | 60 | 2 | 62 | 71 |

Total other expenditure for the year ended 31 December 2018 of £71,000 was split between funds as follows: £45,000 in designated funds and £26,000 in undesignated funds.

10 Analysis of expenditure including allocation of support costs

| | Activities directly undertaken | Grant funding of activities | Support costs | Total 2019 |
|---------------------------------------|--------------------------------|-----------------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Raising funds | 267 | - | - | 267 |
| Charitable activities: | | | | |
| Contributions to Archbishops' Council | - | 435 | - | 435 |
| Resourcing parish ministry | 8,983 | 308 | 891 | 10,182 |
| Education | 227 | 17 | 160 | 404 |
| Other | 1,935 | - | - | 1,935 |
| TOTAL | 11,403 | 760 | 1,051 | 13,223 |

| | Activities directly undertaken | Grant funding of activities | Support costs | Total 2018 |
|---------------------------------------|--------------------------------|-----------------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Raising funds | 179 | - | - | 179 |
| Charitable activities: | | | | |
| Contributions to Archbishops' Council | - | 398 | - | 398 |
| Resourcing parish ministry | 9,032 | 253 | 894 | 10,179 |
| Education | 220 | 205 | 181 | 606 |
| Other | 71 | - | - | 71 |
| TOTAL | 9,502 | 856 | 1,075 | 11,433 |

11 Analysis of support costs

| | Restricted funds | | Unrestricted funds | | Total funds 2019 £'000 | Total funds 2018 £'000 |
|---|------------------|-------------|--------------------|--------------------|---------------------------|---------------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| Support for Schools | - | 160 | - | - | 160 | 181 |
| Administration and premises | - | - | - | 640 | 640 | 741 |
| Church Workers Pension Scheme | - | - | - | - | - | (26) |
| Synod and Diocesan Advisory Committee Support | - | 87 | - | 83 | 170 | 122 |
| Governance: | | | | | | |
| Auditors - external audit | - | - | - | 19 | 19 | 17 |
| Auditors - other services | - | - | - | 1 | 1 | 2 |
| Registrar and Chancellor | - | - | - | 61 | 61 | 38 |
| TOTAL | - | 247 | - | 804 | 1,051 | 1,075 |

12 Analysis of grants made

| | Number | Individuals | Institutions | Total 2019 | Total 2018 |
|---|------------|-------------|--------------|------------|------------|
| | | £'000 | £'000 | £'000 | £'000 |
| FROM UNRESTRICTED FUNDS FOR NATIONAL CHURCH RESPONSIBILITIES | | | | | |
| Archbishops' Council | 5 | - | 435 | 435 | 398 |
| FROM UNRESTRICTED / DESIGNATED FUNDS | | | | | |
| PCCs for mission | 28 | 1 | 9 | 10 | 13 |
| PCCs re: pastoral account activities | - | - | - | - | 28 |
| Ordinands in training | 10 | 80 | - | 80 | 92 |
| Church schools | 1 | - | 11 | 11 | - |
| Sundry clergy grants | 41 | 11 | 57 | 68 | 67 |
| TOTAL | 80 | 92 | 77 | 169 | 200 |
| FROM RESTRICTED FUNDS | | | | | |
| Malawi Partnership dioceses and projects | 4 | - | 55 | 55 | 47 |
| PCCs for project workers (Action in the City) | 3 | - | 11 | 11 | - |
| Church Schools | 1 | - | 6 | 6 | 205 |
| PCCs for project workers (Growing Younger) | - | - | - | - | 5 |
| PCCs for mission initiatives | 2 | - | 16 | 16 | 1 |
| Ordinands in training | 23 | 37 | - | 37 | - |
| soul[food] | 1 | - | 31 | 31 | - |
| TOTAL | 34 | 37 | 119 | 156 | 258 |
| TOTAL GRANTS PAYABLE | 119 | 129 | 631 | 760 | 856 |

13 Staff costs

| | 2019 | 2018 |
|--|--------------|--------------|
| | £'000 | £'000 |
| EMPLOYEE COSTS DURING THE YEAR (EXCLUDING CLERGY PAY) | | |
| Wages and salaries | 1,944 | 2,068 |
| Social security costs | 200 | 202 |
| Pension costs | 223 | 218 |
| Pension costs - Church Workers Pension Scheme deficit contributions* | 39 | 26 |
| Redundancy costs | - | 31 |
| TOTAL | 2,406 | 2,545 |
| AVERAGE NUMBER OF PEOPLE EMPLOYED DURING THE YEAR | | |
| | No. | No. |
| Parish mission support | 52 | 54 |
| Discipleship and Ministry support | 13 | 14 |
| Administration and financial management | 10 | 9 |
| Property | 2 | 2 |
| Education | 5 | 5 |
| TOTAL | 83 | 84 |

*The deficit contributions paid in 2019 have been charged against the provision in note 24.

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

| | 2019 | 2018 |
|---------------------------------|------|------|
| | No. | No. |
| In the band £60,000 - £65,000 | 2 | 2 |
| In the band £65,000 - £70,000 | 2 | 1 |
| In the band £85,000 - £90,000** | 1 | 1 |

**This individual relinquished their right to employer pension contributions and their emoluments were adjusted as appropriate.

The total amount of employer defined contribution pension contributions paid on behalf of these employees were £31,166 (2018: £23,331).

NOTES TO THE ACCOUNTS

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13 Staff costs (continued)

Key management (employee) personnel are deemed to be those having authority and responsibility delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2019 they were:

| | |
|---|-----------------|
| Diocesan Secretary and Company Secretary (until 31 December 2019) | Andrew Halstead |
| Diocesan Secretary (from 1 January 2020) | Jan Smart |
| Company Secretary (from 1 January 2020 to 31 March 2020) | Melanie Crooks |
| Company Secretary (from 1 April 2020) | Jan Smart |
| Director of Finance (until 30 April 2020) | Melanie Crooks |
| Property Director | Daniel Mayes |
| Human Resources Director (until 31 December 2019) | Jan Smart |
| Director of Education | Sarah Smith |

Remuneration and pensions for these five FTE employees amounted to £422,910 (2018: £413,779 for five FTE employees).

None of the directors received any remuneration as directors. The BDBF in both 2019 and 2018 has an overarching insurance policy that includes trustees' indemnity insurance however the premium attributable to the trustees' indemnity insurance element is not separately identifiable.

The clergy and clergy stipends are not included within the BDBF's staff costs, as they are not employees of the BDBF. The BDBF is merely responsible for the central administration and payment of the stipends on behalf of the parishes. However the BDBF paid an average of 129 (2018: 140) stipendiary clergy as office holders holding parish or diocesan appointments in the diocese, and the costs were as follows:

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| Stipends | 3,599 | 3,902 |
| National Insurance contributions | 278 | 307 |
| Apprenticeship Levy | 16 | 17 |
| Restructuring costs | 157 | 35 |
| Pension costs – current year | 891 | 974 |
| Pension costs – deficit funding provided | 386 | 423 |
| TOTAL | 5,336 | 5,658 |

14 Net expenditure before transfers and other recognised gains / (losses)

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| NET EXPENDITURE IS STATED AFTER CHARGING: | | |
| Depreciation – owned assets | 67 | 65 |
| Net gain on disposal of fixed assets | 611 | 2 |
| Auditor's remuneration – audit of financial statements | 19 | 17 |
| Auditor's remuneration – other services | 1 | 2 |

15 Tangible fixed assets

| | Freehold Properties (see analysis below) £'000 | Computer equipment £'000 | Office equipment £'000 | TOTAL £'000 |
|--|--|-----------------------------|---------------------------|----------------|
| COST / DEEMED COST OR VALUATION | | | | |
| At 1 January 2019 | 23,951 | 163 | 324 | 24,438 |
| Additions | - | 37 | - | 37 |
| Disposals | (190) | (1) | - | (191) |
| AT 31 DECEMBER 2018 | 23,761 | 199 | 324 | 24,284 |
| ACCUMULATED DEPRECIATION | | | | |
| At 1 January 2019 | - | 129 | 147 | 276 |
| Charge for the year | - | 21 | 46 | 67 |
| Disposals | - | (1) | - | (1) |
| AT 31 DECEMBER 2019 | - | 149 | 193 | 342 |
| NET BOOK VALUE | | | | |
| AT 31 DECEMBER 2019 | 23,761 | 50 | 131 | 23,942 |
| AT 31 DECEMBER 2018 | 23,951 | 34 | 177 | 23,162 |

All the above assets are used for charitable purposes.

| | 2019 cost or deemed cost £'000 | 2018 cost or deemed cost £'000 |
|--|--------------------------------------|--------------------------------------|
| FREEHOLD PROPERTIES | | |
| ENDOWMENT FUNDS | | |
| Benefice houses fund: | | |
| Parsonage houses | 17,598 | 17,598 |
| Glebe funds: | | |
| Housing of team vicars, curates and others | 550 | 660 |
| UNRESTRICTED FUNDS | | |
| Corporate property: | | |
| Housing of senior clergy, curates and others | 1,801 | 1,801 |
| Other corporate property | 3,702 | 3,892 |
| TOTAL FREEHOLD PROPERTIES | 23,761 | 23,951 |

16 Investments held as fixed assets

| | Glebe £'000 | Endowment fund £'000 | Unrestricted fund £'000 | TOTAL £'000 |
|---------------------------------|----------------|-------------------------|----------------------------|----------------|
| a) INVESTMENT PROPERTIES | | | | |
| At 1 January 2019 | 1,172 | 940 | 2,911 | 5,023 |
| Additions | - | - | 2 | 2 |
| Disposals | (5) | - | (2,603) | (2,608) |
| Revaluation | - | - | 206 | 206 |
| AT 31 DECEMBER 2019 | 1,167 | 940 | 516 | 2,623 |

Properties were valued by Knight Frank (Chartered Surveyors) on an open market existing use basis as at 31 December 2015. The BDBF's policy is to seek formal professional valuations of its investment properties every five years with trustee review in the intervening period.

NOTES TO THE ACCOUNTS

16 Investments held as fixed assets (continued)

| | 1 January 2019 | Sales | Purchases | Change in market value | 31 December 2019 |
|---------------------------------------|----------------|--------------|------------|------------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| b) OTHER FINANCIAL INVESTMENTS | | | | | |
| ENDOWMENT FUNDS | | | | | |
| Listed investments | 3,763 | (310) | 320 | 505 | 4,278 |
| Unlisted investments | 512 | - | - | 42 | 554 |
| | 4,275 | (310) | 320 | 547 | 4,832 |
| OTHER RESTRICTED FUNDS | | | | | |
| Listed investments | 245 | - | - | 31 | 276 |
| Unlisted investments | 4,278 | (8) | - | 329 | 4,599 |
| | 4,523 | (8) | - | 360 | 4,875 |
| UNRESTRICTED FUNDS | | | | | |
| Designated funds: | | | | | |
| Unlisted investments | 104 | (70) | - | 47 | 81 |
| Undesignated funds: | | | | | |
| Listed investments | 1,028 | (97) | 110 | 130 | 1,711 |
| Unlisted investments | 1,390 | - | 496 | (83) | 1,803 |
| | 2,522 | (167) | 606 | 94 | 3,055 |
| TOTAL | 11,320 | (485) | 925 | 1,002 | 12,762 |

Unlisted investments consist of freely marketable shares in the Central Board of Finance Investment Fund and COIF administered by the CCLA Fund Managers. The historic cost of listed investments as at 31 December 2019 was £4,531,462 (2018: £4,251,638) and £5,521,032 (2018: £5,102,479) for unlisted investments.

17 Current asset investments

| | 2019 | 2018 |
|--|----------|--------------|
| | £'000 | £'000 |
| PROPERTY ASSET HELD FOR RESALE | | |
| Carrying value as at 1 January 2019 | 1,311 | 1,880 |
| Disposal | (1,311) | (520) |
| Revaluation to fair value | - | (49) |
| CARRYING VALUE AS AT 31 DECEMBER 2019 | - | 1,311 |

The current asset property investment for the year ended 31 December 2018 related to three properties that were deemed surplus to requirements. All three properties were disposed of during the year ended 31 December 2019.

18 Debtors

| | 2019 | 2018 |
|------------------------------------|--------------|------------|
| | £'000 | £'000 |
| RECEIVABLE WITHIN ONE YEAR | | |
| Parish loans (concessionary loans) | 32 | 58 |
| Other loans (concessionary loans) | 5 | 9 |
| Prepayments and other debtors | 1,111 | 648 |
| Accrued income | 138 | 80 |
| | 1,286 | 795 |
| RECEIVABLE AFTER ONE YEAR | | |
| Parish loans (concessionary loans) | 29 | 47 |
| Other loans (concessionary loans) | 9 | 16 |
| Other debtors | 945 | - |
| | 983 | 63 |
| TOTAL DEBTORS | 2,268 | 858 |

Parish loans in 2019 include an amount of £6,623 (2018: £19,480) due from parishes in respect of "back-to-back" loans made to parishes from funds made available to the BDBF by the Central Board of Finance. The corresponding liability, being the amount repayable by the BDBF to the Central Board of Finance, is included within other loans in notes 19 and 20 below. Interest was payable and receivable at the same rate, being 0.55% above the CBF deposit rate.

NOTES TO THE ACCOUNTS

19 Creditors: amounts falling due within one year

| | 2019 | 2018 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Other loans – Church Commissioners (concessionary loan) | 27 | 33 |
| Other loans – Gloucester Diocesan Board of Finance (concessionary loan) | 68 | 68 |
| Trade creditors | 178 | 87 |
| Other creditors | 503 | 494 |
| Pension fund deficit – church workers pension scheme | 3 | 39 |
| Pension fund deficit – clergy pension scheme | 383 | 464 |
| Accruals and deferred income | 454 | 598 |
| | 1,652 | 1,783 |

Other loans (Church Commissioners) relate to advances from the Church Commissioners for house purchases and parish "back to back loans" from the Central Board of Finance. The loans are variable interest loans at the rate of the Central Board of Finance (Church of England) Deposit Fund rate plus 0.55%.

The loan from the Gloucester Diocesan Board of Finance is a restricted purpose loan for the building works in connection with the Resourcing Church project. The loan is an interest free, unsecured arrangement with repayments over a five-year period.

20 Creditors: amounts falling due after more than one year

| | 2019 | 2018 |
|---|------------|--------------|
| | £'000 | £'000 |
| Pension fund deficit – clergy pension scheme | 459 | 2,231 |
| Pension fund deficit – church workers pension fund | 263 | 282 |
| Other loans – Church Commissioners (concessionary loan) | 90 | 117 |
| Other loans – Gloucester Diocesan Board of Finance (concessionary loan) | - | 68 |
| | 812 | 2,968 |

The maturity of the above loans may be analysed as follows:

| | 2019 | 2018 |
|---------------------------|-----------|------------|
| | £'000 | £'000 |
| Between one to two years | 20 | 95 |
| Between two to five years | 60 | 60 |
| In five years and more | 10 | 30 |
| | 90 | 185 |

Other loans (Church Commissioners) relate to advances from the Church Commissioners for parish "back to back loans" from the Central Board of Finance. The loans are variable interest loans at the rate of the Central Board of Finance (Church of England) Deposit Fund rate plus 0.55%.

The parish "back to back" loans are unsecured in nature and their repayment maturity matches that of the respective parish loan debtor to the BDBF.

The loan from the Gloucester Diocesan Board of Finance is a restricted purpose loan for the building works in connection with the Resourcing Church project. The loan is an interest free, unsecured arrangement with repayments over a five-year period.

NOTES TO THE ACCOUNTS

NOTES TO THE ACCOUNTS

21 Analysis of assets and liabilities between funds

| | Restricted funds | | Unrestricted funds | | Total funds 2019 | Total funds 2018 |
|-----------------------------|--------------------|----------------|---------------------|-----------------------|---------------------|---------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | | |
| | £'000 | £'000 | £'000 | £'000 | | |
| TANGIBLE ASSETS | | | | | | |
| Other fixed assets | 18,769 | 17 | - | 5,667 | 23,943 | 24,162 |
| INVESTMENTS - FIXED | | | | | | |
| Investment properties | 2,107 | - | - | 516 | 2,623 | 5,023 |
| Other | 4,832 | 4,873 | 82 | 2,975 | 12,761 | 11,320 |
| INVESTMENT - CURRENT | | | | | | |
| | - | - | - | - | - | 1,311 |
| DEBTORS | | | | | | |
| Due within one year | 294 | 111 | 233 | 647 | 1,285 | 795 |
| Due after one year | - | 38 | 215 | 730 | 983 | 63 |
| Cash at bank | 3,274 | 2,534 | 2,324 | (2,977) | 5,161 | 4,366 |
| CREDITORS | | | | | | |
| Due within one year | (3) | (474) | (444) | (731) | (1,652) | (1,783) |
| Due after one year | - | - | (722) | (90) | (812) | (2,698) |
| NET ASSETS | 28,769 | 7,100 | 1,688 | 6,736 | 44,292 | 42,559 |

| | Restricted funds | | Unrestricted funds | | Total funds 2018 |
|-----------------------------|--------------------|----------------|---------------------|-----------------------|---------------------|
| | Endowment funds | Other funds | Designated funds | Undesignated funds | |
| | £'000 | £'000 | £'000 | £'000 | |
| TANGIBLE ASSETS | | | | | |
| Other fixed assets | 18,258 | 9 | - | 5,895 | 24,162 |
| INVESTMENTS - FIXED | | | | | |
| Investment properties | 2,112 | 1,515 | - | 1,396 | 5,023 |
| Other | 4,275 | 4,523 | 104 | 2,418 | 11,320 |
| INVESTMENT - CURRENT | | | | | |
| | 886 | - | - | 425 | 1,311 |
| DEBTORS | | | | | |
| Due within one year | 2 | 65 | 8 | 720 | 795 |
| Due after one year | - | 54 | - | 9 | 63 |
| Cash at bank | 2,984 | 2,606 | 1,372 | (2,596) | 4,366 |
| CREDITORS | | | | | |
| Due within one year | - | (491) | (510) | (782) | (1,783) |
| Due after one year | - | (68) | (2,513) | (117) | (2,698) |
| NET ASSETS | 28,517 | 8,213 | (1,539) | 7,368 | 42,559 |

22 Movements in funds

| | 1 January 2019 | Income | Expenditure | Transfers | Capital movements | 31 December 2019 |
|--|-------------------|---------------|-----------------|------------|----------------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| ENDOWMENT FUNDS | | | | | | |
| Glebe Fund* | 5,390 | 55 | (17) | - | 182 | 5,160 |
| Birmingham Diocesan Endowment Fund* | 4,945 | (2) | (15) | - | 361 | 5,289 |
| Parsonage Houses Fund | 17,959 | - | - | (361) | - | 17,598 |
| Bishop Brown Legacy Endowment Fund* | 223 | 8 | - | - | 41 | 272 |
| | 28,517 | 61 | (32) | (361) | 584 | 28,769 |
| OTHER RESTRICTED FUNDS | | | | | | |
| Sites and Buildings Fund | 968 | 2 | - | - | - | 970 |
| Church Schools Fund* | 5,162 | 281 | (236) | - | 355 | 5,562 |
| Action in the City Fund* | 54 | 3 | (11) | - | (2) | 44 |
| Malawi Partnership Fund* | 364 | 68 | (78) | - | 8 | 362 |
| St Luke's at Gas Street - Fabric Fund | 1,560 | 68 | (1,517) | - | - | 111 |
| soul[food] | 31 | - | (31) | - | - | - |
| Strategic Restructuring Fund | - | 154 | (158) | 4 | - | - |
| Training for Ministry Fund | - | 216 | (228) | 12 | - | - |
| Shaping the Future (1) | 10 | 543 | (546) | - | - | 5 |
| Shaping the Future match (2) | 5 | 3 | (1) | - | - | 7 |
| Allchurches Trust Mission Apprentice Fund | 51 | 109 | (138) | - | - | 22 |
| Empowering Disciples Fund | 8 | 1 | (2) | - | - | 7 |
| Jerusalem Trust - Growing Younger Facilitators | - | 30 | (30) | - | - | - |
| Historic England - Places of Worship Officer | - | 17 | (29) | 12 | - | - |
| Allchurches Trust NECN | - | 18 | (14) | - | - | 4 |
| People & Places Capacity Fund | - | 193 | (187) | - | - | 6 |
| People & Places Development Fund | - | 92 | (92) | - | - | - |
| | 8,213 | 1,797 | (3,297) | 28 | 360 | 7,100 |
| UNRESTRICTED FUNDS | | | | | | |
| DESIGNATED FUNDS | | | | | | |
| Pastoral Fund* | 1,030 | 403 | (35) | - | 2 | 1,400 |
| Pensions Reserve | (3,016) | - | 326 | - | 1,507 | (1,183) |
| Transforming Church Fund | 77 | - | (1) | (76) | - | - |
| Growing Younger Fund (2) | 342 | 26 | (128) | - | - | 240 |
| Strategic Investment Fund | - | - | - | 1,216 | - | 1,216 |
| Curate Fund | 28 | - | - | (14) | - | 14 |
| UNDESIGNATED FUNDS | | | | | | |
| General Fund* | 7,368 | 9,955 | (10,056) | (793) | 262 | 6,736 |
| | 5,829 | 10,384 | 9,894 | 333 | 1,771 | 8,423 |
| TOTAL | 42,559 | 12,241 | (13,223) | - | 2,715 | 44,292 |

22 Movements in funds (continued)

| | 1 January 2018 | Income | Expenditure | Transfers | Capital movements | 31 December 2018 |
|--|----------------|---------------|-----------------|-----------|-------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| ENDOWMENT FUNDS | | | | | | |
| Glebe Fund* | 5,470 | 26 | (10) | - | (96) | 5,390 |
| Birmingham Diocesan Endowment Fund* | 5,176 | 3 | - | - | (234) | 4,945 |
| Parsonage Houses Fund | 18,008 | - | - | - | (49) | 17,959 |
| Bishop Brown Legacy Endowment Fund* | 227 | 8 | (8) | - | (4) | 223 |
| | 28,881 | 37 | (18) | - | (383) | 28,517 |
| OTHER RESTRICTED FUNDS | | | | | | |
| Sites and Buildings Fund | 963 | 5 | - | - | - | 968 |
| Church Schools Fund* | 5,301 | 298 | (407) | - | (30) | 5,162 |
| Action in the City Fund* | 49 | 3 | - | - | 2 | 54 |
| Malawi Partnership Fund* | 354 | 63 | (60) | - | 7 | 364 |
| Growing Younger Fund (1) | - | 250 | (250) | - | - | - |
| St Luke's at Gas Street – Fabric Fund | 1,492 | 68 | - | - | - | 1,560 |
| soul[food] | 34 | - | (3) | - | - | 31 |
| Strategic Restructuring Fund | - | 232 | (232) | - | - | - |
| Training for Ministry Fund | - | 134 | (134) | - | - | - |
| Shaping the Future (1) | 33 | 562 | (581) | (4) | - | 10 |
| Shaping the Future match (2) | - | 1 | - | 4 | - | 5 |
| Allchurches Trust Mission Apprentice Fund | 100 | 3 | (52) | - | - | 51 |
| Empowering Disciples Fund | 7 | 2 | (1) | - | - | 8 |
| Jerusalem Trust – Growing Younger Facilitators | - | 15 | (15) | - | - | - |
| Historic England – Places of Worship Officer | - | 23 | (23) | - | - | - |
| | 8,333 | 1,659 | (1,758) | - | (21) | 8,213 |
| UNRESTRICTED FUNDS | | | | | | |
| DESIGNATED FUNDS | | | | | | |
| Pastoral Fund* | 1,048 | 15 | (28) | - | (5) | 1,030 |
| Pensions Reserve | (3,762) | - | 404 | - | 342 | (3,016) |
| Transforming Church Fund | 82 | - | (5) | - | - | 77 |
| Growing Younger Fund (2) | 531 | 30 | (219) | - | - | 342 |
| Curate Fund | 42 | - | - | (14) | - | 28 |
| UNDESIGNATED FUNDS | | | | | | |
| General Fund* | 7,582 | 9,645 | (9,809) | 14 | (64) | 7,368 |
| | 5,523 | 9,690 | (9,657) | - | 273 | 5,829 |
| TOTAL | 42,737 | 11,386 | (11,433) | - | (131) | 42,559 |

22 Movements in funds (continued)

The funds denoted with * include the following revaluation reserves:

| | 2019 | 2018 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| WITHIN ENDOWMENT FUNDS | | |
| Glebe Fund | 883 | 1,239 |
| Birmingham Diocesan Endowment Fund | 846 | 508 |
| Bishop Brown Legacy Endowment Fund | 80 | 39 |
| | 1,809 | 1,786 |
| WITHIN RESTRICTED FUNDS | | |
| Church Schools Fund | 1,778 | 1,423 |
| Malawi Partnership Fund | 28 | 18 |
| Action in the City Fund | 3 | 6 |
| | 1,809 | 1,447 |
| WITHIN DESIGNATED FUNDS | | |
| Pastoral Fund | (148) | (195) |
| | (148) | (195) |
| UNDESIGNATED FUNDS | | |
| General Fund | 1,097 | 1,281 |
| TOTAL | 4,568 | 4,319 |

Details of the major funds are as follows:

Endowment Funds

Glebe Fund Under the terms of the Endowment and Glebe Measure 1976, all historic parish Glebe land holdings were transferred to the respective Diocesan Boards of Finance, which were required, in return, to ensure that all clergy within their Diocese received at least the agreed minimum stipend for the year. It represents glebe assets and the accumulated sale proceeds of glebe property. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice property. Besides glebe property, the funds may be invested in investments or cash held on deposit. All clear income derived from these investments is transferred to the General Fund as a contribution towards the cost of clergy stipends.

Birmingham Diocesan Endowment Fund This fund was also established under a scheme of the Charity Commissioners (dated September 1906), promoted by the Worcester Diocese, with the object of providing a permanent capital endowment, the income derived from which was to be available to the Diocesan trustees for the purpose of augmenting the incomes of clergy serving in the 'poorer areas' of Birmingham. In 1963, the Charity Commissioners approved a variation to the scheme appointing the BDBF as joint trustees of the charity, together with the Birmingham Diocesan Trustees Registered. The objects were varied slightly by a Birmingham Commissioners Order dated August 1981, following the implementation of the Endowment and Glebe Measure, confirming that any clear income of the charity is to be applied in augmenting stipends of the clergy in the Diocese of Birmingham. Subsequent to the *Fresh Start* re-organisation of 1993, the BDBF transferred certain property and fiscal investments previously held in the General Fund into the Endowment Fund.

Bishop Brown Legacy Endowment Fund This fund was established from the estate of the late Bishop Brown (Bishop of Birmingham 1969-1977). His will gave a legacy to the BDBF to establish an endowment fund for the benefit of ordinands in training in the diocese. The income derived from the capital endowment may be used to contribute to the maintenance grants of those in training.

Parsonages House Fund This fund represents the carrying value of all the benefice houses (parsonages) in the diocese.

Restricted Funds

Sites and Buildings This fund was originally created under a scheme of the Charity Commissioners by the Worcester Diocese in November 1906, when Birmingham was first being established as an independent Diocese, (Birmingham being formed mostly from parishes previously part of either the Diocese of Worcester or Lichfield). The objectives of that fund were to assist the proposed new Diocese in providing sites for, and building, new churches and mission rooms. The fund was absorbed into the Annual Reports of the Birmingham Diocese during the years following the First World War and in 1951 the Charity Commissioners' consent was obtained to replacing individual trustees by the Birmingham Diocesan Board of Finance. This fund continues to be used to provide income for making grants to PCCs for the maintenance or extension of churches, and loans at reduced interest rates for new churches or (more usually) major repair projects.

Church Schools Fund This fund comprises the accumulated capital proceeds arising from the sale of closed Church Schools. Under section 86 of the 1944 Education Act (now section 554 of the 1996 Act), part or all of the proceeds arising on the sale of closed schools will have been directed to this fund under a Determination Order by the Secretary of State for Education. These proceeds in Birmingham are held under the terms of a Uniform Statutory Trust. The income deriving from the deposits and investments (mainly Common Investment Funds) is applied for the benefit of existing voluntary aided schools by way of grants and or loans for building projects and repairs.

Action in the City Fund This fund is the surplus funds raised by churches in the Diocese of Birmingham against the target set to create the endowment fund that set up the Church Urban Fund ("CUF"). CUF was set up in response to the *Faith in the City* report in the wake of the social unrest that manifested itself in England's inner cities in the early 1980s. Its residual capital and income continues to be used to support parishes engaged in community regeneration activities.

The Malawi Partnership This relates to monies raised by individuals and parishes across the Birmingham diocese to provide support to link dioceses and their parishes in Malawi.

Growing Younger Fund (1) This fund relates to our *Growing Younger* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with

NOTES TO THE ACCOUNTS

NOTES TO THE ACCOUNTS

22 Movements in funds (continued)

match funding from our own resources. This fund relates to the restricted monies from Church Commissioners and other external funding sources.

St Luke's at Gas Street – Fabric Fund This fund is the specific donations raised to fund the building works at the Mission Resourcing Church at Retort House, Gas Street, Birmingham.

Strategic Restructuring Fund This fund relates to transitional monies received from Church Commissioners in respect of restructuring activities necessitated by changes in Church Commissioners allocation methodology for the funding of dioceses.

soul[food] Fund This fund relates to the monies raised by donations for the soul[food] social media mission initiative.

Shaping the Future Fund (1) This fund relates to our *Shaping the Future* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to the restricted monies from Church Commissioners.

Shaping the Future Fund (2) This fund relates to our *Shaping the Future* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to the restricted monies from other external funding sources.

Training for Ministry Fund This fund relates to the *Resourcing Ministerial Education Block Grant* that the BDBF receives from Archbishops' Council to fund training costs of ordinands.

Allchurches Trust Mission Apprentices Fund This fund relates to the *Mission Apprentices Programme* which is being funded by Allchurches Trust.

Empowering Disciples Fund This fund relates to donations collected at the annual ordination service which is then available to make small grants to further vocations and discipleship.

Jerusalem Trust – Growing Younger Facilitators Fund This fund relates to funding provided by Jerusalem Trust to extend the work of our *Growing Younger* facilitators.

Historic England – Places of Worship Officer Fund This fund relates to match funding provided by Historic England towards our Places of Worship Support Officer.

Allchurches Trust NECN This relates to the National Estates Church Network (NECN) programme that we are partners in and which is being funded by Allchurches Trust.

People & Places Capacity Fund This relates to our *People & Places* strategic framework which is part funded by a Strategic Capacity

Funding grant from the Church Commissioners, with match funding from a Church Commissioners Strategic Development Funding grant and our own resources. This fund relates to the restricted Strategic Capacity Funding monies from Church Commissioners.

People & Places Development Fund This relates to our *People & Places* strategic framework which is part funded by a Strategic Development Funding grant from the Church Commissioners, with match funding from a Church Commissioners Strategic Capacity Funding grant and our own resources. This fund relates to the restricted Strategic Development Funding monies from Church Commissioners.

Unrestricted funds

Pastoral Fund The diocesan pastoral fund represents the proceeds of redundant churches. The funds may be used for the acquisition and development of parsonages and other clergy houses and the provision, restoration, improvement and repair of churches once the legal obligations for redundant church buildings vested in the BDBF for disposal are met. When these funds have been used to purchase or improve property this has been charged to the Pastoral Fund in the year of expenditure. Proceeds of sale have been credited as income in the year of receipt. Where the BDBF has used the funds to purchase or improve properties in its corporate capacity, these have been included as fixed assets in these financial statements.

Pension Reserve This represents a designated or "earmarked" fund in respect of possible BDBF obligations in respect of pension scheme arrangements.

Transforming Church Fund This is a designated fund to help with parish growth initiatives.

Growing Younger Fund (2) This fund relates to our *Growing Younger* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to our own resources that we have designated towards the programme.

Strategic Investment Fund This is a designated fund that has been created using proceeds from property disposal proceeds. The fund will be used for intentional strategic mission investments such as further implementation of context ministry and match funding for our Church Commissioners grant funded *Shaping the Future* and *People & Places* strategic programmes.

Curate Fund This is a designated fund to help finance curate posts in future years.

General Fund The general fund is the BDBF's unrestricted, undesignated fund available for any of the Board's purposes without restriction.

Details of inter fund transfers in 2019 are as follows (explanatory notes on following page):

| | Unrestricted general | Unrestricted designated | Restricted | Endowment | Total |
|---|----------------------|-------------------------|------------|------------|----------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Curate Fund to General Fund ① | 14 | (14) | - | - | - |
| General Fund to Restructuring Fund ② | (4) | - | 4 | - | - |
| General Fund to Historic England – Places of Worship Officer Fund ② | (12) | - | 12 | - | - |
| General Fund to Training for Ministry Fund ② | (12) | - | 12 | - | - |
| Transforming Church Fund to Strategic Investment Fund ③ | - | (76) | - | - | - |
| | | 76 | | | |
| Parsonage Fund to Pastoral Fund ④ | - | 361 | - | (361) | - |
| Pastoral Fund to Strategic Investment Fund ④ | - | (361) | - | - | - |
| | | 361 | | | |
| General Fund to Strategic Investment Fund ④ | (779) | 779 | - | - | - |
| TOTAL | (793) | 1,126 | 28 | 361 | - |

22 Movements in funds (continued)

- ① This represents the transfer of early curacy end stipend savings previously saved to help fund 2019 curacies.
- ② These represent the transfer of unrestricted funds to cover deficit in restricted funds.
- ③ This represents the transfer of *Transforming Church* funds to the Strategic Investment Fund to fund intentional strategic mission investments.
- ④ These represent the transfer of property disposal proceeds to the Strategic Investment Fund to fund intentional strategic mission investments.

Details of inter fund transfers in 2018 were as follows:

| | Unrestricted general | Unrestricted designated | Restricted | Endowment | Total |
|-------------------------------|----------------------|-------------------------|------------|-----------|----------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Curate Fund to General Fund ① | 14 | (14) | - | - | - |
| TOTAL | 14 | (14) | - | - | - |

- ① This represents the transfer of early curacy end stipend savings previously saved to help fund 2018 curacies.

23 Commitments

At 31 December 2019 the BDBF had capital commitments of £290,000 which were contracted for but not provided in the financial statements (2018: £nil).

The BDBF approved loan facilities amounting to £215,000 for two parishes during the year which have not been drawn down by the parishes concerned as at 31 December 2019 (2018: £nil for nil parishes).

The BDBF had approved a grant up to £300,000 towards the establishment of the diocesan multi academy trust – Birmingham Diocesan Academies Trust if required. As at 31 December 2018, BDAT had drawn down £180,000 of this amount (2017: £90,000) and the BDBF had agreed to pay a further £90,000 in 2019 taking the grant amount to £270,000. This was included in *creditors due within one year* at 31 December 2018. The final instalment of £90,000 was drawn down during year ended 31 December 2019.

24 Pension costs

Employees – Church Workers Pension Fund

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The BDBF participates in the Church of England Defined Benefits Section ('DBS') of the Church Workers Pension Fund (the Fund), a pension scheme administered by the Church of England Pensions Board to provide benefits to lay employees based on final pensionable salaries. The assets of the fund are held separately from those of the employer. For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post retirement investment returns. The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year include contributions payable towards benefits and expenses accrued in that year (2019: £6,500 2018: £6,033), plus any impact of deficit contributions payable, giving a total charge of £38,963 for 2019 (2018: £25,975).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their

allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out and finalised as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m.

Following the valuation, the BDBF has entered into an agreement with the Church Workers Pension Fund to pay expenses of £6,500 per year. In addition, deficit payments of £38,963 per year have been agreed for 10 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability with the BDBF financial statements. Section 28.11A of FRS101 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

| | 2019 | 2018 |
|--|------------|------------|
| | £'000 | £'000 |
| Balance sheet liability at 1 January | 321 | 316 |
| Deficit contributions paid | (39) | (26) |
| Interest cost | 7 | - |
| Remaining change to the balance sheet liability | 13 | 31 |
| BALANCE SHEET LIABILITY AS AT 31 DECEMBER | 302 | 321 |

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

| | 31 December 2019 | 1.4% pa |
|---------------|------------------|---------|
| Discount rate | 31 December 2018 | 2.3% pa |
| | 31 December 2017 | 0.0% pa |

24 Pension costs (continued)

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities. The next valuation of the scheme will be carried out as at December 2019.

It was agreed from April 2012 to make all future non-clergy pension arrangements through the Pension Builder section of the Church Workers Pension Scheme, administered by the Church of England Pensions Board.

For eligible salaried employees who commenced employment after 1 January 2006 the BDBF participates in the Church of England Pension Builder Scheme (PBS) within the Church Workers Pension Fund, which is administered by the Church of England Pensions Board. The assets of the schemes are held separately from those of the BDBF and the other participating employers.

The PBS is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes. The BDBF contributes to the Pension Builder Classic section. The Pension Builder Classic provides a pension for members payable from retirement, accumulated from contributions paid and converted into a deferred annuity during employment, based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonus may also be declared, depending upon the investment returns and other factors.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age. There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means 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 pension costs charged to the Statement of Financial Activities in the year are contributions payable.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016. This revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

The pension cost for the year shown in the financial statements is equal to the total contributions. The total contributions for the year were £213,167 (2018: £211,287).

The BDBF also contributes to a Group Personal Pension Plan organised by Friends Life for certain employees. This is a defined contribution money purchase arrangement. The pension cost for the year shown in the financial statements is equal to the total contributions. The total contributions for the year were £3,061 (2018: £963).

Stipendiary Clergy

The BDBF 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 Responsible Body 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 FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Bodies and this means that contributions are accounted for as if the Scheme were

a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2019: £890,000, 2018: £974,000), plus the figures highlighted in the table below as being recognised in the Statement of Financial Activities, giving a total credit of £577,000 for 2019 (2018: £646,000 charge) plus any impact of deficit contributions.

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:

- RPI inflation of 3.4% pa (and pension increases consistent with this)
- Increase in pensionable stipends 3.4% pa, and
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CIMI2018 extended model projections, with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5%pa. Following the valuation of the Scheme as at 31 December 2018, a recovery plan was put in place until 31 December 2022, and the deficit recovery contributions payable (as a percentage of pensionable stipends) are as set out in the table below:

| % of pensionable stipends | January 2018 to December 2020 | January 2020 to December 2022 |
|--------------------------------|-------------------------------|-------------------------------|
| Deficit recovery contributions | 11.9% | 7.1% |

As at 31 December 2017 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of the pensionable stipends until December 2025.

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

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme rules. Section 28.11A of FRS102 requires the agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below:

| | 2019 | 2018 |
|---|------------|--------------|
| | £'000 | £'000 |
| Balance sheet liability at 1 January | 2,695 | 3,446 |
| Deficit contributions paid | (386) | (423) |
| Interest cost | 53 | 45 |
| Remaining change to the balance sheet liability (recognised in the SoFA)* | (1,520) | (373) |
| BALANCE SHEET LIABILITY AS AT 31 DECEMBER | 842 | 2,695 |

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

This liability represents the present value of the deficit contributions agreed, as at the accounting date, and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments.

| | Discount rate | Price inflation | Increase in pensionable payroll |
|------------------|---------------|-----------------|---------------------------------|
| 31 December 2017 | 1.4% pa | 3.0% pa | 1.5% pa |
| 31 December 2018 | 2.1% pa | 3.1% pa | 1.6% pa |
| 31 December 2019 | 1.1% pa | 2.8% pa | 1.3% pa |

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

25 Commitments under operating leases

At 31 December 2019 the charity was committed to making the following payments under non-cancellable operating leases:

| | Land and buildings 2019 | Other 2019 | Land and buildings 2018 | Other 2018 |
|--------------------------------------|-------------------------|------------|-------------------------|------------|
| | £ | £ | £ | £ |
| OPERATING LEASES WHICH EXPIRE | | | | |
| Within one year | 267,600 | - | 267,600 | - |
| Within one to two years | 376,120 | - | 267,600 | - |
| Within two and five years | - | - | 376,120 | - |
| | 643,720 | - | 911,320 | - |

The Birmingham Cathedral and the Birmingham Diocesan Multi Academy Trust contribute to the above operating lease commitments in respect of shared offices.

26 Reconciliation of net expenditure to net cashflow from operating activities

| | 2019 | 2018 |
|--|--------------|--------------|
| | £'000 | £'000 |
| NET INCOME / (EXPENDITURE) FOR THE YEAR ENDED 31 DECEMBER | 431 | (520) |
| Depreciation charges | 67 | 48 |
| Dividends, interest and rent from investments | (743) | (720) |
| Interest on payable loans | 2 | 2 |
| Interest on clergy pensions liability | 60 | 45 |
| Loss / (Profit) on sale of fixed assets | 167 | (2) |
| Loss on sale of investment properties and current assets held for sale | 860 | - |
| Loss on sale of investments | 6 | - |
| (Increase) / Decrease in debtors | (42) | 82 |
| Decrease in creditors | (469) | (389) |
| Donation of shares | 10 | - |
| Change in fair value of investments | (1,208) | 473 |
| NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES | (859) | (964) |

27 Analysis of cash and cash equivalents

| | At 1 January 2019 | Cash flow | At 31 December 2019 |
|--------------------------|-------------------|------------|---------------------|
| | £'000 | £'000 | £'000 |
| Cash in hand and at bank | 1,551 | (17) | 1,534 |
| Cash held on deposit | 2,815 | 812 | 3,627 |
| | 4,366 | 795 | 5,161 |

Cash held on deposit is that with notice of less than three months to access.

28 Analysis of changes in net debt

| | At 1 January 2019 | Cash flow | Other non-cash changes | At 31 December 2019 |
|--|-------------------|------------|------------------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cash in hand and at bank | 1,551 | (17) | - | 1,534 |
| Cash equivalents | 2,815 | 812 | - | 3,627 |
| Loans falling due within one year | (101) | (6) | - | (95) |
| Loans falling due after more than one year | (185) | (95) | - | (90) |
| | 4,080 | 694 | - | 4,974 |



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THE CHURCH OF ENGLAND BIRMINGHAM

 0121 426 0400
 FD@cofebirmingham.com
 cofebirmingham.com
 1 Colmore Row, Birmingham B3 2BJ

 /cofebirmingham

 /cofebirmingham

www.cofebirmingham.com

BISHOP'S CROFT

 0121 427 1163
 bishopsadmin@cofebirmingham.com
 Old Church Road, Harborne, Birmingham B17 0BG
 David_Urq