

## DBF Management Accounts to 30<sup>th</sup> June 2020 Summary Statement

The Management Accounts for the half year to June 2020, reflect the impact of the recent lockdown and situation the Board along with other charities and organisations face at this difficult time.

The Board is showing a loss of £1.290M as at the end of June 2020 compared to a deficit of ££0.629M at the same time last year. One of the main reasons is that despite a great effort by many parishes, the share receipts are showing an adverse variance of £1.40M after six months, and a reduction in actual cash in the region of £0.421M; this is in line with expectation and forecasts in light of the current climate.

Statutory Fees are another significant factor, due to the waiving of Fees through April to June, the income is £0.428M under budget; whilst investment income (including property rental income) is down £0.155M.

Investment Income is also down in cash terms by £0.037M compared to June 2019 partly due to the necessity to sell shares in the final quarter of 2019 to assist liquidity. Whilst dividends have naturally been sluggish in the last quarter, the Board remains optimistic following discussions with the CCLA (where nearly 80% of the board investments are held) and favourable reports, that this gap will close over the coming half year.

**Expenditure** remains considerably under budget which eases the pressure on the Board finances. The Board has used the Government Furlough Scheme well and the over the last three months this has helped reduce costs in the form of grants by £0.135M. Housing is under budget by £0.250M and will be expected to remain significantly under budget with the delay in quinquennials until 2021, however funds are being made available for urgent and essential work.

The Boards liquidity is overseen by a Finance Core Group which meet for an hour and a half each week to look at the finances in detail; and at present is well under control, partly with gratitude to the National Church for paying the Low Income Allocation in advance and some decisive Asset Management maximising the use of diocesan reserves.

All forecasts still indicate a potential loss in the region of over £3M in the current year, but the Board has enough reserves to meet this deficit; the greater challenge will be in managing liquidity and limiting the impact on future Budgets.