



**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 FOR**

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED**

**REGISTERED CHARITY LIMITED BY GUARANTEE**

**COMPANY REGISTRATION NUMBER 00271752  
A REGISTERED CHARITY NUMBER 00247778**



**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019**

**CURRENT DIRECTORS:**

The Reverend A Todd (Chair)  
The Right Reverend Dr J G Inge  
The Right Reverend M Gorick  
The Venerable N J Groarke  
The Venerable R G Jones  
The Very Reverend P G Atkinson  
E A Wiles (Vice Chair)  
B W Allbut  
The Reverend M Badger  
The Reverend R M Clark  
The Reverend A C Davies  
J K Layton  
The Reverend C A Lording  
J A Lovesy  
R C Lunn  
D I A R Phillips  
The Reverend A M Potter  
H A Richards  
The Reverend B E Rienstra  
Dr D J Sparkes

**SECRETARY:**

J P H Preston

**REGISTERED OFFICE:**

The Old Palace  
Deansway  
Worcester  
WR1 2JE

**REGISTERED NUMBER:**

Company: 00271752  
Charity: 00247778

**AUDITORS:**

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

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**BANKERS:**

Lloyds Bank Plc  
4 The Cross  
Worcester  
WRI 3PY

**SOLICITORS:**

SME Solicitors LLP  
8 Sansome Walk  
Worcester  
WRI 1LW

**INVESTMENT ADVISERS:**

CCLA Investment Management Limited  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

**INSURANCE AGENTS:**

Ecclesiastical Insurance Group  
Beaufort House  
Brunswick Road  
Gloucester  
GL1 1JZ

**PROPERTY INVESTMENT ADVISER:**

A N Champion FRICS  
Fisher German LLP  
Chartered Surveyors  
Global House  
Hindlip Lane  
Worcester  
WR3 8SB

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors, who are also trustees for the purposes of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2019. The directors/trustees are one and the same and in signing as directors they are also signing in their capacity as trustees. This combined report satisfies the legal requirements for:

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

**CHAIR'S REPORT**

**What do these financial statements mean?**

Interpreting a set of Diocesan accounts can be a challenge, not least because of the specific rules of charity accounting to which they are subject. It may help to see them as telling a story – or perhaps several stories.

First, they tell the story of a journey in which the Diocese has been engaged during the year. In 2018, we spent £1.1m more than we received in income on our core operations, and so one of the most urgent tasks facing the Diocese has been to begin to reduce the level of this deficit. The Diocesan Office has led the way in saving costs, but we also began a process of "Open Conversations" across the Diocese. These conversations were aimed at engaging widely with parishes in considering how we might shape mission and ministry through as many healthy and sustainable churches as possible. Crucially, the discussions were focused on far more than just saving money. We are immensely grateful to all who participated - a full 13% of the numbers who usually attend Church on a Sunday.

Alongside the core operations of the Diocese, we have continued to prioritise our strategic projects. Both our Resourcing Churches were fully operational by year end, and the *Calling Young Disciples* project has continued to bear fruit in increased engagement in and across parishes with children, families and young people. These projects are funded partly by Strategic Development Funding from the Archbishops' Council, and by investment from our own Diocesan reserves.

One of the most heartening developments in the year was that Parish Share contributions increased by 5.4% compared with 2018. It has been good to see the enthusiastic take-up of the Parish Giving Scheme in its first year of operation in the Diocese, with 22% of parishes registered by year end, and 416 givers signed-up to the scheme (representing 6% of planned givers in the Diocese).

If these accounts tell the story of progress made during the year, they also illustrate the magnitude of the task still ahead. As a result of the increased Parish Share contributions and the cost savings already mentioned, we were able to reduce our in-year operational deficit in 2019 to £754k plus investment of £164k in strategic projects. However, an annual deficit of this level is unsustainable. The Parish Share received, although an increase when compared to 2018, represents only 84% of the amount requested in order to fund ministry and mission in the Diocese. Further cost savings will need to be found; and in conjunction with the Open Conversations, the Diocese has commissioned a root-and-branch review of the Parish Share system, aimed at building financial sustainability.

So these financial statements tell the story of a journey travelled and a journey ahead. But they also point to a much bigger story. Above all else, they tell the story of our response as Kingdom People to God's unfailing generosity towards us – the generosity seen supremely in the gift of Christ, but also in the gift of all the resources which God has entrusted to us. It is a story of parishes and Diocese engaged together in (we trust) partnership with God through grateful giving of time and money, and wise stewardship of those resources, confident in God's faithfulness.

As these financial statements are being finalised, the whole nation is continuing to grapple with the implications of the COVID-19 pandemic. Some of the challenges facing the Worcester Diocesan Board of Finance are severe, in terms of the impact both on operations and on investment asset values. However, the Directors are confident that the work of God in this Diocese will continue to flourish, and continue to trust in the faithfulness of God in these times of great uncertainty.

**The Reverend Andy Todd**  
**Chair**

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**ADMINISTRATIVE DETAILS OF THE CHARITY**

The full name of the company is Worcester Diocesan Board of Finance Limited. The company is limited by guarantee. The company registration number is 00271752 and the charity registration number is 00247778. The company is governed by its memorandum and articles of association. The registered office of the company is The Old Palace, Deansway, Worcester WR1 2JE.

The directors, who are also the trustees and members of the Bishop's Council of the Diocese, during the year and up to the date the report was approved are as follows:

The Reverend A Todd (Chair from 29.02.20)	
Canon A K Findlay (Chair) (Resigned 31.12.19)	
The Right Reverend Dr J G Inge	
The Right Reverend M Gorick (Appointed 09.03.20)	
The Right Reverend G B Usher (Resigned 17.06.19)	
The Very Reverend P G Atkinson	
The Venerable N Groarke	
The Venerable R G Jones	
E A Wiles (Vice Chair)	
B W Allbut	
The Reverend M Badger	
The Reverend R M Clark	
V Day (Resigned 23.9.19)	The Reverend A C Davies (Appointed 19.10.19)
D S Hargreaves (Deceased 01.06.20)	J K Layton (Appointed 29.4.19)
The Reverend C A Lording	J A Lovesy
R C Lunn	D I A R Phillips (Appointed 3.6.19)
The Reverend A M Potter	A D Quinn (Resigned 1.1.19)
The Reverend B E Rienstra (Appointed 18.2.19)	Dr D J Sparkes

There were no other changes in directors holding office during the year.

The Company Secretary is J P H Preston.

The statutory auditors are Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG.

The bankers are Lloyds Bank Plc, 4 The Cross, Worcester WR1 3PY.

The solicitors are SME Solicitors LLP, 8 Sansome Walk, Worcester WR1 1LW.

The investment advisers are CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London EC4V 4ET

The insurance agents are Ecclesiastical Insurance Group, Beaufort House, Brunswick Road, Gloucester GL1 1JZ.

The property investment adviser is A.N. Champion Esq. of Fisher German LLP, 1 Kings Court, Charles Hastings Way, Worcester WR5 1JR.

The directors of the Worcester Diocesan Board of Finance Limited are aware of the Charity Commission's guidance on public benefit in The Advancement of Religion for the Public Benefit and have had regard to it in their administration of the Board.

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

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

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The company is governed by its memorandum and articles of association. The company is controlled by the Bishop's Council. The Diocesan Mission, Pastoral and Resources Committee, the Parsonages Committee and the Investment and Glebe Committee have powers related to their activities delegated by the authority of the Diocesan Synod.

The elected clergy and lay directors are elected by the respective houses of clergy and lay members of the Diocesan Synod and further directors are co-opted by the Bishop's Council so as to seek that among its elected and co-opted members that all the thirteen deaneries in the Diocese are represented, subject always to there being a majority of lay elected and co-opted directors. At the start of each triennium, the members of the Bishop's Council are given a full and substantive overview of their duties and responsibilities as directors of the company and trustees of the charity. Training is updated within the triennium as and when required. The company is limited by guarantee and therefore the directors have no beneficial interest to disclose.

The Diocesan Secretary, J P H Preston, is responsible for the day to day management of the charity as delegated by the charity trustees. The senior management team is made up of the Diocesan Secretary, the Director of Finance, the Director of Education, the Director of Ministry and Discipleship and the Director of Communications. The administration of the charity is undertaken by the employed staff, who are based at The Old Palace, Deansway, Worcester.

The Board is associated with the Worcester Diocesan Sites and Buildings Fund which is a registered charity, because the majority of the trustees are also trustees of the Board. The Board has received a grant of £90 (2018 - £5,192) from the charity during the year. The trustees consider that this relationship does not inhibit either charity from pursuing its own separate interests.

The Board is the trustee of the Worcester Diocesan Social Responsibility Fund, which is a registered charity and has delegated administration to its Trust Committee. A majority of the Board's Trust Committee are also trustees of the Board. The Board has received £20,188 (2018 - £52,384) from the charity during the year. The trustees consider that this relationship does not inhibit either charity from pursuing its own separate interests.

The Board is also the trustee of the Worcester Diocesan Church Schools Improvement and Maintenance Fund and has delegated administration to its Trust Committee. A majority of the Board's Trust Committee are also trustees of the Board. The Board has received a grant of £4,840 (2017 - £96,649) from the trust during the year. The trustees consider that this relationship does not inhibit either charity from pursuing its own separate interests.

**OBJECTIVES AND ACTIVITIES**

The principal object of The Worcester Diocesan Board of Finance (WDBF) is to advance the Christian faith by promoting, assisting and advancing the work of the Church of England in the Diocese of Worcester by acting as the financial executive of the Worcester Diocesan Synod. This includes the enabling of public worship, pastoral care and the promotion of Christian values by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

A major part of the Board's responsibilities results from legislation with regard to funding the costs of the maintenance of clergy in the diocese of Worcester including stipends, pension contributions, maintaining clergy houses and paying council tax and water rates. The Board also supports clergy and lay people with training for Christian mission and ministry including children's and youth work.

The WDBF also has the following statutory responsibilities:

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

## **WORCESTER DIOCESAN BOARD OF FINANCE LIMITED REGISTERED CHARITY LIMITED BY GUARANTEE**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

The Board's main sources of income are contributions of Parish Share from Parochial Church Councils and income from grants and from investments. The Board is responsible for the custody and management of the Diocesan Synod's financial affairs as well as those of the Diocesan Board of Education which works with church schools and academies.

In addition to their important role in the governance of the company, and as well as contributing to the work of the Church at a parish level, volunteers make a significant contribution to the delivery of the following activities:

- The work of the Diocese's committees and working groups
- Work with children and young people
- The development of vocations and the provision of training for lay and ordained ministry
- Help and advice given to parishes by the Diocesan Advisory Committee for the care of churches
- Mission work under the umbrella of the World Church Links group
- The Commission for Social Responsibility and the Eco-Church group.

### **2019 PRIORITIES**

The Diocese has a long-established Kingdom People vision, which is underpinned by four values: love, compassion, justice, freedom. By adopting these values, we seek the coming of God's kingdom on earth, and as well as supporting those who currently consider themselves to be Christians in a lifelong journey of faith, hope and love, plan to see more people coming to follow Jesus.

During 2019, our priorities were to move towards that vision through:

- Holding an "All Together as Kingdom People" day in September to draw together people from across the diocese and resource them through plenary sessions and workshops.
- Continuing with our Calling Young Disciples project to support parishes in developing their capacity and capability for youth and children's work.
- Moving ahead with the first phases of our two Resourcing Church projects.
- Encouraging the development of vocations, and supporting candidates through the process of initial ministerial education, ordination and curacy.
- Reviewing our financial sustainability, projecting ahead to 2025 and 2030, and developing appropriate action plans as a response.
- Commissioning a review of the Parish Share system to build financial sustainability.

### **ACHIEVEMENTS AND PERFORMANCE**

The Board met its key responsibility for funding the maintenance of stipendiary parochial ministry, funding 114 stipendiary positions, including curates. Support for ministry, particularly in training, was provided to clergy and laity including Licensed Lay Ministry ("Readers"), the diocesan Authorised Lay Ministry (ALM) scheme as well as to Churchwardens and PCC Treasurers.

The Board's key focus on the "children and young people" priority is the "Calling Young Disciples" project. This is co-funded by Strategic Development Funding from the Archbishops' Council and investment from reserves. During 2019, 6 Mission Enablers were placed in parishes covering 16 individual churches. These placements saw a net gain of 116 new volunteers, which led to early achievement of the overall anticipated outcome of 250 new volunteers (278 in total by the end of 2019). As a result of the project, it is hoped to see many children, young people and their families coming to faith and growing in discipleship. On the basis of reporting by parish clergy and mission enablers, progress in 2019 saw 112 new regular worshippers, making a project total to date of 187, compared with the anticipated overall outcome of 600. The 112 new worshippers includes 36 people clergy specifically discern to be on an active discipleship journey who were not at the beginning of the project.

Both our two Resourcing Churches are making good progress. Top Church in Dudley has established a worshipping community of 120 to 150, and the re-ordering of the church has made a huge difference to the ambience of the worship area. The team has been successful in recruiting staff and a Bishop's Mission Order was made in February 2020. All Saints Worcester is also making good progress – the faculty for the building has now been approved, additional staff appointed and 42 people went through an Alpha course during 2019. As the Dudley Resourcing Church project is on track to achieve its project objectives, and is ahead of target in a number of areas, it was given a green rating by the National Church's Strategic Development Unit, the project's funders, at their annual review. The Worcester Resourcing Church project was rated Green-Amber, showing much good progress but with one or two areas for development.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

As a part of diocesan restructuring, the new post of Discipleship and Lay Training Officer was created in the summer of 2019. As well as working with existing lay ministry training programmes, and support for developing disciples, this post is also about developing shared resources across the diocese to support and encourage further growth in lay ministry, and enriching our ability to support people in their everyday faith. A new cohort of 43 ALMs completed their training in 2019. Bishop John also gave certificates to 35 people who had completed the Bishop's Certificate course: many of these are now exploring how they can live out their calling in new ways. At the Kingdom People All Together Day in September, Doug Chaplin, as the newly appointed Discipleship and Lay Training Officer, began A Big Conversation about Discipleship. This is a way of asking people how we could together as a diocese support each other better in growing our everyday faith and putting it into action.

A training day for clergy and lay people was held on preaching and other good practice in Stewardship, led by the Reverend Steve Pierce from Liverpool. The Stewardship Officer worked with a wide range of parishes in support of the priority of "strengthening stewardship" across a range of contexts. Much of the focus of this work during 2019 was more tactical than would have ideally been desired, focused on implementing a "Grants and Allowances" scheme to ensure that the Parish Share system continued to operate effectively. This scheme was judged to be highly successful, with overall parish receipts up 5.4% during the year. The first year of operation of the Parish Giving Scheme has seen a good start, with 37 parishes (22%) registered by the end of 2019. 416 givers (6% of planned givers in the diocese) were giving an average of £21.37 per week, roughly twice the Diocesan average.

The Church Buildings Team have been directly involved with project development and support with 14 churches, of which 7 were located within lowest 20% of income (LInC) parishes. This support included assisting in obtaining significant funds from the National Lottery, National Churches Trust, Church Buildings Council, Landfill trusts and many other trusts and foundations as well as supporting local fundraising initiatives.

Significant support has been provided to the reordering projects on all 3 resourcing church buildings.

The structure of the team changed during the year: the proposal to replace the full-time role vacated by the retirement in late 2018 of the Heritage Buildings and Community Development Officer was complicated by the Diocesan financial position but the appointment of a part-time (0.6FTE), Assistant Church Buildings Officer, (working to the Church Buildings Officer) was made in June. This has consolidated the ability of the team to support those parishes whose historic buildings has been deemed to be 'at-risk', to support parishes in funding applications and to provide more training and development opportunities to parishes.

The team continued to advise generally on repairs and development projects to any and all parishes through visiting and meeting church teams at 89 churches and to many more via correspondence. They have supported the DAC and Archdeacons in processing and considering 97 applications for faculty and 108 applications for Archdeacon's determination under List B of the faculty rules.

## **FINANCIAL REVIEW**

The Statement of Financial Activities on page 16 shows an overall increase in movement of funds of £4,027,000 (2018 - £5,125,000). However, in accordance with the Charity SORP 2015 this figure includes surpluses and deficits on sale of property and investments and also a surplus on revaluation of investments at the year end.

The underlying result for the year was an operational deficit of £754,000 plus an investment of £164,000 into our strategic projects (2018 - £1,100,000 deficit), which included the cash impact of the clergy pension deficit repayments of £322,000 but excluded the gains on property sales of £202,000. The reduction in deficit was ahead of the plan shared with Diocesan Synod in November, despite a number of one-off costs. This was largely as a result of higher Parish Share collections.

Total incoming resources for the year were £9,164,000 (2018 - £9,763,000). The principal funding source was from Parish Share which represents 52.7% (2018 - 46.9%) of total incoming resources. Total Parish Share received during the year was £4,827,000 (2018 - £4,579,000) representing 85% (2018 - 76%) of the total requested, the 2019 figures are stated after grants and allowances of £528,000. Total resources expended were £9,558,000 (2018 - £8,929,000).

### **Reserves policy**

#### *Free reserves*

It is the Board's policy to maintain the net assets of the general unrestricted reserves, excluding tangible fixed assets, at a target of 4.5 months' expenditure, in order to ensure that sufficient liquid funds are available to ensure the Board is able to meet its commitments on a daily basis.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

As at 31 December 2019 the general unrestricted fund's net assets, excluding tangible fixed assets was £5,223,000 (2018 - £4,162,000) and during 2019 total resources expended in unrestricted funds was £7,690,000 (2018 - £7,415,000), providing for 7 months of expenditure (2018 – 6 months). The Board have a deficit reduction plan in place, which will bring the free reserves to in line with the target of 4.5 months by 2023.

*Designated funds*

The Board may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of the designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in note 28. At 31 December 2019 total designated reserves were £683,000 (2018 - £750,000).

*Restricted and endowment funds*

As set out in note 28 the WDBF holds and administers a number of restricted and endowment funds. As at 31 December 2019 restricted funds totalled £2,390,000 (2018 - £2,005,000) and endowment funds totalled £63,455,000 (2018 - £60,892,000). Neither are available for the general purposes of the WDBF.

**Investment policy**

The Board's investment policy is reviewed regularly by the Investment and Glebe Committee, although the ultimate responsibility remains that of the Worcester Diocesan Board of Finance. The Committee seeks to maximise long-term income without exposing capital to undue risk or compromising the Board's ethical investment policy. In the current investment climate, we have maintained regular contact with and received advice from CCLA, our investment advisors. We have sought to maintain and grow the overall income yield, whatever movements in capital values.

**Fundraising**

The Board does not raise funds directly from the public for its own benefit, but the Bishop of Worcester did launch an appeal to raise funds for Berega Hospital, Tanzania; as a result of which £8,548 was raised and remitted to the hospital. In addition, funds were raised for our partner dioceses of Peru and Morogoro: £10,531 was raised for the Diocese of Peru and £8,984 for the Diocese of Morogoro.

**Risk Policy**

The DBF has statutory responsibilities to fund the stipends, pension contributions, training and parsonage repairs of stipendiary clergy and licensed lay workers in the diocese. In fulfilling these statutory roles, the DBF also funds diocesan administration and synodical government. The DBF also funds a range of training and support of the work of volunteers through the parishes in the diocese, its share of the costs of the Archbishops' Council, and links with the Anglican dioceses of Morogoro and Peru and the EKD in Magdeburg.

The DBF's income is primarily the receipt of Parish Share from Parochial Church Councils; these are in law a gift, albeit set in a framework that apportions Parish Share on the basis of each PCC's ability to pay it and a sense of shared moral obligation to do so. The DBF's second main stream of income is from investments and property assets. So, the DBF's income is dependent primarily on the number and generosity of church members and secondly on investment and property market returns.

Strategic planning and implementation is carried out on the basis of being equitable to the DBF's current and future beneficiaries. In this context risk is assessed, through identification, analysis and evaluation, to highlight where risks need mitigation for a decision to be acceptable in a way that balances inter-generational equity and does not prejudice the DBF's ability to meet its statutory responsibilities. A risk register is maintained on that basis and the DBF has formulated reserves and investment policies in that context. During 2019 the Board carried out financial projections through to 2030 by examining trends in a range of key metrics since 2000.

**Principal Risks and Uncertainties**

The Directors, through an Audit Committee, which normally meets twice a year, have continued the process of examining the major strategic and operational risks which the DBF faces. They hold and monitor a register of the significant risks, assessing the probability of occurrence and likely impact if they were to occur. The same approach to risk is used to monitor risks on our Strategic Programmes, reviewed by the Strategic Programmes Group on a quarterly basis.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

The most significant risks in this analysis, and plans for mitigation, are:

- Income from Parish Share is insufficient to meet the financial commitments and the strategic plans of the Diocese
  - Implement the Grants and Allowances scheme for 2019 and 2020;
  - Seek to implement a new approach to Parish Share for 2021;
  - Monthly monitoring of receipts and projection for the remainder of the year;
  - Active engagement with parishes (including seminars and face-to-face meetings);
  - Application for a national grant for a second Giving Advisor to support parishes nurture generous giving.
  
- The effect of COVID-19 has a significant impact on the Diocese in terms of impact on income from Parish Share, investment returns and the potential risk to the health and safety of employees:
  - Cashflow is continuously monitored and alternative sources of credit finance are in place for any temporary cashflow shortages;
  - Sensitivity analysis is applied to our forecasting due to the unknown impact of COVID-19;
  - Continual engagement with our investment managers to assess and factor in changes in the investment returns. The timing of any disposals will be carefully considered;
  - Reduction of expenditure compared to approved budget including furloughing of staff;
  - The Diocesan Restructuring Group is developing scenarios, to seek as many healthy and sustainable churches as possible but also reduce costs to a more sustainable level ongoing;
  - Active engagement with parishes (including via video-conferencing) and training on encouraging parishioners to give via electronic means instead of via the plate;
  - Government and National Church of England guidelines are being fully adhered to as regards the working environment for our employees and clergy.
  
- Falling numbers and ageing of attendance / membership within the Church in the diocese leading to churches becoming unsustainable.
  - Continue to invest in the “Calling Young Disciples” project;
  - Ensure the Resourcing Churches projects are effective, including the planting and renewing of a number of additional churches. These projects are funded by a mixture of Strategic Development Funding from the Archbishops’ Council and a planned investment of reserves;
  - Quarterly monitoring of the above projects by the Strategic Programmes group;
  - Continuing to develop lay and ordained ministry through the development of discipleship, through supporting the exploration of vocations, and by providing or enabling access to training;
  - Development of a clear focus on encouraging ‘healthy and sustainable’ churches.
  
- Serious safeguarding case
  - Ensure swift action taken if a situation does arise;
  - Ensure effective safeguarding provision is available, through the diocesan safeguarding team; adviser, training officers and caseworkers. This will include use of core groups to bring in a wider team where appropriate;
  - Thorough review of safeguarding cases and files (PCR2) being undertaken in 2019 and 2020;
  - Ensure safer recruitment, training, policies applied and audited at diocesan and parish level;
  - Ensure adequate insurance is in place.

It is recognised that there are reputational risks to the DBF associated with each of these key risks. As well as mitigating risk in each of these areas the DBF’s Communications team bring expertise to support parishes and the bishops in facilitating the mission of the church across the Diocese.

The directors have, via the Mission, Pastoral and Resources Committee, established a Resources Executive Committee which, as part of its duties, reviews the risks to which the charity is exposed and the systems or procedures which have been established to manage those risks. Formally, the Committee periodically reviews the Risk Register prepared by its officers. The risk policy is reviewed annually by the Resources Executive Committee with the Audit Committee considering these reviews to risk policy and register.

**Remuneration Policy**

The Board’s policy regarding level of remuneration is that salaries are those appropriate to recruit and retain staff in the context of the job market. Remuneration for more senior roles is set so as to involve an element of “sacrifice” compared to the secular market.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**INVESTMENT PERFORMANCE**

**Overall performance**

Investments are held in both glebe and general funds. The total value of investments at 31 December 2019 was £37.3m (2018 - £33.1m) and the total return on investment was 11% (2018 – 11%).

**Glebe investments**

Investments are in glebe funds, primarily to generate a sustainable income to continue funding clergy stipends. Agricultural, commercial and residential land and buildings were valued at £14.405m at 31 December 2019 (2018 - £14.472m). Rents receivable amounted to £235,000 (2018 - £241,000) – an income yield of 1.6% (2018 – 1.7%).

**Investment securities (Glebe and General)**

Investments in equity and fixed interest securities were valued at £21.8m at 31 December 2019 (2018 - £18.7m). Income from these securities amounted to £732,000 (2018 - £653,000) – a yield of around 3.4%, which is considered satisfactory.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and 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 a going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

In so far as the directors are aware, there is no relevant audit information of which the charitable company's auditors are unaware; the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

As far as the directors are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware and each director has taken all the steps he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving this Directors' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

**On Behalf of the Board**

**The Reverend Andy Todd**

**Date: 25<sup>th</sup> June 2020**

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES**

**OF THE WORCESTER DIOCESAN BOARD OF FINANCE LIMITED**

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**Opinion**

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

In our opinion, the financial statements:

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

**Basis for opinion**

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

**Responsibilities of trustees for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material mis-statement when it exists. Mis-statements 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.

**Conclusions relating to going concern**

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

### OF THE WORCESTER DIOCESAN BOARD OF FINANCE LIMITED (continued)

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#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Directors. 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 mis-stated. If we identify such material inconsistencies or apparent material mis-statements, we are required to determine whether there is a material mis-statement in the financial statements or a material mis-statement of the other information. If, based on the work we have performed, we conclude that there is a material mis-statement 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 Report of the Directors (which incorporates the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors (including the Strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material mis-statements in the Report of the Directors (which incorporates the Strategic Report).

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

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

#### Use of our report

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

#### A Halsey

Adam Halsey (Senior statutory auditor)  
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place,  
London  
EC4R 1AG

8<sup>th</sup> July 2020

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
<b>INCOME AND ENDOWMENTS</b>						
Donations						
- Parish contributions	2	4,827	-	-	4,827	4,579
- Archbishops' Council		734	716	-	1,450	897
- Other donations	3	525	244	-	769	652
Charitable activities	4	482	45	-	527	697
Other activities	5	413	-	-	413	373
Investments	6	105	871	-	976	900
Other – gains on sale of tangible fixed asset properties		-	-	202	202	1,665
		<b>7,086</b>	<b>1,876</b>	<b>202</b>	<b>9,164</b>	<b>9,763</b>
<b>EXPENDITURE</b>						
Raising funds	7	-	90	-	90	53
Charitable activities						
- Contributions to Archbishops' Council	8	519	-	-	519	515
- Parish Ministry	9	5,617	1,300	-	6,917	6,684
- Support for Ministry	10	918	478	-	1,396	1,189
- Support for Schools	11	422	-	-	422	440
Other	12	214	-	-	214	48
		<b>7,690</b>	<b>1,868</b>	<b>-</b>	<b>9,558</b>	<b>8,929</b>
<b>Net income/(expenditure) before investment gains</b>		<b>(604)</b>	<b>8</b>	<b>202</b>	<b>(394)</b>	<b>834</b>
Net gains on investments		204	458	2,650	3,312	4,190
<b>Net income/(expenditure)</b>		<b>(400)</b>	<b>466</b>	<b>2,852</b>	<b>2,918</b>	<b>5,024</b>
Transfers between funds	26	1,479	(81)	(1,398)	-	-
<b>Other recognised gains / (losses)</b>						
Actuarial gain on defined benefit pension scheme	24	-	-	1,109	1,109	101
<b>Net movement in funds</b>		<b>1,079</b>	<b>385</b>	<b>2,563</b>	<b>4,027</b>	<b>5,125</b>
<b>Total funds brought forward</b>	25	<b>5,685</b>	<b>2,005</b>	<b>60,892</b>	<b>68,582</b>	<b>63,457</b>
<b>Total funds carried forward</b>	25	<b>6,764</b>	<b>2,390</b>	<b>63,455</b>	<b>72,609</b>	<b>68,582</b>

All incoming resources and resources expended derive from continuing activities. The notes on pages 19 to 43 form part of these financial statements.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**COMPANY NUMBER 00271752**

**BALANCE SHEET AS AT 31 DECEMBER 2019**

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<b>FIXED ASSETS</b>					
Tangible assets	16		<b>34,689</b>		34,488
<b>Investments</b>					
Investment property	17		<b>14,405</b>		14,472
Investments	17		<b>22,892</b>		18,660
			<b>71,986</b>		67,620
<b>CURRENT ASSETS</b>					
Debtors	18	<b>1,113</b>		1,286	
Cash at bank	19	<b>833</b>		2,785	
		<b>1,946</b>		4,071	
<b>CREDITORS</b>					
Amounts falling due within one year	20	<b>(743)</b>		(1,144)	
			<b>1,203</b>		2,927
<b>NET CURRENT ASSETS</b>					
			<b>73,189</b>		70,547
<b>CREDITORS</b>					
Amounts falling due after more than one year	21		<b>(580)</b>		(1,965)
<b>NET ASSETS</b>			<b>72,609</b>		68,582
<b>FUNDS OF THE CHARITY</b>					
Endowment funds	25		<b>63,455</b>		60,892
Restricted Income funds	25		<b>2,390</b>		2,005
<b>Unrestricted Income funds:</b>					
- General funds	25		<b>6,081</b>		4,935
- Designated funds	25		<b>683</b>		750
			<b>72,609</b>		68,582

**Note:** The above funds include investment revaluation reserves as follows:

Endowment funds	£22,603,000 (2018 £19,953,000)
Restricted Income funds	£702,000 (2018 £244,000)
General funds	£1,077,000 (2018 £873,000)

The financial statements were approved by the Board of Directors on 25<sup>th</sup> June 2020 and were signed on its behalf by:

**The Reverend Andy Todd**

The notes on pages 19 to 43 form part of these financial statements

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<b>Net cash (outflow) from operating activities</b>		<b>(1,880)</b>		<b>(1,664)</b>
<b>Cash flows from investing activities</b>				
Dividends, interest and rent from investments	976		900	
Proceeds from the sale of:				
Tangible fixed assets	924		3,082	
Investments	891		1,898	
Purchase of:				
Tangible fixed assets for the use of the WDBF	(1,121)		(2,549)	
Fixed asset investments	(672)		(2,372)	
<b>Net cash provided by investing activities</b>		<b>998</b>		<b>959</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(882)</b>		<b>(705)</b>
<b>Cash and Cash Equivalents at 1 January</b>		<b>2,785</b>		<b>3,490</b>
<b>Cash and Cash Equivalents at 31 December</b>		<b>1,903</b>		<b>2,785</b>
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
<b>Net income / (expenditure) before investment gains for the year ended 31 December</b>		<b>(394)</b>		<b>834</b>
<b>Adjustments for:</b>				
Depreciation Charges	196		57	
Dividends, interest and rent from investments	(976)		(900)	
Actuarial gain on pension scheme	1,109		101	
(Surplus) on sale of functional assets	(202)		(1,665)	
Decrease/(Increase) in debtors	173		(68)	
(Decrease) in creditors	(1,786)		(23)	
<b>Net cash used in operating activities</b>		<b>(1,486)</b>		<b>(2,498)</b>
<b>Analysis of cash and cash equivalents</b>				
Cash in Hand		833		1,542
Notice Deposits (less than 3 months)		1,070		1,243
		<b>1,903</b>		<b>2,785</b>

The notes on pages 19 to 43 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**I. PRINCIPAL ACCOUNTING POLICIES**

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

The principal accounting policies and estimation techniques are as follows:

**a) Income**

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

- i) **Parish Share** is recognised as income of the year in respect of which it is receivable.
- ii) **Rent receivable** is recognised as income in the period with respect to which it relates.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Parochial fees** are recognised as income of the year to which they relate.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the WDBF's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- viii) **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953 as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

**b) Expenditure**

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

- i) **Costs of raising funds** are constrained to investment management costs of glebe and any other investment properties.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and Church of England schools in the diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the WDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The WDBF's staff are members of the Church Workers Pension Fund and clergy are members of the Church of England Funded Pensions Scheme (see note 24). The pension costs charged as resources expended represent the WDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes in which WDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

**PRINCIPAL ACCOUNTING POLICIES** (Continued)

**c) Tangible fixed assets and depreciation**

*Freehold properties*

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The WDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

*Properties subject to value linked loans*

Properties which have been bought with the assistance of value linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at an index linked current valuation basis.

*Investment properties*

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

*Parsonage houses*

The WDBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The WDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value. Parsonage houses are revalued on a five year cycle.

**d) Other tangible fixed assets**

All capital expenditure over £1,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Fixtures and Fittings      20% per annum      straight line basis

**e) Other accounting policies**

- i) **Fixed asset investments** are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.
- ii) **Leases.** The WDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates.
- iii) **Taxation.** The company is a registered charity and is not liable to corporation tax in this year.

**PRINCIPAL ACCOUNTING POLICIES** (Continued)

**f) Fund balances**

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

- **Unrestricted funds** are the WDBF's charity corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the WDBF. There are two types of unrestricted funds:
  - **General Funds** which the WDBF intends to use for the general purposes of the WDBF and
  - **Designated Funds** set aside out of unrestricted funds by the WDBF for a purpose specified by the Trustees.
- **Restricted Funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- **Endowment Funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the WDBF (Stipends Fund Capital and Parsonage Houses) there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches. Trusts where the WDBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

**g) Key judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

1. The Trustees perform annual impairment reviews (as explained in c above), and have concluded that there are no indications of material impairment.
2. Freehold properties are not depreciated for the reasons set out in c) above.
3. The assumptions underpinning the pension scheme liabilities are set out in note 24 below.
4. Receipts of Parish Share are recognised in the year under review up to 14<sup>th</sup> February (prior year was 28<sup>th</sup> February) of the following year, if so indicated by the parishes concerned.

**h) Going concern**

The financial statements are approved during a period where there is much uncertainty as a result of the emergence and international spread of COVID-19. The ultimate impact of the COVID-19 pandemic on the finances of the Worcester DBF is still unclear. However, having reviewed the funding facilities available to Worcester DBF together with the forecast cash flows, the trustees conclude that that charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the charity's financial viability. Accordingly, the financial statements are prepared on the going concern basis.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

	<b>Total Funds 2019 £'000</b>	Total Funds 2018 £'000
<b>2. PARISH CONTRIBUTIONS</b>		
Current year's allocation	<b>6,190</b>	6,007
Less grants and allowances	<b>(528)</b>	-
	<b>5,662</b>	6,007
Shortfall in contributions	<b>(926)</b>	(1,487)
	<b>4,736</b>	4,520
Arrears for previous years	<b>91</b>	59
<b>TOTAL</b>	<b>4,827</b>	4,579

	2019 Parish Share Requested * £'000	2019 Shortfall £'000	2019 Total Received £'000	2019 Total Received %	2018 Total Received £'000	2018 Total Received %	Increase / (Decrease) £'000	Increase / (Decrease) %
<b>WORCESTER ARCHDEACONRY</b>								
Evesham	377	19	358	94.9	284	74.2	74	20.7
Malvern	574	100	474	82.6	444	65.9	30	16.7
Martley & Worcester West	263	40	223	84.7	217	67.5	6	17.2
Pershore	528	38	490	92.8	457	79.8	33	13.0
Upton	233	27	206	88.4	225	71.9	(19)	16.5
Worcester East	609	96	513	84.2	509	80.3	4	3.9
	<b>2,584</b>	<b>320</b>	<b>2,264</b>	<b>87.6</b>	<b>2,136</b>	<b>73.7</b>	<b>128</b>	<b>13.9</b>
<b>DUDLEY ARCHDEACONRY</b>								
Bromsgrove	582	68	514	88.4	496	84	18	4.4
Droitwich	470	186	284	60.4	253	55.9	31	4.5
Dudley	398	54	344	86.4	335	83.4	9	3.0
Kidderminster	482	59	423	87.7	437	85.1	(14)	2.6
Kingswinford	391	26	365	93.3	345	86.9	20	6.4
Stourbridge	597	101	496	83.1	451	72.5	45	10.6
Stourport	158	21	137	86.7	126	96.2	11	(9.5)
	<b>3,078</b>	<b>515</b>	<b>2,563</b>	<b>83.3</b>	<b>2,443</b>	<b>78.6</b>	<b>120</b>	<b>4.7</b>
<b>TOTALS</b>	<b>5,662</b>	<b>835</b>	<b>4,827</b>	<b>85.3</b>	<b>4,579</b>	<b>76.2</b>	<b>249</b>	<b>9.1</b>

The actual parish share received (including arrears) represents 85.3% of total assessed after grants and allowances (2019 only) (2018 - 76.2%).

\* Parish share requested for 2019 is stated after grants and allowances.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

	<b>Total Funds</b>	Total Funds
	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>3. OTHER DONATIONS</b>		
Allchurches Trust	106	101
Education Training Courses etc.	2	6
Education Service Level Agreements	204	131
Education Academy Conversion Fees	24	-
Parsonage Houses Income	74	83
Archbishops' Council – RME grant	202	124
Sundry Grants etc.	157	166
Heritage Buildings and Community Development Income	-	41
	<b>769</b>	<b>652</b>
<b>4. CHARITABLE ACTIVITIES</b>		
Statutory fees	483	501
Church Commissioners Guaranteed Annuities	-	3
Trust Income		
- Sites and Buildings Fund	-	5
- Clergy Widows and Orphans Fund	9	9
- Ordination Candidates Fund	25	25
- Church Schools Improvement and Maintenance Fund	-	97
- Sundry Trust Funds	10	57
	<b>527</b>	<b>697</b>
<b>5. OTHER ACTIVITIES</b>		
Rental income from parsonages	224	247
Rental income from other property	78	24
Bishop's office – rent and service charge	111	102
	<b>413</b>	<b>373</b>
<b>6. INVESTMENTS</b>		
Dividends receivable	732	653
Interest receivable	9	6
Rents receivable	235	241
	<b>976</b>	<b>900</b>

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

	<b>Total Funds 2019 £'000</b>	Total Funds 2018 £'000
<b>7. RAISING FUNDS</b>		
Glebe Agent's fees and expenses (including registration costs)	<b>90</b>	53
<b>8. CONTRIBUTIONS TO ARCHBISHOPS' COUNCIL</b>		
Training for Ministry	<b>215</b>	210
National Church responsibilities	<b>192</b>	169
Grants	-	18
Retired clergy housing costs	<b>74</b>	70
Pooling of ordination candidates' costs	<b>32</b>	43
General Synod Representatives' Expenses	<b>6</b>	5
	<b>519</b>	515
<b>9. PARISH MINISTRY</b>		
Stipends and national insurance	<b>3,107</b>	3,072
Pension costs	<b>762</b>	771
Housing costs – Council Tax	<b>259</b>	240
Parsonage Houses maintenance	<b>1,072</b>	1,235
Parsonage Houses improvements	-	42
Removal, resettlement and other grants	<b>102</b>	117
Local Transitional projects	-	12
Lowest Income Communities projects	<b>98</b>	286
Resourcing Churches	<b>577</b>	-
Other expenses	<b>222</b>	234
Support costs - Administration (see note 13)	<b>718</b>	675
	<b>6,917</b>	6,684
<b>10. SUPPORT FOR MINISTRY</b>		
Ministry and Discipleship	<b>407</b>	396
Calling Young Disciples project	<b>303</b>	202
Diocesan Advisory Committee	<b>73</b>	63
Heritage Buildings and Community Development Officer	<b>5</b>	41
Social Responsibility	<b>2</b>	3
Mission Development Officers	<b>30</b>	38
Safeguarding	<b>117</b>	109
World Church Links	<b>8</b>	12
Ordination Candidates Allowances and tuition fees	<b>316</b>	198
Support costs – Administration (see note 13)	<b>135</b>	127
	<b>1,396</b>	1,189

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

	<b>Total Funds</b>	Total Funds
	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>11. SUPPORT FOR SCHOOLS</b>		
Education team	377	398
Support costs – Administration (see note 13)	45	42
	<b>422</b>	<b>440</b>
<b>12. OTHER EXPENDITURE</b>		
Old Palace costs	194	48
Demolition of Redundant Church	20	-
	<b>214</b>	<b>48</b>
<b>13. ANALYSIS OF SUPPORT COSTS</b>		
Central Administration	739	706
Governance:		
- External audit	18	15
- Registrar and Chancellor	137	120
- Synodical costs	3	3
	<b>897</b>	<b>844</b>

	<b>Activities</b>		<b>Total</b>	Total
	<b>Undertaken</b>	<b>Support</b>	<b>2019</b>	2018
	<b>Directly</b>	<b>Costs</b>	<b>£'000</b>	£'000
	<b>£'000</b>	<b>£'000</b>		
<b>Cost of generating funds</b>	<b>90</b>	-	<b>90</b>	53
Contributions to Archbishops' Council	519	-	519	515
Parish Ministry	6,199	718	6,917	6,684
Support for Ministry	1,261	135	1,396	1,189
Support for Schools	377	45	422	440
<b>Charitable activities</b>	<b>8,356</b>	<b>898</b>	<b>9,254</b>	8,828
<b>Other resources expended (note 12)</b>	<b>214</b>	-	<b>214</b>	48
	<b>8,660</b>	<b>898</b>	<b>9,558</b>	8,929

Support costs are apportioned as 80% Parish Ministry, 15% Support for Ministry and 5% Education. Support costs are not allocated to the Glebe Agent's fees and expenses because the Glebe Agent provides his own administrative support.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

<b>14. STAFF COSTS</b>	<b>2019</b>	2018
	<b>£'000</b>	£'000
Gross wages and salaries	1,427	1,364
Employers National Insurance Costs	131	126
Other Pension Costs - Annual	313	308
	<b>1,871</b>	<b>1,798</b>

The average monthly number of employees during the year was as follows:

	<b>2019</b>	2018
	<b>No.</b>	No.
Full Time	27.5	32
Part Time	27	26
	<b>54.5</b>	<b>58</b>

In terms of full-time equivalent employees, the average number employed and their funding was as follows:

	<b>2019</b>	2018
	<b>No.</b>	No.
Operational posts funded by the DBF	30.1	31.4
Project posts and operational posts funded from other sources *	14.1	14
	<b>44.2</b>	<b>45.4</b>

\* other sources include Strategic Development Funding from the National Church, Bishops' office funding from the Church Commissioners, grants from trust funds and a contribution from reserves to the Calling Young Disciples project.

There are two employees with emoluments above £60,000 per annum (2018: two employees). Pension contributions are paid for 56 employees (2018: 56 employees).

As part of the need to reduce ongoing costs a number of staff were unfortunately made redundant during 2019. Accordingly, the total paid during the year in termination and redundancy payments was £40,554 (2018: £nil).

Worcester Diocesan Board of Finance is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than the bishops and cathedral staff. The WDBF is also responsible for the provision of housing for stipendiary clergy in the diocese, again excluding the diocesan bishop and cathedral staff.

The WDBF paid an average of 108 (2018-108) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Stipends	2,833	2,709
National insurance contributions and apprenticeship levy	243	237
Pension costs - current year	676	670
Pension costs - deficit reduction	322	322
	<b>4,074</b>	<b>3,938</b>

**14. STAFF COSTS (continued)**

**Remuneration of key management personnel**

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

Diocesan Secretary and Company Secretary	John Preston
Assistant Diocesan Secretary (Finance)	Stephen Lindner (to 14.05.19)
Director of Finance	Helen Archer-Smith (from 17.06.19)
Director of Education	Margaret James
Director of Ministry and Discipleship	Jonathan Kimber

Remuneration and pensions for these five employees amounted to £266,464 (2018: £273,918).

**Trustees' emoluments**

No trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £14,576 (2018 - £13,475) in respect of General Synod duties, duties as archdeacon or rural dean and other duties as Trustees.

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

	<b>Stipend</b>	<b>Housing</b>
The Revd M Badger	Yes	Yes
The Revd R M Clark	Yes	Yes
V Day	Yes	Yes
The Reverend A C Davies	Yes	Yes
The Ven N J Groarke	Yes	Yes
The Ven R G Jones	Yes	Yes
The Revd C A Lording	Yes	Yes
The Revd A M Potter	Yes	Yes
The Reverend B E Rienstra	Yes	Yes
The Rt Revd G B Usher	No	Yes

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

**15. SURPLUS FOR THE FINANCIAL YEAR**

Is stated after charging / (crediting):

Depreciation	<b>196</b>	57
(Surplus)/deficit on disposal of fixed assets	<b>(202)</b>	(1,337)
Operating Lease – Rent	<b>21</b>	21
Auditors Remuneration – external scrutiny	<b>18</b>	15

**2019**  
**£'000**

**2018**  
**£'000**

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**16. TANGIBLE FIXED ASSETS**

<b>UNRESTRICTED FUNDS</b>	<b>Board</b>	<b>Leasehold</b>	<b>Fixtures</b>	<b>Totals</b>
	<b>Houses</b>	<b>Improvements</b>	<b>and Fittings</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>COST</b>				
At 1 January 2019	1,296	484	313	<b>2,093</b>
Additions	-	-	24	<b>24</b>
Disposals	-	(484)	(25)	<b>(509)</b>
Transfers	192	-	-	<b>192</b>
At 31 December 2019	<u>1,488</u>	<u>-</u>	<u>312</u>	<u><b>1,800</b></u>
<b>DEPRECIATION</b>				
At 1 January 2019	-	313	257	<b>570</b>
Charge for year	-	171	25	<b>196</b>
Disposals	-	(484)	(23)	<b>(507)</b>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>259</u>	<u><b>259</b></u>
<b>NET BOOK VALUE</b>				
At 31 December 2019	<u><b>1,488</b></u>	<u>-</u>	<u><b>53</b></u>	<u><b>1,541</b></u>
At 31 December 2018	<u>1,296</u>	<u>171</u>	<u>56</u>	<u>1,523</u>

<b>RESTRICTED FUNDS</b>	<b>Glebe Team</b>	<b>Parsonages</b>	<b>Pastoral</b>	<b>Totals</b>
	<b>Vicarages &amp; Curates' Houses</b>	<b>Houses</b>	<b>Buildings</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>COST</b>				
At 1 January 2019	13,943	18,719	303	<b>32,965</b>
Additions	311	786	-	<b>1,097</b>
Disposals	(722)	-	-	<b>(722)</b>
Transfers	(418)	307	(81)	<b>(192)</b>
At 31 December 2019	<u>13,114</u>	<u>19,812</u>	<u>222</u>	<u><b>33,148</b></u>
<b>DEPRECIATION</b>				
At 1 January & 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>				
At 31 December 2019	<u><b>13,114</b></u>	<u><b>19,812</b></u>	<u><b>222</b></u>	<u><b>33,148</b></u>
At 31 December 2018	<u>13,943</u>	<u>18,719</u>	<u>303</u>	<u>32,965</u>

Trustees are aware that the COVID-19 pandemic may have a significant impact on property values, particularly in the short term. The intention is to hold the majority of property for the long term. There are no plans to sell any houses until property values have substantially recovered, accordingly no adjustment has been made to carrying value as a result of the crisis.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**16. TANGIBLE FIXED ASSETS (Continued)**

	2019 £'000	2018 £'000
<b>TOTAL TANGIBLE FIXED ASSETS</b>		
Unrestricted funds – Net Book Value	1,541	1,523
Restricted funds – Net Book Value	33,148	32,965
	<b>34,689</b>	<b>34,488</b>

The parsonage houses are legally vested in the Incumbent as a freeholder during their incumbency. The Incumbent is not free to dispose of the house and is not responsible for the maintaining the house. The charitable company has both the benefits and obligations of ownership.

The Trustees consider the difference between the carrying value and the market value of the interests in land and buildings not held as investments is not quantifiable.

Included in land and buildings is freehold land valued at £9.9m (2018 - £9.9m) which is not depreciated. The freehold property of Board, Parsonage, Glebe and Pastoral buildings and the fixtures and fittings are held in the direct furtherance of the charity's objects. The leasehold improvement related to The Old Palace, Deansway, Worcester and since the notice was given on the lease the carrying value has been disposed off.

**17. FIXED ASSET UK INVESTMENTS**

	Property £'000	CBF Shares £'000	Cash £'000	Total £'000
<b>VALUATION</b>				
At 1 January 2019	14,472	18,660	-	33,132
Additions	3	669	-	672
Disposals	(308)	(28)	-	(336)
Transfer	-	-	1,070	1,070
Increase in revaluation	238	2,521	-	2,759
At 31 December 2019	<b>14,405</b>	<b>21,822</b>	<b>1,070</b>	<b>37,297</b>
At 31 December 2018	14,472	18,660	-	33,132

	Total 2019 £'000	Total 2018 £'000
UK investment property	14,405	14,472
Unlisted UK investment shares	21,822	18,660
CBF Investments	1,070	-
	<b>37,297</b>	<b>33,132</b>

Investment property was valued on an open market basis as at 31 December 2019 by A N Champion FRICS, who is Glebe Agent. Historical investment costs are not readily available as much of the investment properties was acquired a considerable time ago.

Trustees are aware that the COVID-19 pandemic may have a significant effect on the value of investment assets, particularly in the short term, with some portfolios having decreased in value by 4% as at the 26th May 2020, compared to the year end valuation.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)**

	<b>Total 2019 £'000</b>	<b>Total 2018 £'000</b>
<b>18. DEBTORS</b>		
Current year Parish Share	415	351
Fee receivable	52	71
Other debtors	438	445
Prepayments	145	121
Accrued Income	63	298
	<b>1,113</b>	<b>1,286</b>
<b>19. CASH AT BANK</b>		
Lloyds Bank PLC Accounts	833	1,542
Central Board of Finance Deposit Accounts	-	1,243
	<b>833</b>	<b>2,785</b>
<b>20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade creditors	112	109
Other taxes and social security	68	59
Other creditors	105	394
Accruals	55	22
Parsonage houses maintenance	84	238
Clergy Pension Scheme	319	322
	<b>743</b>	<b>1,144</b>
<b>21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
Loans (see note 22)	171	171
Repayable Grant (see note 22)	33	33
Clergy Pension Scheme	376	1,761
	<b>580</b>	<b>1,965</b>
<b>22. LOANS</b>		
<b>Amounts falling due in more than five years:</b>		
Repayable otherwise than by instalments:		
Church Commissioners – Value Linked Loans (secured on Board Houses)	171	171
Church Commissioners – Repayable Grant	33	33
	<b>204</b>	<b>204</b>
<b>23. OPERATING LEASES</b>		
Total commitments under non-cancellable operating leases are as follows:		
<b>Land and Buildings</b>		
Payable within one year of the balance sheet date	10	20
Payable in the second to fifth years inclusive of the balance sheet date	-	36
	<b>10</b>	<b>56</b>

**24. PENSION COMMITMENTS  
CHURCH OF ENGLAND FUNDED PENSION SCHEME**

The Worcester Diocesan Board of Finance, as a Responsible Body, participates in the Church of England Funded Pension Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from the company and the other participating Responsible Bodies. Each 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 Bodies and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable 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 as at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

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

% of pensionable stipends	<b>Jan-2018 to Dec-2020</b>	<b>Jan-21 to Dec-2022</b>
Deficit repair contributions	<b>11.9%</b>	<b>7.1%</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**24. PENSION COMMITMENTS  
CHURCH OF ENGLAND FUNDED PENSION SCHEME (Continued)**

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2019		2018	
	£'000	£'000	£'000	£'000
Balance sheet liability at 1 January		<b>2,083</b>		2,474
Deficit contribution paid	( 322 )		( 322 )	
Interest cost	43		32	
Remaining change to the balance sheet liability*	( 1,109 )		( 101 )	
		<b>( 1,388 )</b>		<b>( 391 )</b>
Balance sheet liability at 31 December		<b>695</b>		<b>2,083</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 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:

	<b>Dec-19</b>	<b>Dec-18</b>	<b>Dec-17</b>
Discount rate	1.1% pa	2.1% pa	1.4% pa
Price inflation	2.8% pa	3.1% pa	3.0% pa
Increase in total pensionable payroll	1.3% pa	1.6% pa	1.5% pa

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

Trustees are aware that the volatile investment market is expected to have an impact on the pension scheme in terms of asset values and the measure of liabilities. No information has been received to date as to the quantum of the impact of COVID-19 on the pension scheme, and no requests for any change to deficit funding have been received.

**24. PENSION COMMITMENTS** (Continued)

**CHURCH OF ENGLAND DEFINED BENEFITS SCHEME**

The Worcester DBF participates in the Church of England 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 schemes 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. 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.

It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (£313,000 over 2019 compared to £272,000 over 2018), plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £313,000 for 2019 (2018: £308,000).

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

A valuation of the DBS is carried out once every three years, the most recent having been carried out 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 Section. 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 entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 17.2% of pensionable salary and expenses of £12,400 per year.

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognized as a liability. The movement in the provision is as set out below:

	2019		2018	
	£'000	£'000	£'000	£'000
Balance sheet liability at 1 January		-		-
Deficit contribution paid	-		( 36 )	
Interest cost	-		-	
Remaining change to the balance sheet liability*	-		36	
		-		-
Balance sheet liability at 31 December		-		-

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

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

	Dec-19	Dec-18	Dec-17
Discount rate	0%	0%	0%

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**25. SUMMARY OF MOVEMENTS IN FUNDS**

	Balance at 1 January 2019 £'000	Income and Endowments £'000	Expenditure £'000	Investment Gains and (Losses) £'000	Transfers £'000	Balance at 31 December 2019 £'000
<b>Unrestricted Funds</b>						
General fund	4,935	6,352	(6,944)	204	1,534	6,081
<b>Designated Funds</b>						
Conferences Fund	10	-	-	-	-	10
World Church Links Fund	39	-	(8)	-	-	31
Holland House Fund	69	-	(4)	-	-	65
Lowest Income Communities Fund	183	734	(734)	-	-	183
Calling Young Disciples	394	-	-	-	-	394
Old Palace External Decorations and Major Repairs Fund	55	-	-	-	(55)	-
<b>Designated Funds</b>	750	734	(746)	-	(55)	683
<b>Total Unrestricted funds</b>	<b>5,685</b>	<b>7,086</b>	<b>(7,690)</b>	<b>204</b>	<b>1,479</b>	<b>6,764</b>
<b>Restricted Income funds</b>						
Education fund	188	-	-	29	-	217
Diocesan Stipends fund	-	871	(871)	-	-	-
Resourcing Churches	-	519	(519)	-	-	-
Calling Young Disciples	-	197	(197)	-	-	-
Diocesan Pastoral Account fund	1,817	-	-	428	(81)	2,164
Ordination Candidates fund	-	25	(25)	-	-	-
Clergy Widows and Orphans fund	-	9	(9)	-	-	-
Lay Staff Support fund	-	8	-	1	-	9
RME fund	-	202	(202)	-	-	-
Other	-	45	(45)	-	-	-
<b>Restricted funds</b>	<b>2,005</b>	<b>1,876</b>	<b>(1,868)</b>	<b>458</b>	<b>(81)</b>	<b>2,390</b>
<b>Endowment Funds</b>						
Diocesan Stipends Capital fund	42,060	202	-	3,759	(1,705)	44,316
Diocesan Parsonage Capital fund	18,832	-	-	-	307	19,139
<b>Endowment funds</b>	<b>60,892</b>	<b>202</b>	<b>-</b>	<b>3,759</b>	<b>(1,398)</b>	<b>63,455</b>
<b>TOTAL FUNDS</b>	<b>68,582</b>	<b>9,164</b>	<b>(9,558)</b>	<b>4,421</b>	<b>-</b>	<b>72,609</b>

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**26. ANALYSIS OF TRANSFERS BETWEEN FUNDS**

	Unrestricted		Total			Total 2019 £'000
	General fund £'000	Unrestricted Designated fund £'000	Unrestricted fund £'000	Restricted funds £'000	Endowed funds £'000	
Undesignation of Old Palace external decorations and major repairs fund	55	(55)	-	-	-	-
This represents the transfer of a property to unrestricted funds following a Pastoral Scheme Reorganisation	81	-	81	(81)	-	-
Previous Parsonages house which is no longer required and in accordance with the measure transferred to unrestricted fund	111	-	111	-	(111)	-
House purchased as Glebe investment now being used as Parsonages house	-	-	-	-	418	-
House purchased as Glebe investment now being used as Parsonages house	-	-	-	-	(418)	-
General fund to Endowment due to reduction in pension deficit	(279)	-	(279)	-	279	-
Correction of historical movement in clergy pension liability incorrectly charged to unrestricted fund	1,566	-	1,566	-	(1,566)	-
<b>Total</b>	<b>1,534</b>	<b>(55)</b>	<b>1,479</b>	<b>(81)</b>	<b>(1,398)</b>	<b>-</b>

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**27. SUMMARY OF NET ASSETS BETWEEN FUNDS**

	Tangible Fixed Assets £'000	Investment Property £'000	Investments £'000	Current Assets £'000	Creditors £'000	Inter Fund Loan £'000	Net Assets £'000
<b>Unrestricted Funds</b>							
General fund	1,541	-	2,761	190	(624)	2,213	6,081
<b>Designated Funds</b>							
Conferences Fund	-	-	-	10	-	-	10
World Church Links Fund	-	-	-	31	-	-	31
Holland House Fund	-	-	69	-	(4)	-	65
Lowest Income Communities Fund	-	-	-	183	-	-	183
Calling Young Disciples	-	-	-	394	-	-	394
<b>Designated Funds</b>			69	618	(4)	-	683
<b>Total Unrestricted funds</b>	<b>1,541</b>	<b>-</b>	<b>2,830</b>	<b>808</b>	<b>(628)</b>	<b>2,213</b>	<b>6,764</b>
<b>Restricted funds</b>							
Education fund	-	-	206	11	-	-	217
Diocesan Pastoral Account fund	222	-	421	1,521	-	-	2,164
Lay Staff Support fund	-	-	9	-	-	-	9
<b>Restricted funds</b>	<b>222</b>	<b>-</b>	<b>636</b>	<b>1,532</b>	<b>-</b>	<b>-</b>	<b>2,390</b>
<b>Endowment Funds</b>							
Diocesan Stipends Capital fund	13,114	14,405	19,032	-	(695)	(1,540)	44,316
Diocesan Parsonage Capital fund	19,812	-	-	-	-	(673)	19,139
<b>Endowment funds</b>	<b>32,926</b>	<b>14,405</b>	<b>19,032</b>	<b>-</b>	<b>(695)</b>	<b>(2,213)</b>	<b>63,455</b>
<b>TOTAL FUNDS</b>	<b>34,689</b>	<b>14,405</b>	<b>22,498</b>	<b>2,340</b>	<b>(1,323)</b>	<b>-</b>	<b>72,609</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**28. PURPOSE OF FUNDS**

**General fund** is the WDBF's unrestricted undesignated fund available for any of the WDBF's purposes without restriction.

**Conference designated fund** is an amount set aside to help fund the periodic clergy conference.

**World Church Links designated fund** relates to funds which are earmarked for the mission work with the World Church Links.

**Holland House designated fund** is the remaining unspent net proceeds of sale of Vine Cottage which was sold off several years ago as part of Holland House. The balance of the fund is designated for the purposes of Holland House as the Director of WDBF see fit in the future.

**Lower Income Communities designated fund** is income received to support stipendiary ministry in the most deprived areas of the Diocese.

**Resourcing Churches** is income received from Archbishops' Council for the Dudley and Worcester Resourcing churches.

**Calling Young Disciples (CYD) designated fund** relates to the cost of CYD which will need to be funded by WDBF over the course of the project which is above the restricted income which will be received. It is budgeted that these funds will be spent by 2023.

**Restricted Education Fund** provides for income to be used for educational purposes.

**The Restricted Stipends Capital and Income Funds** have arisen from, and are governed by the provisions of Section 35 of the Endowment and Glebe Measure of 1976 (as amended), which provides for the income to be used to pay clergy stipends and pension premiums. The capital can only be expended as provided by the Measure.

**The Restricted Parsonage Capital Fund** has arisen from the Mission and Pastoral Measure 2011 and can only be used for the provision of parsonage houses.

**The Restricted Diocesan Pastoral Account Fund** has arisen from the Pastoral Measure 1983 and can be used for purposes laid down in Section 78 of the Pastoral Measure 1983. This includes:

- a. costs incurred for the purpose of the Measure or any scheme or order made by the Measure except the whole or part of any salaries or wages of any persons in the regular employ of the diocese.
- b. costs of disposing of or maintaining houses and churches vested in the Diocesan Board of Finance or Commissioners by the Measure.

If the Diocesan Board of Finance is satisfied that monies to the credit of the Diocesan Pastoral Account are not required or likely to be required for the above, it may apply those monies by way of grant or loan:

- c. to the provision, restoration, improvement or repair of churches and parsonage houses in the diocese, including the repair of any redundant building vested in the Board pending a redundancy scheme, or to other purposes of the diocese or any benefice or parish in the diocese.
- d. For the benefit of another diocese: or
- e. Transfer monies to the Diocesan Stipends fund Capital or Income Account (which cannot be reversed).  
Sufficient funds must be held in the Fund to finance all redundant buildings in the Diocese.

**The Restricted Ordination Candidates Fund** is to finance the costs of Ordinands in the Diocese. The expenditure is funded by income from a registered charity, the Ordination Candidates Trust Fund. No reserves are held in this fund.

**The Restricted Clergy Widows and Orphans Fund** is to finance the cost of clergy widows and orphans in the Diocese. The expenditure is funded by a grant from a trust fund, the Clergy Widows and Orphans Trust. No reserves are held in this fund.

**The Restricted Calling Young Disciples Fund** is to finance the cost of Mission Enablers. The expenditure is funded by grants from the Archbishops' Council.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**29. FINANCIAL INSTRUMENTS**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Financial assets measured at fair value	<b>21,822</b>	18,660
Financial assets measured at amortised cost	<b>3,016</b>	4,071
Financial liabilities measured at amortised cost	<b>(1,323)</b>	(2,938)
Financial liabilities measured at fair value	<b>(171)</b>	(171)

Financial assets measured at fair value comprise unlisted investments.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and receivables and a parish loan.

Financial liabilities measured at amortised cost comprise accruals, other creditors, the Clergy Pension Scheme liability and amounts held for other bodies.

Financial liabilities measured at fair value comprise value linked loans.

**30. FUNDS HELD AS CUSTODIAN TRUSTEE**

The Worcester Diocesan Board of Finance acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are Parochial Church Councils and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. The financial assets held in this way may be summarized as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
CBF Church of England Investment Fund income shares	<b>14,224</b>	14,233
CBF Church of England Fixed Interest Securities Fund shares	<b>367</b>	363
CBF Church of England Property Fund shares	<b>241</b>	248
CBF Church of England Deposit Fund	<b>1,908</b>	2,133
Total assets held as Custodian Trustee	<b>16,740</b>	16,977

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
REGISTERED CHARITY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**31. RELATED PARTY TRANSACTIONS**

The Board is associated with various charities and trusts due to the majority of their trustees being trustees of the Board. The trustees consider that this relationship does not inhibit either charity from pursuing its own separate interests. The amounts due to / (from) the DBF at 31 December 2019 are as shown below. During the year ended 31 December 2019 the Board has received grants from the charities and trusts as follows:

	<b>Grant receivable 2019</b>	Grant receivable 2018	<b>Amounts due to/ (from) the DBF at 31 Dec 19</b>	Amounts due to/ (from) the DBF at 31 Dec 18
	£	£	£	£
Worcester Diocesan Social Responsibility Fund	20,188	52,384	81,472	52,384
Worcester Diocesan Sites and Buildings Fund	90	5,192	(40,298)	6,512
Worcester Diocesan Ordination Candidates Fund	25,000	25,000	25,840	240
Worcester Diocesan Church Schools Improvement and Maintenance Fund	4,840	96,649	8,290	(55,852)
Worcester Diocesan Clergy Holidays Fund	3,650	-	3,050	-
Lye Church Estate Trust	7,934	7,739	-	-
Cholmondeley Bequest Fund	1,129	1,128	-	-
Trust Administration Fund	748	729	-	-
Special Purposes Fund	7,769	7,605	-	-
Redditch Holy Trinity Charity	25,000	25,000	25,000	25,000
Worcester St John Meeting Room Income Fund	-	-	(594)	-
Diocesan Records Office Income Fund	-	-	18,668	-
Clergy Widows & Orphans Income	-	-	10,932	-
Clent Hall Parish Hall	-	-	6,000	-
Bourneheath Trust Income Fund	-	-	1,241	-
Belbroughton Village Hall Fund	-	-	320	-
Abberton Spire Trust Fund	-	-	6,365	24,368

The Board acts as Trustee for a number of funds and has delegated its role, by virtue of a resolution dated 26 June 1934, to its Trust Committee (Diocesan Trustees). These funds objects all fall within the wider objects of the DBF. These funds are:

- Mary Bottjer Trust
- Lye Church Estate Trust
- Queen Victoria Clergy Fund
- In Service Training Fund
- Redditch Holy Trinity Fund
- Pendock Church of England Voluntary School Fund
- Ronkswood Holy Trinity & St Matthew Trust Fund
- St Edmund King & Martyr Dudley Fund
- Worcester Diocesan Church Schools Improvement and Maintenance Fund

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**32. CAPITAL COMMITMENTS**

The operating premises for the Worcester Diocesan Board of Finance are based at the Old Palace, Deansway, Worcester. These premises are leased, this lease agreement ran from 29th September 2015 up to and including 28<sup>th</sup> September 2035, with a first break at 28<sup>th</sup> September 2020. A year's notice had to be given in order to exercise the break clause, accordingly the Board exercised this clause during the year. Until the expiry of the lease the Board is responsible for the improvements and maintenance of the building to a standard agreed in the terms of the lease.

**33. CONTINGENT LIABILITY**

In accordance with the lease for the Old Palace, the Worcester Diocesan Board of Finance is required to keep the premises in no worse state of repair than when the lease was entered into. Considering the significant investment in the Old Palace over the years, the Board is of the opinion that the premises are currently in a better state compared to when the lease was entered into. Accordingly, the Board have decided that no provision is required to be made for any potential repair works under the lease. However, at the date of sign off of these financial statements, the discussions for repair works with the landlord were still ongoing and therefore considered to be a contingent liability.

**34. POST BALANCE SHEET EVENT**

Since the year end, the COVID-19 pandemic has had a huge impact across the world. Global financial markets have suffered as a result, and this volatility is likely to have an impact on the value of investment assets, along with property values and Pension Fund deficits. The ultimate extent of this impact is currently unknown. The crisis has also had an impact on the operations of Worcester DBF. The trustees will continue to monitor the changing operational landscape and impact on asset values and income. Cashflow is being monitored closely, and some additional sources of financing have been sourced. Cost savings continue to be identified in order that the DBF can operate within its available resources.

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**35. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment funds £'000	Total 2018 £'000	Total 2017 £'000
<b>Income and endowments</b>						
Donations						
- Parish contributions	2	4,579	-	-	4,579	4,529
- Archbishops Council		711	186	-	897	760
- Other donations	3	356	296	-	652	440
Charitable Activities	4	561	136	-	697	687
Other activities	5	373	-	-	373	338
Investments	6	88	812	-	900	882
Other - Gain on sales of properties		-	1,337	328	1,665	715
		<b>6,668</b>	<b>2,767</b>	<b>328</b>	<b>9,763</b>	<b>8,351</b>
<b>Expenditure</b>						
Raising funds	7	-	53	-	53	69
Charitable Activities						
- Contributions to Archbishops Council	8	515	-	-	515	486
- Parish Ministry	9	5,885	799	-	6,684	6,066
- Support for Ministry	10	808	381	-	1,189	1,087
- Support for schools	11	207	233	-	440	362
Loss on sale of properties		-	-	-	-	54
Other	12	-	48	-	48	369
		<b>7,415</b>	<b>1,514</b>	<b>-</b>	<b>8,929</b>	<b>8,493</b>
<b>Net income/(expenditure) before investment gains</b>		<b>( 747 )</b>	<b>1,253</b>	<b>328</b>	<b>834</b>	<b>( 142 )</b>
Net gains on investments		<b>( 15 )</b>	<b>( 5 )</b>	<b>4,210</b>	<b>4,190</b>	<b>1,823</b>
<b>Net income /(expenditure)</b>		<b>( 762 )</b>	<b>1,248</b>	<b>4,538</b>	<b>5,024</b>	<b>1,681</b>
<b>Transfers between funds</b>						
<b>Other recognised gains / (losses)</b>						
Actuarial gain/(loss) on defined benefit pension scheme	24	101	-	-	101	154
<b>Net movement in funds</b>		<b>( 661 )</b>	<b>1,248</b>	<b>4,538</b>	<b>5,125</b>	<b>1,835</b>
<b>Total funds brought forward</b>		<b>6,346</b>	<b>757</b>	<b>56,354</b>	<b>63,457</b>	<b>61,622</b>
<b>Total funds carried forward</b>		<b>5,685</b>	<b>2,005</b>	<b>60,892</b>	<b>68,582</b>	<b>63,457</b>

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**36. PRIOR YEAR COMPARATIVE ANALYSIS OF MOVEMENT IN FUNDS**

	Balance at 1 January 2018 £'000	Income and Endowments £'000	Expenditure £'000	Investment Gains and Losses £'000	Transfers £'000	Balance at 31 December 2018 £'000
<b>Unrestricted Funds</b>						
General fund	5,989	5,957	(6,692)	86	(405)	4,935
<b>Designated Funds</b>						
Conferences Fund	38	-	-	-	(28)	10
World Church Links Fund	22	-	(12)	-	29	39
Holland House Fund	69	-	-	-	-	69
Lowest Income Communities Fund	183	711	(711)	-	-	183
Calling Young Disciples	-	-	-	-	394	394
Old Palace External Decorations and Major Repairs Fund	45	-	-	-	10	55
<b>Designated Funds</b>	<b>357</b>	<b>711</b>	<b>(723)</b>	<b>-</b>	<b>405</b>	<b>750</b>
<b>Total Unrestricted funds</b>	<b>6,346</b>	<b>6,668</b>	<b>(7,415)</b>	<b>86</b>	<b>-</b>	<b>5,685</b>
<b>Restricted Income funds</b>						
Education fund	191	233	(233)	(3)	-	188
Diocesan Stipends fund	-	801	(801)	-	-	-
Calling Young Disciples	-	186	(186)	-	-	-
Diocesan Pastoral Account fund	566	1,343	(90)	(2)	111	1,928
Ordination Candidates fund	-	25	(25)	-	-	-
Clergy Widows and Orphans fund	-	9	(9)	-	-	-
RME fund	-	124	(124)	-	-	-
Other	-	46	(46)	-	-	-
<b>Restricted funds</b>	<b>757</b>	<b>2,767</b>	<b>(1,514)</b>	<b>(5)</b>	<b>111</b>	<b>2,116</b>
<b>Endowment Funds</b>						
Diocesan Stipends Capital fund	37,850	-	-	4,210	(418)	41,642
Diocesan Parsonage Capital fund	18,504	328	-	-	307	19,139
<b>Endowment funds</b>	<b>56,354</b>	<b>328</b>	<b>-</b>	<b>4,210</b>	<b>(111)</b>	<b>60,781</b>
<b>TOTAL FUNDS</b>	<b>63,457</b>	<b>9,763</b>	<b>(8,929)</b>	<b>4,291</b>	<b>-</b>	<b>68,582</b>

**WORCESTER DIOCESAN BOARD OF FINANCE LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019** (Continued)

**37. PRIOR YEAR COMPARATIVE ANALYSIS OF MOVEMENT IN FUNDS**

	<b>Unrestricted Funds £'000</b>	<b>Designated Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Total Funds £'000</b>
Tangible fixed assets	1,523	-	303	32,662	<b>34,488</b>
Investment property	-	-	-	14,472	<b>14,472</b>
Investments	1,663	-	298	16,699	<b>18,660</b>
Debtors	833	-	453	-	<b>1,286</b>
Cash at bank	1,552	750	366	117	<b>2,785</b>
Creditors due within one year	(447)	-	(375)	(322)	<b>(1,144)</b>
Creditors due after more than one year	(204)	-	-	(1,761)	<b>(1,965)</b>
Inter Fund Loan	15	-	960	(975)	-
<b>Net assets</b>	<b>4,935</b>	<b>750</b>	<b>2,005</b>	<b>60,892</b>	<b>68,582</b>