


Diocese of Bristol

The Bristol Diocesan Board of Finance Limited  
Annual Report & Financial Statements  
for the year ended 31st December 2020

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The Bristol Diocesan Board of Finance Limited | Reg. in England: Charity 248502, Company 156243

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**The Bristol Diocesan Board of Finance Limited**  
**Annual Report of the Directors**  
**for the year ended 31<sup>st</sup> December 2020**

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The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31<sup>st</sup> December 2020.

The Trustees and Directors are one and the same and in signing as Trustees they are also signing the Strategic Report sections in their capacity as Directors.

This combined report satisfies the legal requirements for:

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

The Financial Statements have been prepared in accordance with statutory requirements prevailing at 31<sup>st</sup> December 2020, with the requirements of the Charity's governing document, its Memorandum and Articles of Association, and with the Charities Statement of Recommended Practice (FRS102). Where possible, the guidance issued in the Diocesan Annual Report and Financial Statements Guide by the Diocesan Secretaries' Liaison Group has been followed.

## **LEGAL OBJECTS**

The primary objective of the Bristol Diocesan Board of Finance ("the DBF") is to promote and assist the work and purposes of the Church of England in the Diocese of Bristol.

The DBF has the following statutory responsibilities:

- The management of glebe property and investments to generate income to support the cost of stipends arising from the Endowments and Glebe Measure 1976;
- The repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
- The management of investments and the custodian of assets relating to church schools under the Diocesan Boards of Education Measure 1991; and
- The custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils (PCCs) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Council (Powers) Measure 1956.

## **STRATEGIC AIMS**

Throughout the Diocese of Bristol, the Church of England is making a significant difference to Christian witness in our communities through its ministers, parishes and church schools. The vision of the Diocese of Bristol is "Creating connections: connecting with God, connecting with each other and connecting with our communities".

Since 2016, the Diocese of Bristol has collectively pursued the priorities of making disciples, growing leaders and engaging younger generations. These have been agreed to focus parish and diocesan plans and activity.

In the same year, the Diocesan Synod adopted a Strategic Plan for 2016-20. This has three objectives – resourcing and multiplying effective mission; optimising ministry and leadership; enhancing financial resources; and several quantitative goals that reflect the objectives and priorities.

These are supported by six strategic initiatives, a small number of choices that focus on priorities and achieve goals. A visual summary of the Strategic Plan is given on page 5.

The diocesan contribution to the vision and priorities is led by the Bishop of Bristol and her Staff Team and expressed through the work of the DBF and the Diocesan Support Services under the oversight of its Board of Directors.

The DBF takes a lead in:

- Expressing the vision of the Diocese through its leadership and communicating ways in which that vision is being embodied throughout the Diocese;
- Strengthening relationships throughout the Diocese by connecting people, parishes and schools, sharing good practice and resources;
- Empowering people by recruiting, developing and deploying ministers, leaders and staff in parishes, chaplaincies, schools and the Diocesan Support Services;
- Maximising resources by stewarding the income, expenditure and assets of the DBF effectively; and
- Developing structures to support this work including those for governance, communication and management.

## **OBJECTIVES FOR THE YEAR**

In supporting the Strategic Plan for 2016-20, the following objectives were set for the year ended 31<sup>st</sup> December 2020.

- a) Take action in relation to the Diocese's declaration of Climate Emergency;
- b) Conclude and review the outcomes and impact of the 2016-20 Strategic Plan;
- c) Develop vision, values and strategy for the 2020s; and
- d) Respond to the immediate effects of the COVID-19 crisis and review all plans and activity in the light of its long-term impact on society and the Church's role in it.

The Directors believe that all the above shows that the DBF delivers public benefit by working with ministers, parishes and schools to be a Christian witness at the centre of their communities.

## **ACTIVITIES AND ACHIEVEMENTS IN THE YEAR**

### **Achievements against objectives**

#### **Respond to the COVID-19 crisis**

The DBF's activities, plans and achievements in 2020 were significantly impacted by the COVID-19 pandemic, the imposition of government restrictions and the ongoing uncertainty that resulted. Many plans and activities were reassessed or suspended for the time being in order to address the immediate challenges and impact of the pandemic.

Throughout the Diocese, church communities, church schools and chaplaincies responded to the COVID-19 pandemic, the suspension of public worship and limitation on church activities by sustaining the social impact, worshipping life and Christian witness of the Church in a wide variety of innovative and sacrificial ways. It must be recognised that, through the whole period, ordained and lay church leadership, staff, chaplains and members were responding and experiencing the impact of the pandemic in their own lives, with many Anglican Christians working on the front line.

Churches were a major contributor to the national volunteering effort in the face of the crisis, both through supporting individual and wider community efforts and through the provision of foodbank and distribution services, debt advice and other services. In some cases, this extended existing provision, in others, churches responded by setting up new support. A huge amount of pastoral care was provided by clergy and lay people as people suffered loss and bereavement in exceptional circumstances.

Worship was adapted rapidly, creatively and in different ways according to context in the first lockdown. These were developed further through the year to take account of the lockdown in November and mixed-mode (e.g. at home and in person) worship. This has involved exceptional effort and adaptability by all involved. Research shows that many people report that they have re-engaged with Christian worship in the period. This has been offset by reports of loss of connection with other people who have not engaged in new ways and, as yet, not returned in person. A high level of care, thought and effort went into enabling churches to re-open in COVID-secure ways to enable first private prayer and then public worship, when permitted. Through 2021, churches will continue to adapt their worship to reflect the mix of at home and in person worship.

The increase of online activity extended to other forms of Christian discipleship and witness. Online courses and groups, evangelistic video and social media content was developed and has become a normative part of the Church's life and witness. In particular, resources for "faith at home", including for young people, were developed and used. Churches adapted their systems and ways of conducting business to be done remotely and more digitally. Churches that had not already done so adapted their mechanisms for giving and raising income. In some cases, this offset the impact of loss of income from rental, trading and fundraising events.

The Diocesan Support Services supported all these changes through the provision of advice, resources and sharing of best practice to ministers, churches and schools and managing the central function of the DBF. Weekly updates were provided via the Archdeacons and a range of online gatherings and training was provided to sustain support and maintain connection. The vast majority of staff worked remotely from mid-March 2020. Up to a third of employees were fully or part-furloughed, predominantly between May and August. Staffing levels of central, paid DBF employees averaged at 32 full-time equivalents (2019: 32).

### **Climate Emergency**

At its Diocesan Synod in November 2019, the Diocese of Bristol became the first diocese in the Church of England to declare a 'climate emergency' and commit to reach net zero carbon emissions by 2030.

This declaration is supported by a Diocesan Environment and Climate Justice Policy that made the seven commitments and marked the start of a journey towards the Diocese becoming carbon net zero by 2030. The Church of England General Synod followed this commitment to a net zero by 2030 target, when it also declared a climate emergency at its February 2020 meeting.

In 2020, there are a lot of different examples of how the Diocese of Bristol has responded to the seven commitments, including:

- Parishes and the Diocese receiving EcoChurch and EcoDiocese awards – a scheme for churches who want to demonstrate that the gospel is good news for God's earth, led by A Rocha UK.
- Action led by the Diocesan Environment Working Group, which included engaging with parishes, clergy and schools, establishing an Environmental Advisory Group; recruiting a Sustainability Adviser to the DAC and engaging with our investment managers.
- Environmental focus points throughout 2020, including an environment-focused Lent campaign (#LiveLent: Saying Yes to Life); the Season of Creation in September and the Church Action in a Climate Emergency Conference.
- Establishing the baseline for our carbon footprint and then developing our approach to achieving our net zero target commitment .

### **The 2016-20 Strategic Plan**

2020 represented the final year of the Diocesan Strategic Plan that included six strategic initiatives for the period to support Creating connections and the priorities of making disciples, growing leaders and engaging younger generations.

A review of the implementation and impact of the Strategic Plan took place in 2020, recognising that measurable outcomes for 2020 would, in most cases, not be comparable owing to the COVID-19 pandemic. This review was reported to and discussed by the Diocesan Synod in November 2020 and informs *Transforming Church. Together* (see Future plans, page 10).

The review is available on the [Diocese of Bristol website](#).

A summary of the Strategic Plan and review outcomes is given below.



# STRATEGIC PLAN 2016-20

<b>VISION</b> Our vision as a diocese is: <i>Creating connections – with God, each other, our communities</i>				
<b>PRIORITIES</b> <i>Making disciples</i>   <i>Growing leaders</i>   <i>Engaging younger generations</i>				
<b>EXPECTATIONS</b>				
 Increase weekly attendance by <b>1,800</b> people	 <b>300</b> more baptisms and confirmations a year	 <b>One in two</b> church members part of a discipleship group	 Grow number of children in church schools	
 Increase number of ordinands by <b>50%</b>	 <b>A third</b> more clergy taking part in leadership development	 Giving to parishes increasing by <b>£1.4 million</b>	 Parish Share increasing by <b>£1 million</b>	 Total diocesan income increasing by <b>£1.6 million</b>
<b>WE WILL ACHIEVE THIS AT DIOCESAN LEVEL BY:</b>				
<b>Resourcing and multiplying effective mission</b>	<b>Optimising ministry and leadership</b>	<b>Enhancing financial resources</b>		
<b>FOCUSING ON THESE STRATEGIC CHOICES:</b>				
Helping parishes make disciples, grow leaders and engage younger generations by spreading six key practices.	Growing Christian influence and the number of children in church schools by strengthening the Diocese of Bristol Academies Trust.	Sharing and renewing mission and ministry by establishing mission areas around the Diocese.		
Growing new leaders by resourcing recruitment and development programmes.	Increasing financial resources available for mission by supporting parishes and establishing the new approach to Parish Share.	Investing in strategic initiatives by realising surplus assets.		

**1. 'Making disciples in your parish'**

A survey was carried out in 2020 to see how parishes engaged with the aspects of 'Creating connections' and in particular the 'Making disciples in your parish' initiative which supported six key practices (e.g. prayer, small groups, family-friendly expressions of church, culture of invitation). This data therefore relates to the 2016 to 2019 and therefore the situation prior to the COVID-19 pandemic.

60% of parishes increased the number of key practices with which they engaged actively over the four-year period. All of the indicators saw growth and most met or exceeded the expected outcomes. Although a simpler initiative launched at the outset, clearly aligned with the 'Making disciples' priority might have increased ownership, the focus, effort and resource put into this area and where it aligned with national Church of England resources (Messy Church, Thy Kingdom Come) proved particularly effective.

**2. Growing vocations**

In line with the Church of England's goal, the Diocese of Bristol committed to increase the levels of vocation to ordained ministry by 50%. It also wanted to increase the diversity of those pursuing a vocation to ordained ministry, in terms of ethnicity, age and social background.

	Baseline	Target (50% increase)	Actual (ave) 2016-20	Actual (ave) 2017-20	Years not achieved
Total Number of Ordinands	7.33	11	12.75	13.75	2016
Incumbent Status (IS) Ordinands	5.33	8	8.4	9.25	2016
Young (<32) Vocations	1.66	2.5	2	2	2016, 2017, 2019, 2020
BAME candidates	0	1	1.4	1.75	2016, 2020

From 2017 onwards, most goals have been met or exceeded each year, including 20% of Incumbent Status Ordinands coming from a BAME background. The discernment process normally takes one to two years and it is therefore perhaps not surprising that the 2016 outcomes were in fact below the baseline. Further work is underway to ensure Young Vocations increase.

Placing vocations clearly within the strategic vision of the Diocese, as part of a national goal and campaign and resourced adequately has enabled a good deal of attention to the area, which has in turn been a major source of this growth.

**3. Mission Areas and Resourcing Churches**

The Mission Areas and Resourcing churches initiative was developed to focus some ministry resources in intentionally missional ways that connected churches in order to be fruitful not only in that context but for the wider Diocese. Three Mission Areas were launched between 2017 and 2019 and two Resourcing churches were established in late 2018. Three applications were successfully made to the Church of England's Strategic Development Fund for this initiative.

There is evidence of notable culture change in Mission Areas with increasing: alignment of parish and mission area strategies; focus on outreach and mission; sharing of resources; and trusting, supportive relationships amongst clergy, regardless of churchmanship. Overall attendance in the Mission Areas has increased by 5% and compares to a diocesan average of 7% decline. The annual review shows a strong resilience and level of partnership in the Mission Areas coming to the fore in response to COVID-19.

Both Resourcing churches are meeting their attendance targets numerically and in terms of proportion of under 30s/40s. St Nicholas has met and Pattern Church exceeded targets related to small group participation, giving regularly and serving on team. During COVID-19, both have reported significant growth in new members and high attendance at online Alpha courses. Effective engagement with social action has also increased in 2020 with both churches increasing activity and impact through the Love your neighbour campaign.

#### **4. Church schools and education**

This initiative responded to the government's drive for academisation and seeking to maintain and grow the Church of England's contribution to distinctively Christian education. As a result, the Strategic Plan determined to maintain a strong link with the Diocese of Bristol Academies Trust (DBAT).

Over the period, DBAT has been awarded the opportunity to open four new schools in Swindon. Two have opened, including the secondary Deanery CE Academy, and two will open in the coming years. SIAMS inspections focus on the impact of a Church school's Christian vision on pupils and adults. All DBAT's schools that have been inspected are Good or Outstanding except one which was inspected prior to academisation.

Relationship with Cathedral Schools Trust (CST) developed to include strong diocesan representation with the Diocesan Bishop and the Dean as members. Cathedral Primary School, part of CST, has now become CE designated (i.e. a church school). As a result of the growth in the two multi-academy trusts, there will be over 2,500 new church school places in the period.

#### **5. Encouraging generosity and Parish Share**

By adopting a new approach to Parish Share in 2016 and providing additional support to parishes for stewardship, the Strategic Plan aimed to increase Parish Share by £1m (from £5.2m to £6.2m) and parish income resulting from giving by £1.4 million (from £9.4 million to £10.8 million).

For 2020, the Parish Share commitments made amounted to £5.5 million and so the £6.2m goal would have been missed by £0.7m. The impact of COVID-19 pandemic widened that gap further by a further £0.35m, resulting in gifts of £5.15m. Relative to other dioceses, however, the impact of COVID-19 on Parish Share was low, reflecting a comparative resilience to Bristol's Parish Share, despite failing to achieve its goals by a large sum.

The primary investment in the "encouraging generosity" priority was the appointment of Giving and Resources Adviser posts and membership of the Parish Giving Scheme (PGS) in 2017. 72 parishes (44%) are now registered with the PGS (2020 target is 50%). Currently, 1,307 donors are registered, the average monthly gift is £110 and the amount remitted is broadly on target.

According to the 2019 data on parish income, parish income from giving has grown by £2.04m between 2015 and 2019, exceeding the goal set by £0.6m. While it is difficult to prove a precise causal link with the upward trend in parish income, the dedicated support given to parishes on such topics as stewardship, contactless giving, legacies, grant applications, as well as the PGS, is likely to have made a positive contribution.

However, the increase in parish giving income did not translate into increases in Parish Share. A review of the approach to Parish Share and the financial model of the Diocese form part of *Transforming Church. Together*.

#### **6. Financial plan and asset management**

In order to invest in new initiatives without drawing on existing reserves or income, this initiative focused on maximising the DBF's balance sheet through disposing of land or property no longer required for functional purposes, redeploying it to housing for additional clergy, the development of Resourcing churches and reinvesting in equities for investment income.

Between 2016-2020, the realised gains of these sales amount to £6.95m (target £6m). £5.05m (target £4m) have been redeployed in capital funds to buying additional housing for clergy and Resourcing church development.

Owing to the delay to some sales and the cash deficits sustained since 2018 and budgeted in 2021, the DBF has not been able to reinvest in equities. In fact, it sold £0.5m in investments and secured a revolving credit facility of £2m in 2019 to manage cash flow without further sales.

The success of the initiative has been the redeployment of the DBF's balance sheet toward functional, missional purposes while also increasing its overall value.



The review made the following overall findings.

- The “implementation gap” was closed in this period, with all initiatives being delivered during the period. Effective implementation was secured by strong accountability from the newly configured Bishop’s Council that had clear ownership of the Strategic Plan, seeing its role as establishing, evolving, enabling, empowering, ensuring and evaluating the plan. Reporting was regular, difficult decisions made and people resources were put in place where required.
- Effective implementation contributed to the impact it was intended to achieve. That impact may not be sustained (especially given COVID-19) or be offset by indirect impact; however, some impact may be still yet to come to fruition. At this stage, as can be seen above, the decision to focus on specific areas has largely correlated with positive outcomes in those areas. The exception is outcomes in relation to Parish Share.
- The distinction between the Strategic Plan (as the diocesan level response to the Creating connections vision and priorities) and the strategy for the whole diocese (to invite, encourage and support parishes and other communities of faith to respond themselves by aligning their own plans and activities to the vision and priorities in their own context) was not sufficiently communicated or understood. This learning is being carried into *Transforming Church. Together*.

The initiatives described above therefore represent only one level of contribution to what, together as a diocese, was hoped would result from prayer, activity and trust in God over this period. The primary activity was in the life of local churches and communities of faith, in their worship, outreach and service. Each church is encouraged to review their plans and activities, what resulted and what they learnt.

Looking across the life of the church over this period, there are many encouraging signs. Churches reported an increase in gathering for prayer and participation in small groups for whole life discipleship; their culture of invitation and attention to developing the gifts of all God’s people. As a result, more people attended family focused expressions of church and courses to explore the Christian faith. And giving levels increased by 20%. These are all signs of a healthier, more resilient Church, better able to reach out to their communities.

Local churches maintained their levels of social action between 2017 and 2019. Churches in the Diocese ran 250 social action projects and were involved in 400 more. New initiatives were developed to respond to the COVID-19 pandemic.

However, the numbers of people participating in the worshipping life of the church did not match the expectations of the vision. Despite many examples of local growth, rather than a 10% growth, the Diocese experienced a 10% decline between 2015 and 2019. Although adult baptisms and confirmations held steady, infant and child baptisms reduced by over a third. The numerical decline did level off in terms of attendance in 2019, with a growth in worshipping community numbers. The number of under 16s bounced back to 2016 levels. The trajectory may have started to turn back more generally in 2020, but the disruption from COVID-19 means that is now unclear and uncertain.

### **Develop vision, values and strategy for the 2020s**

Plans to develop vision, values and strategy for the 2020s were deferred and reviewed in the light of the COVID-19 pandemic.

The development project was redesigned as *Transforming Church. Together* and approved by the Bishop’s Council in September 2020. This approval led to a successful application to the Church of England Strategic Capacity Fund to support the development project. This included enhanced capacity and capability and backfill for some senior posts to enable them to lead and oversee the project.

### **Ministry in the Diocese**

At the end of 2020, 206 clergy were licensed across the Diocese of Bristol's 166 parishes, 103 benefices, 5 Bishop's Mission Orders and Bristol Cathedral (2019: 210). Of these clergy, 134 (130) were in stipendiary ministry, 72 (80) were self-supporting ministers (SSMs). 39 (36) of the total were undertaking a training curacy. There were also 22 (16) Anglican clergy licensed to institutions as chaplains, 114 (112) clergy holding the Bishop's Permission to Officiate and 193 (200) Licensed Lay Ministers (LLMs).

During 2020, 5 incumbent status posts were filled and 3 benefices became vacant.

The DBF paid an average of 119 full-time equivalent stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese. In 2015, the comparative figure was 105.

### **Safeguarding**

The safeguarding provision remained stable in 2020, working to the agreed Safeguarding Improvement Plan, adapted in accordance with the impact of COVID-19 pandemic.

Andy Wills was appointed as Independent Chair of the Diocesan Safeguarding Steering Group (DSSG) in April 2020. The Past Case Review 2 started in January 2020 and will now be completed by September 2021. The Parish Safeguarding Dashboard was launched in January 2020 to support parishes in ensuring they are up to date with policies, training, roles, display of key information and reporting. 80% of parishes were actively using the dashboard by the end of 2020.

Face-to-face training was suspended in March 2020 and a revised, virtual safeguarding leadership course launched in July 2020. 1,270 people received training (2019: 1,572), 693 DBS applications (2019: 1,123) were recorded and 36 new cases were recorded (2019: 35). The Safeguarding Annual Report is published on the Diocesan website.

The Independent Inquiry into Child Sexual Abuse reported its findings and recommendations on the Church of England in October 2020, which include changes to the structure of safeguarding. The Church of England is taking forward these recommendations in 2021 and the Diocese acting in accordance with them.

### **Racial justice**

In June 2020, Rt Revd Vivienne Faull committed on behalf of the Bishop of Bristol, Diocese of Bristol and Bristol Cathedral, to act now with a renewed sense of urgency and determination to:

- Acknowledge and repent of the Church's past involvement in and benefit from the slave trade;
- Challenge and address institutional racism, listening to and learning from the experiences of Black, Asian and minority ethnic people;
- Recruit and support more Black, Asian and minority ethnic clergy, staff and volunteers;
- Make our churches truly welcoming to everyone, taking responsibility for the need for profound cultural change in our Church; and
- Work with others in the Diocese of Bristol and the Church of England to bring these things about.

Revd Cathy Okoronkwo was appointed as Bishop's Adviser in Racial Justice and work and planning undertaken to address these commitments.

## **FUTURE PLANS**

In February 2021, the Diocese of Bristol launched *Transforming Church. Together*, a year-long process to engage with and understand the perspectives of people inside the church, those who relate to it and those who may never have given it a thought.

The aim is to help understand what the diocese does well, what can be changed for the better and how to create a positive way forward, for everyone.

During 2021, the Diocese of Bristol is engaging with people in a variety of ways – such as through virtual meetings and workshops, online questionnaires, social media and through churches – talking with and listening to those both within and outside the church.

The engagement lasts until Spring 2021, following which the responses will be used to help work out a new vision and set of priorities for the diocese. A final plan for the years ahead is expected to be completed at the end of 2021. The DBF plans to make an application to the Church of England's Strategic Transformation Fund to access resources to facilitate its future plans.

During 2021, the development of *Transforming Church. Together* will be accompanied by ongoing work to take action on:

- a) The Diocese's declaration of Climate Emergency;
- b) The Diocese's commitments on racial justice; and
- c) Continuing to support ministers, churches, chaplaincies and schools in response to the impact of the COVID-19 pandemic.

## **FINANCIAL REVIEW**

In November 2019, Diocesan Synod approved DBF expenditure totalling **£9,306,000** for 2020 (2019: £9,640,000). The budget presented to Diocesan Synod showed expenditure outstripping income by **£908,000**. However, with **£250,000** of this expenditure constituting improvement works to property and being funded by the Diocesan Stipends Fund (DSF) Capital Fund, this effectively meant that the DBF's operational budget was in deficit by **£658,000**.

This budget, which was agreed before the COVID-19 pandemic struck in March 2020, reflected a desired level of Parish Share (the financial contributions made by parishes to the DBF) for 2020 of **£5,600,000**. By the end of 2020, and despite the challenges of the COVID-19 restrictions, parishes actually gave gifts of Parish Share totalling to **£5,159,000** (2019: £5,407,000). This amount included gifts towards earlier years of £26,000 (2019: £12,000) and additional gifts from parishes of £13,000 (2019: £10,000) made above and beyond the original pledges made.

In terms of other income, fees from occasional office (weddings, funerals etc.) were directly affected by the COVID-19 restrictions and therefore lower than expected. Investment income only reduced marginally, although plans to acquire additional investment units in 2020 were postponed and resulted in lower income than budgeted. Despite concerns, most other income sources were broadly as expected and significantly the DBF was successful in applying for £325,000 of Sustainability Funding from the National Church, which has reduced the impact of the COVID-19 on the DBF's overall income in 2020.

In terms of expenditure, the overall cost of clergy stipends (one of the DBF's most significant area of spending) was almost exactly as budgeted, with the remaining underspend on parochial ministry being due to the timing of Strategic Development Funding (SDF) funded expenditure. As the pandemic hit, there was a concerted effort to make savings where possible and defer expenditure if appropriate. The Coronavirus Job Retention Scheme (CJRS) was utilised in the early part of the pandemic, with some 30% of central posts furloughed in the Summer of 2020 and with the transition of the Diocesan Support Services team to home working also realising some short-term savings.

The overall result for 2020 was an operational **deficit of £551,000** (2019: £671,000 deficit), after including 'other funds' (see below); funding from the Diocesan Stipends Fund (DSF) Capital Fund of **£231,000** (2019: £353,000) and the **£325,000** Sustainability Grant received from the National Church. A comparison between the budget presented to Diocesan Synod and the actual results, for each of the main budget headings, is shown in Table 1 (on page 12).

The income and expenditure from 'other funds' relates primarily to certain ancillary DBF funds, including the DBF Clergy Charities (known as the Clergy Society), the Educational Foundations funds and two Fresh Expressions. In 2020, the Clergy Society, which provides small welfare grants to clergy on a case-by-case basis, awarded 44 grants, amounting to £17,000 (2019: £21,000). In 2020, the Educational Foundations funds awarded grants to the Diocese of Bristol Academies Trust (DBAT) amounting to £100,000 (2019: £100,000) in support of DBAT's expanding operations and in particular continuing support following the opening of the new Deanery secondary school in September 2019.

Within 'Other income' on the Statement of Financial Activities (SoFA; on page 24) is the gains on proceeds from the sale of five properties in 2020 which amounted to **£1,935,000**. 'Other expenditure' disclosed in the SoFA (on page 24) includes **£350,000** of 'negative expenditure' constituting net pension adjustments (2019: £1,488,000). The various components of these pension adjustments are shown in note 10, as well as in the pension disclosures on pages 48 to 51. The other significant, and unbudgeted, item disclosed in this year's income is the transfer of **£2,518,000** of investments from the Bishop Monk's Horfield Trust. The DBF was already the beneficiary of the income from these funds and so this one-off transfer of assets will not have a material on income as in effect income is moving from 'grants' to 'investment income'.

Table 2 (on page 12) shows the reconciliation between the operating deficit of **£551,000** and the overall figure for total net income before investments gains of **£4,407,000** shown on the SoFA (on page 24). It details the various items of unbudgeted expenditure or income (along with the capital grants for the resourcing churches and DSF Capital contribution) that give rise to the difference between these two figures.

**The Bristol Diocesan Board of Finance Limited**  
**Annual Report of the Directors**  
**for the year ended 31<sup>st</sup> December 2020**

<b>TABLE 1 – ACTUAL vs. BUDGET 2020</b>	<b>SYNOD BUDGET £000</b>	<b>2020 ACTUAL £000</b>	<b>VARIANCE £000</b>	<b>2019 ACTUAL £000</b>
<b>INCOME</b>				
Parish Share	5,600	<b>5,159</b>	-441	5,407
Local fee income (from weddings and funerals etc.)	308	<b>197</b>	-111	280
Grants (excluding SDF capital grants for SDF projects – See Table 2)	2,015	<b>2,255</b>	+240	1,961
Investment income (incl glebe)	1,050	<b>961</b>	-89	714
Property income	248	<b>267</b>	+19	268
Contribution to Diocesan Support Services	85	<b>79</b>	-6	83
<b>TOTAL INCOME</b>	<b>9,306</b>	<b>8,918</b>	<b>-388</b>	<b>8,714</b>
<b>EXPENDITURE</b>				
Clergy Stipends	3,631	<b>3,633</b>	-2	3,432
Other parochial ministry costs	1,285	<b>862</b>	+423	1,008
Initial ministerial training	1,579	<b>1,562</b>	+17	1,469
Property costs	1,576	<b>1,543</b>	+33	1,766
Diocesan Support Services (staff)	1,221	<b>1,201</b>	+20	1,189
Diocesan Support Services (non-staff)	644	<b>505</b>	+139	668
National Church	278	<b>278</b>	0	278
<b>TOTAL EXPENDITURE</b>	<b>10,214</b>	<b>9,584</b>	<b>+630</b>	<b>9,810</b>
<b>NET INCOME BEFORE OTHER FUNDS</b>	<b>-908</b>	<b>-666</b>	<b>+242</b>	<b>-1,096</b>
Income from 'other funds'	263	<b>215</b>	-48	290
Expenditure from 'other funds'	-263	<b>-331</b>	-68	(237)
Funding from capital funds	250	<b>231</b>	-19	353
<b>NET INCOME / (DEFICIT)</b>	<b>-658</b>	<b>-551</b>	<b>+107</b>	<b>-671</b>

The 'other funds' detailed above relate to ancillary DBF funds, including the DBF Clergy Charities, which provides small welfare grants to clergy, the Educational Foundations funds and two Fresh Expressions.

<b>TABLE 2 – Reconciliation of deficit to Statement of Financial Activities (SOFA)</b>	<b>£000</b>
<b>OVERALL OPERATING DEFICIT (as above)</b>	<b>-551</b>
<b>Exceptional items (that were not budgeted)</b>	
Unrealised gains on investments	+2,679
One-off transfer of investments from the Bishop Monk's Horfield Trust	+2,518
Realised gains on sale of property & land (shown in 'Other Income' on the SOFA)	+1,935
Annual net actuarial pension scheme adjustments	+350
Funding from DSF Capital funds for improvements to housing	-231
Capital grants (received for the Resourcing churches)	+197
One-off transfer of funds from sale of endowment property	+189
Actuarial losses on pension schemes	-59
<b>NET MOVEMENT IN FUNDS (per SOFA on Page 24)</b>	<b>7,027</b>

### **Significant Property Transactions**

The DBF spent £231,000 (2019: £353,000) on necessary improvements to benefice houses in the year from the Diocesan Stipends Capital Fund. The Diocesan Stipends Capital Fund is available for providing and improving benefice and glebe properties and when invested provides income for clergy stipends. Five surplus properties were sold and no properties were purchased during 2020.

### **Balance sheet position**

The Directors consider that the balance sheet together with details in note 26 show broadly that the restricted and endowment funds are held in an appropriate mix of investments and current assets given the purposes for which the funds are held.

During 2020, net assets have grown significantly, totalling £72,764,000 at the balance sheet date compared to £65,737,000 at the end of 2019. However, it is worth highlighting that within this total are properties, mostly used for ministry, whose value amounted to £33,765,000 (2019: £33,883,000). 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 DBF.

### **Reserves policy**

The reserves policy of the DBF applies to three distinct levels of its operations.

On one level, the policy is to ensure sufficient funds are available to maintain the smooth, ongoing operations of the DBF. The management of these reserves helps the DBF to ride out daily cash flow requirements, which can be quite substantial considering that the largest item of expenditure (clergy stipends) is paid monthly but the largest income source (Parish Share) tends to come in unevenly across the year overall.

On a second level, the policy is to maintain the minimum level of cash and liquid assets in order to permit the DBF to fulfil its immediate financial commitments and effect a smooth transition should a major change or disruption occur to its operations.

Finally, the policy is to maintain sufficient invested reserves, in order to minimise the call made on parishes to support the work of the Diocese. The annual cost of ministry and related support costs are not wholly covered by annual Parish Share receipts in the DBF budget and a significant factor in bridging this gap is the income generated by historic reserves. The DBF is willing to use its reserves to invest in future ministry and support the Diocese's strategic initiatives, with a view to these becoming self-sustaining over time.

The total of unrestricted funds (designated and undesignated) at 31<sup>st</sup> December 2020 amounted to £18,751,000 (as shown in note 27), of which £7,022,000 was held in marketable securities and £12,183,000 is tied up in tangible fixed assets (as shown in note 28), which is sufficient to meet this policy.

The required reserves figure (based on the first two levels above) is estimated to equate to at least three months of general fund expenditure and would amount to approximately £2,406,000. At 31<sup>st</sup> December 2020, net current assets were £43,000. Successive operating deficits over recent years and the recent purchase of various properties has reduced the DBF's liquid assets and the DBF opened a £2m bank credit facility in early 2019 as a result. The DBF's cash flow continues to be monitored closely. The DBF has a number of other endowment and restricted funds which are represented by investments and fixed assets. The purpose of these funds is detailed in note 29 of the financial statements.

### **Grant making policy**

The DBF made a grant of £278,000 (2019: £278,000) to the Archbishops' Council of the Church of England in 2020, as a contribution towards the costs of supporting the National Church Institutions, grants and contributions to other organisations and mission agencies' pension contributions; details of the amounts paid are shown in note 13. Bristol Diocesan Clergy Charities makes grants to diocesan clergy and their dependants, who are in conditions of need, hardship or distress; to advance the education of children of diocesan clergy; and to assist with the holiday expenses of clergy. Other grants made from time to time by the DBF are approved by the Directors in each year's budget.

### Loans policy

The DBF advances loans to parishes largely to facilitate fabric works in support of their overall mission and ministry. Interest-free loans of up to £10,000 (formerly £5,000) are made from DBF funds, with larger loans being obtained through the CBF Diocesan Loan Scheme, if available, or directly from the DBF's own funds, subject to availability and eligibility criteria. These are considered to be concessionary loans in accordance with Section 34 of FRS102.

### Investment policy

The DBF has power to invest funds not immediately required for operational purposes in such concerns, securities or properties as it thinks fit. The Directors have resolved to invest such funds mainly within the various CBF Funds, managed by CCLA Investment Management Limited, which also operates the ethical investment policy of the National Church Institutions. Investments are placed to achieve income and long-term capital growth. The Finance Committee monitors investment performance through quarterly reports from the Investment Advisers. The majority of investments are held as permanent endowments for the long-term and therefore the Directors' investment advisers continue to recommend no material change to the current investment strategy. A number of changes to the investment portfolio have taken place in the year, including receiving investments formerly held by the Bishop Monk's Horfield Trust. The investments held and their returns during the year are set out in the following table:

	Funds at 31 <sup>st</sup> December 2020 £'000s	Proportion of portfolio	Income yield in year	Total Return* in year (gross)	Total Return in year of comparator
CBF Investment Fund	21,383	60.25%	2.93%	+10.20%	+3.95%
CBF Global Equity Fund	8,376	23.60%	2.78%	+22.69%	+12.32%
CBF Property Fund	2,395	6.75%	4.68%	-0.48%	-1.65%
CBF Fixed Interest Fund	768	2.16%	2.48%	+6.77%	+8.42%
Other investments	2,571	7.24%	-	-	-
	<b>35,493</b>	<b>100.00%</b>			

\*Capital and income

### Connected charities

The Foundation of Saint Matthias (registered charity number 311696) is administered from the DBF's registered office by its Clerk to the Trustees, who is an employee of the DBF. The Foundation paid a fee for these services of £31,001 in 2020 (2019: £27,439). The Foundation made a grant to the DBF in 2020 of £50,000 towards the work of the Adviser to schools and the resource centre in the Diocese (2019: £50,000). Further grants of £6,000 (2019: £6,000) were received to fund the Diocese's Further Education work.

As noted above, the Diocese has established The Diocese of Bristol Academies Company (DoBAC) and The Diocese of Bristol Academies Trust (DBAT). Until October 2020, DBAT was administered from the DBF's registered office and contributed £38,516 to the DBF in 2020 in relation to costs incurred on their behalf (2019: £63,963).

Many of the Directors are involved with charitable bodies which are potentially beneficiaries to or from the DBF and a register is kept of these involvements. The Directors are mindful of their duties as Trustees of this charity and ensure that possible conflicting interests are declared and that all decisions are reached on a proper basis.

### Grants received

The DBF is thankful to the various grant-making bodies that have supported the work of the Diocese of Bristol during 2020. Significant grants were received by the DBF during the period, including £1,563,000 from the Archbishops' Council; £187,000 from the Temple Ecclesiastical Charity; £106,000 from Allchurches Trust; £102,000 from Bishop Monk's Horfield Trust (excluding the transfer of assets and subsequent income) and £60,000 from the Bristol Archdeaconry Charity.

Further details of grants and donations received in the year are shown in note 3.

## **Directors**

None of the Directors have received any emoluments from the DBF in their capacity as Directors or for services to the DBF. However, included in clergy stipends are the emoluments and expense reimbursements of certain Directors who have been paid in respect of their duties as clergy. Note 14 to the accounts details transactions with the Directors during the year. As in previous years, the DBF has maintained insurance cover against losses arising from claims against it for wrongful acts committed by its Directors and officers.

## **Charitable contributions**

Charitable contributions have been paid as normal expenditure in the pursuance of the DBF's objects. No political contributions have been made.

## **Taxation status**

The DBF is a registered charity and, as such, is able to claim certain exemptions from Corporation Tax. No provision for tax is considered necessary.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors, through an Audit and Risk Committee, which normally meets three times per year, have continued the process of examining the major strategic and operational risks which the DBF faces. They hold and monitor a register of the significant risks, assessing the probability of occurrence and likely impact if they were to occur.

In 2020, the Audit and Risk Committee continued to use the framework for identifying and managing risk that was adopted in 2017. This framework requires the Directors to set their corporate appetite for risk in four areas (finance, reputation, engagement and operations) and has been designed to provide clarity about the operational and strategic risks facing the DBF. The impact and likelihood of each risk have been scored and the top scoring risks above the appetite of the Directors are as follows, along with their mitigation strategies:

### **Income from Parish Share is insufficient to meet the financial commitments and the strategic plans of the Diocese.**

#### *Mitigation:*

- Maintain current approach to Parish Share, based on the principles of *taking responsibility, being generous and having faith*;
- Sustain roll-out of stewardship initiatives and tools to encourage generosity (e.g. Parish Giving Scheme, contactless etc.), with support of Giving & Resources Adviser(s), Archdeacons and other champions; and
- Active engagement with parishes and careful control of DBF expenditure.

### **Significant societal changes due the worldwide spread of COVID-19 coronavirus have a long-term impact on the Diocese's ability to maintain and grow its ministry.**

#### *Mitigation:*

- Continue to monitor and review the direct impact of the pandemic, with early intervention and support for particularly vulnerable parishes without the resilience or resources to adapt;
- Continue to assess the long-term impact on parishes, including sustainability (in terms of people or finances); established patterns of church becoming unworkable without corresponding adaptation; new innovations being lost;
- Develop *Transforming Church. Together.* to respond to a post-COVID context; and
- Continue to assess the long-term impact on the DBF, including the ability to sustain current clergy and support staff numbers.

### **Serious safeguarding case identified (past or current)**

#### *Mitigation:*

- Ensure swift action is taken if a situation does arise, with effective safeguarding provision available through the diocesan safeguarding adviser, training officers and caseworkers;
- Ensure safer recruitment, training, policies applied and audited at diocesan and parish level;
- Effective oversight and scrutiny by the Diocesan Safeguarding Steering Group (DSSG); and
- Continuation of positive safeguarding leadership, communication and culture.



## **COVID-19**

The Directors have considered the impact that the COVID-19 pandemic will continue to have on the DBF's current and future financial position. These include the impact on Parish Share, which is highly related to the income of parishes, and which has been affected by social-distancing measures, such as the closure of church buildings, limitations on public worship and the prohibition of non-essential gatherings. Other income sources will continue to be directly affected, such as fee income from postponed occasional offices and reduced investment income, as the COVID-19 measures affect the wider economy.

The DBF is taking the following steps to mitigate the continuing threats that COVID-19 may pose to the organisation:

- Supporting parishes to sustain ministry and mitigate the loss of income;
- Careful management of cash balances to ensure sufficient liquidity; and
- Reducing and deferring expenditure, where possible and appropriate.

The Directors consider that the DBF will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved for the following reasons:

- The DBF has sufficient cash to meet short-term needs; and
- The DBF could increase borrowing or sell assets (property or investment) if required.

The Trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1 to the financial statements.

## **STRUCTURE AND GOVERNANCE**

### **Organisational structure**

The DBF is governed by its Memorandum and Articles of Association, but also has to work in accordance with the requirements of the Synodical Government Measure 1969, which is regularly updated by means of its Schedule 3 'Church Representation Rules'.

The Articles provide that the members of the Standing Committee (Bishop's Council) shall be the Directors. The Bishop's Council and Standing Committee are elected triennially by the houses of clergy and laity of the Diocesan Synod, in accordance with Church Representation Rules. Certain officers of the Diocese are *ex-officio* members of the Bishop's Council and Standing Committee. The Chairman and Vice-Chairman of the Board are elected at the next General Meeting following the election of members. All members of the Diocesan Synod who are not DBF employees are entitled to be members of the company.

Following election, the Board of Directors are provided with information about their duties and responsibilities as Charity Trustees and Company Directors. This training last took place in February 2019 at the beginning of the Director's three-year term.

### **Decision making structure**

The Bishop's Council and Directors met six times in 2020. All business between Directors' meetings is dealt with by the Finance Committee, which met eight times in 2020. On behalf of the Directors, the Committee deals with such matters as the annual accounts, the receipt of Parish Share and the management of the DBF's corporate property, investments and its role as Diocesan Authority for Parochial Trusts. It also deals with matters relating to the work of the Parsonages Board and the Diocesan Board of Education. It makes suggestions to the Bishop's Council about the appropriate level of stipends for the clergy and it deals, usually through the Chairman and the Remuneration Committee, with staff remuneration and conditions of service.

The DBF, although a fully independent charity, is one of 42 Dioceses in the Church of England, which itself is governed under the Synodical Government Measure 1969 by General Synod and the Archbishops' Council.

### **Remuneration of key management personnel**

Emoluments of higher-paid employees are based on job evaluation and remuneration levels are scrutinised by the HR and Remuneration Committee, which in 2020 consisted of one DBF Director and two co-opted members with professional expertise. The HR and Remuneration Committee make recommendations to the Finance Committee and its terms of reference include remuneration and HR policy.

### **Public benefit**

The Directors consider that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and in particular the Commission's guidance in *The Advancement of Religion for the Public Benefit*, the Directors believe they have had regard to the duty in their administration of the DBF.

The Directors believe that, by promoting the work of the Church of England in the Diocese of Bristol, the DBF helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

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

The Directors believe that this report, taken as a whole, provides evidence that the DBF's work in 2020 furthered its charitable purposes for the public benefit.

### **Constitution**

The Bristol Diocesan Board of Finance Limited (the DBF) is a company limited by guarantee registered under the Companies Act, number 156243. It is also a registered charity, number 248502, registered in England and Wales. The principal office and registered office of the charity is Diocesan Office, First Floor, Hillside House, 1500 Parkway North, Stoke Gifford, Bristol, BS34 8YU.

### **Directors and Trustees**

The Directors of the Board of Finance are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors. This report constitutes the Trustees' report for charity law purposes and the Directors' report for Companies Act purposes.

### **Delegation of day to day delivery**

The names of all those who were Directors on the date the report was approved are given on page 19 of this report, as are the names of any who served as Directors from the start of the financial year.

The name of the Diocesan Secretary (Chief Administrative Officer), to whom day to day management of the charity has been delegated, and the names and addresses of professional advisers are to be found on page 20.

### **Funds held by the DBF as trustee**

In February 1998, the Charity Commissioners issued a scheme making the DBF the sole Trustee of the charity known as the Bristol Diocesan Clergy Charities. The accounts of this charity have been aggregated into these financial statements as they are administered by the DBF and held for specific purposes which are within the general purposes of the DBF.

By virtue of the Parochial Church Council (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964, and certain Charity Commissioners schemes, the DBF is the Diocesan Authority over certain assets held on permanent trusts. These assets have not been aggregated in these financial statements, since the DBF does not control them. Separate financial statements have been prepared to account for the DBF's stewardship of these assets, and full trust accounts for each trust are the responsibility of the managing trustees in each case. Copies of the separate financial statements are available from the Secretary at the Registered Office of the DBF.

### **Funds held on behalf of schools**

The Diocesan Board of Education (DBE) is incorporated within the DBF and receives contributions from governors of voluntary-aided church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The DBE administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the DBE and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

The amount included in creditors as at 31<sup>st</sup> December 2020 is £1,073,887 (2019: £1,065,000). The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £390,000 and £399,000 respectively in 2020 (2019: £287,000 and £233,000).

### **Suppliers, customer and others**

During 2020, the DBF has had regard to the need to foster the organisation's relationships with suppliers, customers and others.

## **TRUSTEES' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' Report and Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 Directors 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 profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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.

### **Statement of disclosure to Auditors**

So far as the Directors are aware,

- a) there is no relevant audit information of which the charitable company's Auditors are unaware; and
- b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's Auditors are aware of that information.

### **Appointment of Auditors**

A resolution to appoint auditors to the Company and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

## **ADMINISTRATIVE DETAILS**

### **Directors and Trustees**

The following served as Directors and Trustees from 1<sup>st</sup> January 2020 to the date this report was approved (unless shown otherwise):

*President:* The Rt Rev Dr V F Faull, Bishop of Bristol \*

*Chairman:* Canon A J S Lucas \*

*Vice Chairman:* Canon C W E R Buchan FCA \*

The Rev Canon R W Adams

The Ven C P Bryan \*, Archdeacon of Malmesbury

The Rev K M Campion-Spall

Professor D N Clarke \*

Mrs C Davison

Ms C E Dursley

Mr B A Fynamore

The Very Rev A Ford, Dean of Bristol (from 3<sup>rd</sup> October 2020)

Canon N R Orman \*

The Rt Rev Dr L S Rayfield, Bishop of Swindon

Mr J Sunderland

The Ven N M Warwick \*, Archdeacon of Bristol

The Rev T A Wigley \*

\* *Members of Finance Committee in 2020*

**The Bristol Diocesan Board of Finance Limited**  
**Annual Report of the Directors**  
**for the year ended 31<sup>st</sup> December 2020 (cont)**

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**Senior management and advisers**

Diocesan Secretary	Canon Oliver Home
Deputy Diocesan Secretary (Finance & Operations)	Mr Matthew Hall FCA
Head of Governance & Property	Mrs Sally Moody
Head of Parish & External Relations	Mr Chris Priddy
Director of Ministry Development	The Rev Dr Simon Taylor
Director of Education	Ms Liz Townend
Company Secretary	Canon Oliver Home
Registered Office	1500 Parkway North, Stoke Gifford, Bristol, BS34 8YU.
Auditors	Mazars LLP 90 Victoria Street Bristol, BS1 6DP.
Solicitors	Harris & Harris 14 Market Place, Wells, Somerset, BA5 2RE.
Bankers	National Westminster Bank plc 40 Queen's Road, Clifton, Bristol, BS8 1BF.
Insurers	Ecclesiastical Insurance Group Beaufort House, Brunswick Road, Gloucester, GL1 1JZ.
Investment Advisers	CCLA Investment Management Limited Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

This report, which incorporates the Strategic Report, was approved by the Directors of the Bristol Diocesan Board of Finance Limited on 20<sup>th</sup> May 2021 and signed on their behalf by

**Andrew Lucas**  
Chairman

## **Independent Auditors' Report to the Members of The Bristol Diocesan Board of Finance Limited**

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### **Opinion**

We have audited the financial statements of The Bristol Diocesan Board of Finance Limited (the 'charity') for the year ended 31<sup>st</sup> December 2020 which comprise The Statement of Financial Activities, Income and Expenditure Account, Balance Sheet, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2020 and of its profit 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

## **Independent Auditors' Report to the Members of The Bristol Diocesan Board of Finance Limited**

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### **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 Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the Trustees 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 charity'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 charity 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Bristol Diocesan Board of Finance Limited and its operations, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, pensions legislation, employment regulations, health and safety regulations, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

## **Independent Auditors' Report to the Members of The Bristol Diocesan Board of Finance Limited**

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Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of the audit report**

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Richard Bott  
(Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street  
Bristol  
Redcliffe  
BS1 6DP

Date:



**The Bristol Diocesan Board of Finance Limited**  
**Statement of Financial Activities**  
**for the year ended 31 December 2020**

	Note	Unrestricted		Restricted	Endowment	2020	2019
		Undesignated	Designated	Funds	Funds	Total	Total
		£,000	£,000	£,000	£,000	Funds	Funds
						£,000	£,000
<b>Income and endowments from</b>							
Donations	3						
Parish Share contributions		5,159	-	-	-	5,159	5,407
National Church Institutions (NCIs)		778	-	785	-	1,563	1,592
Other donations		763	-	2,736	-	3,499	807
Charitable activities	4	238	-	-	-	238	329
Other activities	5	346	-	4	-	350	364
Investments	6	365	167	506	-	1,038	1,065
Gains/(Loss) on sale of assets	7	943	-	189	992	2,124	2,360
<b>Total income</b>		<b>8,592</b>	<b>167</b>	<b>4,220</b>	<b>992</b>	<b>13,971</b>	<b>11,924</b>
<b>Expenditure on</b>							
Raising funds	8	114	2	15	-	131	74
Charitable activities	9	8,286	118	1,132	231	9,767	10,059
Other expenditure & adjustments	10	(344)	10	0	-	(334)	(1,502)
<b>Total expenditure</b>		<b>8,056</b>	<b>130</b>	<b>1,147</b>	<b>231</b>	<b>9,564</b>	<b>8,631</b>
<b>Net income / (expenditure) before other gains</b>		<b>536</b>	<b>37</b>	<b>3,073</b>	<b>761</b>	<b>4,407</b>	<b>3,293</b>
Net gains / (losses) on investments		127	870	700	982	2,679	4,388
<b>Net income</b>		<b>663</b>	<b>907</b>	<b>3,773</b>	<b>1,743</b>	<b>7,086</b>	<b>7,681</b>
<b>Transfers between funds</b>	15	293	197	(490)	-	-	-
Actuarial gains / (Losses) on pension schemes		(59)	-	-	-	(59)	(74)
					+		
<b>Net movement in funds</b>		<b>897</b>	<b>1,104</b>	<b>3,283</b>	<b>1,743</b>	<b>7,027</b>	<b>7,607</b>
<b>Funds brought forward</b>		<b>7,331</b>	<b>9,419</b>	<b>6,351</b>	<b>42,636</b>	<b>65,737</b>	<b>58,130</b>
<b>Funds carried forward</b>	27	<b>8,228</b>	<b>10,523</b>	<b>9,634</b>	<b>44,379</b>	<b>72,764</b>	<b>65,737</b>

All activities relate to continuing activities.

The notes on pages 28 to 52 form part of these financial statements.

**The Bristol Diocesan Board of Finance Limited**  
**Income and Expenditure Account**  
**for the year ended 31 December 2020**

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	<b>2020</b> <b>£,000</b>	<b>2019</b> <b>£,000</b>
<b>Total income</b>	12,979	9,579
<b>Total expenditure</b>	(9,333)	(8,227)
<b>Operating surplus for the year</b>	<u>3,646</u>	<u>1,352</u>
Net (losses) / gains on investments	1,697	2,281
<b>Net income for the year</b>	<u>5,343</u>	<u>3,633</u>

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

**The Bristol Diocesan Board of Finance Limited**  
**Balance Sheet**  
**as at 31 December 2020**

	Note	£,000	2020 £,000	£,000	2019 £,000
<b>FIXED ASSETS</b>					
Tangible assets	16-18		33,781		33,916
Investments	19		38,894		33,739
			<u>72,675</u>		<u>67,655</u>
<b>CURRENT ASSETS</b>					
Debtors	20-21	1,155		1,662	
Cash on deposit	22	4,829		1,975	
Cash at bank and in hand	22	430		387	
				<u>6,414</u>	<u>4,024</u>
<b>CREDITORS: amounts falling due within one year</b>	23	(4,162)		(1,364)	
<b>NET CURRENT ASSETS</b>			<u>2,252</u>		<u>2,660</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>74,927</u>		<u>70,315</u>
<b>CREDITORS: amounts falling due after more than one year</b>	24		(2,163)		(4,578)
<b>NET ASSETS</b>	28		<u>72,764</u>		<u>65,737</u>
<b>FUNDS</b>					
<b>Endowment funds</b>	27	15,885		15,124	
Endowment funds revaluation reserve		28,494		27,512	
			<u>44,379</u>		<u>42,636</u>
<b>Restricted funds</b>		6,413		3,830	
Restricted funds revaluation reserve		3,221		2,521	
			<u>9,634</u>		<u>6,351</u>
<b>Unrestricted funds</b>		12,649		11,936	
Revaluation reserve		6,926		5,929	
Unrestricted funds excluding pension liability		19,575		17,865	
Pension reserve	33	(824)		(1,115)	
			<u>18,751</u>		<u>16,750</u>
<b>TOTAL FUNDS</b>			<u>72,764</u>		<u>65,737</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved and authorised for issue by the Directors of the Bristol Diocesan Board of Finance Limited on 20<sup>th</sup> May 2021 and signed on their behalf by

**Andrew Lucas**  
Chairman

**The Bristol Diocesan Board of Finance Limited**  
**Cash flow statement**  
**for the year ended 31<sup>st</sup> December 2020**

	<b>£,000</b>	<b>2020 £,000</b>	<b>£,000</b>	<b>2019 £,000</b>
<b>Net cash inflow / (outflow) from operating activities</b>		2,347		(2,602)
<b>Cash flows from investing activities</b>				
Dividends, interest and rent from investments	1,038		1,066	
Proceeds from the sale of:				
Tangible fixed assets	2,650		3,235	
Fixed asset investments	998		-	
Purchase of:				
Tangible fixed assets for the use of the DBF	(598)		(2,248)	
Fixed asset investments	(998)		(1,000)	
Transfer of assets (from BMHT)	(2,476)		-	
<b>Net cash provided by / (used in) investing activities</b>		614		1,053
<b>Cash flows from financing activities</b>				
Loans repaid by the DBF	(64)		(73)	
New loans received by the DBF	-		2,000	
<b>Net cash provided by / (used in) financing activities</b>		(64)		1,927
<b>Change in cash and cash equivalents in the period</b>		2,897		379
<b>Cash and cash equivalents at 1<sup>st</sup> January</b>		2,362		1,983
<b>Cash and cash equivalents at 31<sup>st</sup> December</b>		5,259		2,362
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
<b>Net movement in funds for the year ended 31<sup>st</sup> December</b>		4,407		3,293
<b>Adjustments for:</b>				
Depreciation charges		18		19
Dividends, interest and rent from investments		(1,038)		(1,066)
(Profit) on sale of functional assets		(1,965)		(2,360)
(Profit) on sale of fixed asset investments		30		-
(Increase) / decrease in debtors		507		(3)
(Decrease) / increase in creditors (excl. loans)		388		(2,485)
<b>Net cash provided by / (used in) operating activities</b>		2,347		(2,602)
<b>Analysis of cash and cash equivalents</b>				
Cash in hand		430		387
Notice deposits (less than 3 months)		4,829		1,975
		5,259		2,362

**The Bristol Diocesan Board of Finance Limited**  
**Notes to the Accounts**  
**for the year ended 31<sup>st</sup> December 2020**

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**BACKGROUND INFORMATION**

These financial statements comprising the Statement of Financial Activities, Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes 1 to 37 constitute the individual financial statements of The Bristol Diocesan Board of Finance Limited for the financial year ended 31<sup>st</sup> December 2020.

The Bristol Diocesan Board of Finance Limited is a private company limited by guarantee, incorporated in England & Wales. The address of its registered office is Diocesan Office, First Floor, Hillside House, 1500 Parkway North, Stoke Gifford, Bristol, BS34 8YU, which is also the principal place of business. The principal activities of the entity are described in the legal objects section on page 2 of the Annual Report of the Directors.

The financial statements have been presented in Pound Sterling as this is functional currency of the DBF and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties held as investment properties, which are included at their fair value as determined under the applicable valuation method as detailed in c)iii, and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015), the Companies Act 2006 and applicable accounting standards (FRS102).

**STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The Bristol Diocesan Board of Finance Limited meets the definition of a public benefit entity under FRS 102.

**GOING CONCERN**

The Directors have reviewed the anticipated performance for a period of at least twelve months from the date of approval of the financial statements and concluded that there is no material uncertainty regarding the DBF's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the Directors consider it appropriate to prepare the financial statements on a going concern basis. The Directors consider that the DBF has sufficient reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

**a) Income**

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

**i) Parish Share**

The principal source of income of the DBF is Parish Share, and amounts undertaken to be paid by parishes for the year, but not received by the year-end, are only accrued if received on or before the 31<sup>st</sup> January 2020.

**ii) Rent**

Rent receivable is recognised as income in the period to which it relates.

**iii) Interest and dividends**

The amounts shown in the accounts in respect of interest represent the income received in the year and no account has been taken of accrued interest. Dividends from investments reported in these financial statements are recognised when they become receivable.

**iv) Grants and donations**

Income from grants and donations is recognised on receipt, except where it relates specifically to expenditure to be incurred at a future date, in which case the income is deferred in the balance sheet.

**v) Parochial fees**

Income due to the DBF in respect of parochial fees is recognised as income of the year to which they relate.

**vi) Gains on disposal of fixed assets for the DBF's own use**

Gains on the disposal of non-investment assets are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

**vii) Diocesan Stipends Fund (DSF) income**

The Stipends Fund Capital account is governed by the Diocesan Stipends' Measure 1953, as amended, and the use of the income restricted for clergy stipends. However, the income is fully expended within the year of receipt and legal restrictions, therefore, are satisfied. This income is included in the restricted column on the Statement of Financial Activities and as a transfer to the unrestricted fund, where the related expenditure is shown.

**The Bristol Diocesan Board of Finance Limited**  
**Notes to the Accounts**  
**for the year ended 31<sup>st</sup> December 2020**

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**b) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

**i) Costs of raising funds**

Costs of raising funds are constrained to costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.

**ii) Charitable expenditure**

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

**iii) Grants payable**

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure where the conditions attaching are fulfilled.

**iv) Support costs**

Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.

**v) Pension contributions**

Current DBF staff are members of a defined contribution scheme and clergy are members of the Church of England Funded Pensions Scheme (see note 34). The pension costs charged as resources expended represent the DBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which DBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

The DBF operates a defined benefit pension scheme, now closed to new members. The amounts charged to the SOFA are the current service costs and gains and losses on settlement and curtailments. They are included as part of other expenditure in the SOFA. Past service costs are recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs in other expenditure. Actuarial gains and losses are recognised immediately at the bottom of the SOFA.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the company, in a separate trustee-administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent current and term to the scheme liabilities. The actuarial valuation is obtained at least triennially and is updated at each balance sheet date.

**c) Tangible fixed assets and depreciation**

**i) Freehold properties**

Freehold properties have been valued using the mid-point of the applicable council tax band, adjusted to 1<sup>st</sup> January 1993 by an appropriate index, or cost where known. Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The DBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties generally occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Redundant churches have been valued at £1,000, reflecting the uncertainty of whether they will be sold by the DBF.

**ii) Properties subject to value linked loans**

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are valued at cost, with the corresponding value of the related loan at the balance sheet date shown within creditors.

**The Bristol Diocesan Board of Finance Limited**  
**Notes to the Accounts**  
**for the year ended 31<sup>st</sup> December 2020**

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**iii) Investment properties**

Glebe land has been valued at market value, using an appropriate value per acre, based on recent professional valuations. Other glebe properties are valued at market value, based on available third-party property valuation data.

**iv) Parsonage houses**

The DBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at the mid-point of the applicable council tax band, adjusted to 1<sup>st</sup> January 1993 by an appropriate index, or cost where known.

**v) Refurbishment costs and office equipment**

Refurbishment costs are capitalised and depreciated over ten years using the straight-line method. Office equipment and furniture is capitalised and depreciated over three years using the straight-line method. Grants made for capital expenditure on church and other buildings not in the DBF's ownership are written off in the year the grant is made.

**d) Other tangible fixed assets**

All capital expenditure over £5,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Fixtures and fittings	10% -33% per annum	straight-line basis
IT equipment	33% per annum	straight-line basis

**e) Other accounting policies**

**i) Fixed asset investments**

Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

**ii) Leases**

The DBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the lease term.

**iii) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**f) Fund balances**

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

**i) Unrestricted funds**

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the DBF and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Long-term liabilities in respect of defined benefit pension scheme deficits are shown in a specific undesignated pension reserve fund. This is a deviation from the recommendations of the Diocesan Annual Report and Financial Statements Guide (5<sup>th</sup> Edition).

**ii) Restricted funds**

Restricted funds are funds which have been raised by the DBF for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

**iii) Endowment funds**

Permanent endowment funds are a particular type of restricted fund which must be held permanently and the capital of the fund maintained. Expendable endowment funds are similar to permanent endowments except that there is power of discretion to convert endowed funds into income to be expended.

**The Bristol Diocesan Board of Finance Limited**  
**Notes to the Accounts**  
**for the year ended 31<sup>st</sup> December 2020**

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**JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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 income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Benefice houses recognition**

Benefice houses are legally vested in the incumbent of the benefice. However, the DBF has recognised these properties as functional assets of the DBF on the basis that the DBF carries both obligations in terms of maintenance and improvement and object related benefits of ownership.

**Depreciation of freehold properties**

The DBF does not depreciate its freehold properties as it judges any depreciation charge to be immaterial on the basis of the long life of the asset and high residual value on the basis of the DBF policy of regular maintenance. The DBF carries out periodic impairment reviews to ensure that properties are not being carried at values exceeding their fair value.

**Revaluation of investment properties**

The entity carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The entity engaged independent valuation specialists to determine fair value at 31<sup>st</sup> December 2015 and has considered market movements since this date. The valuer used a valuation technique based on a value per acre of agricultural land and the market value for residential properties. The determined fair value of the investment property is most sensitive to the estimated value per acre of the particular land asset in question.

**Pension and other post-employment benefits**

The cost of defined benefit pension plans and other pension related provision are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates and for the clergy pension scheme assumptions have been made about the number of future clergy in post.

**Discount rate**

Further details are given in note 34.

**Small values**

Values which are £Nil are shown as - ; those below £500 are shown as 0.

**2. MOVEMENT IN FUNDS FOR THE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
The net income for the year is stated after charging:		
Auditors' remuneration	20	19
Auditors' non-audit remuneration	-	2
Depreciation	18	19
Operating lease charges – plant and equipment	-	-
Operating lease charges – land and buildings	109	109
Interest payable on loans wholly repayable: within one year	48	6
Interest payable on loans wholly repayable: between one and five years	-	23
Interest payable on loans wholly repayable: after more than five years	21	20



**The Bristol Diocesan Board of Finance Limited**  
**Notes to the Accounts**  
**for the year ended 31<sup>st</sup> December 2020**

**3. DONATIONS**

**Parish Contributions**

The majority of donations are collected from parishes of the Diocese through the Parish Share system.

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£,000	£,000	£,000	£,000	£,000	£,000
Pledges received from parishes	5,514	-	-	-	5,514	5,435
Shortfall in contributions	(394)	-	-	-	(394)	(50)
	<u>5,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,120</u>	<u>5,385</u>
Extra contributions	13	-	-	-	13	10
	<u>5,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,133</u>	<u>5,395</u>
Receipts for previous years	26	-	-	-	26	12
	<u>5,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,159</u>	<u>5,407</u>

**National Church Institutions (NCIs)**

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£,000	£,000	£,000	£,000	£,000	£,000
Lower Income Communities Funding	419	-	-	-	419	378
Strategic Development Funding	-	-	768	-	768	1,124
Sustainability Funding	325	-	-	-	325	-
Strategic Capacity Funding	-	-	4	-	4	41
Strategic Ministry Funding	33	-	-	-	33	-
New housing areas	-	-	9	-	9	45
CEMES	-	-	4	-	4	4
Church Commissioners annuities	1	-	-	-	1	1
	<u>778</u>	<u>-</u>	<u>785</u>	<u>-</u>	<u>1,563</u>	<u>1,592</u>

**Other donations**

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2020	2019
	£,000	£,000	£,000	£,000	£,000	£,000
Temple Ecclesiastical Charity	187	-	-	-	187	183
Allchurches Trust	106	-	-	-	106	95
Bishop Monk's Horfield Trust	129	-	2,518	-	2,647	137
Bristol Archdeaconry Charity	60	-	-	-	60	60
The Foundation of St Matthias	50	-	-	-	50	50
Marshall's Charity	3	-	-	-	3	10
Other donations	13	-	21	-	34	45
For strategic initiatives	-	-	197	-	197	138
For parochial ministry	80	-	-	-	80	39
For education work	54	-	-	-	54	88
For general purposes	77	-	-	-	77	22
Towards redundant churches	4	-	-	-	4	3
Deferred income	-	-	-	-	-	(63)
	<u>763</u>	<u>-</u>	<u>2,736</u>	<u>-</u>	<u>3,499</u>	<u>807</u>

**The Bristol Diocesan Board of Finance Limited**  
**Notes to the Accounts**  
**for the year ended 31<sup>st</sup> December 2020**

**4. CHARITABLE ACTIVITIES**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated	Funds	Funds	2020	2019
	£,000	£,000	£,000	£,000	£,000	£,000
Statutory fees	197	-	-	-	197	280
SACRE and SIAMS	29	-	-	-	29	32
Schools work	6	-	-	-	6	14
Ministry courses	6	-	-	-	6	3
	<u>238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238</u>	<u>329</u>

**5. OTHER ACTIVITIES**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated	Funds	Funds	2020	2019
	£,000	£,000	£,000	£,000	£,000	£,000
Property rental	267	-	-	-	267	268
Staff seconded to other charities	48	-	-	-	48	51
Property services to schools	-	-	4	-	4	1
Office space to related charities	31	-	-	-	31	44
Education SLAs	-	-	-	-	-	-
	<u>346</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>350</u>	<u>364</u>

**6. INVESTMENT INCOME**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated	Funds	Funds	2020	2019
	£,000	£,000	£,000	£,000	£,000	£,000
Dividends and interest receivable	362	159	506	-	1,027	1,037
Rents receivable	3	8	-	-	11	28
Other	-	-	-	-	-	-
	<u>365</u>	<u>167</u>	<u>506</u>	<u>-</u>	<u>1,038</u>	<u>1,065</u>

**7. GAINS ON SALE OF ASSETS**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated	Funds	Funds	2020	2019
	£,000	£,000	£,000	£,000	£,000	£,000
Gains / (Losses) on sale of assets	943	-	-	992	1,935	2,360
Other sources	-	-	189	-	189	-
	<u>943</u>	<u>-</u>	<u>189</u>	<u>992</u>	<u>2,124</u>	<u>2,360</u>

**8. FUND RAISING COSTS**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated	Funds	Funds	2020	2019
	£,000	£,000	£,000	£,000	£,000	£,000
Parsonage rental costs	111	-	-	-	111	48
Glebe agent's fee	-	-	14	-	14	14
Other glebe costs	-	-	1	-	1	8
Other rental costs	-	2	-	-	2	4
Commercial property costs	3	-	-	-	3	4
	<u>114</u>	<u>2</u>	<u>15</u>	<u>-</u>	<u>131</u>	<u>74</u>

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**9. CHARITABLE ACTIVITIES**

	Unrestricted Funds		Restricted Funds £,000	Endowment Funds £,000	Total funds 2020 £,000	Total funds 2019 £,000
	General £,000	Designated £,000				
<b>Contributions to Archbishops' Council</b>						
Training for Ministry	225	-	-	-	225	225
National Church Responsibilities	169	-	-	-	169	179
Grants and provisions	19	-	-	-	19	19
Support of mission agency pensions	9	-	-	-	9	3
CHARM	81	-	-	-	81	77
Pooling of ordinands maintenance	(103)	-	-	-	(103)	40
	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>543</u>
<b>Resourcing Ministry and Mission</b>						
Parish Ministry						
Stipends, NI and pensions	3,382	-	-	-	3,382	3,235
Housing costs	1,196	-	-	231	1,427	1,716
Curate stipends, NI and pensions	719	-	-	-	719	522
Mission Area & Resourcing churches	175	-	790	-	965	809
Other parochial costs	129	9	38	-	176	265
Removal, resettlement and grants	273	-	19	-	291	324
Chaplaincy	108	-	-	-	108	108
Ecumenical support	32	-	1	-	33	54
Deanery	21	-	-	-	21	47
Support for parish ministry	1,644	109	3	-	1,756	1,873
	<u>7,679</u>	<u>118</u>	<u>851</u>	<u>231</u>	<u>8,879</u>	<u>8,953</u>
<b>Expenditure on Education</b>						
Support for church schools	207	-	281	-	488	563
	<u>207</u>	<u>-</u>	<u>281</u>	<u>-</u>	<u>488</u>	<u>563</u>
	<u>8,286</u>	<u>118</u>	<u>1,132</u>	<u>231</u>	<u>9,767</u>	<u>10,059</u>

**10. OTHER EXPENDITURE**

	Unrestricted Funds		Restricted Funds £,000	Endowment Funds £,000	Total funds 2020 £,000	Total funds 2019 £,000
	General £,000	Designated £,000				
Closed churches	6	8	-	-	14	(84)
Other churches	-	2	-	-	2	19
Bishop's Urban Fund	-	-	0	-	0	-
Other costs	-	-	-	-	-	51
<i>Pension scheme adjustments:</i>						
Contributions paid (BDBF Staff RBS)	(83)	-	-	-	(83)	(83)
Interest cost (BDBF Staff RBS)	29	-	-	-	29	31
Contributions paid (Clergy scheme)	(364)	-	-	-	(364)	(330)
Remeasurement (Clergy scheme)	62	-	-	-	62	(1,149)
Interest cost (Clergy scheme)	6	-	-	-	6	43
	<u>(344)</u>	<u>10</u>	<u>0</u>	<u>-</u>	<u>(334)</u>	<u>(1,502)</u>

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**11. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS**

	<b>Activities Undertaken Directly £,000</b>	<b>Grant Funding of Activities £,000</b>	<b>Support Costs £,000</b>	<b>Total Costs 2020 £,000</b>
Fundraising costs	131	-	-	131
Charitable activities				
Archbishops' Council	-	400	-	400
Ministry and Mission	7,170	307	1,402	8,879
Education	270	218	-	488
Other	(334)	-	-	(334)
	<u>7,237</u>	<u>925</u>	<u>1,402</u>	<u>9,564</u>

**12. ANALYSIS OF SUPPORT COSTS**

	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total funds 2020 £,000</b>	<b>Total funds 2019 £,000</b>
	<b>General £,000</b>	<b>Designated £,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Diocesan Office functions	309	109	-	-	418	453
Finance and Information Services	404	-	-	-	404	407
Advisory services	145	-	-	-	145	142
Safeguarding	114	-	-	-	114	127
Communications	82	-	-	-	82	73
HR function	58	-	-	-	58	61
Parish and External Relations	75	-	-	-	75	75
Registrar and Chancellor	53	-	-	-	53	47
Archdeacon's Office	30	-	-	-	30	30
DAC	1	-	-	-	1	3
Governance and synodical costs	(2)	-	-	-	(2)	22
Central audit fees	16	-	-	-	16	16
Other professional services	8	-	-	-	8	8
	<u>1,293</u>	<u>109</u>	<u>-</u>	<u>-</u>	<u>1,402</u>	<u>1,464</u>

**13. ANALYSIS OF GRANTS MADE**

	<b>Number</b>	<b>Individuals £,000</b>	<b>Institutions £,000</b>	<b>2020 Total £,000</b>	<b>2019 Total £,000</b>
<b>From unrestricted funds for national church responsibilities:</b>					
Training for Ministry (Vote 1)	1	-	225	225	225
Apportionment (Votes 2-5)	4	-	278	278	278
Pooling	1	-	(103)	(103)	40
<b>From unrestricted funds for various purposes within parish ministry</b>					
PCCs for lay appointments	6	-	34	34	34
Clergy (new appointments)	3	8	-	8	7
Clergy (resettlement)	5	13	-	13	15
Curates (on ordination)	11	27	-	27	32
Curates (resettlement)	4	10	-	10	22
Ordinands (family maintenance)	18	192	-	192	222
<b>From unrestricted funds:</b>					
Ecumenical bodies	2	-	4	4	4
University Chaplaincy	1	-	2	2	4
<b>From restricted funds for various purposes within parish ministry</b>					
Clergy support (Clergy Society)	44	17	-	17	21
<b>From restricted funds for educational purposes</b>					
Educational Foundations grants to schools	3	-	218	218	221
	<u>103</u>	<u>267</u>	<u>658</u>	<u>925</u>	<u>1,125</u>

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**14. STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
Employee costs during the year were as follows:		
Wages and salaries	1,377	1,389
National Insurance contributions	129	126
Pension costs	171	164
	<u>1,677</u>	<u>1,679</u>

	<b>2020</b>	<b>2019</b>
The average number of persons employed by the group during the year:		
Diocesan Secretary's Office	3	3
HR	3	3
Safeguarding	4	4
Education	6	5
Finance	4	4
Governance and Property	6	5
Ministry Development	7	8
Parish & External Relations	6	5
Archdeacon's Office	1	1
Parochial lay staff	1	3
Parochial clergy (not paid through Clergy Payroll)	1	1
Chaplaincy	4	4
Mission Areas	3	3
Strategic programme	1	2
Communications	1	1
	<u>51</u>	<u>52</u>

	<b>2020</b>	<b>2019</b>
The average number of persons employed by the group during the year based on full-time equivalents:		
Diocesan Secretary's Office	2.6	2.6
HR	1.8	1.9
Safeguarding	2.3	2.5
Education	3.7	4.0
Finance	3.8	3.8
Governance and Property	4.7	4.9
Ministry Development	4.5	4.0
Parish & External Relations	5.0	5.0
Archdeacon's Office	1.0	1.0
Parochial lay staff	0.7	2.3
Parochial clergy (not paid through Clergy Payroll)	0.8	0.8
Chaplaincy	3.3	3.6
Mission Areas	2.3	1.9
Strategic programme	1.2	1.5
Communications	1.3	1.0
	<u>39.0</u>	<u>40.8</u>

	<b>2020</b>	<b>2019</b>
The number of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:		
£60,001 - £70,000	2	1
	<u>2</u>	<u>1</u>

Pension payments of £13,238 were made for these employees (2019: £6,997 - 1).

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**14. STAFF COSTS (continued)**

**Remuneration of key management personnel**

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the Diocese. During 2020, they were:

Diocesan Secretary and Company Secretary  
 Deputy Diocesan Secretary (Finance & Operations)  
 Director of Ministry Development  
 Head of Governance and Property  
 Head of Parish and External Relations  
 Director of Education

Remuneration, pensions and expenses for these 6 employees amounted to £375,194 (2019: £362,085)

**Directors' emoluments**

None of the Directors have received any emoluments from the DBF in respect of services performed as a Director (2019: None).

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

	<b>Stipend</b>	<b>Housing</b>
The Rev Canon R W Adams	Yes	Yes
The Ven C P Bryan	Yes	Yes
The Rev K Campion-Spall	Yes	Yes
The Rt Rev Dr L S Rayfield	No	Yes
The Ven N M Warwick	Yes	Yes
The Rev T A Wigley	Yes	No

The DBF is responsible for funding via the Church Commissioners the stipends of licenced stipendiary clergy in the Diocese, other than the bishops and cathedral staff. The DBF is also responsible for the provision of housing for stipendiary clergy in the Diocese, including the suffragan bishop, but excluding the diocesan bishop and cathedral staff.

From time to time some of the directors may be related to clergy or lay staff working in the Diocese and in receipt of a stipend and housing or salary. Travelling and other out of pocket expenses totalling £2,793 (2019 - £17,080) were paid to 3 (2019 - 8) of the Directors during the year, in respect of General Synod duties, duties as Archdeacon or Area Dean, and other diocesan duties.

Expenses totalling £1,155 were reimbursed to 3 Directors in relation to clergy in-service training during 2019. These grants were paid to the individuals as clergy of the Diocese as part of the normal policy of the DBF. No expenses in this respect were incurred in 2020. In 2019 one director received a resettlement grant of £2,477 as Archdeacon.

Professional indemnity insurance has been taken out to protect the Trustees. This is included in an insurance policy covering the Diocesan Office and staff, Diocesan Synod and the DBF's boards and committees, at an overall cost of £14,938 (2019 - £15,052).

**Clergy costs**

The DBF paid an average of 125 (2019: 115) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
Stipends	<b>3,288</b>	2,983
National Insurance contributions	<b>271</b>	242
Apprenticeship Levy	<b>15</b>	14
Pension costs – current year	<b>823</b>	742
Pension costs – deficit reduction	<b>350</b>	315
	<b>4,747</b>	4,296

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £37,670 - £46,560 (2019 range £36,931 - £45,274). The annual rate of stipend, funded by the DBF, payable to Archdeacons in 2020 was in the range £36,830 - £38,239 (2019 range £36,830 - £38,239) and other DBF funded clergy who were Trustees were paid stipends in the range of £27,079 - £28,420 (2019 range £27,079 - £28,420). The estimated value to the occupant, of church provided housing in 2020 was £11,079 (2019 - £11,079).

During 2020, the DBF contributed to the Housing Allowance and incremental stipendiary increase to Residentiary Canon for 1 clergy member at a total of £14,760 (2019: £13,567).

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**15. ANALYSIS OF TRANSFERS BETWEEN FUNDS**

	Unrestricted Funds		Restricted Funds	Endowment Funds
	General £,000	Designated £,000	£,000	£,000
Use of income from Diocesan Stipends Fund to pay for stipends	293	-	(293)	-
Capital grants for Resourcing churches		197	(197)	-
	<u>293</u>	<u>197</u>	<u>(490)</u>	<u>-</u>

**16. TANGIBLE FIXED ASSETS – LAND AND BUILDINGS**

	£,000	2020 £,000	£,000	2019 £,000
<b>Endowment funds</b>				
Benefice houses				
As at 1 <sup>st</sup> January	18,641		18,892	
Additions	-		5	
Less disposals	(348)		(256)	
As at 31 <sup>st</sup> December	<u>18,293</u>		<u>18,641</u>	
Glebe properties				
As at 1 <sup>st</sup> January	3,303		3,651	
Additions	-		-	
Less disposals	(96)		(348)	
As at 31 <sup>st</sup> December	<u>3,207</u>		<u>3,303</u>	
Total properties held for permanent funds		21,500		21,944
<b>Restricted funds</b>				
Other properties				
As at 1 <sup>st</sup> January and 31 <sup>st</sup> December	<u>128</u>		<u>128</u>	
Total properties held for restricted funds		128		128
<b>Unrestricted funds</b>				
Other properties				
As at 1 <sup>st</sup> January	8,138		7,409	
Additions	-		999	
Transfer from endowment fund	-		-	
Less disposals	(272)		(270)	
As at 31 <sup>st</sup> December	<u>7,866</u>		<u>8,138</u>	
Resourcing churches				
As at 1 <sup>st</sup> January	3,673		2,437	
Additions	598		1,236	
Less disposals	-		-	
As at 31 <sup>st</sup> December	<u>4,271</u>		<u>3,673</u>	
Total properties held for unrestricted funds		12,137		11,811
Total land and buildings		<u>£33,765</u>		<u>£33,883</u>

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All of the properties in the balance sheet are freehold. Some properties have been purchased with the help of a value linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability thereby extinguished. The value of such properties included above amounts to £460,575 (2019 - £460,575). Of the total land and buildings at 31<sup>st</sup> December 2020, 17,377,275 is valued at cost (2019 - £17,472,774) and the remainder at valuation. Properties are subject to a five-year cycle of survey and consequent repairs are charged to the income and expenditure account. The Directors consider that depreciation of the buildings element of these properties is therefore not appropriate.

**17. TANGIBLE FIXED ASSETS – REFURBISHMENT COSTS**

	<b>2020</b> <b>£,000</b>	<b>2019</b> <b>£,000</b>
Cost as at 1 <sup>st</sup> January	142	142
Cost as at 31 <sup>st</sup> December	<u>142</u>	<u>142</u>
Provision for depreciation as at 1 <sup>st</sup> January	113	99
Depreciation charges in year	15	14
Provision for depreciation as at 31 <sup>st</sup> December	<u>128</u>	<u>113</u>
Net book value as at 31 <sup>st</sup> December	<u>£14</u>	<u>£29</u>

Refurbishment costs represent the ingoing works at the Diocesan Office in Stoke Gifford in 2012.

**18. TANGIBLE FIXED ASSETS – OFFICE EQUIPMENT**

	<b>2020</b> <b>£,000</b>	<b>2019</b> <b>£,000</b>
Cost as at 1 <sup>st</sup> January	159	162
Additions in the year	-	7
Less disposals	-	(10)
Cost as at 31 <sup>st</sup> December	<u>159</u>	<u>159</u>
Provision for depreciation as at 1 <sup>st</sup> January	154	159
Depreciation charges in year	3	5
Less disposals	-	(10)
Provision for depreciation as at 31 <sup>st</sup> December	<u>157</u>	<u>154</u>
Net book value as at 31 <sup>st</sup> December	<u>£2</u>	<u>£5</u>



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**19. FIXED ASSET INVESTMENTS**

	<b>2020</b> <b>£,000</b>	<b>2019</b> <b>£,000</b>
<b>Valuation</b>		
At 1 <sup>st</sup> January	30,394	25,162
Additions in the year	3,474	1,000
Disposals in the year	(998)	-
Unrealised investment (losses) / gains	2,623	4,232
	<hr/>	<hr/>
At 31 <sup>st</sup> December	35,493	30,394
	<hr/>	<hr/>
<b>Investment Properties</b>		
At 1 <sup>st</sup> January	3,345	3,189
Additions in the year	-	-
Disposals in the year	-	-
Unrealised investment gains / (losses)	56	156
	<hr/>	<hr/>
At 31 <sup>st</sup> December	3,401	3,345
	<hr/>	<hr/>
<b>Total Fixed Asset Investments</b>	<b>£38,894</b>	<b>£33,739</b>
	<hr/> <hr/>	<hr/> <hr/>

**Investments comprise:**

	<b>£,000</b>	<b>2020</b> <b>£,000</b>	<b>£,000</b>	<b>2019</b> <b>£,000</b>
<b>Endowment funds</b>				
CBF Investment Fund shares	16,524		14,373	
CBF Property Fund shares	1,049		2,005	
CBF Fixed Interest Fund	1,905		970	
	<hr/>	19,478	<hr/>	17,348
<b>Restricted funds</b>				
CBF Investment Fund shares	2,988		2,483	
CBF Global Equity Fund shares	2,666		2,239	
CBF Fixed Interest Fund	768		742	
CBF Property Fund	-		352	
Managed portfolio	2,571		-	
Rent charge	0		-	
	<hr/>	8,993	<hr/>	5,816
<b>Unrestricted funds</b>				
CBF Investment Fund shares	2,361		3,151	
CBF Global Equity Fund shares	4,661		3,916	
CBF Property Fund shares	-		163	
	<hr/>	7,022	<hr/>	7,230
<b>Total investments</b>		<b>£35,493</b>		<b>£30,394</b>
		<hr/>		<hr/>

The historic cost of the investments held at 31<sup>st</sup> December 2020 was £14,602,000 (2019 - £14,604,000).

**Investment Properties comprise:**

	<b>2020</b> <b>£,000</b>	<b>2019</b> <b>£,000</b>
Glebe		
Agricultural Land	1,779	1,802
Non-agricultural Land	37	37
Property	294	272
Other Property	1,291	1,234
	<hr/>	<hr/>
	£3,401	£3,345
	<hr/>	<hr/>

The historical cost of the majority of investment properties is not known, but records are held of total additions of £7,000, of which £Nil were added in 2020 (£Nil – 2019).

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**20. DEBTORS – LOANS**

	<i>2020</i> <i>Due in</i> <i>one year</i> <i>£,000</i>	<i>2020</i> <i>Due after</i> <i>one year</i> <i>£,000</i>	<i>2019</i> <i>Due in</i> <i>one year</i> <i>£,000</i>	<i>2019</i> <i>Due after</i> <i>one year</i> <i>£,000</i>
Parish buildings loans	2	6	1	2
PCC St John w St Andrew Park	-	14	-	14
PCC St Michael, Stoke Gifford	94	234	-	375
PCC St Michael, Stoke Gifford	-	-	16	-
PCC Redland	25	100	25	125
PCC Castle Combe	12	15	12	25
PCC Downend	-	90	-	100
Clergy Society loans	3	3	4	6
Other loans (incl. cycle to work schemes)	1	-	1	0
	<u>137</u>	<u>462</u>	<u>59</u>	<u>647</u>
Total loans made by the DBF		<u>£599</u>		<u>£706</u>

**21. DEBTORS – OTHER**

	<i>2020</i> <i>£,000</i>	<i>2019</i> <i>£,000</i>
<i>All due within one year</i>		
Trade debtors	44	72
Prepayments	123	120
Debtors for parish share	41	124
Other debtors	348	640
	<u>£556</u>	<u>£956</u>
Total debtors	<u>£556</u>	<u>£956</u>

**22. CASH AT BANK AND ON DEPOSIT**

	<i>2020</i> <i>£,000</i>	<i>2019</i> <i>£,000</i>
Cash on hand and at bank	430	387
Central Board of Finance Deposit Funds	3,435	740
Funds held by investment managers	68	-
Diocesan Pastoral Account held by the Church Commissioners	5	6
Diocesan Stipends Fund capital account at CBF	0	0
Educational Foundations deposit and cash	1,199	1,143
Bristol Diocesan Clergy Charities deposit and cash	107	82
Fresh Expressions deposit and cash	15	4
	<u>£5,259</u>	<u>£2,362</u>
Total cash at bank and on deposit	<u>£5,259</u>	<u>£2,362</u>

**23. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<i>2020</i> <i>£,000</i>	<i>2019</i> <i>£,000</i>
Trade creditors	170	274
Taxation and social security	19	18
Clergy Stipends Account	914	-
Bank loans	2,000	-
Other creditors	633	706
Loan repayments due within one year		
Diocesan Loan Scheme loans	-	-
Pension scheme liabilities		
Clergy pension scheme	364	304
Historic lay defined benefit scheme	62	62
	<u>£4,162</u>	<u>£1,364</u>
Total creditors falling due within one year	<u>£4,162</u>	<u>£1,364</u>

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**24. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2020 £,000	2019 £,000
Other creditors	957	956
Loan repayments due after one year		
Diocesan Loan Scheme loans	461	525
Value linked loans	347	348
Bank loans	-	2,000
Other loans	-	-
Pension scheme liabilities		
Clergy pension scheme	99	455
Historic lay defined benefit scheme	299	294
	<u>          </u>	<u>          </u>
Total creditors falling due after one year	<u>£2,163</u>	<u>£4,578</u>

- (a) Loans from The Central Board of Finance's Diocesan Loan Scheme are for capital works on churches or parish properties, repayable over a maximum of 10 years from the date the loan is made, in annual instalments or at the end of the term. Remaining loan terms currently range up to 6 years. Although the DBF bears the repayment of these instalments, repayments to the DBF are in turn made by the parishes. The interest rate charged is declared monthly in arrears and is based on the average daily rate declared by the CBF Deposit Fund over the month, plus 0.55%. The aggregate amount of loans repayable in whole, or in part, after 5 years is £150,000.
- (b) The Church Commissioners' value linked loans for capital expenditure on clergy housing in parochial or diocesan ownership are of an equity nature. The appropriate equity share is repayable on the sale of the property concerned or when it ceases to be occupied by a member of the clergy or licensed lay worker, and interest is charged by the Commissioners at 4% per annum on the amount loaned initially, the rate rising annually by the increase in the Retail Prices Index. All value linked loans are currently due for repayment after 5 years.

**25. ANALYSIS OF CHANGES IN NET DEBT**

	At 1st January 2020 £,000	Cash flows £,000	Other non-cash changes £,000	At 31st December 2020 £,000
<b>Cash and cash equivalents</b>				
Cash on deposit	1,975	2,854	-	4,829
Cash at bank and in hand	387	43	-	430
	<u>2,362</u>	<u>2,897</u>	<u>-</u>	<u>5,259</u>
<b>Borrowings</b>				
Debt due within one year	(1,364)	(2,740)	(59)	(4,162)
Debt due after one year	(4,578)	2,064	350	(2,163)
	<u>(5,942)</u>	<u>(674)</u>	<u>291</u>	<u>(6,325)</u>
<b>Total</b>	<u>(3,580)</u>	<u>2,223</u>	<u>291</u>	<u>(1,066)</u>

**26. FINANCIAL INSTRUMENTS**

	2020 £,000	2019 £,000
<b>Financial assets measured at amortised cost comprise of:</b>		
Trade debtors	44	72
Prepayments	123	120
Other debtors	389	764
Loans	599	706
	<u>1,155</u>	<u>1,662</u>
<b>Financial liabilities measured at amortised cost comprise of:</b>		
Trade creditors	170	274
Taxation and social security	19	18
Clergy Stipends Account	914	-
Other creditors	1,590	1,662
Loans	2,808	2,873
Pension scheme liabilities	824	1,115
	<u>6,325</u>	<u>5,942</u>

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**27. SUMMARY OF FUND MOVEMENTS**

	Balance at 1 <sup>st</sup> January	Income	Expenditure	Transfers	Gains and Losses	Balance at 31 <sup>st</sup> December
	£,000	£,000	£,000	£,000	£,000	£,000
<b>ENDOWMENT FUNDS</b>						
Diocesan Stipends Fund Capital	15,468	132	(231)	-	720	16,089
Parsonage Building Fund	22,240	860	-	-	(49)	23,051
Clergy Pensions Trust	22	-	-	-	2	24
Diocesan Mission Trust	257	-	-	-	18	275
Diocesan Education Committee Trust	18	-	-	-	1	19
Diocesan Offices endowment	292	-	-	-	20	312
Parsonages Fund	261	-	-	-	18	279
17 Oakfield Road, Clifton Trust	1,234	-	-	-	57	1,291
1Schools Maintenance Fund capital	384	-	-	-	26	410
Younghusband legacy	225	-	-	-	16	241
Gummer legacy	132	-	-	-	9	141
Sir Francis Cowlin Trust	1,735	-	-	-	119	1,854
Bristol Diocese Clergy Holiday Trust	368	-	-	-	25	393
	<u>42,636</u>	<u>992</u>	<u>(231)</u>	<u>-</u>	<u>982</u>	<u>44,379</u>
<b>RESTRICTED FUNDS</b>						
Diocesan Stipends Fund Income	-	308	(15)	(293)	-	-
Meridian Hall Reserve	128	-	-	-	-	128
Urban Fund Reserve	5	-	0	-	-	5
Educational Foundations Capital	1,642	-	-	-	83	1,725
Educational Foundations Income	2,797	129	(281)	-	413	3,058
Schools Maintenance Income Funds	646	32	-	-	(4)	674
Clergy Society Capital Funds	732	-	-	-	105	837
Clergy Society Accumulated Income	210	28	(17)	-	5	226
Clergy Society Holiday Trust Income	63	13	(2)	-	4	78
Uganda	10	-	(1)	-	-	9
Uganda (Deanery)	8	1	(1)	-	-	8
St Michael on the Mount Without	33	0	-	-	-	33
SMR Clergy	25	-	(20)	-	-	5
Fresh Expressions	4	20	(9)	-	-	15
15New Housing Areas Fund	-	9	(9)	-	-	-
Creative Arts	49	-	(2)	-	-	47
Release Fund	2	-	-	-	-	2
Global Partnership / Uganda Trips	(3)	-	-	-	-	(3)
Strategic Development Funding (SDF)	-	973	(790)	(197)	-	(14)
Bishop Monk's Horfield Trust Fund	-	2,518	-	-	94	2,612
Daventry Road Fund	-	189	-	-	-	189
	<u>6,351</u>	<u>4,220</u>	<u>(1,147)</u>	<u>(490)</u>	<u>700</u>	<u>9,634</u>
<b>DESIGNATED FUNDS</b>						
Dame Violet Wills Legacy	900	-	-	-	61	961
Pastoral Reserve	4,366	39	(19)	197	63	4,646
Diocesan Office Rental Fund – Capital	3,916	-	-	-	746	4,662
Diocesan Office Rental Fund – Income	37	128	(109)	-	-	56
Mission Fund	190	-	-	-	-	190
Growth Fund	24	-	-	-	-	24
<i>Other Specific Reserves</i>						
Tudor Cottage	(14)	-	(2)	-	-	(16)
DBE Hookmills Educational Foundation	-	-	-	-	-	-
	<u>9,419</u>	<u>167</u>	<u>(130)</u>	<u>197</u>	<u>870</u>	<u>10,523</u>
<b>UNDESIGNATED FUNDS</b>						
H Gummer Gifts	97	-	-	-	6	103
H H Wills Bequest	448	-	-	-	31	479
St Nicholas Hall Trust	479	-	-	-	33	512
General Reserve	7,422	8,592	(8,406)	293	57	7,958
Pension Reserve	(1,115)	-	350	-	(59)	(824)
	<u>7,331</u>	<u>8,592</u>	<u>(8,056)</u>	<u>293</u>	<u>68</u>	<u>8,228</u>
	<u>65,737</u>	<u>13,971</u>	<u>(9,564)</u>	<u>-</u>	<u>2,620</u>	<u>72,764</u>

**The Bristol Diocesan Board of Finance Limited**  
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**28. SUMMARY OF ASSETS BY FUND**

	Fixed assets £,000	Investments £,000	Current assets £,000	Creditors £,000	Net assets £,000
<b>ENDOWMENT FUNDS</b>					
Diocesan Stipends Fund Capital	3,208	12,881	-	-	16,089
Parsonage Building Fund	18,292	4,759	-	-	23,051
Clergy Pensions Trust	-	24	-	-	24
Diocesan Mission Trust	-	275	-	-	275
Diocesan Education Committee Trust	-	19	-	-	19
Diocesan Offices endowment	-	312	-	-	312
Parsonages Fund	-	279	-	-	279
17 Oakfield Road, Clifton Trust	-	1,291	-	-	1,291
Schools Maintenance Fund capital	-	410	-	-	410
Younghusband legacy	-	241	-	-	241
Gummer legacy	-	141	-	-	141
Sir Francis Cowlin Trust	-	1,854	-	-	1,854
Bristol Diocese Clergy Holiday Trust	-	393	-	-	393
	<u>21,500</u>	<u>22,879</u>	<u>-</u>	<u>-</u>	<u>44,379</u>
<b>RESTRICTED FUNDS</b>					
Diocesan Stipends Fund Income	-	-	-	-	-
Meridian Hall Reserve	128	-	-	-	128
Urban Fund Reserve	-	-	5	-	5
Educational Foundations Capital	-	1,386	339	-	1,725
Educational Foundations Income	-	3,521	758	(1,221)	3,058
Schools Maintenance Income Funds	-	497	177	-	674
Clergy Society Capital Funds	-	837	-	-	837
Clergy Society Accumulated Income	-	122	104	0	226
Clergy Society Holiday Trust Income	-	59	19	-	78
Uganda	-	-	9	-	9
Uganda (Deanery)	-	-	8	-	8
St Michael on the Mount Without	-	-	33	-	33
SMR Clergy	-	-	5	-	5
Fresh Expressions	-	-	15	-	15
New Housing Areas Fund	-	-	-	-	-
Creative Arts	-	-	47	-	47
Release Fund	-	-	2	-	2
Global Partnership / Uganda Trips	-	-	(3)	-	(3)
Strategic Development Funding (SDF)	-	-	(14)	-	(14)
Bishop Monk's Horfield Trust Fund	-	2,571	41	-	2,612
Daventry Road Fund	-	-	189	-	189
	<u>128</u>	<u>8,993</u>	<u>1,734</u>	<u>(1,221)</u>	<u>9,634</u>
<b>DESIGNATED FUNDS</b>					
Dame Violet Wills Legacy	1	960	-	-	961
Pastoral Reserve	4,292	253	101	-	4,646
Diocesan Office Rental Fund – Capital	-	4,662	-	-	4,662
Diocesan Office Rental Fund – Income	-	-	56	-	56
Mission Fund	-	-	190	-	190
Growth Fund	-	-	24	-	24
<i>Other Specific Reserves</i>					
Tudor Cottage	-	-	(16)	-	(16)
DBE Hookmills Educational Foundation	-	-	0	-	0
	<u>4,293</u>	<u>5,875</u>	<u>355</u>	<u>-</u>	<u>10,523</u>
<b>UNDESIGNATED FUNDS</b>					
H Gummer Gifts	-	103	-	-	103
H H Wills Bequest	-	479	-	-	479
St Nicholas Hall Trust	-	512	-	-	512
General Reserve	7,860	53	4,324	(4,281)	7,958
Pension Reserve	-	-	-	(824)	(824)
	<u>7,860</u>	<u>1,147</u>	<u>4,324</u>	<u>(5,105)</u>	<u>8,228</u>
	<u>33,781</u>	<u>38,894</u>	<u>6,414</u>	<u>(6,325)</u>	<u>72,764</u>

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**29. DESCRIPTION OF FUNDS**

**ENDOWMENT FUNDS**

(a) **Diocesan Stipends Fund Capital**

This fund represents the value of glebe property and investments at the balance sheet date. The account is governed by the Diocesan Stipends Funds Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992. It represents the accumulated sale proceeds of glebe property, sale proceeds of parsonage houses and surplus benefice endowments following pastoral reorganisation. The main function of the fund is to produce income for stipends, but it may also be used for other purposes including: acquiring glebe property, developing and protecting glebe amenities, discharging loans and levies on glebe, improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976. The funds may be invested in any investments fund or deposit fund constituted under the Church Funds Investment Measure 1958 or in any investments in which the trustees may invest under the general power of investment in section 3 of the Trustee Act 2000.

(b) **Parsonage Building Fund**

Parsonage building funds represent resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in incumbents for the time being of the benefices concerned, the DBF is obliged to maintain them, to ensure that there are sufficient houses for the pastoral structure of the Diocese, and receives the sale proceeds of benefice houses surplus to requirements into its pastoral reserve.

(c) **Other permanent endowments**

<b>Fund</b>	<b>Income purpose</b>
Clergy Pensions Trust	To defray the cost of clergy pensions
Diocesan Mission Trust	Towards social responsibility work in the Diocese
Diocesan Education Committee Trust	Towards the work of the Board of Education
Diocesan Offices endowment	Towards the maintenance of Diocesan Offices
Parsonages Fund	Towards the maintenance of parsonage houses in the Diocese
17 Oakfield Road, Clifton Trust	Towards the augmentation of stipends and general ecclesiastical purposes in the parish of Christ Church, Clifton
Schools Maintenance Fund capital	Maintenance of CE voluntary aided schools in the Diocese
Younghusband legacy	Towards the augmentation of stipends
Gummer legacy	Towards the augmentation of stipends
Sir Francis Cowlin Trust	For the general purposes of the Bristol Diocesan Board of Finance
Bristol Diocese Clergy Holiday Trust	To assist with the holiday expenses of clergy

**RESTRICTED FUNDS**

(a) **Diocesan Stipends Fund Income**

Subject to any charges imposed by scheme or order the fund shall be applied to: provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese; meet expenses incurred in making improvements to parsonage houses; pay class 1 National Insurance contributions in respect of ministers not employed under a contract of service; defray sequestrators' expenses.

(b) **Meridian Hall Reserve**

This reserve represents the properties known collectively as Meridian Hall which are held on trust for use as a hostel for overseas students.

(c) **Urban Fund Reserve**

This reserve was originally created by the receipt of donations for funding projects in urban areas of the Diocese, such as the projects originally supported by the Bishop of Bristol's Urban Fund and was augmented in 1995 by a donation of the residual funds of the Bishop of Bristol's Urban Fund. The reserve is held as cash on deposit.

(d) **Educational Foundations Capital Funds**

These funds result from the sale of redundant Church of England voluntary aided school property as directed by a Scheme under section 86(1) of the Education Act 1944, and subsequent orders made under section 2 of the Education Act 1973. They may be used for the provision, improvement or enlargement of Church of England voluntary aided schools in the Diocese of Bristol, and in the payment of any expenses incurred in the administration of the various foundations. In 2013, the constitution of these funds was amended to widen its scope to include academies and other Church of England schools in the Diocese.

(e) **Educational Foundations Income Funds**

These funds result from accumulations of income arising from Educational Foundations capital funds. They may be used for the same purposes as the capital funds above.

(f) **Schools Maintenance Income Funds**

These funds result from accumulations of income arising from the permanent endowment designated for maintenance of Church of England voluntary aided schools in the Diocese.

**The Bristol Diocesan Board of Finance Limited**  
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(g) **Clergy Society Capital Funds**

These funds form the capital of the Bristol (Diocesan) Clergy Society and the Bristol Diocesan Sustentation Trust, both of which funds are part of the Bristol Diocesan Clergy Charities. They may be used for relieving diocesan clergy and their dependants who are in conditions of need, hardship or distress; and in advancing the education of children of diocesan clergy. The funds were substantially augmented in 2009, by the sale of a house, purchased in 1976 to provide accommodation for a retired clergyman, and no longer needed.

(h) **Clergy Society Accumulated Income Funds**

These funds result from accumulations of income arising from the Clergy Society capital funds. They may be used for the same purposes as the capital funds above.

(i) **Clergy Society Holiday Trust Accumulated Income Funds**

This trust originates in a gift of the late Horace Gummer in 1923, and its object is to assist with the holiday expenses of clergy, with preference being given to diocesan clergy; and, if the income cannot be applied as above, to relieve diocesan clergy and their dependants who are in conditions of need, hardship or distress.

(j) **Uganda Funds**

These funds are from a legacy, received in 2015, to be used to provide scholarship funds for theological or ordination training in Uganda for those who are engaged in or preparing for service in the ministry ordained or lay of the Church of Uganda with special consideration being given to candidates from the Dioceses of Bukei, Mbale or North Mbale.

(k) **Uganda (Deanery) Funds**

These funds are held on behalf of a number of deaneries in the Diocese to support their links with the Anglican church in Uganda.

(l) **St Michael on the Mount Without**

These funds remain from those distributed to the DBF in 2007, when the Diocese took responsibility for the church.

(m) **SMR Clergy**

These funds help to defray the cost of the associate clergy at St Mary Redcliffe.

(n) **Fresh Expressions**

The Crossnet Network Church was established in 2004. It meets in a non-church setting and draws its members from a wide area. The finances of this entities are separately maintained; however, at present they have no formal status and are therefore aggregated into these accounts.

(o) **New Housing Areas Fund**

In 2010, the Diocese was awarded a grant of £500,000 from the Church Commissioners to provide ministry in new housing areas throughout the Diocese. During the early part of the year, these funds have been used to pay for a home / school link worker in Patchway, North Bristol.

(p) **Release Fund**

Release is a leadership development programme that realises the potential of leaders – it releases their energy. The programme has been made possible by the receipt of funding from an anonymous donor.

(q) **Creative Arts Fund**

This fund was established by a generous donation in 2018, with the aim of creating a fund to support and invest in engagement with the creative arts by Anglican Churches in the Diocese of Bristol.

(r) **Global Partnership / Uganda Trips Fund**

This fund represents amounts collected and disbursed in relation to trips by parishes in the Diocese to linked churches in Uganda, and other related activities.

(s) **Strategic Development Funding**

This fund represent grants awarded by the Archbishops' Council, and associated expenditure, in relation the Diocese's strategic initiatives of establishing three Mission Areas in Avonside, Yate & Fromeside and North Wiltshire and two Resourcing churches at St Nicholas, Bristol and the Pattern Church in Swindon. This fund also includes strategic capacity funding awarded to the DBF to support these strategic initiatives.

(t) **Bishop Monk's Horfield Trust Fund**

This fund was established in 2020, following the winding-up of the Bishop Monk's Horfield Trust.

(u) **Daventry Road Fund**

This fund was established in 2020, following the determination of the proceeds of a property held in trust.

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**UNRESTRICTED FUNDS**

(a) **Dame Violet Wills Legacy Fund**

This fund results from a general legacy to the DBF by the late Dame Violet Wills. The DBF has designated the fund's future use for children's and youth work, and the income arising from the capital sum is used for this purpose. The funds are invested principally in the CBF Investment Fund.

(b) **Pastoral Reserve**

The pastoral reserve results from past accumulations of general fund income, transfers and sales of property for the DBF's general use which the DBF has designated as a general building fund. It incorporates the Diocesan Pastoral Account which is governed by the Mission and Pastoral Measure 2011.

(c) **Diocesan Office Rental Fund – Capital**

This fund is used to produce income to pay the rental of the Diocesan Office in Stoke Gifford.

(d) **Diocesan Office Rental Fund – Income**

This is accumulated income from the capital investment. The rent-free period at the start of the lease has been spread for accounting purposes over the first 10 years of the lease.

(e) **Mission Fund**

This reserve represents allocations received from the Church Commissioners since 2002 under the Parish Ministry and Mission scheme. This money is allocated by the DBF to mission initiatives.

(k) **Growth Fund**

This reserve was also set aside from the General Fund surplus for 2005 and is being used to give grants to parishes, who wish to undertake new mission initiatives, but do not have sufficient funds to do so. Grants are being given over a limited period towards the employment costs of new positions, which can be shown to contribute to new mission initiatives within the parish.

(l) **Other Specific Reserves**

A small number of reserves have been established for specific purposes, these include two small funds in respect of Tudor Cottage and the DBE Hookmills Educational Foundations.

(m) **General Reserve**

The general reserve represents accumulations from past general fund surpluses. The reserves policy for this fund is described in the Directors' Report.

(n) **Pension Reserve**

The pension reserve is the amount needed to make good the deficits that have arisen between the present value of the funds invested and the estimated liability in respect of two defined benefit schemes. The two schemes in question are the Church of England Funded Pension Scheme for stipendiary clergy and the Bristol Diocesan Board of Finance Limited Staff Retirement Benefit Scheme, for lay staff, which is closed to new members. Full details are given at note 34 and recovery plans are in place to eliminate the respective deficits.

**30. CAPITAL COMMITMENTS**

At 31<sup>st</sup> December 2020, the DBF had authorised capital expenditure not contracted for of £Nil (2019 - £Nil). Commitments under contracts not yet completed and not accrued in the accounts amounted to £Nil (2019 - £879,000). These were in relation to the refurbishment works on the Pattern Store building in Swindon.

**31. CONTINGENT LIABILITIES**

At 31<sup>st</sup> December 2020, the DBF had no contingent liabilities (2019 – none).

**32. OPERATING LEASES**

The following total amounts due under operating leases are as follows:

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
	<i>Land &amp; Buildings</i>	<i>Other</i>	<i>Land &amp; Buildings</i>	<i>Other</i>
Operating leases				
Within one year	109	-	109	-
Within two to five years	27	-	136	-
After five years	-	-	-	-

**33. POST BALANCE SHEET EVENTS**

There were no post balance sheet events at the balance sheet date.



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**34. PENSIONS**

**Clergy pension scheme**

The DBF participates in the Church of England Funded Pension Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the DBF and other 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 FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £364,000, 2019: £330,000), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £296,000 for 2020 (2019: £1,436,000).

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

- An average discount rate of 3.2%;
- RPI inflation of 3.4% pa (and pension increases consistent with this);
- Increase in pensionable stipends of 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 CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

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

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

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

As at 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2020, the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

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

	2020	2019
Balance sheet liability at 1 <sup>st</sup> January	759,000	2,195,000
Deficit contribution paid	-364,000	-330,000
Interest cost (recognised in SoFA)	6,000	43,000
Remaining change to the balance sheet liability* (recognised in SoFA)	62,000	-1,149,000
Balance sheet liability at 31 <sup>st</sup> December	463,000	759,000

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

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

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

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

**Defined Benefit Scheme**

Bristol Diocesan Board of Finance (the 'Employer') operates a defined benefit pension arrangement called the Bristol Diocesan Board of Finance Limited Staff Retirement Benefit Scheme (the 'Scheme'). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The following disclosures exclude any allowance for defined contribution schemes operated by the Employer.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the Trustees of the Scheme the contributions to be paid to meet the Statutory Funding Objective.

The most recent comprehensive actuarial valuation of the Scheme as at 31<sup>st</sup> March 2020 is currently in progress and is due to be completed no later than 30<sup>th</sup> June 2021. As part of this valuation, a new Schedule of Contributions will be agreed with the Employer which could require higher or lower contributions to be paid than under the existing Schedule of Contributions. The next valuation of the Scheme is due as at 31<sup>st</sup> March 2023.

Under the existing Schedule of Contributions, the Employer expects to pay contributions of £83,400 in the year to 31<sup>st</sup> December 2021.

There were no plan amendments, curtailments or settlements during the period.

**Profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is around 18 years.

**Disclosures**

Figures for disclosure in accounts for period ending 31<sup>st</sup> December 2020 under FRS102. Results are shown in pounds, rounded to the nearest £1,000.

**Principal actuarial assumptions**

The principal assumptions used to calculate the Scheme's liabilities include:

	2020	2019
Discount rate	1.20% pa	2.10% pa
Inflation assumption (RPI)	3.10% pa	3.40% pa
Inflation assumption (CPI)	2.10% pa	2.40% pa
Pension increase (RPI max 5% (LPI) pension increases)	3.00% pa	3.30% pa
Pension increase (Revaluation in deferment (CPI))	2.10% pa	2.40% pa
Post retirement mortality	95% of S2PA with CMI 2019 projection and a long-term improvement of 1.50% pa	95% of S2PA with CMI 2017 projection and a long-term improvement of 1.50% pa
Commutation	No allowance has been made for members to take tax free cash	No allowance has been made for members to take tax free cash

**Assets**

The Scheme's assets are invested in One Family's Pension Accumulation Fund (99%), together with a small with-profit deferred annuity policy (1%).

The assets do not include any investments in shares or property of the Employer.

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**Balance Sheet at 31<sup>st</sup> December 2020**

	2020 £,000	2019 £,000
Fair value of assets	375	320
Present value of funded obligations	(736)	(676)
<b>Net defined benefit liability at 31<sup>st</sup> December 2020</b>	<b>(361)</b>	<b>(356)</b>

**Amounts recognised in the Statement of Financial Activity over the year**

	2020 £,000	2019 £,000
Current service costs	-	-
Administration costs	22	22
Interest on liabilities	14	17
Interest on assets	(7)	(8)
Past service cost	-	-
Settlement cost	-	-
<b>Total</b>	<b>29</b>	<b>31</b>

**Remeasurements over the year**

	2020 £,000	2019 £,000
Loss / (gain) on scheme assets in excess of interest	8	2
Experience losses / (gains) on liabilities	(28)	-
Losses / (gains) from changes to demographic assumptions	(16)	(5)
Losses / (gains) from changes to financial assumptions	95	77
<b>Total remeasurements</b>	<b>59</b>	<b>74</b>

**The change in the assets over the period was:**

	2020 £,000	2019 £,000
<b>Fair value of assets at the beginning of the period</b>	<b>320</b>	<b>254</b>
Interest on assets	7	8
Employer contributions	83	83
Contributions by Scheme participants	-	-
Benefits paid	(5)	(1)
Administration Costs	(22)	(22)
Change due to settlements	-	-
Return on plan assets less interest	(8)	(2)
<b>Fair value of assets at the end of the period</b>	<b>375</b>	<b>320</b>
Actual return on assets*	6	6

\*Calculated using unrounded figures

**The change in the Defined Benefit Obligations over the period was:**

	2020 £,000	2019 £,000
<b>Defined Benefit Obligations at the beginning of the period</b>	<b>676</b>	<b>588</b>
Current service cost	-	-
Contributions by Scheme participants	-	-
Past service cost	-	-
Interest cost	14	17
Benefits paid	(5)	(1)
Change due to settlements	-	-
Experience (gain) / loss on defined benefit obligations	(28)	-
Changes to demographic assumptions	(16)	(5)
Changes to financial assumptions	95	77
<b>Defined Benefit Obligations at the end of the period</b>	<b>736</b>	<b>676</b>

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**Defined Contribution Scheme**

The DBF operates a group personal pension plan (GPPP) for all new and existing employees of the Bristol Diocesan Board of Finance Ltd. As part of this scheme, the DBF contracts to pay specific contributions to an individual employee's pension fund, based on a percentage of their salary. The amount the employee will receive in the future as a pension will depend on the investment performance of the particular funds assets. The DBF has no other ongoing liability and the costs of providing the GPPP are charged to staff costs in the financial statements as the contributions payable. The total cost for the period was £122,643 (2019 - £119,495) and outstanding contributions as at 31<sup>st</sup> December 2020 amounted to £30,080 (2019 - £15,336).

**35. PRIOR YEAR COMPARATIVE SOFA**

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total funds 2019
	General	Designated			
	£,000	£,000	£,000	£,000	£,000
<b>Income and endowments from</b>					
Donations					
Parish Share contributions	5,407	-	-	-	5,407
National Church institutions	378	-	1,214	-	1,592
Other donations	673	-	134	-	807
Charitable activities	329	-	-	-	329
Other activities	363	-	1	-	364
Investments	371	182	512	-	1,065
Gains on sale of assets	(9)	24	-	2,345	2,360
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total income</b>	7,512	206	1,861	2,345	11,924
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure on</b>					
Raising funds	48	4	22	-	74
Charitable activities	8,544	112	1,050	353	10,059
Other	(1,476)	(77)	-	51	(1,502)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>	7,116	39	1,072	404	8,631
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income / (expenditure) before other gains</b>	396	167	789	1,941	3,293
Net gains on investments	420	1,041	820	2,107	4,388
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income</b>	816	1,208	1,609	4,048	7,681
<b>Transfer between funds</b>	297	593	(890)	-	-
Actuarial gains / (losses) on pension schemes	(74)	-	-	-	(74)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>	1,039	1,801	719	4,048	7,607
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds as at 1<sup>st</sup> January 2019</b>	6,292	7,618	5,632	38,588	58,130
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds as at 31<sup>st</sup> December 2019</b>	7,331	9,419	6,351	42,636	65,737
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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**36. RELATED PARTY TRANSACTIONS**

The **Foundation of Saint Matthias** (registered charity number 311696) is administered from the DBF's registered office by its Clerk to the Trustees, who is an employee of the DBF and the DBF also provides accounting services. The Foundation made a contribution to these services of £31,001 in 2020 (2019 - £27,439). The Foundation made a grant to the DBF in 2020 of £50,000 towards the work of the Adviser to schools and education work in the Diocese (2019 - £50,000). A further grant of £6,000 (2019 - £6,000) was made to fund the work of a Further Education Development Officer.

The **Diocese of Bristol Academies Company** (DoBAC) and The **Diocese of Bristol Academies Trust** (DBAT) are separate legal entities from the DBF. From October 2020, DBAT ceased to be administered from the DBF's registered office and paid a contribution of £30,841 (2019 - £33,653) towards office space during 2020. In addition, it paid £7,675 towards other services (2019 - £19,326) and at 31<sup>st</sup> December 2020, £2,191 was owed to the DBF by DBAT (2019 - £9,997).

**Trinity College (Bristol) Ltd** is a theological education institution (TEI) that trains a number of ordinands sponsored by the Diocese of Bristol. It employs one of the DBF's directors. In 2020, the DBF paid Trinity College (Bristol) Ltd the sum of £174,031 for ordinand training and other related services (2019 - £172,037).

In February 1998, the Charity Commissioners issued a scheme making the DBF Trustee of the charity known as the Bristol Diocesan Clergy Charities, number 3127160. The accounts of the Bristol Diocesan Clergy Charities have been aggregated into these financial statements.

**37. FUNDS HELD AS CUSTODIAN TRUSTEE**

By virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964, and certain Charity Commissioners' schemes, the DBF is the Diocesan authority over certain assets held on permanent trusts, where the managing Trustees are parochial church councils or others.

These assets have not been consolidated in these financial statements, since the DBF does not control them.

Separate financial statements have been prepared to account for the DBF's stewardship of these assets, and full trust accounts for each trust are the responsibility of the managing Trustees in each case. Copies of the separate financial statements are available from the Secretary at the Registered Office of the DBF.

The financial assets held in this way can be summarised as follows:

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
<b>Capital Assets</b>		
Equities	21	21
Other fixed-interest securities	0	0
Unit trust shares	12,785	12,033
CBF Deposit Fund	1,258	1,419
Virgin Money Charity Deposits	154	154
Trust capital loans	83	96
Cash at bank	1	1
<b>Income Assets</b>		
Unit trust shares	290	264
CBF Deposit Fund	494	409
COIF Deposit Fund	46	46
Virgin Money Charity Deposits	9	9
Debtors	-	-
Creditors	(0)	(3)
Cash at bank	3	6
	<b>15,144</b>	<b>14,455</b>