

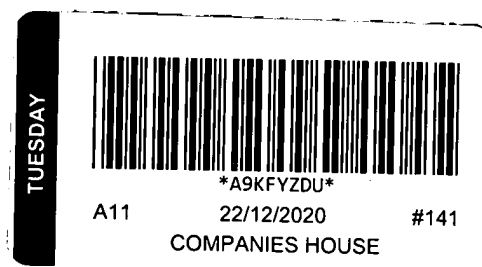
# **Canterbury Diocesan Board of Finance**

## **Trustees' Report and Financial Statements**

31 December 2019

Company Limited by Guarantee  
Registration Number  
00145650 (England and Wales)

Charity Registration Number  
249972



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## Reference and administrative information

<b>Trustees</b>	
<i>Ex-Officio Trustees</i>	<p>The Archbishop of Canterbury, The Most Revd and Rt Hon Justin Welby The Bishop of Dover, The Rt Revd Rose Hudson-Wilkin (appointed 30 November 2019) The Bishop of Dover, The Rt Revd Trevor Willmott (retired 31 May 2019) Mr Nigel Mansley, Chair The Dean of Canterbury Cathedral, The Very Revd Dr Robert Willis The Archdeacon of Ashford, The Venerable Darren Miller The Archdeacon of Canterbury, The Venerable Joanne Kelly-Moore The Archdeacon of Maidstone, The Venerable Stephen Taylor Mrs Jane Ashton (appointed 13 June 2019) Revd Andrew Bawtree (resigned 18 January 2019) Mrs Amanda Cottrell (resigned 13 June 2019) Miss Flis Endacott (appointed 13 June 2019, resigned 24 February 2020) Dr John Moss (appointed 18 January 2019) Revd Canon Andrew Sewell Mr Philip Sibbald Revd Carol Smith (appointed 18 January 2019)</p>
<i>Elected Trustees</i>	<p>Miss Aimée Babbs (appointed 18 January 2019) Mrs Miranda Ford (appointed 18 January 2019) Revd Estella Last (appointed 6 February 2019) Lt Col (Retd) John Morrison (appointed 9 February 2019) Revd Shiela Porter (appointed 11 February 2019) Revd Michael Resch (appointed 18 January 2019) Mr Phillip Bromwich (resigned 18 January 2019) Revd Anthony Everett (resigned 18 January 2019) Mrs Ann Foat (resigned 18 January 2019) Revd Canon Stephen Lillicrap (resigned 18 January 2019) Miss Miriam Oliver (resigned 18 January 2019) Revd Canon Timothy Wilson (resigned 18 January 2019)</p>
<b>Diocesan secretary</b>	Canon Julian Hills
<b>Registered address</b>	Diocesan House Lady Woottons Green Canterbury Kent CT1 1NQ
<b>Company Registration No.</b>	00145650 (England and Wales)
<b>Charity Registration No.</b>	249972
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

## **Reference and administrative information**

**Bankers**      Lloyds Bank plc  
49 High Street  
Canterbury  
Kent  
CT1 2SE

**Solicitors**    Mowll & Mowll LLP  
Trafalgar House  
Gordon Road  
Whitfield  
Dover  
Kent  
CT16 3PN

The Trustees present their annual report (incorporating the strategic report for Companies Act purposes) together with the audited financial statements for the year ended 31 December 2019.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 28 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND**

The Church of England is organised as two provinces each led by an archbishop - Canterbury for the southern province and York for the northern. Each province comprises dioceses, of which there are 41 in England. Each diocese is divided into deaneries and each deanery into parishes; and each parish is overseen by a parish priest (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the "cure of souls" in their parish.

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

The Church of England is episcopally-led; there are 106 bishops including Diocesan Bishops and Suffragan Bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of Acts of Parliament. Its members belong to one of three groups or houses: the House of Bishops, the House of Clergy and the House of Laity, and General Synod meets in London or York at least twice annually to consider matters for the broader good of the Church.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Canterbury Diocesan Board of Finance (CDBF, the charity or the Board) was incorporated as a company on 29 December 1916 to manage the financial affairs of the diocese and to hold its assets. Every member of Diocesan Synod is a member of CDBF for company law purposes, and similarly Archbishop's Council comprises the Trustees. The Board is a company limited by guarantee and as such has no share capital. The Board is a registered charity and its Trustees are the same people who serve as the Board of Directors for company law purposes. The Board together with its subsidiary entities comprises the 'group'.

The principal object of the charity and the group is to promote and assist the work of the Church of England for the advancement of the Christian faith in the Diocese of Canterbury.

#### **Method of appointment or election of Trustees**

The management of the charity and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Policies adopted for the induction and training of Trustees**

At the first meeting of the triennium, the current triennium being the period August 2018 to July 2021, time is set aside for the induction and training of new Trustees and further training is provided where necessary during the course of the triennium to ensure that all Trustees are kept fully informed of their responsibilities. Diocesan officers are always on hand to advise Trustees on supplementary issues.

### **Trustees' remuneration**

The Trustees do not receive remuneration for their roles as trustees of the charity. The clergy members of the Board, as office holders within the diocese, receive housing and stipends as part of their clergy role.

### **Organisational structure and decision making**

The Board, as Archbishop's Council, is responsible for working with the Bishop of Dover to shape the diocesan strategy and to monitor the outworking of that strategy. It sets overall objectives and priorities. The outworking of those objectives and strategies for the Diocese of Canterbury is conducted through four overarching frameworks. The frameworks (see below under policies and objectives) meet frequently to plan their own priorities and make appropriate decisions in support of the overriding strategies and objectives of the Diocese of Canterbury. The principal officers manage the day-to-day administration in conjunction with Archbishop's Council and respective frameworks as appropriate. The remaining staff assist in administration.

### **Related party relationships**

CDBF makes contributions to the national Archbishops' Council towards the running costs of the National Church. The stipends of all parish priests are paid initially by the Church Commissioners but these are then reimbursed by CDBF. The stipend of the Bishop of Dover together with the salaries of appropriate secretarial support are borne by the Church Commissioners and are not included in these statements. The Board considers that the following are subsidiary companies or connected charities:

#### **Subsidiary Companies:**

- Canterbury Diocesan Enterprises Limited (CDEL)
- Diocesan Architectural Service Limited (DASL)
- Ethos School Improvement Limited (eSIL)

#### **Connected Charities:**

- Together Kent
- The Diocese of Canterbury Academies Company Limited (DCACL)

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Risk management**

The Trustees have assessed the major risks to which the charity and the group are exposed, in particular those related to the operations and finances of the charity and the group, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The Trustees, through the Finance and Assets Committee, undertook a comprehensive review of the strategic, business and operational risks in 2019.

In addition to the key challenges facing the charity as a result of the Covid-19 pandemic (see later in this report), the key risks facing the Board of Finance are:

- Non-payment of full Parish Share.

The Trustees continue to pay careful attention to the Parish Share Scheme which determines the allocation of contributions needed from each parish to maintain the general fund. The Trustees also monitor on a regular basis the collection rate of contributions received from individual parishes, with a view to identifying at an early stage those parishes which are likely to have difficulties in meeting their Parish Share. The impact of Coronavirus (Covid-19) is expected to have a significant impact on the income for 2020.

- A failure to take appropriate safeguarding precautions and implement suitable policies to protect all those who come within the care of our churches.

CDBF takes extremely seriously the need for strong safeguarding procedures and controls. The Trustees are responsible ultimately for overseeing the implementation and review of policies and procedures for safeguarding children and vulnerable adults throughout the diocese; and for developing and maintaining good practice in relation to the safety and welfare of children, young people and vulnerable adults. All Church officers, Trustees, staff and volunteers are trained in diocesan safeguarding policy and best practice and the Diocesan Safeguarding Advisor is available to give advice.

There are procedures in place for reporting serious safeguarding situations. However, further to this, the Trustees would consult at that time and obtain independent advice should the need arise.

- IT and systems failures.

The Trustees are aware of the increasing use of, and demand upon, IT services and the increased threat posed by those with malicious intent. In order to strengthen our defences against attack, via malicious emails and phishing attacks, staff are trained to follow best practice and to be alert to malicious emails and other potential IT risks. The Trustees are aware also of the need to ensure the strongest possible defences against attack including the upgrading of software and hardware.

- The charity's key assets comprise properties and listed investments. Cash flow issues may arise as a result of the timing of capital transactions and poor investment performance may lead to losses being incurred.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Risk management (continued)**

Property maintenance is of key importance, ensuring that the buildings are maintained to a high standard and that preventative action is taken before matters become real problems. The charity has a highly skilled Property Team with many years of experience looking after residential, office and historic buildings. The timing of property transactions is planned carefully to ensure that they do not give rise to cash flow issues.

The value of the charity's listed investments is dependent on movements in the UK and world stock markets. The charity's financial position, therefore, is exposed to the downside risk attached to such investments. To control against this risk, the charity's investments are managed by reputable investment managers who adhere to a policy agreed by the Trustees. Representatives of the charity meet with the investment managers on a regular basis to monitor performance and to discuss the charity's investment strategy generally to ensure it remains appropriate – both now and into the future. This is deemed particularly important at the current time given the adverse effect of the Covid-19 pandemic on global stock markets.

## **OBJECTIVES AND ACTIVITIES**

### **Policies and objectives**

In planning the activities of the charity for the year, the Trustees have considered the guidance on public benefit issued by the Charity Commission. In common with the Church of England, the diocese strives to ensure that in every local community there is a worshipping, welcoming and serving congregation, working with Christians of other traditions and people of goodwill, witnessing to the transforming power of the love of God as seen in Jesus. The diocese has been developing a key strategic initiative called 'Changed Lives→Changing Lives' to better enable it to achieve its overall objectives of:

- Growth – both numerical and spiritual
- Reimagining ministry
- Building partnerships that enrich communities

On 30 November 2019 the diocese warmly welcomed Rt Revd Rose Hudson-Wilkin as its new Bishop of Dover. It was hugely encouraging to hear how she was attracted to this post because of our 'Changed Lives→Changing Lives' strategy. We look forward to further developing our strategic approach and believe that Bishop Rose's ministry amongst us will better equip us to fulfil our core objectives.

There are 3 frameworks within the diocesan organisation which primarily serve the delivery of each of these key objectives respectively:

- Local Church Development
- Licensed Ministries
- Communities & Partnerships

In addition, there is one other framework:

- Children and Young People – serving all three objectives within the under-eighteen age group



## **OBJECTIVES AND ACTIVITIES** (continued)

### **Strategies for achieving objectives**

The five key strands of our 'Changed Lives→Changing Lives' strategy are:

- Engaging with disadvantaged people
- Prioritising young people
- Missional prayer networks
- Enriching leadership
- Missional learning communities

In June 2018 Archbishop's Council was successful in achieving funding of nearly £1 million over 4 years from the Church Commissioners' Strategic Development Fund to support a model of mission called Ignite. This has led to the development of new Ignite worshipping communities in 8 locations across the diocese, including one in Guernsey. Although the Channel Islands are not formally part of the diocese, the diocese currently has responsibility to provide particular services to the islands including safeguarding and financial administration. These responsibilities are due to move to the Diocese of Salisbury with effect from 1 January 2021.

### **Grant making policies**

There are a number of grants offered to parishes and deaneries for the purposes of assisting in parochial mission and ministry. These are:

- Support of strategic missional posts – agreed in conjunction with deaneries and archdeacons
- Transitional support for loss of occasional office fees – specific formula for determining grant levels which ceased at the end of 2019
- Support of parochial mission initiatives - made upon application through the relevant deanery to support those seeking to implement the diocese's missional objectives

The full criteria for these grants are displayed on the Diocesan website. Other grants are made on an ad hoc basis in accordance with the terms of each fund as detailed in note 20 to the accounts.

### **Raising funds**

The charity raises funds through Parish Share and on occasions receives other donations and voluntary income. It aims to achieve best practice in the way in which it communicates with parishes, donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on parishioners, parochial church councils, donors and supporters. It applies best practice to protect their data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, the charity received no formal complaints about its activities for raising funds.

## ACHIEVEMENTS AND PERFORMANCE

### Key financial performance indicators

Current year Parish Share receipts represent 92.1% of the total apportioned (2018 - 91.4%) or, when deferred receipts for previous years are included, 93.0% (2018 - 95.6%). This shortfall of 7.0% (2018 - 4.4%) represents £0.6m (2018 - £0.4m).

Our aspiration is always to collect 100% of Parish Share.

### Review of activities

The diocese continues to strive to resource effective mission, ministry and growth throughout its parishes in East Kent. Working with Mission Action Planning, many parishes and deaneries are capturing the vision for new approaches and new forms of Church which is transforming growth and spiritual development. Wherever possible, archdeacons and diocesan officers (often acting as deanery accompaniers) work closely with deaneries to re-energise the mission and ministry of struggling parishes. There are many cases now where mission plans have been agreed and transitional finance provided which has transformed Christian communities in bringing about new hope, where seemingly all had been lost. However, there are still a number of new cases where parishes are struggling to resource an effective mission and ministry to their community.

We had an average of 131 paid clergy and 140 active voluntary Readers in 2019. As we look to a large number of clergy retirements in the next 5 years we need to invest in training new ministers for the future. Since *Explore More*, a way of listening to God's voice about vocation, began in the diocese in 2015 many people have explored a vocation and many have gone on into theological training for Reader or ordained ministry or engaged with other lay ministry in the church and secular world.

We have provided timely and responsive safeguarding support and advice to clergy and their teams across the diocese, trained over 500 people at various levels, and conducted over 1,000 DBS (Disclosure and Barring Service) checks, helping to keep our children and vulnerable people safe in our churches. To be more compliant with the safeguarding audit conducted by Social Care Institute for Excellence (SCIE), we have now directly employed our Diocesan Safeguarding Advisers and Trainer rather than engaging them on a consultancy basis.

Our deepening discipleship courses have been transformational for many and our missional learning communities have brought together groups of enthusiastic ministers, emerging ministers and growing disciples.

We continue to support our communities through a wide range of partnerships with other organisations such as the work being done by Revd Chris Hodgkins in supporting the farming community where mental health can be a particular problem with farmers and rural workers.

Our Novena booklet has been very popular and is an invitation to explore, through art and prayer, the dual message of love and challenge as part of the global Thy Kingdom Come family.

The face of ministry is changing as ordained clergy help equip and enable the ministry of everyone to ensure the Church is a Monday to Saturday Church, as well as a Sunday Church and is sustainable into the future. The impact of Coronavirus (Covid-19) has provided further impetus to reimagine ministry.

There is much that the diocese is engaged on in supporting its parishes and church schools and the supplementary 'Annual Reports' booklet is recommended for a fuller picture of the activities undertaken.

## **ACHIEVEMENTS AND PERFORMANCE (continued)**

### **Covid-19**

Covid-19 (2019 Novel Coronavirus) has had a global impact and CDBF cannot predict the extent and duration of Covid-19.

Covid-19 has significantly affected the operation of CDBF. Our offices have been closed since March and around half our staff were on furlough with the remainder working from home. CDBF already had the IT capability to allow staff to work from home and some staff were already doing this from time to time. The impact of Covid-19 has resulted in the acceleration of the planned strengthening of our IT platforms and an additional focus on home working, both the advantages and disadvantages along with health and safety and staff welfare issues. Many staff working from home or on furlough are dealing with additional challenges. CDBF has continued to focus on meeting the expectations of those who use our services and has ensured that ministry and operational support continues for parishes in these challenging times. Key operational areas such as safeguarding, finance and communications have continued to operate. Operational and financial teams are very aware of the risk of fraud and cybercrime and additional safeguards have been developed to mitigate this risk. Despite the significant challenges arising from Covid-19, it has given us the opportunity to explore how we can further extend our Eco Diocese commitment through, perhaps, greater homeworking and a 'paper-lite' environment.

Covid-19 is likely to have a significant impact on the finances of CDBF. Many parishes are finding it difficult to meet their Parish Share as a result of churches and parish halls being closed and the subsequent impact on their income. Although costs in many parishes have decreased the loss of income has exceeded the cost savings made. Parish Share is the main income source for the diocese and is essential to support our ministry and mission. Other income sources of CDBF are also under pressure; parochial fees have been hit very hard and investment income is likely to suffer. CDBF has taken steps to mitigate the loss of income by removing all but essential expenditure and taking advantage of the Coronavirus Job Retention Scheme by placing staff on furlough. In addition, increased generosity has been seen from several parishes.

Covid-19 may have an impact on the valuation of our investment and property portfolios. Our glebe portfolio includes parcels of land that have development potential and our property subsidiary is, and has been, actively engaged in bringing projects forward that are suitable for development.

It is estimated that the shortfall in Parish Share in 2020 could be up to £1.4m and that the shortfall in 2021 could be up to £2.0m. As most of the costs of CDBF relate to ministry provision and associated housing costs, and are fixed in the short to medium term, the opportunity to significantly reduce costs in that time period is limited. To fund any cash shortfalls CDBF will look to its investment and property portfolios. It is also likely that grant funding will be received from the national church to support the diocese.

## **ACHIEVEMENTS AND PERFORMANCE (continued)**

### **Income generation**

The diocese received 83% of its unrestricted income from the Parish Share, which is a voluntary payment from parishes. The apportionment method for Parish Share has been the subject of a number of reviews over the past five years and is approved by Archbishop's Council and Diocesan Synod. A current review instigated by Diocesan Synod is due to report in the second half of 2020.

The Church Commissioners allocate lowest income community funding grants to the poorest dioceses and Canterbury received a grant of £724,000 in 2019 (2018-£702,000).

The diocese received an allocation from the Allchurches Trust of £123,000 in 2019 (2018-£121,000) which supports a specific strategic project of the diocese.

### **Investment policy and performance**

An improvement in investment markets in 2019 resulted in an increase in the value of investment of £708k against a decrease of £34k in 2018.

The investment policy for 2019 was:

- To keep surplus liquid funds on short term deposit
- To maintain holdings of longer term investments at the following levels:
  - Investment Fund (75%)
  - Property Fund (25%)
- To pool investments across the funds of the diocese so that returns on investment are consistent and not dependent upon the levels and denomination of investment held.

The portfolios are reviewed with CCLA Investment Management Limited every year.

Investments held by the Board have been acquired in accordance with powers available to the Trustees under its Memorandum and Articles of Association.

The value of glebe land, held as investments, may have fallen due to the uncertainties affecting property markets and future development. As glebe is held as a long term investment, with no intention to sell other than when a development opportunity arises, then although any fall in value cannot be quantified with any certainty the amount of any fall is not deemed essential to a proper understanding of the financial position of CDBF, as it is intended to hold such assets until such time as markets recover.

## **FINANCIAL REVIEW**

### **Introduction**

Archbishop's Council continues to work diligently to secure the financial position of the diocese whilst at the same time promoting effective mission, ministry and community throughout the area. The Church of England exists to promote the Gospel of Christ in every community and the diocese sees that the furtherance of that aspiration is the only way to secure the future of the Anglican Church in this diocese.

The Board's subsidiary company, Canterbury Diocesan Enterprises Limited (CDEL), is responsible for adopting a strategic approach to all property assets and maximising the value of any disposal proceeds. This company continues to work on a number of key projects and advises on property aspects of pastoral reorganisation and it continues to deliver vital resources to help the work of CDBF.

The total funds of the diocese include the value of all benefice parsonages within the parishes and these were valued at £65.5m in 2019 (2018 - £63.8m). CDBF is engaged on a rolling five year process of revaluations of these properties. These properties are included in endowment funds recognising that they remain benefice property, although should they cease to be used as ministry houses then ownership is usually transferred to CDBF unrestricted funds. It is likely that as a result of Covid-19 the value of benefice parsonages may have fallen. As benefice parsonages are held for the long term then although any fall in value cannot be quantified with any certainty the amount of any fall is not deemed essential to a proper understanding of the financial position of CDBF, as it is intended to hold such assets for the foreseeable future.

### **Results for the year**

Total income for the year amounted to £11.1m, an increase of £0.4m compared with 2018. The increase was driven primarily by increased grant funding for strategic projects. Parish Share totalled £7.8m, a 0.9% increase compared to 2018, but the diocese remains concerned as the financial pressures many parishes are experiencing impacts upon the Parish Share collection rate. The Coronavirus (COVID-19) situation is likely to have a significant impact on 2020 Parish Share income. Other sources of income consist of grant income, investment income, property rental income, parochial fees for weddings and funerals and the income for work done for third parties by the charity's subsidiary companies. Such income remains highly important and an essential contributor to keeping Parish Share requirements lower than they might otherwise be.

Expenditure for the year totalled £11.4m compared to £10.6m in 2018, £0.4m was due to increased strategic projects engagement with the remainder due to a combination of factors including increased costs for property and lay and ordained training.

Net expenditure before revaluations and investment asset disposals was £321k compared to net income in 2018 of £76k. After revaluations and investment gains, the net movement in funds for the year was an increase of £4,331k being a £3,461k increase in endowment funds, a £164k increase in restricted funds and a £706k increase in unrestricted funds, which was as a result of a transfer from endowment funds of £1,060k in respect of properties transferred from benefice funds following Pastoral Schemes made by the Church Commissioners.

Under FRS 102 the Board is required to account for any deficit in the clergy and laity pension fund schemes. These provisions are £0.79m (2018 - £2.41m) for the diocese's proportion of the national clergy scheme and £0.58m (2018 - £0.62m) for our proportion of the staff scheme.

## FINANCIAL REVIEW (continued)

### Financial position

The consolidated balance sheet showed total funds at 31 December 2019 of £87.3m (2018 - £83.0m) comprising:

	2019 £000	2018 £000
General funds (including non-charitable trading funds)	104	207
Designated funds	13,564	12,755
Restricted funds	1,150	986
Endowment funds	72,482	69,021
	<b>87,300</b>	<b>82,969</b>

The above figures include endowment funds of £72.5m (2018 – £69.0m), the principal part of this being the benefice properties amounting to £65.5m (2018 – £63.8m). Where income arises from these funds, it may be used for general purposes of the charity and therefore is credited to unrestricted funds. The endowment fund balances must normally be held as 'capital' but, where permitted may be applied towards meeting certain charitable aims.

Also included in total funds are restricted funds totalling £1,150k (2018 – £986k). These monies have either been raised for, and their use restricted to, specific purposes or they comprise donations subject to donor-imposed conditions. Further details of these restricted funds can be found in note 20 to the financial statements together with an analysis of movements in the year.

Funds totalling £13.6m (2018 – £12.8m) have been designated, or set aside, by the Trustees for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 20 to the financial statements. The Trustees are aware that most of the designated funds are represented by ministry housing and they are currently reviewing their policy on the sale of empty property to improve the level of working capital. The Board has been able to significantly increase the level of rental income it receives from vacant ministry properties and this has been a key factor in reducing the deficit for 2019.

General funds (including non-charitable trading funds of £75k) total £104k (2018 - £207k). Excluding gains on disposal, revaluation of investments and fund transfers, general funds decreased by £779k for the year (2018 – 813k).

### Reserves policy

The Board's policy is to hold working capital (net current assets) of between 15% and 20% of its annual budgeted expenditure. In 2019 this would require working capital of between £1.6m and £2.1m. This amount is regarded as the minimum necessary to enable the Board to withstand cash flow fluctuations in the course of its normal business. At the end of 2019 the Board's working capital was £1.1m (2018 - £1.9m). The effects of Covid-19 are likely to have a significant impact upon the net working capital which at the end of 2019 was already substantially below target. The section on Covid-19 on page 9 highlights these risks and the trustees are considering how to strengthen the net working capital position.

## **FINANCIAL REVIEW (continued)**

### **Going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

The Trustees, mindful of Covid-19, have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. This is because the charity has sufficient investments which can be realised in the short term to meet liabilities should a shortfall in income arise and it is likely that the diocese will receive a grant from the national church. In addition, the charity has designated reserves of £13.6m, including £12.2m designated for ministry housing. If necessary, some properties could be undesignated and sold to meet any cash flow shortfall should this be necessary in the medium term. For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements.

### **Pay policy for senior staff**

Senior Clergy are paid according to stipend scales set by the national church. The stipends for the Bishop of Dover and the Archdeacon of Maidstone (in lieu of the unused Bishop of Maidstone post) are borne by the Church Commissioners. The stipend of the Archdeacon of Canterbury is borne principally by Canterbury Cathedral. The stipend of the Archdeacon of Ashford is borne by CDBF.

CDBF uses a system of job evaluation to grade staff appropriately and each is then assigned a particular pay point on that grade. This system operates for all key diocesan staff but each is then compared to the averages across all dioceses in the southern province. The HR Committee then formally agrees the appropriate salary in the light of these variables.

Key management personnel are defined as the Trustees together with those employees listed in note 13 to the attached financial statements.

## **PLANS FOR THE FUTURE**

### **Future developments**

The Archbishop's Council will continue to pursue strategy 'Changed Lives—Changing Lives' still further in line with Bishop Rose's episcopal leadership. She has already spoken of her own episcopal priorities of Prayer, Discipleship, Generosity and Evangelism. The Council will look to obtain funds for the different project strands both from the Church Commissioners and other charities as well as re-allocating diocesan resources. Each project strand will have a Strategic Project Board chaired by a member of the Bishop's Senior Staff to carry that work forward. We will look to draw in people with the necessary gifts to be involved in these developments. We are aware that the level of future retirements of clergy and, consequently, our 'Enriching leadership' strand is particularly important for us to develop a mixed economy of leadership in our churches and parishes.

As part of the resourcing of this strategy, the Trustees will continue to look for ways to develop the current Diocesan House to better enable modern team based collegial working.

### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Board acts as Custodian Trustee in respect of trusts administered on behalf of managing trustees, which includes incumbents, churchwardens, Parochial Church Councils and other organisations of the diocese. The assets held in the capacity of Custodian Trustee include freehold property and investments.

The Board also administers funds, on behalf of Parochial Church Councils, on an agency basis for investment and obtains income tax repayments, relating to Gift Aid, on behalf of parishes and other diocesan organisations. The tax recoverable during 2019 was £1.20m (2018 - £1.35m).

In 2000 the Board arranged for the Central Board of Finance to take over the administration of investments held on behalf of parishes, with the exception of Endowment Funds. The Board is still administering investments with a book value of £2.9m (2018 - £2.9m). The assets of these funds are held separately from those of the Board.

In 2014 an agreement was made with Winchester Diocese whereby the Board was to act as an agent for a number of services for the Channel Islands including the collection and disbursement of parish share from the deaneries of Guernsey and Jersey. The diocese receives a fee for providing these services which will finish at the end of 2020.

### **TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of Canterbury Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and group and enable them to ensure that the financial statements



**Trustees' report (incorporating the strategic report) Year ended 31 December 2019**

**TRUSTEES' RESPONSIBILITIES STATEMENT (continued)**

comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

**AUDITOR**

Buzzacott LLP was reappointed as statutory auditor on 13 June 2019 and has indicated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

This report, incorporating the Strategic Report, was approved by the Trustees on 16/12 2020 and signed on their behalf by:



Nigel Mansley

Trustee

16 December 2020

**Independent Auditor's Report to the Members of Canterbury Diocesan Board of Finance**

**Opinion**

We have audited the financial statements of Canterbury Diocesan Board of Finance (the 'charitable parent company') and of Canterbury Diocesan Board of Finance and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the consolidated statement of financial activities, the consolidated summary income and expenditure account, the consolidated and charitable parent company balance sheets, the consolidated statement of cash flows, the principal accounting policies, the notes to the financial statements and the appendices. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

**Emphasis of matter - effects of Covid-19**

We draw attention to the accounting policy in respect to going concern which describes the impact of Covid-19 on the charity's finances.

Our opinion is not modified in respect to this matter.

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

### **Responsibilities of Trustees**

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

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

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

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

### **Use of our report**

This report is made solely to the 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.

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Amanda Francis (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

18 December 2020

**Consolidated statement of financial activities** Year to 31 December 2019

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2019 £'000	Total funds 2018 £'000
<b>Income and endowments from:</b>						
Donations and legacies	1	7,806	1,494	—	9,300	8,971
Charitable activities	2	368	—	—	368	415
Other trading activities	3	806	—	—	806	667
Investments and interest	4	238	—	9	247	306
Other sources	5	232	—	166	398	311
<b>Total income and endowments</b>		<b>9,450</b>	<b>1,494</b>	<b>175</b>	<b>11,119</b>	<b>10,670</b>
<b>Expenditure on:</b>						
Raising funds	6	325	—	—	325	295
Charitable activities	8	9,665	1,437	13	11,115	10,299
<b>Total expenditure</b>	10	<b>9,990</b>	<b>1,437</b>	<b>13</b>	<b>11,440</b>	<b>10,594</b>
<b>Net (expenditure) income before investment gains (losses)</b>		<b>(540)</b>	<b>57</b>	<b>162</b>	<b>(321)</b>	<b>76</b>
Net gains (losses) on investments	16	223	107	378	708	(171)
<b>Net income (expenditure) before transfers</b>		<b>(317)</b>	<b>164</b>	<b>540</b>	<b>387</b>	<b>(95)</b>
Transfers between funds	20	1,060	—	(1,060)	—	—
<b>Net income (expenditure) for the year</b>	11	<b>743</b>	<b>164</b>	<b>(520)</b>	<b>387</b>	<b>(95)</b>
<b>Other recognised gains and losses:</b>						
Gains (losses) on revaluation of pension fund liabilities	22	(37)	—	1,266	1,229	(376)
Gains on revaluations of tangible fixed assets	15	—	—	2,715	2,715	760
<b>Net movement in funds</b>		<b>706</b>	<b>164</b>	<b>3,461</b>	<b>4,331</b>	<b>289</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		12,962	986	69,021	82,969	82,680
<b>Total funds carried forward</b>		<b>13,668</b>	<b>1,150</b>	<b>72,482</b>	<b>87,300</b>	<b>82,969</b>

All activities relate to continuing operations in both the above financial years.

The unrestricted fund column above comprises both general funds and designated funds. Details of the analysis between these funds can be found in note 20 to these financial statements. At 31 December 2019, general funds were £29k (2018 - £132k) whilst designated funds (many of which represent ministry housing) amounted to £13.6m (2018 - £12.8m).

The amounts for 2018 have been restated to present the revaluation losses arising on pension fund liabilities within other recognised gains and losses instead of charitable expenditure (see note 22).

**Consolidated summary income and expenditure account** Year to 31 December 2019

	Note	2019 £'000	2018 £'000
Income		10,944	10,359
Less: Expenditure		(11,427)	(11,075)
<b>Net expenditure for the year before transfers and investment gains and losses</b>		<b>(483)</b>	<b>(716)</b>
Net gains (losses) on investments	20	330	(19)
Transfers from endowment funds	20	1,060	775
<b>Net income for the financial year</b>		<b>907</b>	<b>40</b>

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

# Balance sheets 31 December 2019

	Note	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>Fixed assets</b>					
Tangible fixed assets	15	80,224	77,874	80,224	77,874
Investments	16	7,727	7,019	7,728	7,020
		<u>87,951</u>	<u>84,893</u>	<u>87,952</u>	<u>84,894</u>
<b>Current assets</b>					
Debtors	17	1,322	1,112	1,335	1,097
Cash at bank and in hand		3,127	3,452	2,988	3,323
		<u>4,449</u>	<u>4,564</u>	<u>4,323</u>	<u>4,420</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(3,378)</u>	<u>(2,712)</u>	<u>(3,328)</u>	<u>(2,644)</u>
<b>Net current assets</b>		<u>1,071</u>	<u>1,852</u>	<u>995</u>	<u>1,776</u>
<b>Total assets less current liabilities</b>		<b>89,022</b>	<b>86,745</b>	<b>88,947</b>	<b>86,670</b>
<b>Creditors: amounts falling due after more than one year</b>	19	<u>(1,722)</u>	<u>(3,776)</u>	<u>(1,722)</u>	<u>(3,776)</u>
<b>Net assets</b>		<u>87,300</u>	<u>82,969</u>	<u>87,225</u>	<u>82,894</u>
<b>Funds</b>					
Endowment funds	20	72,482	69,021	72,482	69,021
Restricted funds	20	1,150	986	1,150	986
Unrestricted funds					
Designated funds	20	13,564	12,755	13,564	12,755
General funds	20	29	132	29	132
Non-charitable trading funds	20	75	75	—	—
<b>Total funds</b>		<u>87,300</u>	<u>82,969</u>	<u>87,225</u>	<u>82,894</u>

The financial statements were approved by the Trustees on behalf by:

16/12

2020 and signed on their



Nigel Mansley

Trustee

16 December 2020

**Consolidated statement of cash flows** Year to 31 December 2019

	Note	2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	A	(1,297)	(1,822)
<b>Cash flows from investing activities</b>			
Investment income and interest received		247	306
Rental income received		428	366
Proceeds from the sale of tangible fixed assets		1,061	2,654
Purchase of tangible fixed assets		(489)	(1,601)
Proceeds from sale of investments		—	21
<b>Net cash provided by investment activities</b>		<b>1,247</b>	<b>1,746</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(275)	(7)
Cash inflows from new borrowing		—	423
<b>Net cash (used in) provided by financing activities</b>		<b>(275)</b>	<b>416</b>
Change in cash and cash equivalents in the year		(325)	340
Cash and cash equivalents brought forward		3,452	3,112
<b>Cash and cash equivalents carried forward</b>	B	<b>3,127</b>	<b>3,452</b>

**A. Reconciliation of net income (expenditure) for the year to net cash used in operating activities**

	2019 £'000	2018 £'000
Net income (expenditure) for the year (as per the statement of financial activities)	387	(95)
<b>Adjustment for:</b>		
Depreciation charges	25	23
(Gains) losses on investments	(708)	171
Investment income and interest receivable	(247)	(306)
Rental income receivable	(428)	(366)
Gains on disposal of tangible fixed assets	(232)	(311)
Pension adjustment	(424)	(448)
(Increase) decrease in debtors	(210)	27
Increase (decrease) in creditors excluding loans	540	(517)
<b>Net cash outflow used in operating activities</b>	<b>(1,297)</b>	<b>(1,822)</b>

**B. Analysis of cash and cash equivalents**

	2019 £'000	2018 £'000
Cash at bank and in hand	3,127	3,452



## **Principal accounting policies** Year ended 31 December 2019

### **Basis of accounting**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 December 2019 with comparative information provided for the year to 31 December 2018.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been drawn up in accordance with the requirements of the Companies Act 2006 except where the special nature of the Canterbury Diocesan Board of Finance's operations has required adaptation of the formats as allowed by section 396(5).

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

### **Basis of consolidation**

The financial statements consolidate the accounts of Canterbury Diocesan Board of Finance and all of its subsidiary undertakings ('subsidiaries').

The charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account. Gross income of the charity of £10,979k (2018 - £10,546k) and net surplus of £387k (2018 – deficit of £562k) has been dealt with in the accounts of the charity.

### **Company status**

The charity is a company limited by guarantee, Company Registration Number 00145650 (England and Wales). Every member of Diocesan Synod is a member of CDBF for company law purposes. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member of the charity. The company's address and other reference information is shown on page 1.

### **Fund structure**

The unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the Trustees. Certain unrestricted funds have been set aside and designated for specific purposes by the Trustees.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

## **Principal accounting policies** Year ended 31 December 2019

### **Fund structure** (continued)

The endowment funds comprise assets which normally must be held as capital but, where permitted, may be applied towards meeting certain charitable aims. The income therefrom may be used either in accordance with the donors' wishes, if stipulated, or for general purposes.

The non-charitable trading funds represent the accumulated gains and losses arising on the charity's trading subsidiaries.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- the valuation of investment property and benefice properties;
- the underlying assumptions in the actuarial valuations of the defined benefit schemes;
- the recoverability of debtors and any provision for bad or doubtful debts; and
- the assumptions underlying the assessment of future income and expenditure flows used in the trustees' assessment of the going concern basis of accounting (see below).

The Trustees consider valuation of benefice properties and pensions liabilities to be the areas of judgement and estimation that have a significant effect on the financial statements. Further details of these judgements is given in notes 15 and 22 respectively.

### **Going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

Covid-19 is likely to have a significant impact on the finances of the charity. Many parishes are finding it difficult to meet their Parish Share as a result of churches and parish halls being closed and the subsequent impact on their income. Although costs in many parishes have decreased the loss of income has exceeded the cost savings made. Parish Share is the main income source for the charity and is essential to support its ministry and mission. Other income sources are also under pressure; parochial fees have been hit very hard and investment income is likely to suffer. The charity has taken steps to mitigate the loss of income by removing all but essential expenditure and taking advantage of the Coronavirus Job Retention Scheme by placing staff on furlough. In addition, increased generosity has been seen from several parishes.

It is estimated that the shortfall in Parish Share in 2020 could be up to £1.4m and that the shortfall in 2021 could be up to £1.0m. As most of the costs of the charity relate to ministry provision and associated housing costs, and are fixed in the short to medium term, the opportunity to significantly reduce costs in that time period is limited.

**Going concern** (continued)

However, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. This is because the charity has sufficient investments which can be readily realised to meet liabilities should a shortfall in income arise. In addition the charity has designated reserves of £13.6m, including £12.2m designated for ministry housing. Some properties could be undesignated and sold to meet any cash flow shortfall should this be necessary. It is also likely that grant funding will be received from the national church to support the diocese.

For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements and have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

**Income**

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations and legacies, including Parish Share income, income from listed investments, interest receivable, income directly related to charitable activities (including grants), income from trading activities, the surplus on disposal of tangible fixed assets, rental and miscellaneous income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities FRS 102 SORP 2015 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income is deferred only when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Investment income is recognised once the dividend or similar income has been declared and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

## **Principal accounting policies Year ended 31 December 2019**

### **Income (continued)**

Income from charitable activities comprises parochial fees received for occasional offices including baptisms, weddings and funerals. Such income is recognised as if it were a donation from the parishes in a manner consistent with that adopted for other donations as set out above.

Income from trading activities comprises the income received from third parties by the charity's trading subsidiaries. Such income is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

The gains or losses on the disposal of property assets are calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. They are accounted for once legal completion of the disposal has taken place.

### **Expenditure**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered. Expenditure comprises the following:

- a) Expenditure on raising funds which includes expenditure associated with raising funds and comprises expenditure of trading subsidiary companies.
- b) Expenditure on charitable activities which comprises expenditure on the charity's primary charitable purposes as described in the Trustees' report i.e. promoting and assisting the work of the Church of England for the advancement of the Christian faith in the Diocese of Canterbury. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

### **Property, plant and equipment**

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Laptop and desktop computers costing under £1,000 are also capitalised.

Benefice property being buildings designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and conditions are reviewed annually by the Trustees, who are satisfied that their residual value is not materially less than their book value. Other freehold buildings which are used either as private residential properties or as Diocesan offices are not depreciated. The value and condition of the properties is reviewed annually to ensure that their residual value is not materially less than their book value.

Office equipment is written off over a period of three to five years, based on cost, in order to write the cost of each asset off over its estimated useful life.

## **Principal accounting policies** Year ended 31 December 2019

### **Benefice property**

CDBF has followed the requirements of FRS 102 in its accounting treatment for benefice houses. FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. CDBF is formally responsible for the maintenance and repair of benefice houses 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. Therefore, the Trustees consider the most suitable accounting policy to be to capitalise such properties as expendable endowment assets and to carry them at their estimated current value. Benefice houses are revalued on a five year cycle by professional valuers.

### **Investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price.

Glebe property comprising agricultural land is included in the financial statements at a valuation based on income yield with provision being made for any impairment deemed necessary. The valuation has been determined by the Trustees after consultation with the Board's property director.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

### **Operating leases**

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

## **Principal accounting policies** Year ended 31 December 2019

### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value, basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

### **Pensions**

The charity operates four pension schemes as more fully described in note 22:

- i) A defined benefits scheme for clergy - the Church of England Funded Pensions Scheme
- ii) A defined benefits scheme for certain diocesan staff now closed to new staff - the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund
- iii) A defined benefits scheme - the Church of England Pension Builder Classic Scheme, part of the Church Workers Pension Fund
- iv) A defined contribution pension scheme for diocesan staff not included in the above schemes

The pension costs charged as expenditure represent CDBF's contributions payable in respect of the accounting period, in accordance with FRS 102. Deficit funding for the pension schemes to which CDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

### **Custodian funds**

Funds held by the charity on behalf of parishes, church schools and other entities and over which the charity has no power to make management decisions are classified as custodian funds and are not included in the financial statements. Instead, the funds held are disclosed by way of a note to the financial statements.

### **School major repair and capital projects**

The charity receives Government grants in connection with major repair and capital projects to Church Schools. The charity administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. The monies do not belong to the charity and as such the receipts and payments are not treated as income or expenditure in the statement of financial activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

**Notes to the financial statements** Year to 31 December 2019

**1. Income from: Donations and legacies**

	Unrestricted funds £'000	Restricted funds £'000	2019 £'000	2018 £'000
Parish Share	7,802	—	7,802	7,734
Archbishops' Council	—	1,329	1,329	923
Allchurches Trust	—	123	123	121
Other donations and grants	4	42	46	193
<b>Total funds</b>	<b>7,806</b>	<b>1,494</b>	<b>9,300</b>	<b>8,971</b>

Other donations and grants include £nil (2018: £28,500) from Appleton Trust, a charity of which all of the trustees are, ex-officio, trustees or key management of Canterbury Diocesan Board of Finance.

**2. Income from: Charitable activities**

	Unrestricted funds	
	2019 £'000	2018 £'000
<b>Total funds: Parochial fees for occasional offices</b>	<b>368</b>	<b>415</b>

Occasional offices include weddings and funerals.

**3. Income from: Other trading activities**

	Unrestricted funds	
	2019 £'000	2018 £'000
Income from subsidiary trading companies	140	124
Rental income	428	366
Other trading income	238	177
<b>Total funds</b>	<b>806</b>	<b>667</b>

Income from subsidiary trading companies represents work done by Canterbury Diocesan Enterprises Limited and Ethos School Improvement Limited for third parties outside of the group. Work done by Canterbury Diocesan Enterprises Limited for CDBF of £235k (2018 - £259k), work done by Ethos School Improvement Limited for Canterbury Diocesan Enterprises Limited of £6k (2018 - £nil) and work done by Canterbury Diocesan Board of Finance for Ethos School Improvement Limited of £32k (2018 - £22k) has been eliminated on consolidation.

**4. Income from: Investments and interest**

	Unrestricted funds £'000	Endowment funds £'000	2019 £'000	2018 £'000
Investment income	212	9	221	243
Bank and other interest receivable	26	—	26	63
<b>Total funds</b>	<b>238</b>	<b>9</b>	<b>247</b>	<b>306</b>

**Notes to the financial statements** Year to 31 December 2019

**5. Income from: Other sources**

	Unrestricted Funds £'000	Endowment funds £'000	Total funds 2019 £'000	Endowment funds £'000	Total funds 2018 £'000
Gains on property disposals	232	—	232	311	311
Proceeds from sale of closed schools	—	166	166	—	—
<b>Total funds</b>	<b>232</b>	<b>166</b>	<b>398</b>	<b>311</b>	<b>311</b>

**6. Expenditure on: Raising funds**

	Unrestricted funds	
	2019 £'000	2018 £'000
Wages and salaries	145	129
Social security costs	13	12
Pension costs	5	5
Other overheads	162	149
	<b>325</b>	<b>295</b>

Expenditure on raising funds comprises the expenditure of subsidiary trading companies.

**7. Analysis of grant funding activities**

Included within expenditure on charitable activities (note 8) are the following grants:

	Number	2019 £'000	Number	2018 £'000
<b>From unrestricted funds for National Church responsibilities</b>				
Contributions to Archbishops' Council	—	541	—	544
<b>From unrestricted and restricted funds</b>				
Parochial fee grants	97	32	173	37
Ministry grants	17	432	17	533
Children, youth and schools	6	78	7	89
Parish administration (see note)	3	203	3	69
Parish support	3	15	5	38
Deanery grants	15	28	15	30
		<b>1,329</b>		<b>1,340</b>

The development of diocesan grants using the Church Commissioner funding allocation continues to see the diocese giving financial assistance to parishes to leverage their mission. In 2019, £756k (2018 - £759k) was spent in targeting parishes which can most benefit from grant funding for mission and ministry.

In 2019, parish administration grants include commitments in respect of future years for which funding has been received.



Notes to the financial statements Year to 31 December 2019

8. Expenditure on: Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2019 £'000	Total funds 2018 £'000
<b>Contributions to Archbishops' Council:</b>					
Training for ministry	236	—	—	236	227
National church responsibilities	187	—	—	187	181
Grants and provisions	20	—	—	20	20
Mission agency pension costs	2	—	—	2	2
Retired clergy housing costs	81	—	—	81	76
Pooling of ordinands' maintenance grants	15	—	—	15	38
	541	—	—	541	544
<b>Resourcing Ministry and Mission:</b>					
<b>Parish Ministry</b>					
Stipends	3,001	—	—	3,001	3,007
National Insurance	237	—	—	237	235
Pension contributions	712	—	—	712	757
Housing costs	1,708	—	—	1,708	1,566
Apprenticeship levy	14	—	—	14	14
Removal and resettlement costs	111	—	—	111	98
Other expenses	155	19	13	187	241
Lay and ordinand training	134	188	—	322	271
Parochial fee grants	32	—	—	32	37
Mission development grants	—	680	—	680	670
	6,104	887	13	7,004	6,896
<b>Senior Clergy</b>					
Stipends, NI and Pensions	56	—	—	56	49
Housing cost allocation	28	—	—	28	27
	84	—	—	84	76
<b>Strategic Investment Projects (see below)</b>	53	472	—	525	131
<b>Support costs (note 9)</b>	2,298	—	—	2,298	2,124
<b>Total expenditure on resourcing Ministry and Mission</b>	8,539	1,359	13	9,911	9,227
<b>Expenditure on education:</b>					
Support for church schools and young people	585	78	—	663	528
<b>Total funds</b>	9,665	1,437	13	11,115	10,299

\* The 2018 expenditure is analysed by fund in the appendix.

Restricted expenditure on Strategic Investment Projects comprises expenditure on projects to enable the Diocesan Strategy of 'Changed Lives→ Changing Lives' of which £376k is funded by the Church Commissioners, £81k by Allchurches Trust and £15k by other trusts.

## 9. Analysis of support costs

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2019 £'000	Total funds 2018 £'000
<b>Diocesan administration</b>					
Salaries	1,242	—	—	1,242	1,115
National Insurance	120	—	—	120	109
Pensions	222	—	—	222	224
Administration, office and other indirect costs	592	—	—	592	557
<b>Governance</b>					
External audit	35	—	—	35	23
Diocesan Synod and Archbishop's Council	8	—	—	8	10
National Synod	4	—	—	4	10
Registrar	50	—	—	50	51
Statutory accounts preparation	10	—	—	10	10
Strategic Management	15	—	—	15	15
<b>Total support costs</b>	<b>2,298</b>	<b>—</b>	<b>—</b>	<b>2,298</b>	<b>2,124</b>

The 2018 support costs are analysed by fund in the appendix.

In both 2018 and 2019, support costs relate only to the resourcing of Ministry and Mission.

## 10. Analysis of total expenditure

	Activities directly undertaken £'000	Grant funding of activities £'000	Support costs £'000	Total funds 2019 £'000	Total funds 2018 £'000
Raising funds	325	—	—	325	295
Charitable activities					
. Contributions to Archbishops' Council	—	541	—	541	544
. Resourcing Ministry and Mission	6,903	710	2,298	9,911	9,227
. Education	585	78	—	663	528
	<b>7,813</b>	<b>1,329</b>	<b>2,298</b>	<b>11,440</b>	<b>10,594</b>

The 2018 analysis of total expenditure is included in the appendix.

## 11. Net income (expenditure) for the year

This is stated after charging:

	2019 £'000	2018 £'000
Depreciation of tangible fixed assets owned by the charitable group	25	23
Operating lease rentals	22	26

**Notes to the financial statements** Year to 31 December 2019

**12. Auditor's remuneration**

	2019 £'000	2018 £'000
Audit of the charity's annual accounts and those of subsidiary trading companies:		
.Current year	27	24
.Prior year	12	—
Taxation services to the group	7	3
Other consultancy services to the group	—	8

**13. Stipends and staff costs**

	2019 £'000	2018 £'000
Wages, salaries and stipends	4,887	4,657
Social security costs	412	393
Other pension costs	1,039	1,050
	6,338	6,100
Defined benefit scheme operating cost	6	6
Apprenticeship levy	14	14
	6,358	6,120

The average number of persons employed by the group during the year was as follows:

	2019 No.	2018 No.
Clergy, Curates and Senior Staff	131	136
Diocesan House (including strategic projects)	70	56
Subsidiary trading companies	5	4
	206	196

The number of employees with remuneration in excess of £60,000 (including taxable benefits but excluding employer pension and national insurance contributions) was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	—	1
In the band £80,001 - £90,000	1	—

Employer pension scheme costs in respect of the above employees were £48,213 (2018 - £43,786).

***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 2019 and 2018 they were:

Diocesan Secretary and Company Secretary  
 Diocesan Director of Ordinands  
 Director of Communications  
 Director of Communities and Partnerships  
 Director of Education  
 Director of Finance  
 Director of Strategic Property

Remuneration, pensions and expenses for these 7 positions amounted to £475,322 (2018 - £492,847).

## Notes to the financial statements Year to 31 December 2019

### 14. Trustees' remuneration

No Trustees received any remuneration in connection with their duties as trustees during the year (2018 – none). During the year several Trustees, who are also clergy within the diocese, received stipends from, and/or were provided with housing by, the charity in connection with their religious and pastoral duties within the diocese.

The following table gives details of the Trustees who were in receipt of a stipend (including pension), part stipend (including pension) and/or housing provided by CDBF during the year either directly or via a spouse.

	Stipend	Housing
The Bishop of Dover	No	Yes
Mr Nigel Mansley	Yes	Yes
The Archdeacon of Ashford	Yes	Yes
The Archdeacon of Canterbury	No	No
The Archdeacon of Maidstone	No	Yes
Revd Canon Andrew Sewell	Yes	Yes
Revd Anthony Everett	Yes	Yes
Revd Andrew Bawtree	Yes	Yes
Revd Estella Last	Yes	Yes
Revd Shiela Porter	Yes	Yes
Revd Michael Resch	Yes	Yes
Revd Carol Smith	Yes	Yes
Revd Canon Stephen Lillicrap	Yes	Yes
Revd Canon Timothy Wilson	Yes	Yes

Trustees received reimbursement of expenses of £20,733 (2018 - £22,304) in respect of General Synod duties, duties as archdeacon and other duties as trustees.

### 15. Tangible fixed assets

Group and charity	Freehold property £'000	Office equipment £'000	Benefice Property £'000	Total £'000
<b>Cost or valuation</b>				
At 1 January 2019	15,030	320	63,803	79,153
Additions	429	60	—	489
Transfers	1,060	—	(1,060)	—
Disposals	(849)	—	—	(849)
Revaluation	—	—	2,715	2,715
At 31 December 2019	15,670	380	65,458	81,508
<b>Depreciation</b>				
At 1 January 2019	977	302	—	1,279
Charge for the year	—	25	—	25
On disposal	(20)	—	—	(20)
At 31 December 2019	957	327	—	1,284
<b>Net book values</b>				
At 31 December 2019	14,713	53	65,458	80,224
At 31 December 2018	14,053	18	63,803	77,874

**Notes to the financial statements** Year to 31 December 2019

**15. Tangible fixed assets (continued)**

Benefice properties are included in the financial statements at a valuation determined as part of a rolling programme designed to value all such properties over a five year period. The valuation is based on market value for existing use of approximately one fifth of the property portfolio for each year, and has been carried out by a member of the charity's property team with a Chartered Surveyor qualification. As a result of the economic uncertainty due to Covid-19, property values may have fallen significantly since 31 December 2019.

All other tangible fixed assets are included in the financial statements at cost.

**16. Fixed asset investments**

<b>Group</b>	<b>Glebe property £'000</b>	<b>Listed investments £'000</b>	<b>Total £'000</b>
<b>Market value</b>			
At 1 January 2019	1,623	5,396	7,019
Additions	—	497	497
Disposal proceeds	—	(497)	(497)
Net investment gains	—	708	708
At 31 December 2019	1,623	6,104	7,727
<b>Historical cost</b>	—	4,099	4,099

<b>Charity</b>	<b>Glebe property £'000</b>	<b>Investment in subsidiaries £'000</b>	<b>Listed investments £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>				
At 1 January 2019	1,623	127	5,396	7,146
Additions	—	—	497	497
Disposals	—	—	(497)	(497)
Net investment gains	—	—	708	708
At 31 December 2019	1,623	127	6,104	7,854
<b>Impairment</b>				
At 1 January 2019 and 31 December 2019	—	126	—	126
<b>Net book values</b>				
At 31 December 2019	1,623	1	6,104	7,728
At 31 December 2018	1,623	1	5,396	7,020

All the fixed asset investments are held in the UK. The listed investments are held in Church of England Central Board of Finance funds managed by CCLA Investment Management Limited.

**Notes to the financial statements** Year to 31 December 2019

**16. Fixed asset investments (continued)**

At 31 December 2019, the listed investments included the following holdings deemed material in the context of the entire portfolio of listed investments.

<b>Holding</b>	<b>Value £'000</b>	<b>% of portfolio</b>
Property fund	1,414	23.1%
Investment fund	4,657	76.3%

**17. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2019 £'000</b>	<b>2018 £'000</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Parish share due	209	208	209	208
Amounts owed by subsidiaries	—	—	32	34
Amounts owed by undertakings in which the company has a participating interest	4	9	4	9
Other debtors:				
· Secured loan	214	209	214	209
· Other debtors	429	542	420	507
Prepayments	196	144	186	130
Accrued income	270	—	270	—
	<b>1,322</b>	<b>1,112</b>	<b>1,335</b>	<b>1,097</b>

***Parish Share (the group and the charity)***

The parish share element within debtors above consists of:

	<b>2019 £'000</b>	<b>2018 £'000</b>
Total parish share due at 31 December	2,489	2,309
Provisions made in respect of:		
· Current year	(647)	(693)
· Previous years	(1,633)	(1,408)
Total	<b>209</b>	<b>208</b>

**18. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2019 £'000</b>	<b>2018 £'000</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Bank loan	423	—	423	—
Other loans	145	420	145	420
Expense creditors	150	125	145	104
Other taxation and social security	51	46	49	46
Other creditors	1,978	1,481	1,978	1,454
Pension scheme liabilities	424	446	424	446
Amounts owed to subsidiaries	—	—	1	26
Accruals and deferred income	207	194	163	148
	<b>3,378</b>	<b>2,712</b>	<b>3,328</b>	<b>2,644</b>

The 2019 bank loan is secured over a freehold property and is repayable by June 2020 with interest charged at 1.99% above Bank Rate.

**18. Creditors: amounts falling due within one year (continued)**

**Notes to the financial statements** Year to 31 December 2019

Other loans include Value Linked Loans of £145,000 (2018 - £145,000) for the purchase of special needs housing (purchased on behalf of the Church Commissioners). These loans are only repayable in the event of a sale of any of the properties and interest is charged on these loans at a variable rate. In 2018 other loans also included an unsecured loan of £275,000 with interest charged at 0.55% over the CBF Church of England deposit rate. This loan was fully repaid during 2019.

**19. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loan (see note 18)	—	423	—	423
Other loans	<b>778</b>	778	<b>778</b>	778
Pension scheme liabilities	<b>944</b>	2,575	<b>944</b>	2,575
	<b>1,722</b>	3,776	<b>1,722</b>	3,776

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Repayable other than by instalments	<b>1,723</b>	3,353	<b>1,723</b>	3,353

The other loans consist of three (2018 - three) interest only mortgages which are secured on freehold properties. All of the loans are repayable within 20 years. Interest on the loans is charged at 1.50% above base rate.

Notes to the financial statements Year to 31 December 2019

20. Statement of funds

Year to 31 December 2019	Brought forward at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers in (out) £'000	(Losses) gains £'000	Carried forward at 31 December 2019 £'000
<b>Endowment funds</b>						
Ministry Trust Fund	1,738	—	—	—	248	1,986
Clergy Training Fund	477	—	—	—	71	548
Tait Mission Fund	172	—	—	—	29	201
Benefice Properties	62,828	—	—	(1,060)	3,981	65,749
Board of Education General Fund	1,160	175	—	—	(1)	1,334
Stipends Capital Fund	2,646	—	(13)	—	31	2,664
	69,021	175	(13)	(1,060)	4,359	72,482
<b>Restricted funds</b>						
Clergy and Spouses Retirement Fund	613	—	(10)	—	107	710
Allchurches Trust	—	123	(81)	—	—	42
Lower Income Communities Fund	—	724	(724)	—	—	—
Resourcing Ministerial Education	—	188	(188)	—	—	—
Strategic Investment Projects	40	425	(391)	—	—	74
Other Funds	—	34	(34)	—	—	—
Diocesan Pastoral Account Fund	333	—	(9)	—	—	324
	986	1,494	(1,437)	—	107	1,150
<b>Designated funds</b>						
Ministry Housing	11,579	—	—	658	—	12,237
Spirituality Fund	218	6	(8)	—	23	239
Witney Fund	935	29	(20)	—	121	1,065
Training Fund	23	—	—	—	—	23
	12,755	35	(28)	658	144	13,564
<b>General funds</b>						
General	132	9,275	(9,822)	402	42	29
<b>Total unrestricted funds</b>	12,887	9,310	(9,850)	1,060	186	13,593
<b>Total Charity funds</b>	82,894	10,979	(11,300)	—	4,652	87,225
Non-charitable trading funds	75	140	(140)	—	—	75
<b>Total Group funds</b>	82,969	11,119	(11,440)	—	4,652	87,300

Summary: Group funds 2019	Brought forward at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfers in (out) £'000	Gains £'000	Carried forward at 31 December 2019 £'000
Designated funds	12,755	35	(28)	658	144	13,564
General funds (and non- charitable trading funds)	207	9,415	(9,962)	402	42	104
Unrestricted funds	12,962	9,450	(9,990)	1,060	186	13,668
Endowment funds	69,021	175	(13)	(1,060)	4,359	72,482
Restricted funds	986	1,494	(1,437)	—	107	1,150
<b>Total funds</b>	82,969	11,119	(11,440)	—	4,652	87,300



**20. Statement of funds (continued)**

***Designated Funds***

- i) Ministry Housing - This fund consists of Ministry Housing properties.
- ii) Spirituality Fund - The fund represents the sale proceeds of St Gabriel's Retreat House for financing a part time Diocesan Spirituality Adviser and making grants to assist Parishes and individuals to take retreats.
- iii) Witney Fund - This fund consists of a legacy from the Estate of the Late Dr Raymond Witney. The Board resolved that the capital of the fund should be retained intact and the income be used to assist in the promotion of the Christian faith in the diocese.
- iv) Training Fund - The purpose of this fund was to provide grants to clergy to supplement their training needs as appropriate. This fund receives unused Continuing Ministerial Education contributions and the income arising from the Cobbe Holiday Trust Fund (with the approval of the Charity Commission).

***General Funds***

General funds consist of the accumulated surpluses, less deficits, on unrestricted funds, excluding designated fund movements.

***Non-charitable trading funds***

These funds consist of the unrestricted funds of the trading subsidiaries.

***Endowment Funds***

***Permanent Endowment Funds***

The endowment funds, whereby the capital may not be expended and the income may be applied as specified are as follows:

- i) Ministry Trust Fund - Income to be applied for stipends. The fund comprises the Standen Bequest, the Spooner Bequest, the A T Wiggins Bequest, the Parsonage Repair Fund, and the Dame Stancombe- Wills Fund.
- ii) Clergy Training Fund - Income to be applied for clergy training. The fund comprises the Candidates for the Ministry Fund, the Holt Fund and the Knight Trust Fund.
- iii) Tait Mission Fund - Income to be applied for the expenses of the Tait Missioner.

***Expendable Endowment Funds***

- i) Benefice Properties - The fund consists of resources restricted to provision of benefice houses which are vested for the time being in the incumbents of the benefices concerned. The CDBF is obliged to maintain them and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese. Sale proceeds of benefice houses surplus to requirements may be transferred into the diocesan pastoral account fund. During the year £658k was transferred to ministry housing and £402k to general funds in respect of properties which became under the ownership of Canterbury Diocesan Board of Finance.

**20. Statement of funds (continued)**

***Endowment Funds (continued)***

***Expendable Endowment Funds (continued)***

- ii) Board of Education General Fund - The proceeds of sale of redundant properties are held on a separate endowment fund under s554 of the Education Act. The capital of funds awaiting Orders from the Secretary of State are not available for use until such time as they are included in a charitable order or scheme which may require funds to be disposed of to other parties in part or in full. Other proceeds of sale of redundant properties are held until the completion of replacement schools. In these cases the proceeds of sale may be used to offset expenses relating to the new school projects.
- iii) Stipends Capital Fund - The fund is governed by s35 of the Endowments and Glebe Measure 1976. Income is derived primarily from the return on investments, the sale of glebe, gains on sale of investments, the transfer of parsonage proceeds and occasional gifts and bequests. Income of the fund is automatically applied to stipends but, at the request of the Bishop, and with the concurrence of the Board, can be applied to:
  - acquiring new glebe land;
  - developing, improving and protecting amenities of glebe;
  - discharging loans on glebe;
  - the improvement or repair of parsonage houses or ministry housing.

During the year £nil was transferred to the Ministry Housing Fund (2018 - £800k).

***Restricted Funds***

Restricted funds comprise of:

- i) Clergy and Spouses Retirement Fund - The following restricted funds specify that both capital and income must be applied for retired clergy and spouses:
  - C S Thomas
  - Mrs A W Mannell Bequest
  - R & M Pratt
  - Dorothy Mowll Will Trust
- ii) Lower Income Communities Fund – The fund consists of income from Archbishops' Council to make provision for the cure of souls in parishes where such assistance is most required.
- iii) Resourcing Ministerial Education- The fund consists of income from Archbishops' Council to support ordinand training.
- iv) Strategic Investment Projects - The fund consists of funding for projects to enable the Diocesan Strategy of 'Changed Lives→Changing' Lives.
- v) Other Funds – These funds consist of various funds for projects out with the Diocesan Strategy.

**Notes to the financial statements** Year to 31 December 2019

**20. Statement of funds (continued)**

***Restricted Funds (continued)***

vi) Diocesan Pastoral Account Fund - The purposes for which this fund may be used are laid down in Section 94 of the Pastoral Measure 2011 and comprise:

- grants and loans for parsonage and church provision, restoration, improvement or repair;
- costs of disposing of or maintaining houses and churches vested in the Board or Commissioners by the Measure;
- transfers to Stipends Capital Fund of capital or income;
- other purposes of the Diocese or any benefice or parish.

The fund receives the sale proceeds of churches and parsonages, which have become redundant under pastoral reorganisation when it is specified that they should be paid into this fund. The fund includes monies set aside by the Pastoral Committee for mission and development in parishes. During the year, £nil (2018 - £420k) was transferred to unrestricted funds to assist with the funding of parsonage maintenance and £nil (2018 - £333k) to assist with the purchase of Ministry Housing.

The analysis of the movements in funds for 2018 is included in the appendix.

**21. Analysis of net assets between funds**

An analysis of the group net assets between funds at 31 December 2019 is given below:

<b>Group 2019</b>	<b>General funds £'000</b>	<b>Designated funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total funds 2019 £'000</b>
Tangible fixed assets	2,528	12,238	—	65,458	<b>80,224</b>
Fixed asset investments	345	1,538	782	5,062	<b>7,727</b>
Current assets	285	1,087	1,115	1,962	<b>4,449</b>
Creditors due within one year	(1,594)	(1,037)	(747)	—	<b>(3,378)</b>
Creditors due in more than one year	(1,460)	(262)	—	—	<b>(1,722)</b>
<b>Total funds</b>	<b>104</b>	<b>13,564</b>	<b>1,150</b>	<b>72,482</b>	<b>87,300</b>

General funds include non-charitable trading funds of £75k (2018 – 75k). The 2018 analysis of net assets by fund is included in the appendix.

## 22. Pension commitments

### Clergy

Canterbury DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to specific Responsible Body and this means that contributions are accounted for as if the scheme were a defined contribution scheme. The pensions costs charged to the statement of financial activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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

- An average discount rate of 3.2% pa;
- RPI inflation of 3.4% pa (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% pa;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long term 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 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit 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 contributions	11.9%	7.1%

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

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

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

## Notes to the financial statements Year to 31 December 2019

### 22. Pension commitments (continued)

#### **Clergy** (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2019 £'000	2018 £'000
Balance sheet liability at 1 January	2,406	2,907
Deficit recovery contributions paid	(349)	(371)
Interest cost (recognised in statement of financial activities)	47	38
Remaining change to the balance sheet liability* (recognised in statement of financial activities)	(1,313)	(168)
<b>Balance sheet liability at 31 December</b>	<b>791</b>	<b>2,406</b>

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

This liability represents the present value of the deficit recovery 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:

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

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

#### **Staff**

Canterbury DBF participates in the Defined Benefits Scheme section of the Church Workers Pension Fund for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

#### *Defined Benefits Scheme*

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

**22. Pension commitments (continued)**

**Staff (continued)**

*Defined Benefits Scheme (continued)*

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the DBS were a defined contribution scheme.

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

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

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 40.5% of pensionable salary and expenses of £6,100 per year. In addition, deficit payments of £74,552 per year have been agreed for 10 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within these financial statements.

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

The movement in the provision is set out below:

	2019 £'000	2018 £'000
Balance sheet liability at 1 January	615	186
Deficit contribution paid	(75)	(77)
Interest cost (recognised in statement of financial activities)	13	1
Remaining change to the balance sheet liability* (recognised in statement of financial activities)	24	505
<b>Balance sheet liability at 31 December</b>	<b>577</b>	<b>615</b>

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

This liability represents the present value of the deficit recovery 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:

	2019	2018
Discount rate	1.4% pa	2.3% pa

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

The next valuation of the scheme is being carried out as at 31 December 2019 and is not yet available. The deadline for the valuation is 31 March 2021.

## Notes to the financial statements Year to 31 December 2019

### 23. Operating lease commitments

At 31 December 2019 the total of the group's and charity's future minimum lease payments under non-cancellable operating leases was:

Group and Charity	Land and buildings £'000	Equipment £'000	2019 £'000	Land and buildings £'000	Equipment £'000	2018 £'000
<b>Amounts payable:</b>						
Within 1 year	15	1	16	15	7	22
Between 2 and 5 years	34	3	37	49	4	53
<b>Total</b>	<b>49</b>	<b>4</b>	<b>53</b>	<b>64</b>	<b>11</b>	<b>75</b>

### 24. Principal subsidiaries, joint ventures and connected charities

#### a. Principal subsidiaries

Details of the principal subsidiaries are provided below:

Company name	Registration number	Country	Percentage Shareholding	Principal Activity
Diocesan Architectural Services Limited	2790278	England & Wales	100%	Architectural services Dormant from May 2018
Canterbury Diocesan Enterprises Limited	6673588	England & Wales	100%	Property management
Ethos School Improvement Limited	7945168	England & Wales	100%	Provision of services to schools

Financial information for each of the subsidiaries is as follows:

<b>Diocesan Architectural Services Limited</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Assets and funds	1	1

<b>Canterbury Diocesan Enterprises Limited</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Income	275	312
Expenditure	(285)	(266)
Profit	(10)	46
Assets	53	68
Liabilities	(25)	(30)
Funds	28	38

<b>Ethos School Improvement Limited</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Income	88	71
Expenditure	(78)	(29)
Profit	10	42
Assets	120	77
Liabilities	(73)	(40)
Funds	47	37

**24. Principal subsidiaries, joint ventures and connected charities (continued)**

**b. Principal joint ventures**

Company name	Registration number	Country	Percentage Shareholding	Principal Activity
Together Kent	8763875	England & Wales	50%	Christian Charity missionary work

**c. Connected entities**

Company name	Registration number	Country	Principal Activity
The Diocese of Canterbury Academies Company Limited	7793458	England & Wales	Educational activities

**25. Custodian Trustee**

The charity acts as Custodian Trustee in respect of various funds. These assets are held separately from those of the charity and are not included in the balance sheets on page 21. The summary of the funds as at 31 December is as follows:

	2019 £'000	2018 £'000
<b>Trust funds</b>		
Represented by:		
Fixed assets		
. Listed investments (at cost)	1,579	1,576
Current assets		
. Central Board of Finance Deposit Fund	1,312	1,329
. Cash at bank	4	1
<b>Total</b>	<b>2,895</b>	<b>2,906</b>
<b>Market value of investments at 31 December</b>		
Listed investments	5,105	4,438

**26. School building projects**

The charity received government grants of £1.5m (2018 - £1.4m) in connection with major repair and capital projects at church schools in the Diocese. These monies, together with the contributions received from school governors are used to fund contractor payments also administered by the charity acting as managing agent for the schools. During the year the charity made payments to contractors of £1.4m (2018 - £0.6m).

**27. Related party transactions**

Other than the relationships and transactions disclosed in notes 1 and 14, there are no other related party transactions requiring disclosure (2018: none).



**Appendix: Comparative consolidated statement of financial activities Year to 31 December 2018**

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2018 £'000
<b>Income and endowments from:</b>					
Donations and legacies	1	7,864	1,107	—	8,971
Charitable activities	2	415	—	—	415
Other trading activities	3	667	—	—	667
Investments and interest	4	306	—	—	306
Other sources					
· Gains on property disposals	5	—	—	311	311
<b>Total income and endowments</b>		<b>9,252</b>	<b>1,107</b>	<b>311</b>	<b>10,670</b>
<b>Expenditure on:</b>					
Raising funds	6	295	—	—	295
Charitable activities	8	9,170	1,104	25	10,299
<b>Total expenditure</b>	10	<b>9,465</b>	<b>1,104</b>	<b>25</b>	<b>10,594</b>
<b>Net income (expenditure) before investment gains</b>					
		(213)	3	286	76
Net gains on investments		(11)	(8)	(152)	(171)
<b>Net income before transfers</b>					
		(224)	(5)	134	(95)
Transfers between funds	20	1,528	(753)	(775)	—
<b>Net income (expenditure) for the year</b>		<b>1,304</b>	<b>(758)</b>	<b>(641)</b>	<b>(95)</b>
<b>Other recognised gains and losses:</b>					
(Losses) gains on revaluation of pension fund liabilities		(506)		130	(376)
Gains on revaluations of tangible fixed assets		—	—	760	760
<b>Net movement in funds</b>		<b>798</b>	<b>(758)</b>	<b>249</b>	<b>289</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		12,164	1,744	68,772	82,680
<b>Total funds carried forward</b>		<b>12,962</b>	<b>986</b>	<b>69,021</b>	<b>82,969</b>

**Appendix: Comparative notes to the financial statements** Year to 31 December 2018

**1. Income from: Donations and legacies**

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2018 £'000
Parish Share	7,734	—	7,734
Archbishops' Council	—	923	923
Allchurches Trust	121	—	121
Other donations and grants	9	184	193
Legacies	—	—	—
<b>Total funds</b>	<b>7,864</b>	<b>1,107</b>	<b>8,971</b>

**8. Expenditure on: Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2018 £'000
<b>Contributions to Archbishops' Council:</b>				
Training for ministry	227	—	—	227
National Church Responsibilities	181	—	—	181
Grants and provisions	20	—	—	20
Mission agency pension costs	2	—	—	2
Retired clergy housing costs	76	—	—	76
Pooling of ordinands maintenance grants	38	—	—	38
	<b>544</b>	<b>—</b>	<b>—</b>	<b>544</b>
<b>Resourcing Ministry and Mission:</b>				
<b>Parish Ministry</b>				
Stipends	3,007	—	—	3,007
National Insurance	235	—	—	235
Pension contributions	757	—	—	757
Housing costs	1,475	91	—	1,566
Apprenticeship levy	14	—	—	14
Removal and resettlement grants	98	—	—	98
Other expenses	241	—	—	241
Lay and ordinand training	166	105	—	271
Parochial fee grants	37	—	—	37
Mission development grants	34	636	—	670
	<b>6,064</b>	<b>832</b>	<b>—</b>	<b>6,896</b>
<b>Senior Clergy</b>				
Stipends, NI and Pensions	49	—	—	49
Housing cost allocation	27	—	—	27
	<b>76</b>	<b>—</b>	<b>—</b>	<b>76</b>
<b>Strategic Investment Projects (see below)</b>				
	<b>27</b>	<b>104</b>	<b>—</b>	<b>131</b>
<b>Support costs (note 9)</b>				
	<b>2,010</b>	<b>102</b>	<b>12</b>	<b>2,124</b>
<b>Total expenditure on resourcing Ministry and Mission</b>	<b>8,177</b>	<b>1,038</b>	<b>12</b>	<b>9,227</b>

**Appendix: Comparative notes to the financial statements** Year to 31 December 2018

**8. Expenditure on: Charitable activities (continued)**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2018 £'000
<b>Expenditure on education:</b>				
Support for church schools and young people	449	66	13	528
<b>Total funds 2018</b>	<b>9,170</b>	<b>1,104</b>	<b>25</b>	<b>10,299</b>

Expenditure on Strategic Investment Projects comprises expenditure on projects to enable the Diocesan Strategy of Changed Lives► Changing Lives of which £104k is funded by the Church Commissioners.

**9. Analysis of support costs**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2018 £'000
<b>Diocesan administration</b>				
Salaries	1,066	49	—	1,115
National Insurance	108	1	—	109
Pensions	222	2	—	224
Administration, office and other indirect costs	495	50	12	557
<b>Governance</b>				
External audit	23	—	—	23
Diocesan Synod and Archbishop's Council	10	—	—	10
National Synod	10	—	—	10
Registrar	51	—	—	51
Statutory accounts preparation	10	—	—	10
Strategic Management	15	—	—	15
<b>Total support costs</b>	<b>2,010</b>	<b>102</b>	<b>12</b>	<b>2,124</b>

**10. Analysis of total expenditure**

	Activities directly undertaken £'000	Grant funding of activities £'000	Support costs £'000	Total funds 2018 £'000
Raising funds	295	—	—	295
Charitable activities				
• Contributions to Archbishops' Council	—	544	—	544
• Resourcing Parish Ministry	6,396	707	2,124	9,227
• Education	439	89	—	528
	<b>7,130</b>	<b>1,340</b>	<b>2,124</b>	<b>10,594</b>

**Appendix: Comparative notes to the financial statements Year to 31 December 2018**

**20. Statement of funds**

<b>Year to 31 December 2018</b>	<b>Brought forward at 1 January 2018 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Transfers in (out) £'000</b>	<b>(Losses) gains £'000</b>	<b>Carried forward at 31 December 2018 £'000</b>
<b>Endowment funds</b>						
Ministry Trust Fund	1,752	—	—	—	(14)	1,738
Clergy Training Fund	481	—	—	—	(4)	477
Tait Mission Fund	175	—	—	—	(3)	172
Benefice Properties	61,938	—	130	—	760	62,828
General Education Fund	1,146	—	(13)	25	2	1,160
Stipends Capital Fund	3,280	311	(12)	(800)	(133)	2,646
	<b>68,772</b>	<b>311</b>	<b>105</b>	<b>(775)</b>	<b>608</b>	<b>69,021</b>
<b>Restricted funds</b>						
Clergy and Spouses Retirement Fund	626	—	(5)	—	(8)	613
Lower Income Communities Fund	—	702	(702)	—	—	—
Resourcing Ministerial Education	—	105	(105)	—	—	—
Strategic Investment Projects	—	144	(104)	—	—	40
Other Funds	—	156	(156)	—	—	—
Diocesan Pastoral Account Fund	1,118	—	(32)	(753)	—	333
	<b>1,744</b>	<b>1,107</b>	<b>(1,104)</b>	<b>(753)</b>	<b>(8)</b>	<b>986</b>
<b>Designated funds</b>						
Ministry Housing	10,446	—	—	1,133	—	11,579
Spirituality Fund	227	6	(14)	—	(1)	218
Witney Fund	937	29	(26)	—	(5)	935
Holiday Fund	27	—	—	(27)	—	—
Mission Initiatives Fund	139	3	—	(142)	—	—
Taylor Bequest	23	—	—	—	—	23
Davington Gatehouse	21	—	—	(21)	—	—
Training Fund	64	5	—	(69)	—	—
	<b>11,884</b>	<b>43</b>	<b>(40)</b>	<b>874</b>	<b>(6)</b>	<b>12,755</b>
<b>General funds</b>						
General	296	9,085	(9,898)	654	(5)	132
<b>Total unrestricted funds</b>	<b>12,180</b>	<b>9,128</b>	<b>(9,938)</b>	<b>1,528</b>	<b>(11)</b>	<b>12,887</b>
<b>Total Charity funds</b>	<b>82,696</b>	<b>10,546</b>	<b>(10,937)</b>	<b>—</b>	<b>589</b>	<b>82,894</b>
Non-charitable trading funds	(16)	124	(33)	—	—	75
<b>Total Group funds</b>	<b>82,680</b>	<b>10,670</b>	<b>(10,970)</b>	<b>—</b>	<b>589</b>	<b>82,969</b>
<b>Summary: Group funds 2018</b>	<b>Brought forward at 1 January 2018 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Transfers in (out) £'000</b>	<b>(Losses) gains £'000</b>	<b>Carried forward at 31 December 2018 £'000</b>
Designated funds	11,884	43	(40)	874	(6)	12,755
General funds (net of non- charitable trading funds)	280	9,209	(9,425)	654	(511)	207
Unrestricted funds	12,164	9,252	(9,465)	1,528	(517)	12,962
Endowment funds	68,772	311	(25)	(775)	738	69,021
Restricted funds	1,744	1,107	(1,104)	(753)	(8)	986
<b>Total funds</b>	<b>82,680</b>	<b>10,670</b>	<b>(10,594)</b>	<b>—</b>	<b>213</b>	<b>82,969</b>

**Appendix: Comparative notes to the financial statements** Year to 31 December 2018

**21. Analysis of net assets between funds**

<b>Group 2018</b>	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2018 £'000
Tangible fixed assets	2,492	11,579	—	63,803	77,874
Fixed asset investments	278	1,254	637	4,850	7,019
Current assets	423	849	349	2,943	4,564
Creditors due within one year	(1,785)	(927)	—	—	(2,712)
Creditors due in more than one year	(1,201)	—	—	(2,575)	(3,776)
<b>Total funds</b>	<b>207</b>	<b>12,755</b>	<b>986</b>	<b>69,021</b>	<b>82,969</b>