

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

England & Wales · Charity number 243134

Details

Status	Registered
Legal form	Charitable company
Company number	00133558
Registered	1965-07-22
Register	View on the Charity Commission register

Contact

Address	Church House 211 New Church Road Hove BN3 4ED
Phone	01273421021
Email	adminhelpdesk@chichester.anglican.org
Website	www.chichester.anglican.org

Activities

Objects: TO PROMOTE, CARRY ON, ASSIST, BENEFIT AND ADVANCE THE WORK, WHICH, IS LEGALLY CHARITABLE, OF THE CHURCH OF ENGLAND IN THE DIOCESE OF CHICHESTER OR ELSEWHERE, IN ALL OR ANY OF ITS BRANCHES.

Activities: The charity's principal activity is to promote, assist and advance the work of the Church of England in the Diocese of Chichester.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** SUSSEX, CHICHESTER DIOCESE
- Brighton And Hove
- East Sussex
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£22,057,000	£21,132,000	£337,418,000	63
2023-12-31	£21,263,000	£22,057,000	£327,943,000	61
2022-12-31	£19,706,000	£19,098,000	£320,813,000	62
2021-12-31	£17,872,000	£17,928,000	£313,728,000	63
2020-12-31	£17,831,000	£17,707,000	£283,276,000	53

Trustees

Name	Role	Appointed
Amelia Dawn Zenobia Murphy		2019-01-01
Andrew Charles Crighton		2025-01-01
Gary Stephen Hoyles		2025-01-01
Gillian Mary Bradnam		2025-01-30
Janet Christina Nay		2025-01-30
Jonathan Warden Sharp		2025-01-01
MARTIN THOMAS AUTON-LLOYD		2025-01-01
Margaret Caroline Lumley		2022-07-14
Nigel Martin Stalley		2025-01-01
Rev Daniel Millest		2025-01-01
Rev Helen Louise Fontana Garratt		2022-02-06
Rev JAMES ALEXANDER DI CASTIGLIONE		2025-01-01
Rev Martin Peter James King		2025-01-01
Rev Philip James Coekin		2019-01-01
Rt. Rev Ruth Kathleen Frances Bushyager		2020-07-15
SARA JANE STONOR DL		2018-01-19
THE VENERABLE MARTIN LLOYD-WILLIAMS		2015-03-01
The Reverend Canon Mark Gilbert		2016-01-01
The Right Reverend Dr Martin Clive Warner		2013-07-09
The Right Reverend William Peter Guy Hazlewood		2020-07-15
The Venerable Angela Frances Martin		2021-07-04
The Venerable Edward Dowler		2016-09-18
William Telford		2025-01-01

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

England & Wales - Charity number 243134

Accounts

**THE CHICHESTER DIOCESAN FUND AND
BOARD OF FINANCE (INCORPORATED)**



**Annual Report and Financial Statements
For the year ended 31 December 2024**

**Company No: 00133558
Registered Charity Number: 243134**

A printed copy is available on request from Church
House, 211 New Church Road, Hove BN3 4ED
Or email enquiries@chichester.anglican.org

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

TABLE OF CONTENTS	Page Number
Mission Statement	2
Legal Objects	3
Strategic Report:	
Strategic Aims	4
Objectives	4
Activities and Achievements in the year	5
Future plans	8
Financial review	9
Principal risks and uncertainties	13
Structure and Governance	14
Trustees' Responsibilities	18
Administrative details	20
Independent Auditor's Report	22
Statement of Financial Activities	26
Income and Expenditure Account	27
Balance Sheet	28
Cash Flow Statement	29
Notes to the Financial Statements	30-69

Mission Statement

Our mission is growth in Christ: encouraging people in the Diocese of Chichester and the wider world to know, love, follow Jesus and to grow as his disciples in worship and witness to the truth of the gospel.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2024.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The principal objects of the Chichester Diocesan Fund and Board of Finance (Incorporated) ("CDBF") are to benefit the public by promoting and assisting the mission and other work of the Church of England within the boundaries of the Diocese of Chichester by acting as the financial executive of the Chichester Diocesan Synod in connection with:

Training, funding and other support for ministry within the Diocese and in the wider Church of England, Anglican Communion and those recognised as partners in mission

Supporting the work of the Diocesan Board of Education and other trusts and related bodies involved with the work of schools in the Diocese.

In addition the CDBF 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 Church Property Measure 2018;
- 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 2021;
- iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

STRATEGIC REPORT

STRATEGIC AIMS

The main role of the CDBF is to identify and manage the financial aspects of the provision of ministry throughout the Diocese, so as to provide appropriate personnel and financial resources to support both the nurturing of faith in new and existing Anglicans in Sussex and engagement with the community, as part of the Church's response to the mission of God in Sussex. The CDBF aims to achieve this by equipping the Diocesan Synod, its Councils and Committees, deaneries, parishes, chaplaincies and schools to further the mission and strategic priorities of the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of parishes, chaplaincies and schools.

At Pentecost in May 2015, the Diocesan Synod launched a five year Diocesan Strategy with the following three priorities modelled on the priorities of the Archbishops' Council's Renewal and Reform body of work:

1. Growth in holiness and numbers;
2. Re-imagining ministry;
3. Contributing to the Common Good.

At the end of 2019 the second stage of the Diocesan Vision for Growth was launched, which built on the previous aims, but identified four priorities for 2020-2025:

1. More Open: a sign of being One;
2. More Converted to Jesus Christ: a sign of being holy;
3. More Generous: a sign of being catholic;
4. More Engaged: a sign of being apostolic.

These aims focus on similar themes identified by the national Church of England in their strategic vision for growth.

OBJECTIVES

The CDBF seeks to respond to its mission of growth in Christ and to its strategic aims by focusing on the following objectives for this and subsequent years:

- To resource a Christian presence in every parish by:
 - The appointment of stipendiary and self-supporting clergy, lay ministers and Christian leaders and governors in our schools
 - Enabling the laity in congregations to play their part in ministry
 - The payment of stipends and pensions
 - The provision and maintenance of housing which is safe, fit for purpose, and welcoming
 - The selection and training of ordinands and lay ministers, and the provision of financial support to those training for ministry
 - Providing ministerial development reviews and continuing ministerial development for clergy

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

- Providing pastoral care and welfare support to clergy, including financial assistance where needed
 - Planning and delivering improvements to mission and pastoral organisation
- To develop the ability to ensure a Christian presence in future by:
 - Encouraging vocations to both lay and ordained ministry, especially young vocations, and developing apostolic pathways for all, in particular re-imagined forms of lay ministry
 - Supporting apostolic partnerships to reinvigorate communities and establish a presence in areas of new housing
 - Enabling church schools to reach out to families in their communities
- To support clergy, lay leaders, parishes and chaplains and enable their work by providing training, information, advice, guidance, services and good governance
- To support schools and in particular head teachers and governors to provide the best possible education and Christian witness through training and support services and the provision of assistance and advice
- To support schools by ensuring their buildings are fit for purpose, facilitating capital expenditure and the expansion of schools where possible
- To provide support for parishes and individuals in all aspects of safeguarding casework, liaising with the public authorities as necessary
- To promote a care for the environment and a sustainable use of resources, and work towards becoming an Eco Diocese
- To support the Anglican church, nationally and internationally, and other particular ministries to groups and communities
- To run an effective organisation in order to deliver these objectives, including the provision of support to the senior clergy and management of assets.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Resourcing Ministry and Mission – Parish Ministry

The primary purpose of CDBF is to resource parish ministry and mission through the deployment of ordained and lay ministers in parishes across the Diocese. It is these ministers who provide local leadership, organising worship and engaging in a range of community and church projects. In 2024, 335 licensed clergy, 79 licensed readers and 181 authorised lay ministers worked across the 346 parishes of the Diocese.

During the year the CDBF paid £8.84m (2023: £8.83m) in stipend, NI and pension for stipendiary clergy. CDBF also provides housing to our parish clergy and recognises that well maintained housing is important for clergy wellbeing. There is a regular maintenance programme and 48 quinquennial works projects were completed on time and within budget during the year. In addition the renewal programme continues and during the year this involved the installation of twelve new boilers, five new bathrooms, and twelve new kitchens across the parsonage portfolio.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

The CDBF continues to nurture vocations to identify the next generation of ministers, and provides training to those at all stages of their ministry, from initial ministerial education (IME) through to ministerial development (CMD) for experienced priests. Six stipendiary deacons and two self-supporting deacons were ordained in 2024 and are serving curacies within the Diocese. Five ordinands were released and have been ordained in other dioceses. As at 31 December 2024 there were eight ordinands in training and 16 candidates in the discernment process.

The parishes across the Diocese rely on the work of lay ministers to nurture the worshipping communities in Sussex. In 2024 the CDBF trained and commissioned 47 authorised lay ministers (ALMs), and licensed two new lay readers and four lay apostolic workers. The CMD programme delivered a wide range of courses including training for new incumbents. 39 curates were engaged in the IME programme.

The CDBF is grateful to the Archbishop's Council for the Strategic Development Funding which has been provided to support three projects across the diocese:

- St Peter's Brighton & associated churches: there have been encouragements across the churches, but due to vacancies the projects have not yet achieved the planned outcomes including leadership development.
- All Saints Hove: this project has been energised by the licensing of a new vicar and the approval of a mission reset plan. There are encouraging signs in children's ministry and the café.
- Crawley: St John's continues to flourish, and there are firm plans for launching new services and partnerships in 2025.

Resourcing Ministry and Mission – Support for Parish Ministry

CDBF provides a range of services to support parishes. These include advice on fundraising and stewardship, diocesan communications, parish finance and governance, church buildings and net zero. In addition the CDBF acts as custodian trustee for almost 500 parish and chancel trusts, and 65 school trusts, which total £22.9m (2023: £23.5m).

Highlights of the year include:

- The Parish Giving Scheme continues to provide an effective mechanism to manage regular giving and 302 parishes (87%) are signed up to the Scheme.
- 89 (13%) PCC Treasurers and Secretaries attended the finance and governance courses delivered by the Parish Adviser.
- Five parishes took part in the Great is thy Faithfulness programme which is a programme to support church growth, working with clergy and laity in participating parishes over the course of a year. The programme includes taught input, self-guided tasks and visits from course leaders.
- Church building projects were facilitated through the processing of 172 List B applications, as well as provision of formal and informal advice in respect of 99 faculty applications and 41 Minor Works.
- Continuing work on proposals for Mission and Pastoral schemes and orders, with four schemes completed in the year and a further 14 being progressed.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

- Administering the Minor Repairs and Improvements and Quick Wins grant schemes, resulting in allocating £106,482 in 34 grants to parishes.
- Offering tailored fundraising advice to 74 parishes in respect of capital projects, leading to over £700,000 being raised in grant funding.
- Organising and delivering a programme of training events on church buildings, attended by approximately 275 churchwardens and clergy.

Resourcing Ministry and Mission – Church Schools

The Education team has worked closely with Church of England Schools across the diocese during 2024, supporting the recruitment of 101 Foundation Governors across our 155 schools.

The School Effectiveness Team remain committed to supporting schools daily in areas such as school improvement, school organisation, Christian distinctiveness and RE. A core element of this role is to work alongside schools in preparation for both SIAMS (Statutory Inspection of Anglican and Methodist Schools) and Ofsted inspections. A particular focus of the training that has been delivered has been to explore pupil's spirituality, which is a key component of the current SIAMS framework.

The Education team continue to administer the SCA (School Condition Allocation) funding received from the Department of Education for Voluntary Aided Schools. In 2024, the team administered a fund totalling £1.8 million which is to be utilised to ensure that schools are safe, warm, dry and most importantly remain open.

The team are committed to working towards the Church of England ambition for net zero by 2030 and were successful in securing PSDS (Public Sector Decarbonisation Scheme) funding of £534,000 to replace oil fuelled and end of life boilers in three Voluntary Aided Schools across the diocese. These works will take place in Summer 2025. A second bid has been submitted for three further projects.

In 2025, the Education team, working with the Diocesan Board of Education, will be working to develop a Small Schools Strategy, ensuring that we are developing structures that will protect the legacy of these schools and their vital place at the heart of the community into the future.

Safeguarding

The safeguarding team continues to provide support to parishes on a daily basis, assisting with safeguarding practice, leading on casework and advising on the implementation of policy. In addition to its usual work during 2024 the team transferred over 900 safeguarding case records from the previous case management system to the new National Safeguarding Case Management System. There was an independent safeguarding audit, conducted by the INEQE Safeguarding Group. The report which was published in January 2025 was very positive about safeguarding policy and practice in the Diocese. The team recruited a new Safeguarding Learning and Development Officer who will lead some of the key initiatives of 2025 particularly focussing on the rollout of the new parish dashboards which will replace the existing SQP system.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

Running an effective organisation

Over the course of the year there were two Diocesan Synods, as well as 12 Autumn Deanery meetings, one Deanery Treasurers' meeting and 18 committee meetings. In addition, five elections were facilitated in 2024, including a General Synod by-election, the Diocesan Synod elections, the DBE election, elections to committees and the election of the Chairs of the House of Laity and of the House of Clergy.

CDBF is supported by number of teams based at Church House Hove including finance, IT, and HR. The Diocese makes great efforts to be a good steward of its assets, and to manage its investments effectively, balancing the need to maximise the long term return from our assets with the need to generate income to reduce the pressure on parishes. Great care continues to be taken with this management, with an ever increasing focus on ethical and environmental consideration.

FUTURE PLANS

The strategic aims established by Diocesan Synod in 2019 detailed on page 4 will continue to direct the activities of the CDBF, and are informing the development of the new strategy.

2025 is the year of celebration of the Christian faith across Sussex. It marks the 950th anniversary of the formation of the Diocese of Chichester and Chichester Cathedral and 1,700 years since the Nicene Creed first emerged. To celebrate this jubilee year a range of events have been planned across the diocese and at the Cathedral including a celebration service in every deanery, a weekend away for young families, pilgrimages for young people and parishes, a clergy conference in Canterbury and an international ecumenical conference in Chichester.

In addition to all the work operationally required and delivered from year to year, in 2025 we plan to:

- Agree a diocesan strategy through Diocesan Synod, and expect to make an application for Diocesan Investment Programme funding from the national church. The strategy will be centred on three pillars: Inspiring Prayer and Worship, Engaging Young Children and Excellent Leaders, underpinned by a focus on increased sustainability.
- Improve the Church House Hove office, which has not been significantly renewed since it opened.
- Complete the Energy Performance Certificate (EPC) data gathering process for all residential properties owned by CDBF and the implementation of the Integrator software to enable interrogation of the data to inform future decisions.
- Roll out the Parish Dashboard safeguarding quality improvement system across the Diocese.
- Raise awareness of and increase capacity to respond appropriately to domestic abuse across the Diocese.
- Increase engagement with and support for the Parish Safeguarding Officers through an induction programme, training sessions, and peer support.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

- Expand the training programme for clergy and churchwardens on managing church buildings.
- Allocate the remainder of the Minor Repairs and Improvements and Quick Wins grants funding.

FINANCIAL REVIEW

Financial Performance

The CDBF recorded a deficit of £454k for the year on its general funds before gains on the revaluation of assets (2023: £645k). Although there was a deficit for the year this was better than the budgeted deficit of £1.5m. The improved performance mainly arose because of the generosity of parishes in paying Parish Share, higher investment income due to active asset management and interest rates remaining higher throughout the year than budgeted, as well as achieving cost savings during the year.

Parish Share, the money given by parishes to CDBF to fund the mission and ministry of the diocese, is the main income resource for the CDBF and provides 62.7% of its income (2023: 68.9%).

The current year's Parish Share receipts represent 98.8% (2023: 98.5%) of the total pledges made for 2024. When the receipts for prior years are included the collection rate increases to 99.4% (2023: 98.8%). The Trustees are grateful to all parishes who pledged so generously and continued to meet those pledges despite the cost of living crisis, especially to those parishes that make their contribution payments by monthly instalments which enables the Diocese to manage cash flow efficiently. In 2023 a new parish share restricted fund was launched in response to the national Living in Love and Faith conversations for use by those parishes which hold an orthodox view of marriage. Parish share of £1,258k (2023: £373k) was paid into the fund. The total has been spent on stipends to support ministry in those parishes which hold an orthodox view of marriage. The restricted fund is being continued for 2025.

There were a number of cost savings in 2024, some of which were achieved through a review of activities but some were due to external factors. For example, the contribution rate for the clergy pension scheme reduced from April 2024 resulting in a £183k saving in pension contributions compared to budget and a £151k reduction in expenditure compared to 2023. There was also a reduction of £240k in the costs for ordination training compared to 2023. This is primarily due to the removal of the block grant system for paying college fees. Under Resourcing Ministerial Education, which was in place until September 2023, the national church would pay a grant to the DBF to be used for college fees. Since September 2023 the college fees have been met directly by the national ministry team.

Income across all funds, before recognised gains and losses totalled £22.1m (2023: £21.3m) and expenditure amounted to £21.1m (2023: £22.1m).

The Statement of Financial Activities (SOFA) for the year shows a net surplus of £925k (2023: £0.79m loss) before net gains and losses on the revaluation and sale of investments and the revaluation of fixed assets. Net gains on investments totalled £1.08m (2023: £1.75m) and there was a net gain on revaluation of fixed assets of £7.47m (2023: £6.18m).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

As a result, funds increased by £9.48m to £337.4m.

A deficit budget has again been set for 2025. The level of budgeted deficit has been reduced through a number of cost savings achieved during 2024, and work is continuing to achieve further savings for the future. The deficit will be funded from reserves.

Significant Property Transactions

Three properties (one parsonage, one glebe and one DBF house) were sold during the year for a total of £4.1m. Eight properties (three parsonages and five glebe) were purchased during the year for £5.7m.

The CDBF will consider the disposal of property for the following reasons:

- to replace unsuitable parsonages;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

Balance sheet

The Trustees consider that the balance sheet together with note 20, show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While net assets at balance sheet date totalled £337.4m (2023: £327.9m), it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £256.1m (2023: £264m). The majority of the remaining assets shown in the balance sheet of £81.3m are held in restricted funds and cannot be used for the general purposes of the CDBF.

Reserves policy

Free reserves

The Chichester Diocesan Fund and Board of Finance (CDBF) exists to resource an Anglican presence in parishes across Sussex and to support Church of England schools in the Diocese. CDBF is highly reliant on income from Parish Share to fund its activities. Parish Share income fluctuates throughout the year and is dependent on the financial health of the parishes. CDBF has high levels of fixed expenditure, primarily clergy and staff payroll costs. Other expenditure such as clergy housing is planned and committed in advance. Therefore CDBF needs to hold sufficient free reserves to meet ongoing operational expenditure through periods when income levels fluctuate to ensure there is no significant disruption in activity.

Furthermore, the risks facing the DBF include decreases in Parish Share income as parishes face their own financial pressures, as well as the CDBF's costs increasing with inflation. The CDBF's free reserves are therefore required to meet commitments and maintain activities for the period needed to adapt the operating model should income decrease permanently.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

Taking these factors into account the CDBF's reserves policy sets a target in the range of two to four months' budgeted operating expenditure. The lower bound is set by reference to the likely fluctuations in income, and the upper bound reflects the time required to adapt the CDBF's activities in response to a permanent drop in income. The purpose of the target range is to provide short-term resilience while long-term solutions can be established.

Free reserves are part of our general fund and are defined as the unrestricted net current assets plus investment assets. At 31 December 2024 the range required under this policy was £3.0m - £6.0m (2023: £3.1m - £6.2m). Actual free reserves at that date totalled £5.0m (2023: £5.3m), as set out in note 20.

In the event of falling below this range, future budgets would be set in order to recover this position. If the CDBF had surplus funds then these would be applied to support front line ministry as soon as possible and sensible.

The level of reserves is currently within the target range. However, the CDBF is budgeting deficits for future years and so it is likely that the reserves will fall to the lower bound of the policy within the next two years.

Our designated funds are unrestricted and available to use for general purposes. However the largest is represented by properties and others are committed for particular purposes. They are therefore not readily available to deploy as free reserves.

Designated funds

The Trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed periodically and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with its intended use is set out in notes 19, 20 and 23. At 31 December 2024 total designated reserves were £5.1m (2023: £4.2m), the majority of which is tied up in fixed assets.

Restricted and endowment funds

As set out in note 19, 20 and 23 the CDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2024 restricted funds totalled £23.6m (2023: £21.3m) and endowment funds totalled £303.7m (2023: £297.0m). Neither are available for the general purposes of the CDBF.

Grant making policy

The Memorandum of Association of the CDBF explicitly permits the CDBF to make grants in pursuance of its objects. The nature of grants made in 2024 is indicated in note 11. Grants were made to parishes to support mission projects, to Ordinands to support them in training, to Clergy to assist with new appointments and relocation and with welfare needs, and to church schools for capital funding from the schools condition allocations (SCA).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

Investment policy

The CDBF is empowered by its memorandum of association to invest monies not immediately required for its purposes. Responsibility for the management of diocesan assets is delegated (through the Finance Committee) to the Assets Committee which oversees investment policy, monitors performance and reviews strategy with its advisers.

The CDBF is subject to the Charities Acts, the Trustee Investment Act 2000 and Measures passed by the General Synod of the Church of England.

There are no restrictions on the CDBF's power to invest subject only to the Acts and Measures set out above plus Charity Commission guidance CC14 and the ethical policy referred to below. Specific Trustee permission is required for investments in Private Equity, Hedge Funds, Commodities or Derivatives. The CDBF broadly endorses the Church of England Ethical Investment Policy, but varies from it in terms of fossil fuel investments, and requires its investment managers to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography, tobacco, thermal coal or tar sands. The ethical policy continues to exclude fossil fuel companies not in line with the Paris Agreement. The CDBF's investment objectives are to maintain and enhance the real value of the Fund over the long term, whilst producing an annual income which grows at least in line with inflation and having due regard for the possible need for liquidity.

The risk profile is medium high with a commensurate level of volatility in capital value being acceptable. The permitted asset classes are detailed within the DBF's investment policy as recommended by the Assets Committee. The base currency of the portfolio is sterling. The minimum acceptable credit rating for bond issuing or deposit taking institutions is BB.

The portfolio is split among a number of investment managers who each have a different brief in order to achieve diversification and spread risk, and hence performance varies between managers. Each manager operates on a discretionary basis with a normal weighting in favour of equities. Managers may be appointed to perform principally to an Income target (while maintaining capital value) or a Total Return basis. It is expected that funds will be fully invested. Benchmarks are agreed with each Investment Manager.

In addition, the CDBF acts as trustee of a number of trust funds, which are invested in accordance with the related trusts.

Note 20 provides details of the assets of each fund, note 15 summarises the movements in investments during the year and note 23 indicates the purposes of each fund.

Fundraising

Chichester DBF is aware of the Charities (Protection and Social Investment) Act 2016, the Fundraising Code of Practice and the Charity Commission's guidance on fundraising. The trustees fully support the aims of the legislation and guidance. The majority of the DBF's income comes from other charitable bodies and it undertakes very little direct fundraising activity involving individual donors. The DBF considers the origin of unsolicited donations and legacies when received. The DBF did not

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

share or purchase any donor data with third parties and did not engage any professional fundraisers during the year. The DBF did not receive any complaints in relation to fundraising in 2024 or 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy. This is subject to review by the Trustees on an annual basis, and by the Audit Committee at each meeting, with responsibility for delivery of the mitigation strategies delegated to the Diocesan Secretary. The register is reviewed at least three times a year and is regularly updated.

The principal areas where the risk of either failure to act or the impact of the events is considered 'high' and the associated mitigation strategies are:

Risk	Mitigations
Falling clergy and congregation numbers resulting in decline of parish finances and unavailability of volunteers	<ul style="list-style-type: none">• Prayer• Great care taken to make good clergy appointments;• Focus on fostering more vocations;• Increased training and support for clergy and parish officers;• Re-imagining ministry is a core part of the diocesan strategy with a strong focus on equipping and building confidence to energise lay ministry and development of self-supporting ministry;• The diocese is engaged in Strategic Development Projects with financial support from the national church and other missional investment to promote growth in strength and depth both in particular places and across the diocese.
Significant loss of income or increase in expenditure, such as through the impact of lack of confidence in the Church of England, the cost of living crisis or responses to the Church of England's Living in Love and Faith conversations:	<ul style="list-style-type: none">• Build local relationships;• Improved forward planning;• Close monitoring of income, expenditure, investments and cash flow;• Close communication with parishes to maintain parish share payments;• Maintenance of reserves;• Exploration of alternative funding avenues.
Safeguarding, where there is an occurrence of child, vulnerable adult or domestic abuse by someone working for or on behalf of the Church:	<ul style="list-style-type: none">• The CDBF employs a safeguarding adviser, a deputy and two assistants, a training lead, supported by an administrator and an independent sexual violence adviser;

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

	<ul style="list-style-type: none">• The diocese has a strong independent safeguarding advisory panel to review and challenge its actions, and excellent relationships with statutory agencies, who are all represented on the panel;• Policies are aligned with those of the national church;• All parishes are required to undertake a full audit of their practices and take action as appropriate based on the findings;• Training is compulsory for all relevant staff, office holders and volunteers;• The CDBF has engaged a communications consultant in addition to its communications officer to handle matters which come into the public arena, including matters relating to non-recent abuse.
Disruption to Safeguarding casework due to structural changes at a National Level:	<ul style="list-style-type: none">• Engagement with the consultation and emerging plans to change safeguarding structures in the Church of England.

Trustees and Diocesan Officers continue to assess the risks and uncertainties brought about by negative media coverage of the Church of England, the continuing impact of the Covid-19 pandemic, the cost of living crisis, and Living in Love and Faith conversations among other matters. Cashflow is continuously monitored, along with the impact of this and other crises on income levels. A number of scenarios have been modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing, should it be required.

STRUCTURE AND GOVERNANCE

Organisational structure

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a company limited by guarantee (No. 00133558) and a registered charity (No. 243134) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Chichester. It was established in its present form in 1914. Every eligible member of Diocesan Synod is a member of the company for company law purposes and has a personal liability limited to £1 under their guarantee as a member in the event of the company being wound up.

Governance and policy of the CDBF are the responsibility of the Trustees acting as the Finance Committee, who are also directors of the company and trustees for the purposes of charity law. The Bishop of Chichester is the ex-officio president of the Diocesan Board of Finance, and appoints a chair

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

and deputy chair of the Finance Committee after consulting with the chairs of the House of Clergy and House of Laity of Diocesan Synod.

The members of the Finance Committee are the members of the Bishop's Council and Standing Committee of the Diocesan Synod from time to time. The Bishop of Chichester, the chair and deputy chair of the Finance Committee, the two suffragan bishops and the four archdeacons, the Dean of Chichester, the chairs of the Diocesan Synod House of Clergy and House of Laity, and the Deans of Women's Ministry are ex-officio members, together with one member of the House of Clergy and two members of the House of Laity from each archdeaconry elected from and by the members of Diocesan Synod every three years, and up to five additional members of Diocesan Synod co-opted by the Bishop after consulting with the chairs of the House of Clergy and House of Laity of Diocesan Synod. The details of Trustees who served during the year, the majority of whom were elected in 2021 to serve from 1 January 2022 to 31 December 2024, are set out on page 37.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Council and Bishop's Senior Staff Team. The Synod membership is elected every three years; the members for the majority of the year were elected in 2021 to serve from August 2021. Elections took place during the year for new members to serve from August 2024. The Synod elects twelve of the Trustees of the Diocesan Board of Finance. Whilst the CDBF is a separate legal entity, with clear responsibilities under both company and charity law as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 the CDBF is subject to the direction of Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England School properties, held as The Diocese of Chichester Consolidated Educational Endowments, are accounted for in the restricted Aided Church Schools fund and are managed by the CDBF in consultation with the Diocesan Board of Education.

The CDBF is designated as *Diocesan Parsonages Board*, with responsibility for making decisions concerning the management of all clergy houses.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Chichester, are set by the Diocesan Synod and CDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary who is supported by a number of heads of department and their staff. The company meets once a year in general meeting to receive the annual report and financial statements and to appoint auditors. The company meets a second time each year to receive and agree the annual budget, prepared and approved by the Trustees.

The Trustees, meeting within the context of the Bishop's Council and Standing Committee of the Diocesan Synod, hold at least four meetings during the year to formulate and monitor the implementation of policies on mission, ministry and finance by:-

- Initiating proposals for action by the Synod and advising it on matters of policy

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with its Standing Orders
- Acting as the Trustees of the CDBF, including reviewing overall activities, assessing performance, and deciding investment and other policies
- Planning the business of the Synod, preparing agendas for its sessions, and circulating to members information about matters for discussion
- Advising the Bishop on any matters he may refer to the committee
- Initiating consideration of any restructuring of Synod Committees and Departments which may be necessary and the establishment of ad hoc review groups, their terms of reference and membership
- Carrying out such other functions as the Synod delegates to it
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod

The Trustees met four times during the year.

Trustee	Meetings Attended
The Rt Revd Dr Martin Warner	4
The Rt Revd Will Hazlewood	4
The Rt Revd Ruth Bushyager	2
The Ven Angela Martin	4
The Ven Martin Lloyd Williams	2
The Ven Luke Irvine-Capel	2
The Ven Dr Edward Dowler	2
Mrs Lesley Lynn	4
Revd Canon Lisa Barnett	2
Revd Canon Mark Gilbert	4
Mr John Booth	1
Revd Philip Cockin	4
Mrs Milly Murphy	3
Mr Michael Julian Thomas	1
Mr Bradley Smith	0
Miss Alison Marchant	1
Mrs Valerie Burgess	4
Mrs Sara Stonor	4
Revd Andrew Woodward	4
Reverend Helen Garratt	3
Mrs Sharon Phillips	1
Miss Margaret Lumley	3
Revd Thomas Holbird	0

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

Chichester DBF regards attendance at meetings as important and we engage with trustees to support them to fulfil their duties.

The Trustees are assisted in their work by four principal sub-committees:-

Operating Committee: monitors management accounts and the budget, the collection of Parish Share pledged by parishes, and the acquisition, use and disposal of parsonages and other assets, and exercises the authority delegated to it by the Trustees in areas such as approval of capital expenditure, grants and loans. It also undertakes the CDBF's responsibilities as Diocesan Authority with respect to parochial property under the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964.

Audit Committee: supports the Finance Committee in its responsibilities regarding issues of risk, control and governance and associated assurance.

Assets Committee: oversees investment policy, monitors performance and reviews strategy with its advisors. It also undertakes the CDBF's responsibilities under the Church Property Measure 2018 (with regard to glebe assets).

Parsonages and Houses Committees: two sub-committees, one for the east of the Diocese and one for the west, undertake the CDBF's responsibilities under the Church Property Measure 2018 (with regard to parsonages) and the Repair of Benefice Building Measure 1972.

In 2019 an assessment of the CDBF's compliance with the Charity Governance Code was undertaken. A good level of compliance was identified together with some areas for improvement which have subsequently been addressed.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council and Standing Committee of the Diocesan Synod and are selected as set out above. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest and loyalty.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration committee consisting of the Chair and Deputy chair of the Finance Committee, the Chair of the House of Clergy, the Chair of the House of Laity, and a suffragan bishop or archdeacon nominated by the Bishop of Chichester. The terms of reference for this group are established by the Bishop's Council and include recommending policy on remuneration to the Finance Committee and determining the remuneration for employees of the CDBF. Annual payrises are recommended taking into account levels of inflation alongside affordability. Independent benchmarking of specific posts is undertaken whenever a post is filled, responsibilities substantially amended, or a review is requested. Benchmarking takes into account comparable jobs in the local area, in the sector nationally and in other dioceses.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

Delegation of day to day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day to day activities of the company. The Diocesan Secretary is given specific and general delegated authority to execute the business of the CDBF in accordance with the policies framed by the Trustees.

Funds held as Diocesan Authority

The CDBF is Diocesan Authority (akin to custodian trustee) in respect of assets held on permanent trust 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. These assets are not aggregated in the financial statements as the CDBF does not control them, and they are segregated from the CDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £22.9m at 31 December 2024 (2023: £23.5m), are available from the CDBF on request, and are summarised in note 30. Where properties are held as Diocesan Authority, the deeds are identified as such and held in safe custody by the CDBF's solicitor, Winckworth Sherwood.

Connected Bodies and Related Parties

Please refer to note 29 of the accounts.

Volunteers

The CDBF is dependent on a huge number of people involved in church activities both locally and at diocesan level. The CDBF greatly values the considerable time given by all its committee members and other volunteers across the Diocese in pursuit of its mission.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the CDBF and of the surplus or deficit of the CDBF for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CDBF 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 CDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the CDBF's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITOR

So far as the Trustees are aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

APPOINTMENT OF AUDITOR

The re-appointment of HaysMac LLP as auditor to the CDBF will be proposed at the Annual General Meeting. On 18 November 2024 the CDBF's auditor changed its name from Haysmacintyre LLP to HaysMac LLP.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2024. The following Trustees served during the reporting year or were in post at the date of this report:

The Right Revd Dr M Warner (Bishop of Chichester)
The Right Reverend W Hazlewood (Bishop of Lewes)
The Right Reverend R Bushyager (Bishop of Horsham)
The Venerable M Lloyd Williams (Archdeacon of Brighton & Lewes)
The Venerable L Irvine-Capel (Archdeacon of Chichester) (to 26.2.25)
The Very Revd Dr REM Dowler (Archdeacon of Hastings) (to 13.9.24) (Dean of Chichester)
(from 14.9.24)
The Venerable A Martin (Archdeacon of Horsham)
The Revd HLF Garratt

Mrs L Lynn (to 31.12.24)
Mr S Hoyles (from 1.1. 25)
Mr W Telford (from 1.1. 25)

Mr M Auton-Lloyd (from 1.1. 25)
The Revd L Barnett (to 31.12.24)
Mr J Booth (to 15.11.24)
Mrs G Bradnam (from 31.1.25)
Mrs V Burgess (to 31.12.24)
The Revd J di Castiglione (from 1.1. 25)
The Revd P Coekin
Mr A Crighton (from 1.1.25)
The Revd Canon PM Gilbert
The Revd T Holbird (to 31.12.24)
Miss M Lumley
The Revd M King (from 1.1. 25)
Miss A Marchant (to 31.12.24)
The Revd D Millest (from 1.1. 25)
Mrs A Murphy
Mrs T Nay (from 31.1.25)
Mrs S Phillips (to 31.12.24)
Mr J Sharp (from 1.1. 25)
Mr B Smith (to 31.12.24)
Mr N Stalley (from 1.1.25)
Mrs S Stonor
Mr M Thomas (to 31.12.24)
The Revd A Woodward

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2024


Senior staff and advisers

Diocesan Secretary	John Preston
Finance Director	Catherine Dawkins
Director of Education	Trevor Cristin (to 31 August 2024) Lesley Hurst (from 1 September 2024)
Director for Apostolic Life	Rebecca Swyer
Property Director	Scott Ralph

Registered Office:	Diocesan Church House, 211 New Church Road, Hove, BN3 4ED
Bankers	Barclays Bank plc, 90-92 High Street, Crawley, RH10 1BP
Independent Auditor	HaysMac LLP, 10 Queen Street Place, London EC4R 1AG
Solicitors	Winckworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB
Investment advisers	CCLA Investment Management Ltd, 80 Senator House, 85 Queen Victoria Street, London, EC4V 4ET M&G Securities Ltd, M&G House, Victoria Road, Chelmsford, Essex CM1 1FB J M Finn & Co, 4 Coleman Street, London EC2R 5TA Charles Stanley & Co Ltd, 25 Luke Street, London EC2A 4AR Cazenove Capital, 31 Gresham Street, London EC2V 7QA
Insurers	EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ RSA Insurance, St. Mark's Court, Chart Way, Horsham RH12 1XL AXA Insurance UK plc, 20 Gracechurch Street, London EC3V 0BG

In approving this Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES



The Right Revd Dr Martin Warner
President of the CDBF



Mr Stephen Hoyle
Chair of the Finance Committee

10 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2024

Opinion

We have audited the financial statements of Chichester Diocesan Fund and Board of Finance (Incorporated) for the year ended 31 December 2024 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2024

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 18 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2024

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular reviewing the controls and procedures in place for these;
- Challenging assumptions and judgements made by management in their critical accounting estimates in particular valuation of property assets and investment properties; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. The key areas subject to estimation are fair values assigned for property assets and investment properties.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN
FUND AND BOARD OF FINANCE (INCORPORATED)**

For the year ended 31 December 2024

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.



Jane Askew (Senior Statutory Auditor)
for and on behalf of HaysMac LLP, Statutory Auditor

Date:.....**19/05/2025**.....

10 Queen Street Place
London
EC4R 1AG

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2024

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General	Designated	Funds	Funds	2024	2023
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish share	3a	12,569	-	1,258	-	13,827	13,453
Other donations	3b	130	50	2,756	-	2,936	3,291
Charitable activities	4	721	21	106	-	848	933
Other trading activities	5	782	-	10	-	792	593
Investments	6	1,047	1	1,555	-	2,603	2,292
Other	7	37	350	997	(333)	1,051	701
		<u>15,286</u>	<u>422</u>	<u>6,682</u>	<u>(333)</u>	<u>22,057</u>	<u>21,263</u>
Expenditure on							
Raising Funds	8	67	-	82	-	149	139
Charitable activities	9	15,673	261	5,049	-	20,983	21,918
		<u>15,740</u>	<u>261</u>	<u>5,131</u>	<u>-</u>	<u>21,132</u>	<u>22,057</u>
Net income/(expenditure) before investment gains/(losses)		<u>(454)</u>	<u>161</u>	<u>1,551</u>	<u>(333)</u>	<u>925</u>	<u>(794)</u>
Unrealised gains/(losses) on investments	15	37	(123)	530	342	786	519
Realised gains/(losses) on investments		-	-	222	73	295	1,228
Net gains/(losses) on investments		<u>37</u>	<u>(123)</u>	<u>752</u>	<u>415</u>	<u>1,081</u>	<u>1,747</u>
Net income/(expenditure)		<u>(417)</u>	<u>38</u>	<u>2,303</u>	<u>82</u>	<u>2,006</u>	<u>953</u>
Transfer between funds	13	63	50	(113)	-	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	14	-	818	84	6,567	7,469	6,177
Net movement in funds		<u>(354)</u>	<u>906</u>	<u>2,274</u>	<u>6,649</u>	<u>9,475</u>	<u>7,130</u>
Total funds brought forward		<u>5,400</u>	<u>4,223</u>	<u>21,312</u>	<u>297,008</u>	<u>327,943</u>	<u>320,813</u>
Total funds carried forward	19	<u>5,046</u>	<u>5,129</u>	<u>23,586</u>	<u>303,657</u>	<u>337,418</u>	<u>327,943</u>

All activities derive from continuing activities. The notes on pages 30 to 69 form part of the financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2024

	Total 2024 £'000	Total 2023 £'000
Total Income	22,390	21,139
Expenditure	<u>(21,132)</u>	<u>(22,057)</u>
Operating surplus/(deficit) for the year	1,258	(918)
Net gains on investments	<u>666</u>	<u>850</u>
Net gain/(loss) for the year	1,924	(68)
Other comprehensive income :		
Revaluation of fixed assets	<u>902</u>	<u>(2,974)</u>
Total comprehensive gain/(loss)	<u>2,826</u>	<u>(3,042)</u>

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

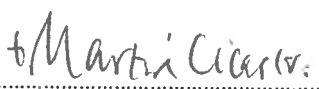
THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

BALANCE SHEET

For the year ended 31 December 2024

Company Number - 00133558	Note	2024		2023	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	14		276,053		267,226
Investments	15		49,646		48,609
			<u>325,699</u>		<u>315,835</u>
CURRENT ASSETS					
Debtors	16	1,832		2,225	
Cash on deposit		8,778		10,038	
Cash at bank and in hand		5,582		6,372	
		<u>16,192</u>		<u>18,635</u>	
CREDITORS: amounts falling due within one year	17	<u>(4,473)</u>		<u>(6,527)</u>	
NET CURRENT ASSETS			<u>11,719</u>		<u>12,108</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			337,418		327,943
CREDITORS: amounts falling due after more than one year	18				
Pension scheme liabilities			-		-
Other creditors			-		-
NET ASSETS			<u>337,418</u>		<u>327,943</u>
FUNDS					
Endowment funds			303,657		297,008
Restricted income funds			23,586		21,312
Unrestricted income funds					
General funds			5,046		5,400
Designated funds			5,129		4,223
TOTAL FUNDS	19/20		<u>337,418</u>		<u>327,943</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 10 April 2025 and signed on behalf of the Board by:



The Right Revd Dr Martin Warner
 President of the CDBF



Mr Stephen Hoyle
 Chair of the Finance Committee

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

CASH FLOW STATEMENT

For the year ended 31 December 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities (see below)		(3,317)		(3,787)
Cash flows from investing activities				
Dividends / interest and rent from Investments	2,603		2,292	
Proceeds from the sales of:				
Tangible fixed assets	4,143		2,736	
Fixed assets investments	3,762		5,000	
Purchase of:				
Tangible fixed assets	(5,729)		(1,865)	
Fixed assets investments	(3,694)		(4,297)	
Net cash provided by investing activities		1,085		3,866
Cash flows from financing activities				
Loans paid/(repaid)	182		(29)	
Net cash used in financing activities		182		(29)
Change in cash and cash equivalents in the reporting period		(2,050)		50
Cash and cash equivalents at 1 January		16,410		16,360
Cash and cash equivalents at 31 December		<u>14,360</u>		<u>16,410</u>
Analysis of Cash and Cash equivalents				
Cash in Hand		5,582		6,372
Notice deposits (less than 3 months)		8,778		10,038
		<u>14,360</u>		<u>16,410</u>
Reconciliation of net movements in funds to net cash flow from operating activities				
Net expenditure before investment gains		925		(794)
Adjustments for				
(Gains) on the disposal of fixed assets		-		(124)
Depreciation charges		22		38
Investment income		(2,603)		(2,292)
Decrease/(Increase) in Debtors		393		(754)
(Decrease)/Increase in Creditors		(2,054)		139
Net Cash used in operating activities		<u>(3,317)</u>		<u>(3,787)</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. ACCOUNTING POLICIES

a) General information

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a charitable company limited by guarantee incorporated in England and Wales (company registration number 00133558) and registered with the Charity Commission (charity registration number 243134). The registered office address is Diocesan Church House, 211 New Church Road, Hove BN3 4ED. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1.

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

b) Accounting convention and basis of preparation

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 (f), 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 – Second Edition, effective 1st January 2019, the Companies Act 2006 and applicable accounting standards (FRS102).

c) Going concern

While the recent global pandemic and high inflation levels are largely behind us, the financial statements are approved at a time of continuing financial pressure as CDBF struggles to increase income to cover rising costs. The trustees are particularly mindful of the financial pressures on parishes and therefore the ability of PCCs to make their parish share contributions. Whilst a general fund deficit is budgeted for 2025, progress has been made on reducing the levels of deficit budgets and the trustees do not consider that 2025 or beyond would give rise to any inability of the charity to continue as a going concern.

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient liquid assets, including short term cash deposits and investments, which could be readily realised to meet liabilities should there be an unexpected curtailment of income. Further, the trustees consider that there are no material uncertainties over the charity's financial viability. Accordingly the trustees have assessed that the use of the going concern assumption is appropriate in preparing these financial statements.

d) Income

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

- i. **Parish Share** is recognised as income in the year in which it is received.
- ii. **Rent** is recognised as income in the period in which it is received.
- 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 when received.
- vi. **Donations** other than grants are recognised when receivable.
- vii. **Gains on disposal of fixed assets for the CDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other expenditure.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

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. The income is fully expended within the year of receipt and the legal restrictions are therefore satisfied.

e) 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** includes costs relating to the temporary renting out of parsonages and 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 through 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 CDBF, in which case the grants are recognised when the conditions are fulfilled. Records of grants offered subject to such conditions which have not been met at the year-end are kept, but committed grants are not accrued as expenditure.
- iv. **Support costs** consist of central management, administration and governance costs. The amount of support costs 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 usage basis.
- v. **Pension contributions.** The CDBF's staff are members of the Church Workers Pension Fund or the Teachers Pension Scheme and clergy are members of the Church of England Funded Pensions Scheme (see note 26). The pension costs charged as resources expended represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes in which the CDBF participates is accrued at current value in creditors, distinguished between contributions falling due within one year and after more than one year. Movements in the value of these schemes are recognised in the Statement of Financial Activities.

f) School major repair and capital projects

CDBF receives Government grants in connection with major repairs and capital projects to Church Schools. Under the School Condition Allocation (SCA) funding scheme, monies are received and then allocated or spent. Projects are agreed by the Diocese, under the statutory and non-statutory guidance provided by the Department for Education (DfE). Because the CDBF has some limited discretion over the application of funds, it is our view that all income and expenditure under the SCA should be included in these accounts. Monies received have to be spent within a two-year time period or returned to the DfE. This accounting policy has been applied from 2023 following a change in the school funding system.

g) Tangible fixed assets and depreciation

Freehold properties

The CDBF measures freehold property assets in accordance with an estimate of fair value as required by FRS 102. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

1. ACCOUNTING POLICIES (continued)

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 CDBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage 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. Through a process of regular visits by the Diocesan Property Department, 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 their fair value.

Investment properties

Glebe properties and assets which are held for investment purposes and rented out have been included at their fair value. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

Parsonage houses

The CDBF 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 CDBF 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 fair value. Parsonage houses are revalued on a five year cycle, with 20% being valued each year on a rolling basis. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

h) Other tangible fixed assets

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

Fixtures and fittings - 25% per annum - reducing balance basis

Computer Equipment - 20% per annum - straight line basis

i) 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 CDBF has entered into operating leases for the use of certain assets. The rental is charged as expenditure in the year to which it relates.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

1. ACCOUNTING POLICIES (continued)

j) Financial Instruments - assets and liabilities

- i. **Debtors:** Debtors are recognised at the settlement amount due
- ii. **Cash and cash equivalents:** Cash at bank and cash in hand includes cash held in short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- iii. **Creditors and provisions:** Creditors and provisions are recognised where the CDBF has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- iv. **Value Linked Loans:** The CDBF has a number of loans for which the settlement proceeds are based on the value of the equity in a property. As this constitutes a non-basic financial instrument under FRS102 these loans have been recognised at fair value and are revalued at each reporting date. Any gains or losses arising at year end are recognised in the SOFA.
- v. **Concessionary Loans:** Loans obtained or made by the CDBF to further its charitable purposes at rates below the prevailing market rates are classified as concessionary loans and accounted for in accordance with section 34 of FRS 102. Such loans are initially recognised and measured at the amount received or paid and subsequently amended to reflect any repayments, interest and impairment.

k) Fund balances

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

Unrestricted funds are the CDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the CDBF.

There are two types of unrestricted funds:

- i. **General funds** which the CDBF uses for the general purposes of the CDBF
- ii. **Designated funds** which are set aside out of unrestricted funds by the CDBF 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 Stipends Fund Capital and Parsonage Houses Fund 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 CDBF 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 those financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the CDBF's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to estimation are fair values assigned for property assets and investment properties. In 2020, 20% of parsonage and freehold properties and 98% of glebe houses were valued using an on-line valuation tool which uses relevant market data to provide a valuation for each property. Since 2021 the same tool has been used to value an additional 20% of parsonage and freehold property and revalue 20% of glebe property on a rolling basis. The average uplift in values identified by these valuations was then applied to the rest of the portfolio. The DBF is responsible for the maintenance of the houses and employees visit the properties on a regular basis. Any improvements are capitalised at cost and added to the carrying value of the properties. The occupants of the houses notify the DBF promptly of any damage or disrepair. Any variances from actual fair market value and the estimated value of the portfolio will affect the value of tangible fixed assets reported on the balance sheet, and other gains and losses reported in the Statement of Financial Activities. Income and expenditure are not impacted except to the extent that profit or loss is calculated on the sale of a property. The trustees consider this methodology and the resulting balance sheet values to be an appropriate estimate of fair value for reporting purposes.

3. DONATIONS

3a. Parish Share

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	
Current Year pledges	12,669	-	1,216	-	13,885	13,623
Shortfall in contributions	(138)	-	-	-	(138)	(199)
	12,531	-	1,216	-	13,747	13,424
Receipts for previous year	38	-	42	-	80	29
Total Income	12,569	-	1,258	-	13,827	13,453

Current year parish share receipts represent 98.8% of the total pledges (2023 – 98.5%), or, when receipts for previous years are included, 99.4% of the total pledges (2023 – 98.8%).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

3. DONATIONS (continued)

3b. Other donations

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2024	2023
	£'000	£'000			£'000	£'000
Benefact Trust Grant	81	50	-	-	131	152
Archbishops Council	36	-	796	-	832	1,110
RME Block Grant	-	-	24	-	24	179
Grants from other organisations	1	-	270	-	271	23
Grant funding for school building projects	-	-	1,636	-	1,636	1,745
Donations	11	-	30	-	41	31
Legacies	1	-	-	-	1	51
	<u>130</u>	<u>50</u>	<u>2,756</u>	<u>-</u>	<u>2,936</u>	<u>3,291</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2024	2023
	£'000	£'000			£'000	£'000
Statutory fees for parochial services	517	-	-	-	517	559
Church Commissioners' guaranteed annuities	-	-	3	-	3	2
Parish trust Income	-	-	103	-	103	106
Generated Income	55	21	-	-	76	80
Church Schools Training & other	149	-	-	-	149	186
	<u>721</u>	<u>21</u>	<u>106</u>	<u>-</u>	<u>848</u>	<u>933</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Parsonages	782	-	10	-	792	593
	<u>782</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>792</u>	<u>593</u>

6. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable & interest receivable	1,047	1	1,211	-	2,259	2,058
Rents receivable - Glebe	-	-	344	-	344	234
	<u>1,047</u>	<u>1</u>	<u>1,555</u>	<u>-</u>	<u>2,603</u>	<u>2,292</u>

7. OTHER INCOME

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	37	8	-	120	165	577
Closed School s554 Order	-	-	886	-	886	-
Gain/ (Loss) on sale of property	-	342	111	(453)	-	124
	<u>37</u>	<u>350</u>	<u>997</u>	<u>(333)</u>	<u>1,051</u>	<u>701</u>

8. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	67	-	62	-	129	128
Glebe repairs & improvements	-	-	20	-	20	11
	<u>67</u>	<u>-</u>	<u>82</u>	<u>-</u>	<u>149</u>	<u>139</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

9. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2024	2023
	£'000	£'000			£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	630	-	-	-	630	631
National Church						
Responsibilities	441	-	-	-	441	434
Mission agency pension costs	-	-	-	-	-	20
Retired clergy housing costs	262	-	-	-	262	250
Pooling of ordinands						
maintenance grants	108	-	-	-	108	101
	<u>1,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,441</u>	<u>1,436</u>

Maintenance grants paid to ordinands are reported annually to Ministry Division of Archbishops Council and combined with similar grants paid by other Dioceses. An extra charge or credit is then made to the CDBF for the difference between the amount actually paid and its assessed share of the total national cost.

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2024	2023
	£'000	£'000			£'000	£'000
Resourcing Ministry and						
Mission - Parish Ministry						
Stipends and National						
Insurance	5,434	65	1,848	-	7,347	7,188
Pension contributions	1,447	14	28	-	1,489	1,640
Defined benefit pension						
scheme movement (see Note 26)	-	-	-	-	-	-
Housing costs	3,387	-	671	-	4,058	3,866
Mission Fund grants	-	128	-	-	128	386
Removal & resettlement grants	272	-	-	-	272	291
Clergy welfare	6	-	124	-	130	133
Ministry Support	318	45	6	-	369	254
	<u>10,864</u>	<u>252</u>	<u>2,677</u>	<u>-</u>	<u>13,793</u>	<u>13,758</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

9. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	338	7	50	-	395	636
Lay Ministry	104	-	3	-	107	115
Children and youth work	158	-	19	-	177	162
Apostolic Life	270	2	8	-	280	249
Common Good	16	-	1	-	17	16
Safeguarding	303	-	-	-	303	252
Diocesan Advisory Committee	136	-	-	-	136	103
Pastoral and Redundant						
Churches uses	86	-	-	-	86	72
Redundant churches	106	-	-	-	106	47
Communications	101	-	-	-	101	82
Strategic Mission projects	-	-	576	-	576	891
Chancellor & Registrar	108	-	-	-	108	102
Grants	-	-	217	-	217	596
	<u>1,726</u>	<u>9</u>	<u>874</u>	<u>-</u>	<u>2,609</u>	<u>3,323</u>
Support and Governance for parish ministry (note 10)	<u>695</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>720</u>	<u>683</u>
	<u>2,421</u>	<u>9</u>	<u>899</u>	<u>-</u>	<u>3,329</u>	<u>4,006</u>
Resourcing Ministry and Mission - Church Schools						
Church Schools department	774	-	(1)	-	773	803
School Condition Allocation	-	-	1,474	-	1,474	1,745
Grants	-	-	-	-	-	-
Support and Governance for Church Schools (note 10)	<u>173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173</u>	<u>170</u>
	<u>947</u>	<u>-</u>	<u>1,473</u>	<u>-</u>	<u>2,420</u>	<u>2,718</u>
Total Charitable activities	<u>15,673</u>	<u>261</u>	<u>5,049</u>	<u>-</u>	<u>20,983</u>	<u>21,918</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

10. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Support				
Central services department	82	21	103	110
General office department	203	51	254	282
Finance department	218	54	272	238
IT department	142	35	177	152
Depreciation	18	4	22	38
	<u>663</u>	<u>165</u>	<u>828</u>	<u>820</u>
Governance				
External Audit	32	8	40	33
	<u>695</u>	<u>173</u>	<u>868</u>	<u>853</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

11. ANALYSIS OF GRANTS MADE

	<i>Number</i>	<i>Individuals £'000</i>	<i>Institutions £'000</i>	<i>Total Funds 2024 £'000</i>	<i>Total Funds 2023 £'000</i>
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	<u>1</u>	-	<u>1,441</u>	<u>1,441</u>	<u>1,436</u>
From unrestricted					
The Chichester Diocesan Association for					
Family Support Work	1	-	18	18	36
Clergy Training	13	4	-	4	17
Clergy Moves	91	270	-	270	291
Clergy Retreats	19	3	-	3	-
Other organisations	<u>92</u>	<u>15</u>	<u>1</u>	<u>16</u>	<u>32</u>
	<u>216</u>	<u>292</u>	<u>19</u>	<u>311</u>	<u>376</u>
From designated					
PCCs for Mission projects	<u>13</u>	-	<u>158</u>	<u>158</u>	<u>386</u>
	<u>13</u>	<u>0</u>	<u>158</u>	<u>158</u>	<u>386</u>
From restricted					
PCCs for Mission projects	21	-	144	144	92
Clergy and families for Welfare	42	27	-	27	37
Overseas Partners	1	-	1	1	5
Aided Schools	0	-	-	-	22
School Condition Allocation Grants	40	-	2,685	2,685	1,745
Clergy training	7	6	-	6	-
Buildings for Mission/Net Zero	11	-	30	30	-
Energy Cost Grants	0	-	-	-	46
Other Grants	<u>8</u>	<u>-</u>	<u>35</u>	<u>35</u>	<u>48</u>
	<u>130</u>	<u>33</u>	<u>2,895</u>	<u>2,928</u>	<u>1,995</u>
Totals	<u>360</u>	<u>325</u>	<u>4,513</u>	<u>4,838</u>	<u>4,193</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

12. STAFF COSTS

	2024 £'000	2023 £'000
Employee costs during the year were as follows:		
Wages and salaries	2,315	2,154
National insurance contributions	243	213
Pension costs	354	330
	<u>2,912</u>	<u>2,697</u>

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

	2024 Unrestricted Funds	2024 Restricted Funds	2024 Total	2023 Total
Administration and financial management	18	4	22	20
Apostolic Life	14	4	18	16
Common Good	-	-	-	-
Property	7	-	7	7
Education - Church Schools	10	2	12	13
Safeguarding & inclusion	4	-	4	5
	<u>53</u>	<u>10</u>	<u>63</u>	<u>61</u>

The average number of persons employed by the group during the year based on full-time equivalents:

	2024 Unrestricted Funds	2024 Restricted Funds	2024 Total	2023 Total
Administration and financial management	16	2	18	18
Apostolic Life	10	3	13	13
Common Good	-	-	-	-
Property	7	-	7	7
Education - Church Schools	8	1	9	9
Safeguarding & inclusion	4	-	4	4
	<u>45</u>	<u>6</u>	<u>51</u>	<u>51</u>

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

	2024 Number	2023 Number
£60,001 - £70,000	3	5
£70,001 - £80,000	3	2
£80,001 - £90,000	<u>1</u>	<u>-</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

12. 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 2024 they were:

Diocesan Secretary and Company Secretary	John Preston
Diocesan Director for Apostolic Life	Rebecca Swyer
Diocesan Director of Education	Trevor Cristin (to 31 August 2024) Lesley Hurst (from 1 September 2024)
Diocesan Director of Property	Scott Ralph
Diocesan Finance Director	Catherine Dawkins

Remuneration (including Employer NI) and pensions for these employees/posts amounted to £495,345 (2023 - £463,760).

Termination payments

During the year no termination payments were paid (2023 - £25k).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £10,415 (2023 - £12,333) in respect of General Synod duties, duties as archdeacon or rural dean, and other duties as Trustees. In addition, five Trustees received grants totalling £3,559 (2023 - 6 Trustees £17,893) in respect of their role as parochial clergy. One trustee, who is also the Chair of the Audit Committee, holds two part time roles: parish priest and DBF employee as the LGBTQI Liaison Officer.

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

	Stipend	Housing
The Right Revd R K F Bushyager	No	Yes
The Right Revd W P G Hazlewood	No	Yes
The Venerable L Irvine-Capel	Yes	Yes
The Venerable M Lloyd-Williams	Yes	Yes
The Venerable E Dowler (part year)	Yes	Yes
The Venerable A Martin	Yes	Yes
The Revd Canon PM Gilbert	Yes	Yes
The Revd P Coekin	Yes	Yes
The Revd H Garratt	Yes	No
The Revd A Woodward	Yes	Yes
The Revd T Holbird	Yes	Yes
The Revd Canon L Barnett	Yes	Yes

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

12. STAFF COSTS (continued)

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

	2024 £'000	2023 £'000
Stipends	6,762	6,623
National insurance contributions	584	565
Pension costs - current year	<u>1,489</u>	<u>1,640</u>
	<u>8,835</u>	<u>8,828</u>

The stipends of the Diocesan Bishop and Suffragan Bishops are paid and funded by the Church Commissioners and are in the range £41,951 - £51,421 (2023 range £39,953 - £48,972). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2024 was £42,210 (2023 - £40,200) and other clergy who were Trustees were paid in the range £30,230 - £31,440 (2023 range £28,790 - £29,945).

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Administration charge - Aided Schools fund	48	-	(48)	-
Mission Fund	-	50	(50)	-
Net zero project costs	15		(15)	
	<u>63</u>	<u>50</u>	<u>(113)</u>	<u>-</u>

Administration charge - Aided Schools fund. This reflects the administration charge of the Schools' Buildings Officer costs charged to the Aided Schools restricted fund.

Mission Fund Annual transfer from the Pastoral Fund for the Mission Fund

Net Zero Project Costs Consultancy expenditure charged to a restricted grant for net zero projects.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

14. TANGIBLE FIXED ASSETS

	Freehold Property £'000	Leasehold Property £'000	Office Equipment £'000	Total £'000
Cost or valuation				
At 1 January 2024	266,839	301	895	268,035
Additions	5,729	-	-	5,729
Disposals	(5,262)	-	-	(5,262)
Revaluation	8,397	(15)	-	8,382
At 31 December 2024	<u>275,703</u>	<u>286</u>	<u>895</u>	<u>276,884</u>
Depreciation				
At 1 January 2024	-	-	809	809
Charge for the year	-	-	22	22
At 31 December 2024	<u>-</u>	<u>-</u>	<u>831</u>	<u>831</u>
Net Book Value				
At 31 December 2024	<u>275,703</u>	<u>286</u>	<u>64</u>	<u>276,053</u>
At 31 December 2023	<u>266,839</u>	<u>301</u>	<u>86</u>	<u>267,226</u>

All but one of the properties in the balance sheet are freehold and are vested in the CDBF, except for benefice houses which are vested in the incumbent. Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £1,405,015 (2023: £1,380,457). Properties are subject to a cycle of valuations and repairs are charged as expenditure within the SOFA.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

15. FIXED ASSET INVESTMENTS

	At 1 January 2024 £'000	Additions £'000	Disposal £'000	Transfer £'000	Change in Market Value £'000	At 31 December 2024 £'000
Unrestricted Funds						
Listed investments	1,652	6	(7)	-	37	1,688
Unlisted investments	5	-	-	-	-	5
Investment property	787	-	-	-	(123)	664
	<u>2,444</u>	<u>6</u>	<u>(7)</u>	<u>-</u>	<u>(86)</u>	<u>2,357</u>
Restricted Funds						
Listed investments	20,306	1,831	(1,725)	-	530	20,942
	<u>20,306</u>	<u>1,831</u>	<u>(1,725)</u>	<u>-</u>	<u>530</u>	<u>20,942</u>
Endowment Funds						
Listed investments	21,471	1,857	(1,707)	-	342	21,963
Investment property	4,384	-	-	-	-	4,384
	<u>25,855</u>	<u>1,857</u>	<u>(1,707)</u>	<u>-</u>	<u>342</u>	<u>26,347</u>
Total	<u>48,605</u>	<u>3,694</u>	<u>(3,439)</u>	<u>-</u>	<u>786</u>	<u>49,646</u>

16. DEBTORS

	2024 £'000	2023 £'000
Concessionary (interest free) loans to Parishes	413	299
Loans to Parishes	252	158
School projects	461	625
Other Debtors and prepayments	706	1,143
	<u>1,832</u>	<u>2,225</u>
Included within the above are debtors amounts due after more than one year as follows:		
Concessionary (interest free) loans to Parishes	340	240
	<u>340</u>	<u>240</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

17. CREDITORS: amounts falling due within one year

	2024 £'000	2023 £'000
Loans due in one year		
Church Commissioners value-linked loans	1,170	1,470
Deferred income	-	75
School Building Projects	1,017	2,082
Other Taxes and social security	57	54
Other creditors and accruals	2,229	2,846
	<u>4,473</u>	<u>6,527</u>

Value-linked loans (VLLs) represent amounts advanced to the CDBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. None (2023: 1) of these loans is for the benefit of a parish and has been used to purchase a house for a curate. 3 (2023: 3) of the loans have been used by the DBF for the purchase of houses for deserted spouses. As at 31st December 2024 the Board had no intention of disposing of any of those properties funded via VLLs. As the timing of the repayment is uncertain the loans are shown as due within one year.

18. CREDITORS: amounts falling due after more than one year

	2024 £'000	2023 £'000
Pension Scheme liabilities (see note 26)		
Clergy Pension Scheme	-	-
Church Workers Pension Scheme - DBS	-	-
	<u>-</u>	<u>-</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

19. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2024 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2024 £'000
UNRESTRICTED FUNDS						
General	5,400	15,286	(15,740)	63	37	5,046
Designated Funds						
Property	3,757	342	-	-	695	4,794
Parish Mission	28	58	(128)	50	-	8
Other designated funds	438	22	(133)	-	-	327
	4,223	422	(261)	50	695	5,129
Restricted Funds						
Diocesan Pastoral	13,273	111	(184)	(50)	601	13,751
Diocesan Stipend	-	1,162	(1,168)	-	6	-
Clergy Welfare	1,243	121	(57)	-	84	1,391
Clergy Welfare (B Wild)	754	26	(83)	-	23	720
Jenkinson Trust	21	2	(1)	-	-	22
Training	-	37	(37)	-	-	-
University chaplaincy	48	2	-	-	-	50
Hayllar Trust	90	7	(6)	-	-	91
Poling Endowment	109	33	(2)	-	-	140
The Arnold Bequest	38	17	(16)	-	-	39
Clergy Widows	19	-	(4)	-	-	15
SDF	131	367	(468)	-	-	30
RME	(20)	24	(16)	-	-	(12)
Archdeacons' loans	1,997	42	(4)	-	68	2,103
Aided Church Schools	3,396	2,763	(1,465)	(48)	54	4,700
Diocesan Overseas Council	50	5	(5)	-	-	50
Parish Share Restricted Fund	-	1,248	(1,248)	-	-	-
Energy Cost	-	-	-	-	-	-
Other restricted funds	163	715	(367)	(15)	-	496
	21,312	6,682	(5,131)	(113)	836	23,586
Endowment Funds						
Expendable						
Parsonage/Benefice houses	214,852	(453)	-	(2,934)	6,252	217,717
Diocesan Stipends	69,087	120	-	2,934	601	72,742
Clergy Welfare	2,199	-	-	-	35	2,234
Elfinward	2,157	-	-	-	34	2,191
Terry's Cross	5,959	-	-	-	-	5,959
Permanent						
Jenkinson Trust	46	-	-	-	1	47
Training	877	-	-	-	14	891
University chaplaincy	780	-	-	-	19	799
Hayllar Trust	71	-	-	-	1	72
Poling Endowment	602	-	-	-	20	622
The Arnold Bequest	378	-	-	-	5	383
	297,008	(333)	-	-	6,982	303,657
Total funds	327,943	22,057	(21,132)	-	8,550	337,418

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

20. SUMMARY OF ASSETS BY FUND

	Fixed assets		Current	Creditors	Net
	Tangible	Investments	Assets		Assets
	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS					
General	65	1,687	3,928	(634)	5,046
Designated Funds					
Property	3,804	664	326	-	4,794
Parish Mission	-	-	343	(335)	8
Other designated funds	-	6	321	-	327
	<u>3,804</u>	<u>670</u>	<u>990</u>	<u>(335)</u>	<u>5,129</u>
Restricted Funds					
Diocesan Pastoral	-	16,903	(3,152)	-	13,751
Clergy Welfare	1,405	-	1,156	(1,170)	1,391
Clergy Welfare (B Wild)	-	734	(14)	-	720
Jenkinson Trust	-	-	22	-	22
Training	-	-	-	-	-
University chaplaincy	-	-	50	-	50
Hayllar Trust	-	-	91	-	91
Poling Endowment	-	-	140	-	140
The Arnold Bequest	-	-	39	-	39
Clergy Widows	-	-	15	-	15
SDF	-	-	30	-	30
RME	-	-	(12)	-	(12)
Archdeacons' loans	-	1,038	1,065	-	2,103
Aided Church Schools	-	2,262	4,782	(2,344)	4,700
Diocesan Overseas Council	-	-	50	-	50
Energy Cost	-	-	-	-	-
Other restricted funds	-	5	481	10	496
	<u>1,405</u>	<u>20,942</u>	<u>4,743</u>	<u>(3,504)</u>	<u>23,586</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	211,741		5,976	-	217,717
Diocesan Stipends	52,310	20,376	56	-	72,742
Clergy Welfare	-	2,036	198	-	2,234
Elfinward	-	2,000	191	-	2,191
Terry's Cross	5,959	-	-	-	5,959
<u>Permanent</u>					
Jenkinson Trust	-	45	2	-	47
Training	-	815	76	-	891
University chaplaincy	769	28	2	-	799
Hayllar Trust	-	69	3	-	72
Poling Endowment	-	620	2	-	622
The Arnold Bequest	-	358	25	-	383
	<u>270,779</u>	<u>26,347</u>	<u>6,531</u>	<u>-</u>	<u>303,657</u>
Total funds	<u>276,053</u>	<u>49,646</u>	<u>16,192</u>	<u>(4,473)</u>	<u>337,418</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

21. PRIOR YEAR SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2023 £'000		Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2023 £'000
UNRESTRICTED FUNDS							
General	5,984	15,608	(16,388)	61	135	5,400	
Designated Funds							
Property	6,736	-	-	-	(2,979)	3,757	
Parish Mission	313	50	(385)	50	-	28	
Other designated funds	531	1	(95)	-	1	438	
	<u>7,580</u>	<u>51</u>	<u>(480)</u>	<u>50</u>	<u>(2,978)</u>	<u>4,223</u>	
Restricted Funds							
Diocesan Pastoral	13,173	5	(560)	74	581	13,273	
Diocesan Stipend	-	1,036	(1,036)	-	-	-	
Clergy Welfare	1,176	110	(48)	-	5	1,243	
Clergy Welfare (B Wild)	775	27	(75)	-	27	754	
Jenkinson Trust	19	2	-	-	-	21	
Training	-	36	(36)	-	-	-	
University chaplaincy	45	4	(1)	-	-	48	
Hayllar Trust	87	5	(2)	-	-	90	
Poling Endowment	93	32	(16)	-	-	109	
The Arnold Bequest	38	16	(16)	-	-	38	
Clergy Widows	19	-	-	-	-	19	
SDF	21	879	(769)	-	-	131	
RME	9	179	(208)	-	-	(20)	
Archdeacons' loans	1,908	40	(4)	-	53	1,997	
Aided Church Schools	2,754	2,443	(1,792)	(61)	52	3,396	
Diocesan Overseas Council	52	4	(6)	-	-	50	
Parish Share Restricted Fund	-	373	(373)	-	-	-	
Energy Cost	46	-	(46)	-	-	-	
Other restricted funds	74	289	(201)	-	1	163	
	<u>20,289</u>	<u>5,480</u>	<u>(5,189)</u>	<u>13</u>	<u>719</u>	<u>21,312</u>	
Endowment Funds							
<u>Expendable</u>							
Parsonage/Benefice houses	206,705	124	-	(124)	8,147	214,852	
Diocesan Stipends	67,334	-	-	-	1,753	69,087	
Clergy Welfare	2,149	-	-	-	50	2,199	
Elfinward	2,108	-	-	-	49	2,157	
Terry's Cross	5,959	-	-	-	-	5,959	
<u>Permanent</u>							
Jenkinson Trust	45	-	-	-	1	46	
Training	857	-	-	-	20	877	
University chaplaincy	756	-	-	-	24	780	
Hayllar Trust	70	-	-	-	1	71	
Poling Endowment	604	-	-	-	(2)	602	
The Arnold Bequest	373	-	-	-	5	378	
	<u>286,960</u>	<u>124</u>	<u>-</u>	<u>(124)</u>	<u>10,048</u>	<u>297,008</u>	
Total funds	<u>320,813</u>	<u>21,263</u>	<u>(22,057)</u>	<u>-</u>	<u>7,924</u>	<u>327,943</u>	

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

22. PRIOR YEAR SUMMARY OF ASSETS BY FUND

	Fixed assets		Current Assets £'000	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000			
UNRESTRICTED FUNDS					
General	87	1,651	4,596	(934)	5,400
Designated Funds					
Property	2,985	787	(15)	-	3,757
Parish Mission	-	-	349	(321)	28
Other designated funds	-	6	432	-	438
	<u>2,985</u>	<u>793</u>	<u>766</u>	<u>(321)</u>	<u>4,223</u>
Restricted Funds					
Diocesan Pastoral	-	16,396	(3,123)	-	13,273
Clergy Welfare	1,380	-	1,333	(1,470)	1,243
Clergy Welfare (B Wild)	-	713	41	-	754
Jenkinson Trust	-	-	21	-	21
Training	-	-	-	-	-
University chaplaincy	-	-	48	-	48
Hayllar Trust	-	-	90	-	90
Poling Endowment	-	-	109	-	109
The Arnold Bequest	-	-	38	-	38
Clergy Widows	-	-	19	-	19
SDF	-	-	131	-	131
RME	-	-	(20)	-	(20)
Archdeacons' loans	-	985	1,012	-	1,997
Aided Church Schools	-	2,209	4,989	(3,802)	3,396
Diocesan Overseas Council	-	-	50	-	50
Energy Cost	-	-	-	-	-
Other restricted funds	-	5	158	-	163
	<u>1,380</u>	<u>20,308</u>	<u>4,896</u>	<u>(5,272)</u>	<u>21,312</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	205,941	-	8,911	-	214,852
Diocesan Stipends	50,123	19,969	(1,005)	-	69,087
Clergy Welfare	-	2,012	187	-	2,199
Elfinward	-	1,976	181	-	2,157
Terry's Cross	5,959	-	-	-	5,959
<u>Permanent</u>					
Jenkinson Trust	-	45	1	-	46
Training	-	805	72	-	877
University chaplaincy	751	27	2	-	780
Hayllar Trust	-	68	3	-	71
Poling Endowment	-	602	-	-	602
The Arnold Bequest	-	353	25	-	378
	<u>262,774</u>	<u>25,857</u>	<u>8,377</u>	<u>-</u>	<u>297,008</u>
Total funds	<u>267,226</u>	<u>48,609</u>	<u>18,635</u>	<u>(6,527)</u>	<u>327,943</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

23. DESCRIPTION OF FUNDS

General	The general fund is the CDBF's unrestricted undesignated fund available for any of the CDBF's purposes.
Property	The fund value is set at the level equivalent to the net book value of corporate properties. Church House, Hove and various houses used by retired clergy make up the value of this fund.
Parish Mission	Fund made available from the Benefact Trust and diocesan sources to support parish mission projects throughout the Diocese.
Other Designated Funds	The majority of these funds represents a grant received from the Church Commissioners to meet the costs of two additional curates ordained in 2021, a Parish Development Officer role which was also appointed to from 2021 to 2022 and a Deputy Diocesan Directors of Ordinands role which was appointed to from 2022. There are also funds being held for the Clergy Conference planned for 2025.
Diocesan Pastoral	<p>The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:</p> <ul style="list-style-type: none">• to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees.• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese.• other purposes of the diocese or any benefice or parish in the diocese• to make grants or loans to any other diocese• to transfer funds to the diocesan stipends fund income or capital accounts.
Diocesan Stipend Income	This represents the income generated from the Stipends Capital Fund and is used to fund stipends within the diocese.
Clergy Welfare	Fund is governed by a 1993 Charity Commission scheme with income being used for the welfare of clergy, their spouses or other licensed staff who work or have worked in the diocese.
Clergy Welfare (B Wild)	Fund derives from the sale of a property, Lapwings, bequeathed for purposes connected with clergy welfare. The fund is used for the clergy wellbeing service.
Jenkinson Trust	Fund represents a legacy from William Jenkinson. Income from the fund is used for necessitous Church of England gentlewomen or as the diocesan fund finds most fitting.
Training Income	This fund represents the income generated by the Training endowment fund. The income is used to support ordination training.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

23. DESCRIPTION OF FUNDS (continued)

University Chaplaincy	Fund is governed by a trust deed dated 21 July 1961. The fund is to provide a house for the University of Sussex chaplain and to assist that chaplain in the fulfilment of his/her duties.
Hayllar Trust	Fund represents a legacy from Sidney Hayllar. Income from the fund is used to help clergy with personal costs such as education and personal support and general financial problems.
Clergy Widows	Fund represents a legacy from Charles Peckham to provide financial grants or other benefits for widows of the clergy.
Archdeacons' Loans	The fund arose from three gifts and the proceeds of a fundraising campaign. The accumulated income is used to make interest free loans to parishes to help fund repairs to churches and church halls.
Aided Church Schools	The Aided Church Schools Fund , which includes the consolidated fund of The Diocese of Chichester Consolidated Educational Endowments, represents the accumulated sale proceeds of redundant Church of England School properties. Its use is restricted by Section 287(2) of the Education Act 1993 to capital and maintenance work of Church of England schools in the diocese and education generally at Church of England schools in the diocese. The CDBF is trustee of these funds, which are managed in consultation with the Diocesan Board of Education. Also included are capital funds held on behalf of aided schools and funds donated by parishes for the benefit of those aided schools.
Diocesan Overseas Council	The fund comprises the net income raised after grants made by the Diocesan Overseas Council. The Council promotes the Diocesan interest in, support for and engagement with mission work of the churches of the Anglican Communion in co-operation with the Church of England's Partnership for World Mission accredited mission agencies and partners. It raises funds mainly by way of the Harvest Appeal each year and in reaction to world mission appeals and projects.
Strategic Development Fund	The Diocese has been awarded funding from the Church Commissioners towards a number of parish based mission projects in the Diocese. The funds received are restricted to be used on these projects.
RME Block Grant	A restricted grant received from Ministry Division to be used to meet the costs of ordination training. The grants are received termly but grants to ordinands are paid annually and so there is a negative balance on the fund at 31 December due to these timing issues.
Clergy Hardship Fund	Funds made available by the Church Commissioners to support clergy and parish workers with increased heating costs. The funds are administered by CDBF
Parish Share Restricted Fund	Fund introduced in 2023 in response to the Living in Love and Faith conversations at General Synod. Parish Share which is paid into this fund will only be used to support ministry in parishes which are publicly affiliated with a network which holds an orthodox view of marriage.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

23. DESCRIPTION OF FUNDS (continued)

Other restricted funds	There are a number of smaller funds given for particular purposes and ministries. The amounts are spent in accordance with the restrictions.
Parsonage/Benefice Houses	The parsonage/benefice property fund consists of resources restricted to provision of benefice houses in the diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the CDBF is obliged to maintain them, and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the CDBF.
Diocesan Stipends Capital	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held under the Church Property Measure 2018 to provide income for clergy stipends. It represents glebe property, accumulated sale proceeds of glebe property, and sale proceeds of some benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.
Elfinsward	The fund was created by the sale of a former retreat house. The income from the fund is used to support stipends, communications work and retreat grants.
Terry's Cross	The fund represents the value of a house, originally given as a gift to the diocese, to provide accommodation for retired clergy and church workers.
Training Endowment	This fund has been built up by various bequests. The income is used to support ordination training costs and for modest discretionary grants to assist ordinands in need.
Arnold Bequest	To further the religious and other charitable work of the Church of England in Southgate.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

24. CAPITAL COMMITMENTS

At 31 December 2024 the CDBF had capital expenditure commitments authorised but not contracted for of £NIL (2023 - £NIL) and contracted for but not yet due of £NIL (2023 - £NIL).

25. OPERATING LEASES

Future minimum rentals payable until the end of the lease under non-cancellable operating leases are as follows:

	2024	2023
	£	£
	£'000	£'000
Other operating leases:		
Total amount payable within one year	11	6
Total amount payable in the second to fifth years inclusive	3	6
	<u>14</u>	<u>12</u>

Total lease payments recognised as an expense in the year were £11,897 (2023 - £12,848).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

26. PENSIONS

The CDBF participates in four pension schemes.

- A. **Church of England Funded Pensions Scheme (CEFPS)** for stipendiary clergy administered by the Church of England Pensions Board.
- B. **Church Workers Pension Fund (CWPF)** for Lay workers administered by the Church of England Pensions Board.
- C. **Church Workers Pension Fund (CWPF) Pension Builder Classic** for Lay workers administered by the Church of England Pensions Board.
- D. **Teachers' Pension Scheme (TPS)** governed by the Teachers' Pension Scheme Regulations 2014.

A. Church of England Funded Pensions Scheme (CEFPS)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £1,488,512 in 2024 (2023: £1,640,475), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £1,488,512 (2023: £1,640,475). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £0.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

26. PENSIONS (continued)

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil
31 December 2024	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 31 December 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

	2024	2023
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	0
Balance sheet liability at 31 December	0	0

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

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

26. PENSIONS (continued)

B. Church Workers Pension Fund (CWPF)

Chichester Diocesan Board of Finance (CDBF) participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff, which is now closed to future accrual. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has two sections:

1. The Defined Benefits Scheme
2. The Pension Builder Scheme, which has two subsections;
 - a. A deferred annuity section known as Pension Builder Classic, and
 - b. A cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

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

For funding purposes, 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. This does 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.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. 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 (2024: £nil; 2023: £-6,843) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total contribution of £nil in 2024 (2023: £6,843 credit).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, 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 DBS is carried out once every three years. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

Since 31 December 2023, the Board has entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPF.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

26. PENSIONS (continued)

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2023 or 31 December 2024.

The movement in the provision is set out below:

	2024	2023
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	0	0
Balance sheet liability at 31 December	0	0

* Comprises change in agreed deficit recovery plan and change in discount rate 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:

	December 2024	December 2023	December 2022
Discount rate	N/A	N/A	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 CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

26 PENSIONS (continued)

C. Church Workers Pension Fund (CWPF) Pension Builder Classic

Since 1st October 2012 the CDBF has participated in the Pension Builder Scheme section of CWPF 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.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means 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 the contributions payable (2024: £405,887; 2023: £366,069).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

26. PENSIONS (continued)

D. Teachers' Pension Scheme (TPS)

The Diocese participates in the Teachers' Pension Scheme ("the TPS") for a number of its staff. The pension charge for the year includes contributions payable to the TPS of £101,714 (2023: £116,879) and at the year-end £Nil (2023 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

27. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General	Designated	Funds	Funds	2023	2022
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish share	3a	13,080	-	373	-	13,453	13,657
Other donations	3b	143	50	3,098	-	3,291	1,878
Charitable activities	4	825	-	108	-	933	894
Other activities	5	581	-	12	-	593	757
Investments	6	942	1	1,349	-	2,292	2,161
Other	7	37	-	540	124	701	359
		15,608	51	5,480	124	21,263	19,706
Expenditure on							
Raising Funds	8	66	-	73	-	139	164
Charitable activities	9	16,322	480	5,116	-	21,918	18,934
		16,388	480	5,189	-	22,057	19,098
Net income/(expenditure) before investment gains/(losses)		(780)	(429)	291	124	(794)	608
Unrealised gains/(losses) on investments	15	135	1	522	(139)	519	(4,050)
Realised gains/(losses) on investments		-	-	192	1,036	1,228	(463)
Net gains/(losses) on investments		135	1	714	897	1,747	(4,513)
Net income/(expenditure)		(645)	(428)	1,005	1,021	953	(3,905)
Transfer between funds	13	61	50	13	(124)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	14	-	(2,979)	5	9,151	6,177	10,990
Net movement in funds		(584)	(3,357)	1,023	10,048	7,130	7,085
Total funds brought forward		5,984	7,580	20,289	286,960	320,813	313,728
Total funds carried forward	19	5,400	4,223	21,312	297,008	327,943	320,813

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

28a. PRIOR YEAR NOTES TO ACCOUNTS – 3 DONATIONS

Parish Share

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	13,250	-	373	-	13,623	13,761
Shortfall in contributions	(199)	-	-	-	(199)	(163)
	13,051	-	373	-	13,424	13,598
Receipts for previous year	29	-	-	-	29	59
Total Income	13,080	-	373	-	13,453	13,657

Other Donations

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Benefact Trust Grant	102	50	-	-	152	174
Archbishops Council	-	-	1,110	-	1,110	1,322
RME Block Grant	-	-	179	-	179	320
Grants from other organisations	17	-	6	-	23	1
Grant funding for school building projects	-	-	1,745	-	1,745	-
Donations	23	-	8	-	31	36
Legacies	1	-	50	-	51	25
	143	50	3,098	-	3,291	1,878

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

28b. PRIOR YEAR NOTES TO ACCOUNTS – 4 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2023 £'000	2022 £'000
Statutory fees for parochial services	559	-	-	-	559	593
Church Commissioners' guaranteed annuities	-	-	2	-	2	7
Parish trust Income	-	-	106	-	106	101
Generated Income	80	-	-	-	80	51
Church Schools Training & other	186	-	-	-	186	142
	<u>825</u>	<u>-</u>	<u>108</u>	<u>-</u>	<u>933</u>	<u>894</u>

28c. PRIOR YEAR NOTES TO ACCOUNTS – 5 OTHER ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2023 £'000	2022 £'000
Rents receivable - Parsonages	581	-	12	-	593	757
	<u>581</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>593</u>	<u>757</u>

28d. PRIOR YEAR NOTES TO ACCOUNTS – 6 INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2023 £'000	2022 £'000
Dividends receivable & interest receivable	942	1	1,115	-	2,058	1,732
Rents receivable - Glebe	-	-	234	-	234	429
	<u>942</u>	<u>1</u>	<u>1,349</u>	<u>-</u>	<u>2,292</u>	<u>2,161</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

28e. PRIOR YEAR NOTES TO ACCOUNTS – 7 OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	37	-	540	-	577	25
Gain/ (Loss) on sale of property	-	-	-	124	124	334
	<u>37</u>	<u>-</u>	<u>540</u>	<u>124</u>	<u>701</u>	<u>359</u>

28f. PRIOR YEAR NOTES TO ACCOUNTS – 8 FUND RAISING COSTS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	66	-	62	-	128	128
Glebe repairs & improvements	-	-	11	-	11	36
	<u>66</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>139</u>	<u>164</u>

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	631	-	-	-	631	631
National Church						
Responsibilities	434	-	-	-	434	440
Grants and Provisions					-	-
Mission agency pension costs	20	-	-	-	20	26
Retired clergy housing costs	250	-	-	-	250	238
Pooling of ordinands						
maintenance grants	101	-	-	-	101	(47)
	<u>1,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,436</u>	<u>1,288</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Resourcing Ministry and Mission - Parish Ministry						
Stipends and National Insurance	6,177	52	959	-	7,188	7,002
Pension contributions	1,584	19	37	-	1,640	1,929
Defined benefit pension scheme movement (see Note 26)				-	-	(181)
Housing costs	3,353	1	512	-	3,866	3,354
Mission Fund grants		386		-	386	41
Removal & resettlement grants	291			-	291	251
Clergy welfare	10		123	-	133	173
Ministry Support	244	8	2	-	254	225
	<u>11,659</u>	<u>466</u>	<u>1,633</u>	<u>-</u>	<u>13,758</u>	<u>12,794</u>

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	380	14	242	-	636	666
Lay Ministry	110		5	-	115	125
Children and youth work	160		2	-	162	145
Apostolic Life	249			-	249	231
Common Good	10		6	-	16	16
Safeguarding	252			-	252	271
Diocesan Advisory Committee	103			-	103	87
Pastoral and Redundant Churches uses	72			-	72	74
Redundant churches	47			-	47	72
Communications	82			-	82	88
Strategic Mission projects			891	-	891	768
Chancellor & Registrar	102			-	102	70
Grants	63		533	-	596	636
	<u>1,630</u>	<u>14</u>	<u>1,679</u>	<u>-</u>	<u>3,323</u>	<u>3,249</u>
Support and Governance for parish ministry (note 10)	683	-	-	-	683	714
	<u>2,313</u>	<u>14</u>	<u>1,679</u>	<u>-</u>	<u>4,006</u>	<u>3,963</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

Resourcing Ministry and

Mission - Church Schools

Church Schools department	744		59	-	803	798
School Condition Allocation						
Grants	-		1,745	-	1,745	-
Support and Governance for Church Schools (note 10)	170			-	170	91
	<u>914</u>	<u>-</u>	<u>1,804</u>	<u>-</u>	<u>2,718</u>	<u>889</u>
Total Charitable activities	<u>16,322</u>	<u>480</u>	<u>5,116</u>	<u>-</u>	<u>21,918</u>	<u>18,934</u>

28h. PRIOR YEAR NOTES TO ACCOUNTS – 10 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Support				
Central services department	88	22	110	156
General office department	226	56	282	214
Finance department	191	47	238	205
IT department	122	30	152	169
Depreciation	30	8	38	37
	<u>657</u>	<u>163</u>	<u>820</u>	<u>781</u>
Governance				
External Audit	26	7	33	25
	<u>683</u>	<u>170</u>	<u>853</u>	<u>806</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

28i. PRIOR YEAR NOTES TO ACCOUNTS – 11 ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	1	-	1,436	1,436	1,288
From unrestricted					
The Chichester Diocesan Association for Family Support Work	1		36	36	36
St Bartz Trust - Youth work				-	-
Clergy Training	56	17		17	197
Clergy Moves	110	291		291	251
Clergy and families for Welfare				-	38
Other organisations	133	32		32	34
	<u>300</u>	<u>340</u>	<u>36</u>	<u>376</u>	<u>556</u>
From designated					
PCCs for Mission projects	28	-	386	386	41
	<u>28</u>	<u>0</u>	<u>386</u>	<u>386</u>	<u>41</u>
From restricted					
PCCs for Mission projects	18		92	92	80
Clergy and families for Welfare	53	37		37	173
Overseas Partners	2		5	5	40
Aided Schools	3		22	22	9
School Condition Allocation Grants	30		1,745	1,745	-
Ordinands in training				-	315
Energy Cost Grants	24		46	46	311
Other Grants	24	2	46	48	-
	<u>154</u>	<u>39</u>	<u>1,956</u>	<u>1,995</u>	<u>929</u>
Totals	<u>483</u>	<u>379</u>	<u>3,814</u>	<u>4,193</u>	<u>2,814</u>

29. RELATED PARTY TRANSACTIONS

Church of England related parties include:

- the Archbishops' Council (Charity No 1074857), from which the CDBF receives grants and to which the CDBF pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, including General Synod.
- the Church Commissioners for England (Charity No 1140097), from which the CDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The CDBF pays for clergy stipends through the Church Commissioners
- the Church of England Pensions Board (Charity No 236627), to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees and makes contributions towards the provision of housing for clergy in retirement

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

- Parochial Church Councils which are responsible for running the parish churches. Financial transactions between PCCs and CDBF include parish share, parochial fees, loans and grants.
- Chichester Cathedral. The Archdeacon of Horsham is a trustee of the Cathedral. The CDBF paid for events held at the Cathedral during the year.
- Church of England schools who pay CDBF for the Partnership Agreement, consultancy and training.

Mother Agnes Trust is an unincorporated charity, four of whose six trustees are members of, or secretary to, the Finance Committee. During the year The Right Revd Dr M Warner, the Ven E Dowler (to 13 September 2024), Mrs S Stonor and John Preston, Diocesan Secretary of the CDBF, were trustees to the Mother Agnes Trust. The Administrator is employed by CDBF and the costs reimbursed by the Mother Agnes Trust. The total costs in 2024 were £5,626. During 2024 the Mother Agnes Trust made a grant of £270,000 to Chichester DBF towards theological education.

The Bishop Otter Trust is an unincorporated charity, all of whose trustees are members of the CDBF Finance Committee. During the year the trustees were The Right Revd Dr M Warner, the Ven E Dowler, the Ven M Lloyd Williams, the Ven L Irvine-Capel and the Ven A Martin. The Administrator is employed by CDBF and the costs reimbursed by the Bishop Otter Trust. The total costs in 2024 were £1,349.

The Chichester Diocesan Association for Family Support Work is an unincorporated charity of which the Chair of the Finance Committee, Mrs Lesley Lynn, was a trustee for part of the year. The Diocese made a grant of £18,000 towards the work of this charity in 2024.

The only related corporate parties with whom the DBF has transacted are the Multi Academy Trusts which manage 22 Church of England Schools in the Diocese as well as one Stand Alone Academy. These trusts are as follows:

- The Diocese of Chichester Academy Trust (DCAT)
- Bishop Otter Academy Trust (BOAT)
- Hurst Education Trust (HE)
- Bishop Luffa Learning Partnership (BLLP)
- South Downs Education Trust (SDET)
- Bohunt Education Trust (BET)
- St Lawrence CE Primary School, Hurstpierpoint
- Tenax Education Trust

All of these are accountable to the DBE and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust (DoCET) via its Members for their operation. The Director of Education, one of the DBF's key management personnel, is a Trustee of DCAT, HET, BOAT and Tenax and the Archdeacon of Chichester was the Chair of DCAT until 10 January 2025. During the year the DBF performed due diligence on schools intending to convert or join any of these trusts. DoCET is also a related party, which shares trustees with the DBF, but no transactions have taken place.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

30. FUNDS HELD AS CUSTODIAN TRUSTEE

The CDBF 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 CDBF does not control them. The financial assets held in this way may be summarised as follows:

	2024	2023
	£'000	£'000
CBF Church of England Investment Fund income shares	16,360	16,127
CBF Church of England Investment Fund accumulation shares	229	258
CBF Church of England Fixed Interest Securities Fund shares	1,619	1,551
CBF Church of England Property Fund shares	213	233
CBF Church of England UK Equity Shares	12	12
CBF Church of England Global Equity Shares	160	183
Other common investment fund holdings	1,563	1,676
Direct holdings in UK equities	373	373
CBF Church of England Deposit Fund	2,242	2,824
Cash at bank	83	245
	<hr/>	<hr/>
Total assets held as custodian trustee	22,854	23,482

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

England & Wales - Charity number 243134

Accounts

**THE CHICHESTER DIOCESAN FUND AND
BOARD OF FINANCE (INCORPORATED)**



**Annual Report and Financial Statements
For the year ended 31 December 2023**

**Company No: 00133558
Registered Charity Number: 243134**

A printed copy is available on request from Church
House, 211 New Church Road, Hove BN3 4ED
Or email enquiries@chichester.anglican.org

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

TABLE OF CONTENTS	Page Number
Mission Statement	2
Legal Objects	3
Strategic Report:	
Strategic Aims	4
Objectives for the year	4
Activities and Achievements in the year	5
Future plans	21
Financial review	23
Principal risks and uncertainties	28
Structure and Governance	29
Trustees' Responsibilities	35
Administrative details	37
Independent Auditor's Report	39
Statement of Financial Activities	43
Income and Expenditure Account	44
Balance Sheet	45
Cash Flow Statement	46
Notes to the Financial Statements	47-86

Mission Statement

Our mission is growth in Christ: encouraging people in the Diocese of Chichester and the wider world to know, love, follow Jesus and to grow as his disciples in worship and witness to the truth of the gospel.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2023.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the Diocese of Chichester cover the counties of East and West Sussex and the Unitary Authority of Brighton and Hove.

The principal object of the Chichester Diocesan Fund and Board of Finance (Incorporated) ("CDBF") is to promote, carry on, assist, benefit and advance the work of the Church of England in the Diocese of Chichester by acting as the financial executive of the Chichester Diocesan Synod.

The CDBF 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 Church Property Measure 2018;
- 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 2021;
- iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod on the advice of the Bishop's Council and the Bishop of Chichester (in respect of his responsibility for the provision of the cure of souls) and his Senior Staff. Significant time and effort is committed to communication between and with deaneries and PCCs, as well as with the church nationally, including an annual series of deanery consultations on the Diocesan Budget and the priorities for the forthcoming year.

In reviewing the charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

STRATEGIC REPORT

STRATEGIC AIMS

The main role of the CDBF is to identify and manage the financial aspects of the provision of ministry throughout the Diocese, so as to provide appropriate personnel and financial resources to support both the nurturing of faith in new and existing Anglicans in Sussex and engagement with the community, as part of the Church's response to the mission of God in Sussex. The CDBF aims to achieve this by equipping the Diocesan Synod, its Councils and Committees, deaneries, parishes, chaplaincies and schools to further the mission and strategic priorities of the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of parishes, chaplaincies and schools.

At Pentecost in May 2015, the Diocesan Synod launched a five year Diocesan Strategy with the following three priorities modelled on the priorities of the Archbishops' Council's Renewal and Reform body of work:

1. Growth in holiness and numbers;
2. Re-imagining ministry;
3. Contributing to the Common Good.

At the end of 2019 the second stage of the Diocesan Vision for Growth was launched, which built on the previous aims, but identified four priorities for 2020-2025:

1. More Open: a sign of being One;
2. More Converted to Jesus Christ: a sign of being holy;
3. More Generous: a sign of being catholic;
4. More Engaged: a sign of being apostolic.

These aims focus on similar themes identified by the national Church of England in their strategic vision for growth.

OBJECTIVES FOR THE YEAR

The CDBF seeks to respond to its mission of growth in Christ and to its strategic aims by focusing on the following objectives for this and subsequent years:

- To resource a Christian presence in every parish by:
 - The appointment of stipendiary and self-supporting clergy, lay ministers and Christian leaders and governors in our schools
 - Enabling the laity in congregations to play their part in ministry
 - The payment of stipends and pensions
 - The provision and maintenance of housing which is safe, fit for purpose, and welcoming
 - The selection and training of ordinands and lay ministers, and the provision of financial support to those training for ministry
 - Providing ministerial development reviews and continuing ministerial development for clergy

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

- Providing pastoral care and welfare support to clergy, including financial assistance where needed
 - Planning and delivering improvements to mission and pastoral organisation
- To develop the ability to ensure a Christian presence in future by:
 - Encouraging vocations to both lay and ordained ministry, especially young vocations, and developing apostolic pathways for all, in particular re-imagined forms of lay ministry
 - Supporting apostolic partnerships to reinvigorate communities and establish a presence in areas of new housing
 - Enabling church schools to reach out to families in their communities
- To support clergy, lay leaders, parishes and chaplains and enable their work by providing training, information, advice, guidance, services and good governance
- To support schools and in particular head teachers and governors to provide the best possible education and Christian witness through training and support services and the provision of assistance and advice
- To support schools by ensuring their buildings are fit for purpose, facilitating capital expenditure and the expansion of schools where possible
- To provide support for parishes and individuals in all aspects of safeguarding casework, liaising with the public authorities as necessary
- To promote a care for the environment and a sustainable use of resources, and work towards becoming an Eco Diocese
- To support the Anglican church, nationally and internationally, and other particular ministries to groups and communities
- To run an effective organisation in order to deliver these objectives, including the provision of support to the senior clergy and management of assets.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Resourcing a Christian presence

Appointments of clergy and laity

The presence of clergy and lay ministers in the parishes and communities of the Diocese is an important part of delivering the Diocese's mission. They engage in a wide variety of community and church projects and in 2022 (the latest year for which figures are available) approximately 1,080 weddings or blessings, 2,930 funerals and 2,310 baptisms were carried out. Parishes have also engaged in many new projects to support their communities to combat issues ranging from hunger to loneliness, and provide a range of different worship patterns. 357 licensed clergy and 78 licensed readers minister across the 348 parishes and Bishop's Mission Orders in the Diocese, with 20 new stipendiary and seven new house for duty or self-supporting clergy appointments in 2023, including 14 newly ordained deacons, and one new reader licensed.

The Education Department appointed 149 foundation governors for church schools and helped to

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

appoint 6 new head teachers.

Payment of stipends and pensions

During the year the CDBF paid stipends, pensions and other employment costs totalling £8.8 million for incumbents, curates and other clergy, increasing stipends above national recommendations. The payroll is administered by a separate charity, the Church Commissioners for England, and the CDBF reimburses the costs, which form by far its largest financial commitment. The average rate of vacancies was 26 against a budgeted rate of 22, one higher than in 2022, with the expected level of 22 at the start of the year rising as the year went on. This was due to a lack of suitable candidates for posts rather than any intention to lengthen vacancies. Rural deans and churchwardens of vacant parishes work closely together to maintain worship and other community activities, aided by a large pool of retired and self-supporting ministers. The CDBF funds fees and expenses for those clergy during vacancies.

Parish clergy are not employed by the CDBF, but the CDBF does have responsibilities in respect of their engagement. In addition to paying their stipends and National Insurance, paying into their pension funds, and housing them, it is responsible for training (see below). Under new terms of service, called Common Tenure, introduced in 2011, clergy have greater clarity on their rights and obligations and have access to Employment Tribunals and other useful services. These apply to all new appointments and some of those in post before February 2011; others chose to retain their freehold. 24 clergy remain on freehold tenure. The CDBF's external HR consultants and employment lawyers provide HR services and advice in respect of clergy as well as lay staff to improve the care and service provided and supplement in-house work.

Provision of housing

The annual quinquennial repair programme was restarted in 2023 following the deferment due to the Covid pandemic.

As with previous years, a significant amount of work was undertaken in respect of appointments and lettings in 2023, with more than 65 properties being made ready for incoming clergy and private tenants (to derive a rent).

Major projects in 2023 included the completion of the work to extend the parsonage house at Moulsecomb Vicarage, and the refurbishment of the vicarage at Middleton. We have also started the planning phase for a major project to refurbish the vicarage at All Saints Hove.

Selection and training of ordinands and lay ministers

The training of curates (IME 2) includes the development and running of a diocesan course, which is a Common Awards programme validated through the University of Durham via St. Augustine's College of Theology (our local training institution). Curates are formally assessed at the end of their training to ensure they have reached an appropriate level of competency, a process overseen by the Department for Apostolic Life. Curates are given support and guidance in the process of applying for posts of first responsibility.

Grants of over £243k were made to ordinands to support them and their families during their

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

training. There are currently 16 ordinands in training.

Ministerial Development Review (MDR) and Continuing Ministerial Development (CMD)

MDR reviews are now back to a 2-year cycle. A question is now included about CMD undertaken since the previous review as well mentoring as a way of encouraging clergy to take responsibility for their ongoing ministerial formation and development.

A wide range of courses in theology, spirituality, wellbeing and practical skills were delivered – many via Zoom. The First Incumbents course (three-year cycle) continued, with a mix of Zoom and in person sessions. The first cohort completed the final year of the course, after which a review took place. The third cohort of clergy undertook the Galilee leadership programme. The diocesan Year of the Old Testament (seminars and reading course) was completed, and the Year of the New Testament prepared. Clergy mentoring training was also launched.

Pastoral care and welfare support

The WCF service moved forward this year in its proactive engagement with clergy. This included the Head of the service speaking at deanery chapters, 1-1 meeting, trainings and events, and working collaboratively with the Archdeacons, HR consultant, and the Bishop's Liaison Officer for the LGBTQI Communities.

17 counsellors across the diocese continue to provide mental health support to those who self-refer to the service. Several traumatic event debriefings have been facilitated, following incidents of actual or threatened violence, or loss of life. The second Clergy Wellbeing Day took place in September, it was fully booked with 70 clergy attending.

The need for "safe spaces" denoting an environment where participants can listen well to one another (1:1 or otherwise) appears necessary and desired. The Director for Apostolic Life convened a steering group to consider how we might support navigating conflict better and earlier, drawing on practice in other dioceses.

In addition, welfare grants totalling approximately £37k have been awarded to 53 clergy and their families in times of need.

Implementing improvements to pastoral organisation – DMPC

Four Mission and Pastoral schemes and orders (one Pastoral Reorganisation scheme, one church closure scheme, and two Bishop's Pastoral orders) were completed and a further eighteen cases were progressed.

Significant progress was also made in relation to finding new uses for several closed churches.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

Developing Christian presence for the future

Encouraging vocations

Training ADDOs (Assistant Diocesan Directors of Ordinands) who accompany those exploring a vocation to ordained ministry continues to be important. In November 2023 some of the team attended the national DDO consultation where the new shared discernment process was reviewed.

In April 2023, we hosted a vocations day for people to explore ordained ministry.

In June 2023, 14 Deacons were ordained. 14 candidates were ordained to the priesthood.

In September 2023, we sent three ordinands to train, making a total of 16 ordinands at the end of the year. Our overall numbers are lower which reflects the reduction in the national number of ordinands-in-training (halved in the last year).

We continue to prepare candidates for Candidates' Panels, which is an extension of the selection process and reviews a range of candidates' cases: transferring to a new category of ministry, moving to a new focus of ministry, resuming training after withdrawal, receiving ministers from other Churches, those who have completed training but not yet been ordained, and those with conditional recommendations.

There are currently seven candidates working formally through the discernment process, some of whom may start training in September 2024. More candidates are in the initial stages of discernment.

Supporting apostolic partnerships

The Apostolic Life team continues to closely support the four apostolic partnerships launched as part of the 2021 Strategic Development Funded (SDF) projects within the Brighton and Hove deaneries. Support during 2023 has been essential where church leader changes have occurred at a couple of the parishes.

The SDF project in Crawley awarded during 2022 got well underway with the launch of two new Apostolic Partnerships and the commencement of groundwork to support the planting of two new worshipping communities within 2 new local housing developments. As the leadership formation initiative "*Character School- Developing leaders in the way of Jesus*" enters its 2nd year, its curriculum content has been recognised as supporting those exploring ministry as an ALM.

Throughout the year, the diocese has continued to have conversations with the Vision and Strategy team at the National Church Institutions to further develop our diocesan strategy. This has resulted in a successful application of capacity funding to directly resource an additional three roles to directly support this activity with recruitment scheduled for early 2024. Further development is likely to lead to further funding from National Church within their Diocesan Investment Programme (DIP). The purpose of DIP is to focus investment on enabling the bold outcomes and strategic priorities of the Church's Vision & Strategy to become a reality in parishes and communities, prioritising investment in the most deprived and resource-poor contexts. During December we held our first Diocesan Strategic Group review to officially commence the journey of reviewing diocesan

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

strategy to set the direction of travel and pace for forthcoming activities – the Bishops Staff forms most of this team with support from implementing personal and finance. Key themes being considered as part of the future strategy includes 1) Prayer and Worship, 2) Children, Youth and Families, 3) Leaders. Development of these themes will intentionally consider all worshipping communities across the diocese from rural through to city communities, with a focus on areas of deprivation.

Enabling church schools to reach out

Within the current SIAMS (Statutory Inspection of Anglican and Methodist Schools) schedule, schools are encouraged to demonstrate “courageous advocacy” and reach out to their local communities through engagement in both social action and charitable activities. Our School Effectiveness Team worked alongside schools to determine what this looks like in a local context.

Our Growing Partnerships initiative is in full operation. The essence of this is to look at ways schools and worshipping communities can come together within the Household of Faith and work in partnership within our local communities. Feedback has been positive from all stakeholders. A short video is available on our website. Our School Effectiveness Officers also promote it through their visits and regular conversations and it is the subject of ongoing training and discussion.

We have been delighted to see the wide range of partnerships that have developed and the way each local relationship is unique. The ideas and concepts supporting Growing Partnerships have been shared with other dioceses who are adopting a range of elements within it.

Based on the positive outcomes of this initiative, we have developed an adapted version of Growing Partnerships to support clergy working with community schools in their parish. This was launched in November 2023.

The Education team also worked closely in 2023 with other partners in the Diocese including the Cathedral to develop our input into Black History Month and Race Awareness Week.

Our Annual Year 6 Leavers’ Celebrations continue to grow. In 2023 127 schools attended which is an increase of six schools compared to 2022. This involved over 3,600 children but once again we were delighted to welcome over 1000 adult friends and family to worship with us. It is a particular joy to see this aspect of our outreach and impact thriving.

Supporting clergy, lay leaders, parishes and chaplains

Parish development

2023 was a consolidation year for the process of deanery mission action planning, working with rural deans to help them to deliver the outcomes they identified. A number of parishes asked for help in developing vision for the future and reviewing their MAPs.

We ran a second cohort of our church growth course, Great is thy Faithfulness: Growing the Household of Faith. Based on the pilot we changed the format and reduced the number of parishes

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

participating. This was delivered to eight parishes across six sessions during over six-month period. The feedback from the two cohorts has been encouraging and been yielding results.

Lay Vocations

The Living Faith course didn't run in 2023 but will return early in 2024. We have been exploring new ways for the course to be delivered and for it to become more accessible and local.

A new process of Reader Ministerial Development Review (MDR) was developed, modelled on material provided by the Central Readers Council and our own clergy MDR scheme. This was launched in January 2023 and has been well received. Following on from the review of Reader structures undertaken in 2022 a new policy to govern the ministry of Readers with PTO was introduced together with the new honorary designation of Reader Emeritus. We will monitor this for a year, listening carefully to feedback before considering whether any slight adjustments are appropriate.

In September 2023, one candidate was admitted and licensed as a Reader and six candidates were selected to begin training. 18 Readers became Reader Emeritus under the new scheme.

In 2023 43 candidates were commissioned as ALM's in the diocese for ministries of pastoral care, chaplaincy, worship leading and mission. Training continues to be well received.

There are currently 161 serving ALMs in the diocese. In 2024 we will – for the first time – be able to run all the electives on offer.

Continuing ministerial development for Readers and ALMs is now being provided through the CMD programme. This means that there are now regular CMD events some of which are designed specifically for Readers and ALMs and others are shared with clergy. In November 90 Readers and ALMs attended a one-day conference, entitled 'Equipped, Enabled, Empowered – a Vision for Lay Ministry'. The keynote speaker was Carrie Myers, Head of Lay Ministries for the national Church of England.

In November a new website 'Ministry Net' was launched, which aims to be an online community for those in lay ministry in the diocese. It is run by lay ministers for lay ministers and includes articles and discussion forums.

Youth and Children

2023 saw a revamping of the hub centres across the diocese with their remit being refined and leadership refreshed. The plan is to relaunch these in early 2024. We offered two retreats this year for salaried workers at Ashburnham Place – these were well attended with all the available places being taken.

The central church approached us to take part in a pilot training programme in partnership with CMS to develop professional youth workers. We offered two externally fully funded places on CMS's one-year programme to youth workers within the diocese who are in post but unqualified. These have been taken up and we are supporting them.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

We have completed our second year of the Duke of Edinburgh's Award with around 20 young people taking part in Bronze & Silver. A strong team of volunteers have been instrumental in supporting young people through their award, including helping to run the expeditions.

Maycamp welcomed 330 young people to Plumpton Racecourse with worship, teaching, games and activities. Several young people become Christians over the weekend and the feedback from youth groups has been very positive, pledging to bring another church group with them in 2024 that have not been before.

Link Up events for paid youth workers have continued in person, and now have a published programme of speakers aiming to support their professional development.

Communications

Due to the departure of the Digital Media Officer in August 2023 there was lower than usual output of video and podcast content in the second half of the year. To address the staffing issue plans were rescheduled to ease the pressure and create capacity to accommodate its usual mixed stream of content (diocesan, parish, school, and charity partner content). Social media posts remained consistent.

Early spring saw the completion of the Easyfundraising project – visiting five parishes to record stories about positive experience with Easyfundraising. On top of this was the planning and delivery of two vocation story videos to support Vocations Sunday and the work of the Diocesan Director of Ordinands.

Despite reduced staffing in the second half of the year, the team supported a full year of key diocesan events including the major Christian festivals, the diocesan ordinations services, and the Order of St Richard (OSR) ceremony. Nine OSR awardees and all 14 deacons were interviewed.

A newly forged partnership with Mothers Union and the Salvation Army at the Church Tent in the South of England show proved to be a huge hit with the most money ever raised at the show, through donations, over the three days. The Communications team oversees the planning of this event and is in attendance on all three days.

The team planned and delivered a key resource for parishes for the Autumn - working with the generous giving adviser - to produce a generous giving video. This involved interviewing nine clergy from eight parishes over three days. The video has made a positive impact on those that have seen it. To date it has received 765 views. Positive responses from parishes that have viewed the resource are being recorded for future use and encouragement.

Video recordings were made for the Bishop's Christmas and New Year messages. These received positive engagement via our YouTube channel and via the local media.

Lastly, the Bishop of Chichester recorded an audio interview to introduce the Year of the New Testament, uploaded to the diocesan SoundCloud platform and shared across all channels.

All the Lent course resources prepared in the autumn of 2023 were uploaded to the diocesan website, in line with the agreed scheduled deadline.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

A new partnership was agreed with St Olav bookshop in Chichester – as part of our ongoing plans to support the use of Christian bookshops. This book initiative will support the Year of the New Testament resources.

The ability to upload our own news stories to Sussex World newspapers has been helpful with 36 stories uploaded from April – December 2023. That equates to a story each week plus the faith column on top gives two published stories each week.

The ongoing efforts to advise and encourage parishes to take ownership of their own publicity means that there are far more stories out there in local and regional publications as well as increased activity on social media channels and radio. Much of this can be tracked using multiple methods such as algorithm tools however, that must be balanced with capacity and resourcing of time. An area of work to be further developed.

The Faith column in the Sussex World series of newspapers (print and online) continued throughout the year with a handover of responsibility from Rev Emma Ham-Riche. These are now put together and uploaded separately by Revd. Thomas Cottrell and continues to be a reliable source of communicating out key messages and church activity.

Reflections on Year of the Old Testament and looking ahead to Year of the New Testament were shared across the diocese and plans continue toward the planning for the 2025 clergy conference and the Year of Faith.

Efforts continued to support the work of Apostolic life which included supporting the delivery of social media training for Clergy as well as assisting with increasing registrations to events such as May Camp, The Wellbeing Day, and the rural conference.

Support for parishes continued throughout the year, reaching out to three parishes out of 16 identified as needing comms audit advice. This work is part of the Great is Thy Faithfulness project.

The Education team's school leaver events were heavily covered by communications and content shared across the diocese. Other school news has been highlighted further including two broadcasting events and partnership working.

The team continued to support the work of the racial justice team throughout 2023. This included sharing resources for racial justice week and Black History month as well as covering the visit of Bishop Leon Golding, Suffragan Bishop of Montego Bay in Jamaica, who was invited to the Diocese of Chichester for a five-day programme of visits to churches and schools to mark the 75th anniversary of the arrival of the Empire Windrush.

The team continued to support the diocesan environment goals by attending meetings and sharing good news stories such as all the good initiatives taking place in parishes, where churches are working towards a bronze, silver, or gold Eco Church award, and where energy saving efforts are being made to our church buildings. Notably Chidham's solar panels which made the national newspapers.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

The Coronation of Their Majesties King Charles III and Queen Camilla took place at Westminster Abbey in May and resources were shared with Parishes and Schools in line with official protocols.

Raising the profile of our partners and charities continued with coverage of key Mother's Union work, Family Support Work and raising the profile of Christian bookshops in Sussex.

Two issues of Faith in Sussex were planned and published (Summer and Winter). All our communications channels were regularly populated with a mix of diocesan and external campaigns, mostly planned throughout the year.

The fortnightly e-news, social media channels and website continue to connect the whole of the diocese. Regular communications to a range of stakeholders took place throughout the year on several topics, from Ad clerums to specific targeted Diocesan communications for events and activities.

Education

A key aspect of our work focussed on Growing Partnerships as detailed earlier. Training opportunities and briefings were provided for Headteachers, Foundation Governors and clergy. This remains an area where close partnership work with the Apostolic Life Team is proving valuable. As indicated earlier, a Growing Partnerships initiative for clergy working alongside community schools was also launched in November 2023 and is now in full circulation.

We hold termly briefings online with Heads and Governors. This serves to keep our schools informed and to keep growing the threads of a Diocesan School Family. Three sessions were offered in 2022 and in total 415 school leaders attended including Headteachers, Chairs of Governors and clergy. These briefings gave an opportunity for the Education Team to give information about the future focus of the department as well as sharing the wider context of education issues.

Our Governor Training programme proved very popular with 353 places being booked on a total of 18 training sessions. The areas covered included SIAMS, Safeguarding and Foundation Governor induction.

Safeguarding

The Safeguarding Team continues to provide support to parishes on a daily basis, assisting with safeguarding practice, leading on casework, and advising on the implementation of policy, , in addition to the advice which is maintained on the safeguarding website and through the Simple Quality Protects scheme. Face-to-face training was provided to over 500 people during the year. In 2023 the Diocese pioneered the use of a new online system to deliver safeguarding leadership training, which is now being implemented across the country.

In addition, the team continues to manage the DBS process for clergy, ordinands and readers in training, parish safeguarding officers and lead recruiters and others, and to support new lead recruiters to register to apply for DBS checks.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

The Diocese is a Pathfinder Diocese for the national project to implement the first recommendation for the Independent Inquiry into Child Sexual Abuse.

Property

The Property Department continues to support parishes and clergy by providing advice on the management and development of property. The department also provides guidance to parishes regarding the Charities Act and the process to obtain diocesan consent for property sales.

Church Buildings and DAC

The Diocesan Advisory Committee for the Care of Churches has continued to fulfil its statutory role in the faculty jurisdiction system, providing advice and guidance to the Chancellor, Archdeacons and parishes on issues relating to the care of church buildings.

The DAC issued written advice in relation to 119 applications (95 requests for formal advice and 24 requests for informal advice). The Church Buildings team and DAC also assisted the Archdeacons in processing 186 permissions for minor works under the List B process. 16 DAC site visits were carried out.

The Fundraising Adviser provided tailored fundraising and project management advice to 88 parishes by email, phone, and in person, along with 5 other institutions. The figures break down by archdeaconry as: Brighton and Lewes (16), Chichester (36), Hastings (23), and Horsham (13). She made 24 site visits to churches, independently of DAC site visits, and made presentations to two deanery synods and two church buildings update sessions.

Parish Support on financial matters

The Department for Apostolic Life provides ongoing support to parishes through its training seminars and manuals, and by providing ad hoc in-depth advice throughout the year. Topics covered included the role of the PCC treasurer, trustee training, contactless/digital giving, good governance, will-writing and legacies, and annual report writing. All seminars were conducted on Zoom and in person at different times of day, which gave parish officers from across the diocese the chance to attend and participate.

The department continued to share manuals and accounting templates on the diocesan website, updating webpages as needed and to improve clarity. We responded to questions from incumbents, treasurers, PCC secretaries and churchwardens daily.

The digital roll out made possible by funding from the Archbishops' Council continued in 2023 to date over £90k in additional funding has been received by parishes. The 'try before you buy' digital roll out was expanded with four devices now available for parishes to test. So far 100% of parishes who have borrowed a device have gone on to purchase their own.

The Parish Giving Scheme continued to improve its offering and methods of engagement. By the end of the year 286 parishes had joined the scheme, with over 66,000 donations processed over the year for the Diocese, to a value of £6.3 million including Gift Aid. Over the year the one-off donation option has proved popular with over 50% of givers returning to make another gift. One

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

off gifting represented an additional £100k.

Generous Giving

We have continued to support churches as they aim to create the right conditions for a spirit of generosity to develop. Many are now moving from the idea of a fundraising “event” - often in response to a financial crisis point in the life of the church – through to adopting the concept of a “journey of generosity”, seen as more of a “way we do church here”.

Training continues to be provided on inspiring church communities to engage in the practice and spiritual discipline of regular giving as part of our Christian discipleship. This has involved equipping leaders with the necessary tools and confidence to talk clearly and biblically about stewardship and generosity. In February the Bishop of Horsham hosted a training webinar for all incumbent clergy to help them feel more comfortable and inspired to preach and teach on generosity.

We have created a testimonial video featuring eight of the churches in our diocese, with church leaders sharing their experiences in an open and honest way. This seeks to encourage those who are still nervous about the best way to approach the subject of generosity and stewardship in their local context.

We continue an ongoing development programme across the diocese, meeting with incumbents and leadership teams, and promoting and supporting stewardship initiatives with individual PCCs, deanery chapters and deanery synods. Where possible we have taken the opportunity to preach on generosity when invited to do so.

The diocese continues to promote and benefit from the formal agreement with easyfundraising – which is a mechanism to “capture” donations made by participating companies when people shop for goods and services on-line. Currently 156 churches in the diocese are signed up to the programme and are receiving the benefit of the incremental revenue that this can bring. The support that easyfundraising team provide helps us to continue to promote the programme through contributions to e-news, Faith in Sussex and via other social media channels

Finance

The Diocese acts as custodian trustee for many trust funds; the Finance Department administers investments on behalf of almost 500 parish and chancel trusts and 65 school trusts.

Governance

The Governance team continued to advise parishes on matters of governance, record-keeping, GDPR and the like.

12 Autumn Deanery meetings were held in 2023. This year these were mainly joint meetings between either 2 or 3 deaneries and mainly in person. Two further Zoom meetings were offered to anyone across the diocese who had been unable to attend but wished to ask questions. These meetings once again offered a chance to reflect on and celebrate the work of all those in our deaneries and parishes, and to share and discuss key financial information. Two diocesan synods

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

were held in person with hybrid options for those who couldn't attend in person in May and November.

Supporting schools

All our schools have benefitted from the support of a named Diocesan Effectiveness Officer with the experience to support school improvement and effectiveness.

The programme of Continuing Professional Development offered by the department is designed to support school leaders, governors and clergy through a wide variety of topics that are relevant to school life. Courses offered around the SIAMS schedule proved popular with governors and headteachers alike, with additional bespoke sessions being arranged for groups of schools.

The numbers engaging across our range of training opportunities have grown considerably over the past twelve months with 869 training places taken in the academic year. The training programme offered for our Headteachers, school leaders and teachers saw 341 places booked on 24 different courses. In addition, 66 school leaders registered for our Headteachers' Conference. Our Governance training saw 329 places booked on a wide range of sessions.

Academisation remains an important part of the strategy of the department. A successful Academies Roadshow in November was very well attended and we are confident this has supported our School Leaders in developing their thinking. The amount of ongoing dialogue with our Trusts is very encouraging.

Many schools have advanced their plans regarding the policy of the current government to establish an education landscape built around strong Academy Trusts. Following a very successful Academy Roadshow run by our team, we have seen five new conversions and eight more are well advanced in the process of completion. A steady pipeline has been established and the DBE have completed a Diocesan Academy Strategy in line with national guidance that outlines our approach and policy in detail.

Our Academy Trusts are growing and it is important that we ensure that their growth is sustainable as we seek to support as wide a range of schools as possible. We now have four diocesan Multi-Academy Trusts in operation: the Bishop Luffa Learning Partnership, the Bishop Otter Academy Trust, the Diocese of Chichester Academy Trust and Hurst Education Trust. These trusts actively contribute to the work of the Strategic Partnership of Diocesan MATs which has been created to develop a coherent approach that essentially constitutes a Diocese of Chichester offer. Within this context we continue to explore a range of strong options to widen this provision. The DBE is working with a local federation to explore the possibility of establishing a MAT specifically for small schools and we are exploring further partnerships with strong Church Majority MATs based in neighbouring dioceses.

By the end of 2023, 91% of our schools were judged to be graded good or above by Ofsted. This compares with the national average of 88%.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

Facilitating of capital expenditure on schools

The Education Department continued to support the remaining 45 Voluntary Aided schools via capital funding from the government, under the scheme known as the School Condition Allocation, launched in 2020, which gives the diocese greater independence and greater flexibility to use the resource effectively, coupled with greater accountability. Projects at 25 schools were funded from the 2022-2023 allocation.

Safeguarding casework

Safeguarding casework remained busy in 2022 but at a lower level of intensity than in previous years. Chichester's Second Past Cases Review (PCR2) was completed in 2022 and accepted by the national PCR2 Project Board. The report commended the quality of safeguarding casework across the Diocese, although making various recommendations including that the Diocese continues to monitor the resourcing of the Safeguarding Team to ensure that good quality casework remains achievable. The Diocese has already responded to this recommendation by providing increased staffing levels for the Team.

The environment

In 2023 the Diocese of Chichester endorsed a road map to move us towards net carbon zero by 2030. This is consistent with the Church of England's national road map. Essentially there are two components to our road map. The first component is to work hard at reducing the carbon footprint created by our parsonage properties, our schools and our church buildings. This is an extremely challenging task. We currently emit 13,500 tonnes of carbon dioxide each year. We have successfully applied for funding from the national church to take on a program manager, a fundraiser and schools project manager to help us with the heavy lifting involved with reducing these emissions. Steve Collins will be starting as the programme manager on 1st February and we will be sharing him with the Diocese of Guildford and the Diocese of Portsmouth.

After many years offering huge encouragement to parishes across our diocese, Revd Debbie Beer has stepped down as Diocesan Environment Officer and is to be succeeded by Revd Buff Stone. Buff will continue the work started by Debbie of encouraging parishes and Christians across Sussex to think and act in ways that are environmentally liberating. This is the second component of our environmental strategy. Buff is creating a network of parishes and Christians throughout the diocese who can support and encourage one another towards attaining Eco Church awards, working with local communities (young people in particular), raising awareness of how to respond to the environmental crisis in ways that are authentically Christian, and pursuing this essentially missional work in the most creative of ways. There will be a diocesan environment day on 15th June 2024 at St Mark's Holbrook near Horsham.

Supporting the wider church and specific ministries

Support for parish projects within diocese

The Diocesan Mission Fund deployed part of the grant from the Benefact Trust as well as an amount from the Pastoral Fund to support outreach mission initiatives within the Diocese. It supports both new work and current activities that need further financial assistance. In the last

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

year the Mission Fund has awarded £110,000 towards projects including Children and Families workers, Youth Workers, a welcome presence in busy rural parish and an education officer for a project with a parish around spiritual retreat and pilgrimage. All projects are linked closely to the Diocesan Strategy.

Grants are made to other connected charities, notably Chichester Diocesan Association for Family Support Work to support their work with disadvantaged families. An analysis of grants made by the CDBF to support the furtherance of its objects can be found in note 11 to the financial statements.

Support for the wider church nationally

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of various national boards and councils including General Synod, and also to cover a proportion of the cost of national training for ministry and the provision of housing for retired clergy (see note 9 to the financial statements).

Support for the wider church internationally

The Diocesan Overseas Committee (DOC) is responsible for maintaining the relationship with the overseas link partners. For many years the Diocese of Chichester has enjoyed companion links with six dioceses covering nine countries in West Africa and Kenya.

During the year the six West African dioceses supported by the Diocese – Gambia, Guinea, Freetown and Bo (Sierra Leone), Liberia and Cameroon – became the Internal Province of West Africa, having split from Ghana which is now known as The Internal Province of Ghana. We continue to also support five dioceses in the Anglican Church of Kenya (ACK).

The DOC's principal focus remains supporting Christians training for ministry. Three students whom we sponsor from ACK completed their studies at Carlile College, Nairobi. Adam Tomalin (originally from Hailsham) and his wife Nomfundo, continue at George Whitfield College, Muizenburg, South Africa working with Crosslinks. A student from The Gambia began studying at St. Nicholas Seminary, Ghana and two further students from ACK are to be supported at Carlile College. In April, the retiring Principal of Carlile College, Patience Wanzala, visited Chichester during Holy Week hosted by DOC member Margaret Lumley. She joined the Chrism Mass at Horsham and lunched with the Bishop of Horsham and clergy; the following day Patience visited Chichester Food Bank and saw Stonepillow's work with the homeless – both which our visitor much valued.

In June, a series of events were held across the Diocese to mark the 75th Anniversary of the first Windrush arrivals to the UK. Leon Paul Golding, Suffragan Bishop of Montego Bay in the Diocese of Jamaica, accompanied by the Bishop, met head teachers and chaplains, led special Windrush services in Brighton and the Cathedral and attended a reception at Burgess Hill.

A new Bishop of The Gambia, Obed Arist Kojo Baiden, was elected in June; Margaret Lumley represented the Diocese at the service. Bishop Kojo brings dynamism and energy to the Diocese after a long vacancy.

A Harvest Update summarising the DOC's work and providing opportunities to support it was issued in September and widely circulated.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

The DOC has five funds at its disposal. Whilst most are restricted, the World Church Experience Fund (WCEF) does have funds available for curates and those on EMDL travelling overseas, normally to one of our link dioceses. A modest grant was given to a curate joining a parish-based overseas mission.

There were no ecumenical conferences in 2023, though planning started for the Feuerstein Conference, being hosted by Chichester in 2024.

Support for particular ministries

The CDBF ceased to provide the Gatwick Airport Chaplain from January 2023 when responsibility for the post was taken over by the Diocese of Southwark.

The Council for the Promotion of the Common Good (CPCG) is made up of representatives from the clergy, laity and other denominations, and meets 3 times a year, usually twice online and once in person. At each meeting we consider our purpose in reflecting God's care for the individual, community life and the natural world. In addition to rural communities, racial justice and interfaith (separate details below), during 2023 we focused on several areas of work:

- The Together in Sussex Mission Action Plan
- The work being done to support Ukrainian refugees
- Local debt and money advice services
- Modern Day Slavery
- Projects supporting the wellbeing of families

When appropriate, speakers are invited to update the committee on their work; otherwise CPCG members share information and expertise.

Jo King attended a national disability conference in the autumn and at the time of writing we hope to appoint two voluntary disability officers.

Rural Officer

The Rural Officer for East Sussex has continued to offer support, encouragement, care and advice to the many rural churches and communities we have in East Sussex. Highlights in 2023 included two Rural Retreat Days at Penhurst Retreat Centre. Facilitated by the Bishop of Lewes and Archdeacon of Brighton and Lewes respectively, the aim of these informal gatherings was to offer encouragement, space and refreshment to clergy serving in rural communities. A Rural Conference held at Chichester Cathedral in the autumn attracted both laity and clergy from across the diocese; the focus being: 'Renewing Hope in Rural Mission and Ministry'. Events such as these, as well as addressing Deanery Synods and Chapters, have enabled the Rural Officer to share good practice and to create greater confidence in our shared vision. The Chaplaincy at Plumpton Agricultural College continues to develop, not least with the launch of a Christian Union now meeting weekly on site. In December the Rural Officer led a Carol Service at Hailsham Livestock Market, in partnership with RABI (Royal Agricultural Benevolent Institution) and FCN (Farmer's Community Network); these links, along with his involvement as a board member for the South of England Show, have enabled the Rural Officer to be a 'conduit' between the Church and other rural

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

stakeholders.

Racial Justice

Racial Justice work continued to develop in 2023. Martha and Godfrey, the Racial Justice Officers have been raising awareness about racism and its effects at schools and churches within the diocese. Furthermore, during the year, the diocesan racial justice committee members led assemblies at different schools encouraging children to be welcoming and inclusive. To mark Racial Equality Week, special services were held on 12th February at St John's, Crawley led by the Bishop of Horsham and at St Peter's, Brighton led by the Bishop of Lewes. Perhaps the highlight of the year has been Bishop Leon's visit in June to mark the 75th anniversary of the arrival of Windrush. He arrived from Jamaica at the invitation of the Bishop of Chichester, who hosted events across the diocese. It was a time of reflection, learning, prayer and developing friendships which made Bishop Leon's visit memorable. Black History Month special service was held at the Chichester cathedral with the Rev Guy Hewitt, Director, Racial Justice Unit as the preacher; music was performed by the Christ's Hospital Gospel Choir which was indeed beautiful. It was well attended; the feedback has been very positive.

Martha stood down from the Racial Justice Committee in the summer and we would like to record our huge thanks for her immense contribution to its work. A new committee with more minority ethnic representation was formed in September 2023. The work on an application for funding from the national church for racial justice advocacy and awareness work, within the diocese, is in progress. The committee is committed to continue its good work in the new year 2024.

Interfaith

Godfrey, our Interfaith Adviser has been active visiting and encouraging the different Interfaith groups within the diocese. He had also represented the diocese at different events in Mosques, Synagogues, Gurdwaras and Temples in Brighton, Hove, Worthing and Crawley. It is clear from the scripture that crossing boundaries of religion and culture was central to Jesus' ministry. Following his model and ministry, we strive for good interfaith relations, especially in our world with so much hatred and exclusion. The diocese has continued to work with the Presence and Engagement team of the national church. On the 15th November, to mark Interfaith Week, we had an Interfaith Afternoon at the Church House, Hove led by the Bishop of Lewes. It proved to be a popular event which attracted thirty attendees. Most of them were school, hospital or prison chaplains but we had representations from Priests, Readers and ALMs too. The focus of the afternoon had been on being a passionate Christian and compassionate to people of other faiths and no faith at the same time. We hope that our work within the diocese will aid towards stamping out violence in the name of religion. Thank you to all who helped in this work in different ways during the year. It is much appreciated.

LGBTI

The Bishop's LGBTI Liaison Officer, a pioneering role created in 2017 to ensure that those who identify as LGBTI (both within and outside the Church) are affirmed and welcomed rather than simply tolerated, has continued to seek to build bridges of trust and relationships across divisions, to raise awareness, to provide for one to one and shared conversations with clergy and others, and to bring experience to bear on scripture, reason and tradition.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

Coming to a place of “good disagreement” is not always easy. The current debates in General Synod as part of the Living in Love and Faith process are perhaps the most difficult the Church of England is facing in the 21st century. The fallout particularly affects those clergy and others who identify as LGBTI. In response the Liaison Officer has dealt with the media and in partnership with Laura Steven, Head of Wellbeing for the Diocese, has facilitated a safe space for LGBTI clergy, partners, allies and friends to meet on an occasional basis for networking and support. The first of these took place in June 2023 with a further event planned in March 2024 following the February 2024 General Synod.

Throughout 2023 the Liaison Officer was involved in offering confidential support of those who are LGBTI and feel hurt by the Church, together with providing a sounding board for clergy across the theological spectrum dealing with these sensitive issues. The Officer has maintained an open dialogue with the Diocesan Bishop in raising awareness and offering both challenge and support when particular difficult issues have arisen.

Running an effective organisation

20 governing committee meetings were held, including the Bishop’s Council, the Operating Committee, Assets Committee, Audit Committee, Education Finance Committee and Remuneration Committee.

The Diocese makes great efforts to be a good steward of its assets, and to manage its investments effectively, balancing the need to maximise the long term return from our assets with the need to generate income to reduce the pressure on parishes. Great care continues to be taken with this management, with an ever increasing focus on ethical and environmental consideration.

The Diocese continues to seek opportunities to develop glebe land where appropriate. There has been progress in respect of multiple sites during 2023 which is encouraging.

The Property Department continues to focus on letting empty houses where it can. In 2023 rental income of c. £565k was generated from vacant parsonage houses and c. £218k from glebe houses and land.

FUTURE PLANS

The strategic aims established by Diocesan Synod in 2019 detailed on page 4 will continue to direct the activities of the CDBF. The Diocese will be working with the Church of England’s Vision and Strategy team to further develop strategic plans and seek Strategic Mission and Ministry Investment.

Resourcing a Christian Presence

A key challenge is to develop an operating model to enable ministry and mission to be resourced in a financially sustainable way in future. This will be the focus of the governance committees in 2024 and will inform the vision and strategy for the future. In turn this will shape any applications submitted to the National Church for grant funding.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

The deanery planning exercise is now becoming part of “business as usual” for the diocese and the outcome from this are helping to target programme and support to areas where it seen as most important. Examples of this is the range of new ALM electives that have arisen out from the process and an increase in collaborative working across deaneries. This will be built on in 2024 with encouragement for deaneries to be proactive in the updating and delivery of their DMAP.

The diocese’s major commitment continues to be the maintenance of a Christian presence across the parishes of Sussex. We will continue to encourage more vocations to the ordained ministry through events, mentoring, visibility of role models, and increasing team capacity, and we also plan to train and develop lay members of the Church, including expansion of the number of Authorised Lay Ministry electives, in response to needs identified in deanery and parish MAPs.

In response to the ongoing pressures placed on clergy following the Covid-19 pandemic, clergy welfare will remain a priority. Another Clergy Wellbeing Day (to which all clergy in the diocese will be invited) is being planned, pursuing the direction set out by the General Synod in their 2022 Covenant for Clergy Wellbeing. Further workshops are being developed in collaboration between the Head of Wellbeing for Clergy and Families and the Continuing Ministerial Development Officer, which will incorporate both theological and psychological perspectives. Further models of reflective practice for clergy are being proactively considered with a view to long-term development and financial sustainability.

Building on the strategic aims, we will be having three further themed years with events and opportunities for laity and clergy to deepen their knowledge and understanding of the faith and their Christian discipleship. Advent 2023 to the beginning of Advent 2024 is the Year of the New Testament.

Generous Giving

In 2024 we will continue to engage with parishes to support them in promoting the “journey of generosity”. This will include the successful practice of working closely with those who are moving from title post to first incumbency or joining the diocese from posts elsewhere – a strategy that has proved very fruitful in previous years.

We will also seek out new and exciting testimonials from those churches who are on the “journey of generosity” - to highlight what has worked well and what their “top tips” for success are. These will be made available through all the available comms channels including video, podcasting and articles in e-news, Faith in Sussex and through social media.

We will continue with our support and guidance for parishes wishing to take on new contactless giving methods, including our extended “try before you buy” project and customisable postcards including QR codes to online giving mechanisms. Supporting treasurers has never been more important, with pressure on volunteers including bank charges and branch closures; we will again offer detailed treasurer training seminars and continue to offer day to day help as needed.

A key focus for 2023 has been enabling churches to make more of the easy fundraising facility – to encourage those yet to sign up to do so, and for those already registered to increase the contributions received. This has been successful in encouraging wider participation than just the core church membership to include friends and family of the membership and local businesses,

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

who, although they may not be attending church personally, value its presence within the local community. This will continue in 2024.

Education

Our team is strongly focussed on enabling our schools to offer the highest possible provision with a strong, distinctively Christian foundation. Our support is highly valued in a landscape that is seeing resources being more and more stretched. We are seeking to establish an effective and supportive network of MATs to offer our schools a secure and ambitious environment in which they can thrive whilst doing all we can to support our Local Authority partners working with the rest of our schools.

We see schools as having a central role within the work of the Household of Faith and we look forward to offering our expertise and local knowledge and exciting new missional initiatives emerge.

We continue to engage actively with the diocesan desire to achieve Carbon Net Zero and we have submitted a substantial bid to the Public Sector Decarbonisation Scheme.

Safeguarding

The Diocese of Chichester is now a Pathfinder Diocese for the national implementation of Recommendations 1 & 8 from the Independent Inquiry into Child Sexual Abuse (IICSA). Recommendation 1 relates to the increased autonomy of Diocesan Safeguarding Advisers (to be re-named Officers to reflect their ability to act on their own authority in certain key casework tasks). Recommendation 8 relates to the ongoing auditing and quality assurance of safeguarding work in Dioceses and Cathedrals.

This is an ongoing project that will exist until 2024 when Recommendations 1 and 8 will be implemented across every Diocese. Being a Pathfinder Diocese places Chichester at the forefront of one of the most significant change projects across the CofE regarding safeguarding. In addition to its status as a Pathfinder, the Chichester Diocesan Safeguarding Adviser is the Lead User amongst DSAs for the national project.

Our central structures are designed to support the vision and the priorities of the diocese and, as such, are kept under review to ensure that they are fit for that purpose.

FINANCIAL REVIEW

Financial Performance

The main incoming resource for the Diocese is Parish Share, the money given by the parishes to the Diocese to fund its mission and ministry and in particular the costs of clergy stipends, pensions and housing. This provides 68.9% of the CDBF's income (2022: 69.3%).

The current year's Parish Share receipts represent 98.5% (2022: 98.8%) of the total pledges made for 2023. When the receipts for prior years are included the collection rate increases to 98.8% (2022: 99.2%). The Trustees are grateful to all parishes who pledged so generously and continued to meet those pledges despite the cost of living crisis, especially to those parishes that make their contribution payments by monthly instalments which enables the Diocese to manage cash flow

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

efficiently. In 2023 a new parish share restricted fund was launched in response to the national Living in Love and Faith conversations for use by those parishes which hold an orthodox view of marriage. Parish share of £373k was paid into the fund. The total has been spent on stipends to support ministry in those parishes which hold an orthodox view of marriage. The restricted fund is being continued for 2024.

The total income for the year was £21.2m (2022: £19.7m). The changes to income in 2023 are due to the following factors:

- Parish share pledges for 2023 were £138k below those received in 2022, with a stable rate of payment, resulting in lower parish share income due to the cost of living crisis.
- Other donation and grant income is £1,413k higher than 2022. From 2023 the CDBF has adopted a new accounting policy in respect of the School Condition Allocation Funding which is received from the Department for Education for school building projects. The income of £1,745k is now recognised in full on receipt and is shown as expenditure once it has been allocated to a school project. There has also been a decrease in the grants received from the national church institutions. In 2022 the Diocese received one off grants from the Archbishops' Council of £106k for Clergy Hardship and £357k for Energy Costs for parishes in recognition of the substantial increase in energy prices as a result of the war in Ukraine. These grants were not repeated in 2023.
- Rental income was down from 2022 due to fewer properties being let in 2023 as houses are kept available while posts are advertised. Some notional rents were included in the 2022 reported figures.
- Other income of £540k reflects the proceeds of closed schools being transferred to the Uniform Statutory Trust. Net proceeds are only transferred once it has been confirmed that the DBF is entitled to the income.

The total expenditure for the year was £22.1m (2022: £18.9m). Significant changes included:

- Increase of £148k in contributions to the Archbishops Council due to the pooling adjustment on ordinands' maintenance.
- Decrease in clergy pension contributions of £289k as the contribution rate dropped following the latest valuation.
- The inclusion of the School Condition Allocation funding of £1,745k as expenditure. This represents the amount allocated and spent on school building projects in the year.
- Increase in clergy housing costs of £512k due to inflation on building materials and labour, alongside completing a large number of projects in the year which had been deferred from the pandemic.
- Mission fund grants are now recognised when awarded rather than paid resulting in increased reported expenditure of £345k in 2023. This is a timing difference.

Overall, net deficit of £794k was posted before investment gains. Realised gains of £1,228k were booked on investments and unrealised gains of £519k were reported on the investment portfolio and unrealised gains of £6.17m on the property portfolio. As a result, funds increased by £7.13m to £327.9m.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

A deficit budget has again been set for 2024. Parish Share is budgeted to remain at 2023 levels. The deficit will be met from reserves and restricted funds to minimise the impact on providing ministry where needed across the Diocese. During 2024 the DBF is embarking on work to develop plans to transition to a financially sustainable operating model.

Significant Property Transactions

Five properties (two parsonages and three glebe houses) were sold during the year for a total of £2.7m. Two properties (one parsonage and one glebe) were purchased during the year for £1.9m.

The CDBF will consider the disposal of property for the following reasons:

- to replace unsuitable parsonages;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

Balance sheet

The Trustees consider that the balance sheet together with note 20, show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While net assets at balance sheet date totalled £327.9m (2022: £321.0m), it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £256.1m (2022: £247.9m). Much of the remainder of the assets shown in the balance sheet is held in restricted funds and cannot be used for the general purposes of the CDBF.

Reserves policy

Free reserves

The Chichester Diocesan Fund and Board of Finance (CDBF) exists to resource an Anglican presence in parishes across Sussex and to support Church of England schools in the Diocese. CDBF is highly reliant on income from Parish Share to fund its activities. Parish Share income fluctuates throughout the year and is dependent on the financial health of the parishes. CDBF has high levels of fixed expenditure, primarily clergy and staff payroll costs. Other expenditure such as clergy housing is planned and committed in advance. Therefore CDBF needs to hold sufficient free reserves to meet ongoing operational expenditure through periods when income levels fluctuate to ensure there is no significant disruption in activity.

Furthermore, the risks facing the DBF include decreases in Parish Share income as parishes face their own financial pressures, as well as the CDBF's costs increasing with inflation. The CDBF's free reserves are therefore required to meet commitments and maintain activities for the period needed to adapt the operating model should income decrease permanently.

Taking these factors into account the CDBF's reserves policy sets a target in the range of two to four months budgeted operating expenditure. The lower bound is set by reference to the likely

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

fluctuations in income, and the upper bound reflects the time required to adapt the CDBF's activities in response to a permanent drop in income. The purpose of the target range is to provide short-term resilience while long-term solutions can be established.

Free reserves are part of our general fund and are defined as the unrestricted net current assets plus investment assets. At 31 December 2023 the range required under this policy was £3.1m - £6.2m (2022: £3.2m - £6.4m). Actual free reserves at that date totalled £5.3m (2022: £5.9m), as set out in note 20.

In the event of falling below this range, future budgets would be set in order to recover this position. If the CDBF had surplus funds then these would be applied to support front line ministry as soon as possible and sensible.

The level of reserves is currently within the target range. However, the CDBF is budgeting deficits for future years and so it is likely that the reserves will fall to the lower bound of the policy within the next two years.

Our designated funds are unrestricted and available to use for general purposes. However the largest is represented by properties and others are committed for particular purposes. They are therefore not available to deploy as free reserves.

Designated funds

The Trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed periodically and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with its intended use is set out in notes 19, 20 and 23. At 31 December 2023 total designated reserves were £4.2m (2022: £7.6m), the majority of which is tied up in fixed assets.

Restricted and endowment funds

As set out in note 19, 20 and 23 the CDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2023 restricted funds totalled £21.3m (2022: £20.3m) and endowment funds totalled £297.0m (2022: £287.0m). Neither are available for the general purposes of the CDBF.

Grant making policy

The Memorandum of Association of the CDBF explicitly permits the CDBF to make grants in pursuance of its objects. The nature of grants made in 2023 is indicated in note 11. Grants were made to parishes to support mission projects, to Ordinands to support them in training, to Clergy to assist with new appointments and relocation and with welfare needs, and to church schools for capital funding from the schools condition allocations (SCA).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

Investment policy

The CDBF is empowered by its memorandum of association to invest monies not immediately required for its purposes. Responsibility for the management of diocesan assets is delegated (through the Finance Committee) to the Assets Committee which oversees investment policy, monitors performance and reviews strategy with its advisers.

The CDBF is subject to the Charities Acts, the Trustee Investment Act 2000 and Measures passed by the General Synod of the Church of England.

There are no restrictions on the CDBF's power to invest subject only to the Acts and Measures set out above plus Charity Commission guidance CC14 and the ethical policy referred to below. Specific Trustee permission is required for investments in Private Equity, Hedge Funds, Commodities or Derivatives. The CDBF broadly endorses the Church of England Ethical Investment Policy, but varies from it in terms of fossil fuel investments, and requires its investment managers to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography, tobacco, thermal coal or tar sands. The ethical policy continues to exclude fossil fuel companies not in line with the Paris Agreement. The CDBF's investment objectives are to maintain and enhance the real value of the Fund over the long term, whilst producing an annual income which grows at least in line with inflation and having due regard for the possible need for liquidity.

The risk profile is medium high with a commensurate level of volatility in capital value being acceptable. The permitted asset classes are detailed within the DBF's investment policy as recommended by the Assets Committee. The base currency of the portfolio is sterling. The minimum acceptable credit rating for bond issuing or deposit taking institutions is BB.

The portfolio is split among a number of investment managers who each have a different brief in order to achieve diversification and spread risk, and hence performance varies between managers. Each manager operates on a discretionary basis with a normal weighting in favour of equities. Managers may be appointed to perform principally to an Income target (while maintaining capital value) or a Total Return basis. It is expected that funds will be fully invested. Benchmarks are agreed with each Investment Manager.

In addition, the CDBF acts as trustee of a number of trust funds, which are invested in accordance with the related trusts.

Note 20 provides details of the assets of each fund, note 15 summarises the movements in investments during the year and note 23 indicates the purposes of each fund.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

The listed investments held at year end and their return during the year are set out in the following table:

	Funds at 31 December 2023	Proportion of Portfolio	Income yield in year	Total Return in year
	£'000s			
CCLA Managed				
CBF Investment Fund	2,700	6.22%	2.26%	13.87%
M&G Managed				
Charifund	14,195	32.69%	5.89%	3.55%
Charibond	21	0.05%	2.05%	-4.55%
Charles Stanley Managed	10,443	24.05%	4.04%	10.65%
J M Finn Managed	6,847	15.77%	3.77%	-4.30%
Cazenove	9,223	21.24%	2.24%	12.16%
	<u>43,429</u>	<u>100.00%</u>	<u>4.11%</u>	<u>6.03%</u>

Fundraising

Chichester DBF is aware of the Charities (Protection and Social Investment) Act 2016, the Fundraising Code of Practice and the Charity Commission's guidance on fundraising. The trustees fully support the aims of the legislation and guidance. The majority of the DBF's income comes from other charitable bodies and it undertakes very little direct fundraising activity involving individual donors. The DBF considers the origin of unsolicited donations and legacies when received. The DBF did not share or purchase any donor data with third parties and did not engage any professional fundraisers during the year. The DBF did not receive any complaints in relation to fundraising in 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy. This is subject to review by the Trustees on an annual basis, and by the Audit Committee at each meeting, with responsibility for delivery of the mitigation strategies delegated to the Diocesan Secretary. The register is reviewed at least three times a year and is regularly updated.

The principal areas where the risk of either failure to act or the impact of the events is considered 'high' and the associated mitigation strategies are:

Significant loss of income or increase in expenditure, such as through the impact of the cost of living crisis or responses to the Church of England's Living in Love and Faith conversations:

- Improved forward planning;
- Close monitoring of income, expenditure, investments and cash flow;
- Close communication with parishes to maintain parish share payments;
- Maintenance of reserves;
- Exploration of alternative funding avenues.

Falling clergy and congregation numbers:

- Great care taken to make good clergy appointments;
- A larger team is in place to foster more vocations;

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

- Increased training and support for clergy and parishes on discipleship courses, use of technology, evangelism, mission and outreach;
- Developing deanery deployment plans;
- Re-imagining ministry is a core part of the diocesan strategy with a strong focus on equipping and building confidence to energise lay ministry and development of self-supporting ministry;
- The diocese is engaged in Strategic Development Projects with financial support from the national church and other missional investment to promote growth in strength and depth both in particular places and across the diocese.

Safeguarding, where there is an occurrence of child, vulnerable adult or domestic abuse by someone working for or on behalf of the Church:

- The CDBF employs a safeguarding adviser, a deputy and two assistants, supported by two administrators and an independent sexual violence adviser;
- The diocese has a strong independent safeguarding advisory panel to review and challenge its actions, and excellent relationships with statutory agencies, who are all represented on the panel;
- Policies are aligned with those of the national church;
- All parishes are required to undertake a full audit of their practices and take action as appropriate based on the findings;
- Training is compulsory for all relevant staff, office holders and volunteers;
- The CDBF has engaged a communications consultant in addition to its communications officer to handle matters which come into the public arena, including matters relating to non-recent abuse.

Trustees and Diocesan Officers continue to assess the risks and uncertainties brought about by continuing impact of the Covid-19 pandemic, the cost of living crisis, and Living in Love and Faith conversations among other matters. Cashflow is continuously monitored, along with the impact of this and other crises on income levels. A number of scenarios have been modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing, should it be required.

STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England

The Church of England is by law established and HM The King is its Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a See under the care of a Bishop who is charged with the cure of souls of all the people within its geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The National Church has a General Synod comprised of ex-officio and elected representatives from each diocese and it agrees and lays before Parliament Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod. The Church Commissioners manage the historic assets of the Church of England and the Church of England Pensions Board administers the pension schemes for clergy, employees and lay workers. Within each diocese, the Diocesan Bishop exercises leadership supported by a Diocesan Synod and a senior staff of suffragan bishops and archdeacons. The Diocese of Chichester is divided into twenty-

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

one deaneries, each with its own Synod and within each parish there is a parochial church council which shares responsibility with the parish priest for the mission of the church in that place, in a similar way to the Bishop with the Diocesan Synod.

Whilst each diocese is a separate entity with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables mutual support between dioceses.

Organisational structure

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a company limited by guarantee (No. 00133558) and a registered charity (No. 243134) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Chichester. It was established in its present form in 1914. Every eligible member of Diocesan Synod is a member of the company for company law purposes and has a personal liability limited to £1 under their guarantee as a member in the event of the company being wound up.

Governance and policy of the CDBF are the responsibility of the Trustees acting as the Finance Committee, who are also directors of the company and trustees for the purposes of charity law. The Bishop of Chichester is the ex-officio president of the Diocesan Board of Finance, and appoints a chair and deputy chair of the Finance Committee after consulting with the chairs of the House of Clergy and House of Laity of Diocesan Synod.

The members of the Finance Committee are the members of the Bishop's Council and Standing Committee of the Diocesan Synod from time to time. The Bishop of Chichester, the chair and deputy chair of the Finance Committee, the two suffragan bishops and the four archdeacons, the Dean of Chichester, the chairs of the Diocesan Synod House of Clergy and House of Laity, and the Deans of Women's Ministry are ex-officio members, together with one member of the House of Clergy and two members of the House of Laity from each archdeaconry elected from and by the members of Diocesan Synod every three years and up to five additional members of Diocesan Synod co-opted by the Bishop after consulting with the chairs of the House of Clergy and House of Laity of Diocesan Synod. The details of Trustees who served during the year, the majority of whom were elected in 2021 to serve from 1 January 2022, are set out on page 37.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Council and Bishop's Senior Staff Team. The Synod membership is elected every three years; the majority of the members were elected in 2021 to serve from August 2021. The Synod elects twelve of the Trustees of the Diocesan Board of Finance. Whilst the CDBF is a separate legal entity, with clear responsibilities under both company and charity law as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 the CDBF is subject to the direction of Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England School properties, held as The Diocese of Chichester Consolidated Educational Endowments,

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

are accounted for in the restricted Aided Church Schools fund and are managed by the CDBF in consultation with the Diocesan Board of Education.

The CDBF is designated as *Diocesan Parsonages Board*, with responsibility for making decisions concerning the management of all clergy houses.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Chichester, are set by the Diocesan Synod and CDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary who is supported by a number of heads of department and their staff. The company meets once a year in general meeting to receive the annual report and financial statements and to appoint auditors. The company meets a second time each year to receive and agree the annual budget, prepared and approved by the Trustees.

The Trustees, meeting within the context of the Bishop's Council and Standing Committee of the Diocesan Synod, hold at least four meetings during the year to formulate and monitor the implementation of policies on mission, ministry and finance by:-

- Initiating proposals for action by the Synod and advising it on matters of policy
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with its Standing Orders
- Acting as the Trustees of the CDBF, including reviewing overall activities, assessing performance, and deciding investment and other policies
- Planning the business of the Synod, preparing agendas for its sessions, and circulating to members information about matters for discussion
- Advising the Bishop on any matters he may refer to the committee
- Initiating consideration of any restructuring of Synod Committees and Departments which may be necessary and the establishment of ad hoc review groups, their terms of reference and membership
- Carrying out such other functions as the Synod delegates to it
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

The Trustees met four times during the year.

Trustee	Meetings Attended (*Trustee for part of year)
The Rt Revd Dr Martin Warner	3
The Rt Revd Will Hazlewood	4
The Rt Revd Ruth Bushyager	4
The Very Revd Stephen Waine	0*
The Ven Angela Martin	3
The Ven Martin Lloyd Williams	3
The Ven Luke Irvine-Capel	3
The Ven Dr Edward Dowler	3
Mrs Lesley Lynn	4
Mr Duncan Irvine	1*
Revd Canon Lisa Barnett	3
Revd Canon Mark Gilbert	0
Mr John Booth	2
Revd Philip Coekin	4
Mrs Milly Murphy	2
Mr Michael Julian Thomas	2
Mr Bradley Smith	0
Miss Alison Marchant	2
Mrs Valerie Burgess	4
Mrs Sara Stonor	3
Revd Andrew Woodward	4
Reverend Helen Garratt	4
Mrs Sharon Phillips	4
Miss Margaret Lumley	3
Revd Thomas Holbird	3

The Trustees are assisted in their work by four principal sub-committees:-

Operating Committee: monitors management accounts and the budget, the collection of Parish Share pledged by parishes, and the acquisition, use and disposal of parsonages and other assets, and exercises the authority delegated to it by the Trustees in areas such as approval of capital expenditure, grants and loans. It also undertakes the CDBF's responsibilities as Diocesan Authority with respect to parochial property under the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964.

Audit Committee: supports the Finance Committee in its responsibilities regarding issues of risk, control and governance and associated assurance.

Assets Committee: oversees investment policy, monitors performance and reviews strategy with its advisors. It also undertakes the CDBF's responsibilities under the Church Property Measure 2018 (with regard to glebe assets).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

Parsonages and Houses Committees: two sub-committees, one for the east of the Diocese and one for the west, undertake the CDBF's responsibilities under the Church Property Measure 2018 (with regard to parsonages) and the Repair of Benefice Building Measure 1972.

In 2019 an assessment of the CDBF's compliance with the Governance Code was undertaken. A good level of compliance was identified together with some areas for improvement.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council and Standing Committee of the Diocesan Synod and are selected as set out above. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest and loyalty.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration committee consisting of the Chair and Deputy chair of the Finance Committee, the Chair of the House of Clergy, the Chair of the House of Laity, and a suffragan bishop or archdeacon nominated by the Bishop of Chichester. The terms of reference for this group are established by the Bishop's Council and include recommending policy on remuneration to the Finance Committee and determining the remuneration for employees of the CDBF. Annual payrises are recommended taking into account levels of inflation alongside affordability. Independent benchmarking of specific posts is undertaken whenever a post is filled, responsibilities substantially amended, or a review is requested. Benchmarking takes into account comparable jobs in the local area, in the sector nationally and in other dioceses.

Delegation of day to day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day to day activities of the company. The Diocesan Secretary is given specific and general delegated authority to execute the business of the CDBF in accordance with the policies framed by the Trustees.

Funds held as Diocesan Authority

The CDBF is Diocesan Authority (akin to custodian trustee) in respect of assets held on permanent trust 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. These assets are not aggregated in the financial statements as the CDBF does not control them, and they are segregated from the CDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £23.5m at 31 December 2023 (2022: £20.3m), are available from the CDBF on request, and are summarised in note 31. Where properties are held as Diocesan Authority, the deeds are identified as such and held in safe custody by the CDBF's solicitor, Winckworth Sherwood.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

Funds held on behalf of schools

The Board of Education (as incorporated within the CDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in current assets and current liabilities as at 31 December 2023 is £1,343k (2022: £1,981k).

Connected Bodies and Related Parties

- The Church Commissioners, which acts on behalf of clergy with HM Revenue and Customs and through which the CDBF pays for clergy stipends.
- The Church of England Pensions Board, to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- Parochial Church Councils which are responsible for running the parish churches. Financial transactions between PCCs and CDBF include parish share, parochial fees, loans and grants.
- Chichester Cathedral. The Archdeacon of Horsham is a trustee of the Cathedral. The CDBF paid for events held at the Cathedral during the year.
- Church of England schools who pay CDBF for the Partnership Agreement, consultancy and training.
- Chichester Diocesan Association for Family Support Work with whom the CDBF works and to whom grants are made. The Chair of the Finance Committee is a trustee of Family Support Work.
- Mother Agnes Trust, four of whose six trustees are members of, or secretary to, the Finance Committee. The Administrator of the Mother Agnes Trust is employed by CDBF and the employment costs are reimbursed by the charity. There is also a loan from the CDBF to the Mother Agnes Trust.
- Bishop Otter Trust, all of whose trustees are members of the CDBF Finance Committee. The Administrator of the Bishop Otter Trust is employed by CDBF and the employment costs are reimbursed by the charity.
- Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of transactions merits more detailed disclosure, this is given in note 30 to the financial statements.
- The only related corporate parties with whom the DBF has transacted are the Multi Academy Trusts which manage 22 Church of England Schools in the Diocese as well as one Stand Alone Academy. These trusts are as follows:
 - The Diocese of Chichester Academy Trust (DCAT)
 - Bishop Otter Academy Trust (BOAT)
 - Hurst Education Trust (HE)
 - Bishop Luffa Learning Partnership (BLLP)

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

- South Downs Education Trust (SDET)
- Bohunt Education Trust (BET)
- St Lawrence CE Primary School, Hurstpierpoint
- Tenax Education Trust

All of these are accountable to the DBE and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust (DoCET) via its Members for their operation. The Director of Education, one of the DBF's key management personnel, is a Trustee of DCAT, HET, BOAT and Tenax and the Archdeacon of Chichester is the Chair of DCAT. During the year the DBF performed due diligence on schools intending to convert or join the any of these trusts. DoCET is also a related party, which shares trustees with the DBF, but no transactions have taken place.

Volunteers

The CDBF is dependent on a huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship with the church particularly at times of crisis. The CDBF greatly values the considerable time given by all its committee members and other volunteers across the Diocese in pursuit of its mission.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the CDBF and of the surplus or deficit of the CDBF for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CDBF 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 CDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the CDBF's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITOR

So far as the Trustees are aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

APPOINTMENT OF AUDITOR

The re-appointment of Haysmacintyre LLP as auditor to the CDBF will be proposed at the Annual General Meeting.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2023. The following Trustees served during the reporting year or were in post at the date of this report:

President:	The Right Revd Dr M Warner (Bishop of Chichester)
Ex-officio:	The Right Reverend W Hazlewood (Bishop of Lewes) The Right Reverend R Bushyager (Bishop of Horsham) The Venerable M Lloyd Williams (Archdeacon of Brighton & Lewes) The Venerable L Irvine-Capel (Archdeacon of Chichester) (Chair of House of Clergy) The Venerable Dr REM Dowler (Archdeacon of Hastings) The Venerable A Martin (Archdeacon of Horsham) The Very Revd S Waine (Dean of Chichester) (to 29.4.23) Mrs L Lynn (Chair of the Finance Committee) The Revd HLF Garratt (Dean of Women's Ministry) Mr J Booth (Chair of House of Laity)
Appointed by the Bishop:	Mrs S Stonor The Revd A Woodward
Elected by Diocesan Synod: Archdeaconry of Chichester	Mr B Smith The Revd Canon PM Gilbert Miss M Lumley
Archdeaconry of Horsham	Mrs V Burgess The Revd L Barnett Mr M Thomas
Archdeaconry of Brighton and Lewes	Mrs A Murphy The Revd T Holbird Mrs S Phillips
Archdeaconry of Hastings	The Revd P Coekin Miss A Marchant Mr D Irvine (to 19.12.23)

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2023

Senior staff and advisers

Diocesan Secretary	John Preston (from 27 November 2023) Gabrielle Higgins (to 1 December 2023)
Finance Director	Catherine Dawkins
Director of Education	Trevor Cristin
Director for Apostolic Life	Rebecca Swyer
Property Director	Scott Ralph

Registered Office: Diocesan Church House, 211 New Church Road, Hove, BN3 4ED

Bankers Barclays Bank plc, 90-92 High Street, Crawley, RH10 1BP

Independent Auditor Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

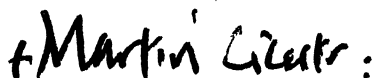
Solicitors Winckworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB

Investment advisers CCLA Investment Management Ltd, 80 Senator House, 85 Queen Victoria Street, London, EC4V 4ET
M&G Securities Ltd, M&G House, Victoria Road, Chelmsford, Essex CM1 1FB
J M Finn & Co, 4 Coleman Street, London EC2R 5TA
Charles Stanley & Co Ltd, 25 Luke Street, London EC2A 4AR
Cazenove Capital, 31 Gresham Street, London EC2V 7QA

Insurers EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
RSA Insurance, St. Mark's Court, Chart Way, Horsham RH12 1XL
AXA Insurance UK plc, 20 Gracechurch Street, London EC3V 0BG

In approving this Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES



The Right Revd Dr Martin Warner
President of the CDBF



Mrs Lesley Lynn
Chair of the Finance Committee

18 April 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2023

Opinion

We have audited the financial statements of **Chichester Diocesan Fund and Board of Finance (Incorporated)** for the year ended 31 December 2023 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2023

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on Page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2023

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular reviewing the controls and procedures in place for these;
- Challenging assumptions and judgements made by management in their critical accounting estimates in particular valuation of property assets and investment properties; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. The key areas subject to estimation are fair values assigned for property assets and investment properties.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

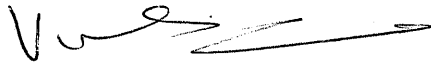
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN
FUND AND BOARD OF FINANCE (INCORPORATED)**

For the year ended 31 December 2023

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.



Vikram Sandhu

(Senior Statutory Auditor)

for and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 2 May 2024

10 Queen Street Place
London
EC4R 1AG

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2023

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General £'000	Designated £'000	Funds £'000	Funds £'000	2023 £'000	2022 £'000
Income and endowments from							
Donations							
Parish share	3a	13,080	-	373	-	13,453	13,657
Other donations	3b	143	50	3,098	-	3,291	1,878
Charitable activities	4	825	-	108	-	933	894
Other activities	5	581	-	12	-	593	757
Investments	6	942	1	1,349	-	2,292	2,161
Other	7	37	-	540	124	701	359
		<u>15,608</u>	<u>51</u>	<u>5,480</u>	<u>124</u>	<u>21,263</u>	<u>19,706</u>
Expenditure on							
Raising Funds	8	66	-	73	-	139	164
Charitable activities	9	16,322	480	5,116	-	21,918	18,934
		<u>16,388</u>	<u>480</u>	<u>5,189</u>	<u>-</u>	<u>22,057</u>	<u>19,098</u>
Net income/(expenditure) before investment gains/(losses)		<u>(780)</u>	<u>(429)</u>	<u>291</u>	<u>124</u>	<u>(794)</u>	<u>608</u>
Unrealised gains/(losses) on investments	15	135	1	522	(139)	519	(4,050)
Realised gains/(losses) on investments		-	-	192	1,036	1,228	(463)
Net gains/(losses) on investments		<u>135</u>	<u>1</u>	<u>714</u>	<u>897</u>	<u>1,747</u>	<u>(4,513)</u>
Net income/(expenditure)		<u>(645)</u>	<u>(428)</u>	<u>1,005</u>	<u>1,021</u>	<u>953</u>	<u>(3,905)</u>
Transfer between funds	13	61	50	13	(124)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	14	-	(2,979)	5	9,151	6,177	10,990
Net movement in funds		<u>(584)</u>	<u>(3,357)</u>	<u>1,023</u>	<u>10,048</u>	<u>7,130</u>	<u>7,085</u>
Total funds brought forward		<u>5,984</u>	<u>7,580</u>	<u>20,289</u>	<u>286,960</u>	<u>320,813</u>	<u>313,728</u>
Total funds carried forward	19	<u>5,400</u>	<u>4,223</u>	<u>21,312</u>	<u>297,008</u>	<u>327,943</u>	<u>320,813</u>

All activities derive from continuing activities. The notes on pages 47 to 86 form part of the financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2023

	Total 2023 £'000	Total 2022 £'000
Total incoming resources	21,139	19,706
Resources expended	<u>(22,057)</u>	<u>(19,098)</u>
Operating surplus/(deficit) for the year	(918)	608
Net gains on investments	<u>850</u>	<u>(2,079)</u>
Net gain/(loss) for the year	(68)	(1,471)
Other comprehensive income :		
Revaluation of fixed assets	<u>(2,974)</u>	<u>274</u>
Total comprehensive gain/(loss)	<u>(3,042)</u>	<u>(1,197)</u>

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

BALANCE SHEET

For the year ended 31 December 2023

Company Number - 00133558		2023		2022	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	14		267,226		261,929
Investments	15		48,609		47,441
			<u>315,835</u>		<u>309,370</u>
CURRENT ASSETS					
Debtors	16	2,225		1,471	
Cash on deposit		10,038		6,963	
Cash at bank and in hand		6,372		9,397	
		<u>18,635</u>		<u>17,831</u>	
CREDITORS: amounts falling due within one year	17	<u>(6,527)</u>		<u>(6,380)</u>	
NET CURRENT ASSETS			<u>12,108</u>		<u>11,451</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			327,943		320,821
CREDITORS: amounts falling due after more than one year	18				(8)
Pension scheme liabilities			-		(8)
Other creditors			-		-
NET ASSETS			<u>327,943</u>		<u>320,813</u>
FUNDS					
Endowment funds			297,008		286,960
Restricted income funds			21,312		20,289
Unrestricted income funds					
General funds			5,400		5,984
Designated funds			4,223		7,580
TOTAL FUNDS	19/20		<u>327,943</u>		<u>320,813</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 18 April 2024 and signed on behalf of the Board by:


 The Right Revd Dr Martin Warner
 President of the CDBF


 Mrs Lesley Lynn
 Chair of the Finance Committee

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

CASH FLOW STATEMENT

For the year ended 31 December 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities (see below)		(3,787)		(859)
Cash flows from investing activities				
Dividends / interest and rent from Investments	2,292		2,161	
Proceeds from the sales of:				
Tangible fixed assets	2,736		4,106	
Fixed assets Investments	5,000		1,224	
Purchase of:				
Tangible fixed assets	(1,865)		(2,417)	
Fixed assets Investments	(4,297)		(3,005)	
Net Cash provided by investing activities		3,866		2,069
Cash flows from financing activities				
Loans (repaid)	(29)		53	
Net cash used in financing activities		(29)		53
Change in cash and cash equivalents in the reporting period		50		1,263
Cash and cash equivalents at 1 January		16,360		15,097
Cash and cash equivalents at 31 December		<u>16,410</u>		<u>16,360</u>
Analysis of Cash and Cash equivalents				
Cash in Hand		6,372		9,397
Notice deposits (less than 3 months)		10,038		6,963
		<u>16,410</u>		<u>16,360</u>
Reconciliation of net movements in funds to net cash flow from operating activities				
Net expenditure before investment gains		(794)		608
Adjustments for				
(Gains) on the disposal of fixed assets		(124)		(334)
Depreciation charges		38		37
Investment income		(2,292)		(2,161)
Change in value of Value Linked Loans		-		-
(Increase)/Decrease in Debtors		(754)		918
Increase/(Decrease) in Creditors		139		73
Net Cash used in operating activities		<u>(3,787)</u>		<u>(859)</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. ACCOUNTING POLICIES

a) General information

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a charitable company limited by guarantee incorporated in England and Wales (company registration number 00133558) and registered with the Charity Commission (charity registration number 243134). The registered office address is Diocesan Church House, 211 New Church Road, Hove BN3 4ED. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1.

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

b) Accounting convention and basis of preparation

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 (f), 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 – Second Edition, effective 1st January 2019, the Companies Act 2006 and applicable accounting standards (FRS102).

c) Going concern

Although the global pandemic is largely behind us, the financial statements are approved during another period of economic uncertainty with high levels of inflation and a cost of living crisis. The trustees are mindful of the financial pressures on parishes and therefore the ability of PCCs to make their parish share contributions. Whilst a significant general fund deficit is budgeted for 2024, the trustees do not consider that 2024 or beyond would give rise to any inability of the charity to continue as a going concern.

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient liquid assets, including short term cash deposits and investments, which could be readily realised to meet liabilities should there be an unexpected curtailment of income. Further, the trustees consider that there are no material uncertainties over the charity's financial viability. Accordingly the trustees have assessed that the use of the going concern assumption is appropriate in preparing these financial statements.

d) Income

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

- i. **Parish Share** is recognised as income in the year in which it is received.
- ii. **Rent** is recognised as income in the period in which it is received.
- 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 when received.
- vi. **Donations** other than grants are recognised when receivable.
- vii. **Gains on disposal of fixed assets for the CDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other expenditure.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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. The income is fully expended within the year of receipt and the legal restrictions are therefore satisfied.

e) 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** includes costs relating to the temporary renting out of parsonages and 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 through 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 CDBF, in which case the grants are recognised when the conditions are fulfilled. Records of grants offered subject to such conditions which have not been met at the year-end are kept, but committed grants are not accrued as expenditure.
- iv. **Support costs** consist of central management, administration and governance costs. The amount of support costs 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 usage basis.
- v. **Pension contributions.** The CDBF's staff are members of the Church Workers Pension Fund or the Teachers Pension Scheme and clergy are members of the Church of England Funded Pensions Scheme (see note 26). The pension costs charged as resources expended represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes in which the CDBF participates is accrued at current value in creditors, distinguished between contributions falling due within one year and after more than one year. Movements in the value of these schemes are recognised in the Statement of Financial Activities.

f) School major repair and capital projects

CDBF receives Government grants in connection with major repairs and capital projects to Church Schools. Under the School Condition Allocation (SCA) funding scheme, monies are received and then allocated or spent. Projects are agreed by the Diocese, under the statutory and non-statutory guidance provided by the Department for Education (DfE). Because the CDBF has some limited discretion over the application of funds, it is our view that all income and expenditure under the SCA should be included in these accounts. Monies received have to be spent within a two-year time period or returned to the DfE. This accounting policy has been applied from 2023 following a change in the school funding system.

g) Tangible fixed assets and depreciation

Freehold properties

The CDBF measures freehold property assets in accordance with an estimate of fair value as required by FRS 102. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

1. ACCOUNTING POLICIES (continued)

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 CDBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage 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. Through a process of regular visits by the Diocesan Property Department, 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 their fair value.

Investment properties

Glebe properties and assets which are held for investment purposes and rented out have been included at their fair value. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

Parsonage houses

The CDBF 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 CDBF 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 fair value. Parsonage houses are revalued on a five year cycle, with 20% being valued each year on a rolling basis. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

h) Other tangible fixed assets

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

Fixtures and fittings - 25% per annum - reducing balance basis
Computer Equipment - 20% per annum - straight line basis

i) 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 CDBF has entered into operating leases for the use of certain assets. The rental is charged as expenditure in the year to which it relates.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

1. ACCOUNTING POLICIES (continued)

j) Financial Instruments - assets and liabilities

- i. **Debtors:** Debtors are recognised at the settlement amount due
- ii. **Cash and cash equivalents:** Cash at bank and cash in hand includes cash held in short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- iii. **Creditors and provisions:** Creditors and provisions are recognised where the CDBF has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- iv. **Value Linked Loans:** The CDBF has a number of loans for which the settlement proceeds are based on the value of the equity in a property. As this constitutes a non-basic financial instrument under FRS102 these loans have been recognised at fair value and are revalued at each reporting date. Any gains or losses arising at year end are recognised in the SOFA.
- v. **Concessionary Loans:** Loans obtained or made by the CDBF to further its charitable purposes at rates below the prevailing market rates are classified as concessionary loans and accounted for in accordance with section 34 of FRS 102. Such loans are initially recognised and measured at the amount received or paid and subsequently amended to reflect any repayments, interest and impairment.

k) Fund balances

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

Unrestricted funds are the CDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the CDBF.

There are two types of unrestricted funds:

- i. **General funds** which the CDBF uses for the general purposes of the CDBF
- ii. **Designated funds** which are set aside out of unrestricted funds by the CDBF 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 Stipends Fund Capital and Parsonage Houses Fund 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 CDBF 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 those financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the CDBF's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to estimation are fair values assigned for property assets and investment properties. In 2020, 20% of parsonage and 98% of glebe houses were valued using an on-line valuation tool which uses relevant market data to provide a valuation for each property. In 2021, 2022 and 2023 the same tool was used to value an additional 20% of parsonage property and revalue 20% of glebe property. The average uplift in values identified by these valuations was then applied to the rest of the portfolio. The DBF is responsible for the maintenance of the houses and employees visit the properties on a regular basis. Any improvements are capitalised at cost and added to the carrying value of the properties. The occupants of the houses notify the DBF promptly of any damage or disrepair. Any variances from actual fair market value and the estimated value of the portfolio will affect the value of tangible fixed assets reported on the balance sheet, and other gains and losses reported in the Statement of Financial Activities. Income and expenditure are not impacted except to the extent that profit or loss is calculated on the sale of a property. The trustees consider this methodology and the resulting balance sheet values to be an appropriate estimate of fair value for reporting purposes.

3. DONATIONS

3a. Parish Share

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	13,250	-	373	-	13,623	13,761
Shortfall in contributions	(199)	-	-	-	(199)	(163)
	13,051	-	373	-	13,424	13,598
Receipts for previous year	29	-	-	-	29	59
Total Income	13,080	-	373	-	13,453	13,657

Current year parish share receipts represent 98.5% of the total pledges (2022 – 98.8%), or, when receipts for previous years are included, 98.8% of the total pledges (2022 – 99.2%).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. DONATIONS (continued)

3b. Other donations

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Benefact Trust Grant	102	50	-	-	152	174
Archbishops Council	-	-	1,110	-	1,110	1,322
RME Block Grant	-	-	179	-	179	320
Grants from other organisations	17	-	6	-	23	1
Grant funding for school building projects	-	-	1,745	-	1,745	-
Donations	23	-	8	-	31	36
Legacies	1	-	50	-	51	25
	<u>143</u>	<u>50</u>	<u>3,098</u>	<u>-</u>	<u>3,291</u>	<u>1,878</u>

4. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Statutory fees for parochial services	559	-	-	-	559	593
Church Commissioners' guaranteed annuities	-	-	2	-	2	7
Parish trust Income	-	-	106	-	106	101
Generated Income	80	-	-	-	80	51
Church Schools Training & other	186	-	-	-	186	142
	<u>825</u>	<u>-</u>	<u>108</u>	<u>-</u>	<u>933</u>	<u>894</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

5. OTHER ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2023 £'000	2022 £'000
Rents receivable - Parsonages	581	-	12	-	593	757
	<u>581</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>593</u>	<u>757</u>

6. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2023 £'000	2022 £'000
Dividends receivable & interest receivable	942	1	1,115	-	2,058	1,732
Rents receivable - Glebe		-	234	-	234	429
	<u>942</u>	<u>1</u>	<u>1,349</u>	<u>-</u>	<u>2,292</u>	<u>2,161</u>

7. OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2023 £'000	2022 £'000
Other income	37	-	540	-	577	25
Gain/ (Loss) on sale of property	-	-	-	124	124	334
	<u>37</u>	<u>-</u>	<u>540</u>	<u>124</u>	<u>701</u>	<u>359</u>

8. FUNDRAISING COSTS

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2023 £'000	2022 £'000
Investment Manager fees	66	-	62	-	128	128
Glebe repairs & improvements		-	11	-	11	36
	<u>66</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>139</u>	<u>164</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

9. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	631	-	-	-	631	631
National Church Responsibilities	434	-	-	-	434	440
Grants and Provisions	-	-	-	-	-	-
Mission agency pension costs	20	-	-	-	20	26
Retired clergy housing costs	250	-	-	-	250	238
Pooling of ordinands maintenance grants	101	-	-	-	101	(47)
	<u>1,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,436</u>	<u>1,288</u>

Maintenance grants paid to ordinands are reported annually to Ministry Division of Archbishops Council and combined with similar grants paid by other Dioceses. An extra charge or credit is then made to the CDBF for the difference between the amount actually paid and its assessed share of the total national cost.

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Resourcing Ministry and						
Mission - Parish Ministry						
Stipends and National Insurance	6,177	52	959	-	7,188	7,002
Pension contributions	1,584	19	37	-	1,640	1,929
Defined benefit pension scheme movement (see Note 26)	-	-	-	-	-	(181)
Housing costs	3,353	1	512	-	3,866	3,354
Mission Fund grants	-	386	-	-	386	41
Removal & resettlement grants	291	-	-	-	291	251
Clergy welfare	10	-	123	-	133	173
Ministry Support	244	8	2	-	254	225
	<u>11,659</u>	<u>466</u>	<u>1,633</u>	<u>-</u>	<u>13,758</u>	<u>12,794</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

9. CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
	General £'000	Designated £'000				
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	380	14	242	-	636	666
Lay Ministry	110		5	-	115	125
Children and youth work	160		2	-	162	145
Apostolic Life	249			-	249	231
Common Good	10		6	-	16	16
Safeguarding	252			-	252	271
Diocesan Advisory Committee	103			-	103	87
Pastoral and Redundant Churches uses	72			-	72	74
Redundant churches	47			-	47	72
Communications	82			-	82	88
Strategic Mission projects			891	-	891	768
Chancellor & Registrar	102			-	102	70
Grants	63		533	-	596	636
	<u>1,630</u>	<u>14</u>	<u>1,679</u>	<u>-</u>	<u>3,323</u>	<u>3,249</u>
Support and Governance for parish ministry (note 10)	683	-	-	-	683	714
	<u>2,313</u>	<u>14</u>	<u>1,679</u>	<u>-</u>	<u>4,006</u>	<u>3,963</u>
Resourcing Ministry and Mission - Church Schools						
Church Schools department	744		59	-	803	798
School Condition Allocation Grants	-		1,745	-	1,745	-
Support and Governance for Church Schools (note 10)	170			-	170	91
	<u>914</u>	<u>-</u>	<u>1,804</u>	<u>-</u>	<u>2,718</u>	<u>889</u>
Total Charitable activities	<u>16,322</u>	<u>480</u>	<u>5,116</u>	<u>-</u>	<u>21,918</u>	<u>18,934</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

10. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Support				
Central services department	88	22	110	156
General office department	226	56	282	214
Finance department	191	47	238	205
IT department	122	30	152	169
Depreciation	30	8	38	37
	<u>657</u>	<u>163</u>	<u>820</u>	<u>781</u>
Governance				
External Audit	26	7	33	25
	<u>683</u>	<u>170</u>	<u>853</u>	<u>806</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

11. ANALYSIS OF GRANTS MADE

	<i>Number</i>	Individuals £'000	Institutions £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	<u>1</u>	-	1,436	1,436	1,288
From unrestricted					
The Chichester Diocesan Association for Family Support Work	1		36	36	36
St Bartz Trust - Youth work				-	-
Clergy Training	56	17		17	197
Clergy Moves	110	291		291	251
Clergy and families for Welfare				-	38
Other organisatons	<u>133</u>	<u>32</u>		<u>32</u>	<u>34</u>
	<u>300</u>	<u>340</u>	<u>36</u>	<u>376</u>	<u>556</u>
From designated					
PCCs for Mission projects	<u>28</u>	-	386	386	41
	<u>28</u>	<u>0</u>	<u>386</u>	<u>386</u>	<u>41</u>
From restricted					
PCCs for Mission projects	18		92	92	80
Clergy and families for Welfare	53	37		37	173
Overseas Partners	2		5	5	40
Aided Schools	3		22	22	9
School Condition Allocation Grants	30		1,745	1,745	-
Ordinands in training				-	315
Energy Cost Grants	24		46	46	311
Other Grants	<u>24</u>	<u>2</u>	<u>46</u>	<u>48</u>	<u>-</u>
	<u>154</u>	<u>39</u>	<u>1,956</u>	<u>1,995</u>	<u>929</u>
Totals	<u>483</u>	<u>379</u>	<u>3,814</u>	<u>4,193</u>	<u>2,814</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

12. STAFF COSTS

	2023	2022
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	2,154	1,994
National insurance contributions	213	212
Pension costs	330	312
	<u>2,697</u>	<u>2,518</u>

	2023	2022
	Number	Number
The average number of persons employed by the group during the year:		
Administration and financial management	20	23
Apostolic Life	16	14
Common Good	-	-
Property	7	7
Education - Church Schools	13	13
Safeguarding & inclusion	5	5
	<u>61</u>	<u>62</u>

	2023	2022
	Number	Number
The average number of persons employed by the group during the year: based on full-time equivalents:		
Administration and financial management	18	21
Apostolic Life	13	11
Common Good	-	-
Property	7	7
Education - Church Schools	9	9
Safeguarding & inclusion	4	4
	<u>51</u>	<u>52</u>

	2023	2022
	Number	Number
The numbers of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:		
£60,001 - £70,000	5	1
£70,001 - £80,000	<u>2</u>	<u>2</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

12. 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 2023 they were:

Diocesan Secretary and Company Secretary	John Preston (from 27 November 2023) Gabrielle Higgins (to 1 December 2023)
Diocesan Director for Apostolic Life	Rebecca Swyer
Diocesan Director of Education	Trevor Cristin
Diocesan Director of Property	Scott Ralph
Diocesan Finance Director	Catherine Dawkins

Remuneration (including Employer NI) and pensions for these employees/posts amounted to £463,760 (2022 - £441,843).

Termination payments

During the year termination payments totalling £25k were paid (2022 - £Nil).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £12,333 (2022 - £9,665) in respect of General Synod duties, duties as archdeacon or rural dean, and other duties as Trustees. In addition, six Trustees received grants totalling £17,893 (2022 - 7 Trustees £6,776) in respect of their role as parochial clergy. One trustee, who is also the Chair of the Audit Committee, holds two part time roles: parish priest and DBF employee as the LGBTQI Liaison Officer.

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

	Stipend	Housing
The Right Revd R K F Bushyager	No	Yes
The Right Revd W P G Hazlewood	No	Yes
The Venerable L Irvine-Capel	Yes	Yes
The Venerable M Lloyd-Williams	Yes	Yes
The Venerable E Dowler	Yes	Yes
The Venerable A Martin	Yes	Yes
The Revd Canon PM Gilbert	Yes	Yes
The Revd P Coekin	Yes	Yes
The Revd H Garratt	Yes	No
The Revd A Woodward	Yes	Yes
The Revd T Holbird	Yes	Yes
The Revd Canon L Barnett	Yes	Yes

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

12. STAFF COSTS (continued)

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

	2023 £'000	2022 £'000
Stipends	6,623	6,418
National insurance contributions	565	585
Pension costs - current year	1,640	1,929
Pension costs - deficit reduction contributions paid	-	257
	8,828	9,189

The stipends of the Diocesan Bishop and Suffragan Bishops are paid and funded by the Church Commissioners and are in the range £39,953 - £48,972 (2022 range £38,050 - £46,640). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2023 was £40,200 (2022 - £37,930) and other clergy who were Trustees were paid in the range £28,790 - £29,945 (2022 range £27,540 - £29,000).

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Endowment Funds
	General £'000	Designated £'000	£'000	£'000
Administration charge - Aided Schools fund	48	-	(48)	-
Diocesan Levy on School Projects	13		(13)	
Mission Fund	-	50	(50)	-
Transfer Surplus Proceeds on Parsonage Sale			124	(124)
	61	50	13	(124)

Administration charge - Aided Schools fund. This reflects the administration charge of the Schools' Buildings Officer costs charged to the Aided Schools restricted fund.

Diocesan Levy on School Projects. This reflects an amount charged to schools for assisting with capital projects which is transferred to general funds from the Aided Schools Fund.

Mission Fund Annual transfer from the Pastoral Fund for the Mission Fund

Parsonage Sale. Surplus proceeds from the sale and replacement of parsonages are transferred to the Pastoral Fund

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

14. TANGIBLE FIXED ASSETS

	Freehold Property £'000	Leasehold Property £'000	Office Equipment £'000	Total £'000
Cost or valuation				
At 1 January 2023	261,587	292	824	262,703
Additions	1,794	-	71	1,865
Disposals	(2,723)	-	-	(2,723)
Revaluation	6,181	9	-	6,190
At 31 December 2023	<u>266,839</u>	<u>301</u>	<u>895</u>	<u>268,035</u>
Depreciation				
At 1 January 2023	-	-	772	772
Charge for the year	-	-	37	37
At 31 December 2023	<u>-</u>	<u>-</u>	<u>809</u>	<u>809</u>
Net Book Value				
At 31 December 2023	<u>266,839</u>	<u>301</u>	<u>86</u>	<u>267,226</u>
At 31 December 2022	<u>261,587</u>	<u>292</u>	<u>52</u>	<u>261,931</u>

All but one of the properties in the balance sheet are freehold and are vested in the CDBF, except for benefice houses which are vested in the incumbent. Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £1,380,457 (2022: £1,337,000). Properties are subject to a cycle of valuations and repairs are charged as expenditure with the SOFA.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

15. FIXED ASSET INVESTMENTS

	At 1 January 2023 £'000	Additions £'000	Disposal £'000	Transfer £'000	Change in Market Value £'000	At 31 December 2023 £'000
Unrestricted Funds						
Listed investments	1,522	5	(6)	-	135	1,656
Unlisted investments	5	-	-	-	-	5
Investment property	763	-	-	-	24	787
	<u>2,290</u>	<u>5</u>	<u>(6)</u>	<u>-</u>	<u>159</u>	<u>2,448</u>
Restricted Funds						
Listed investments	18,874	2,899	(1,989)	-	522	20,306
	<u>18,874</u>	<u>2,899</u>	<u>(1,989)</u>	<u>-</u>	<u>522</u>	<u>20,306</u>
Endowment Funds						
Listed investments	21,305	1,393	(1,598)	-	371	21,471
Investment property	4,976	-	(81)	-	(511)	4,384
	<u>26,281</u>	<u>1,393</u>	<u>(1,679)</u>	<u>-</u>	<u>(140)</u>	<u>25,855</u>
Total	<u>47,445</u>	<u>4,297</u>	<u>(3,674)</u>	<u>-</u>	<u>541</u>	<u>48,609</u>

Trustees are aware of the continuing impact of the COVID-19 pandemic and other Global events on the value of investment assets. The DBF is, however, a long-term investor and currently has no immediate plans to realise investments in order to raise cash.

16. DEBTORS

	2023 £'000	2022 £'000
Concessionary (interest free) loans to Parishes	299	367
Loans to Parishes	158	392
School projects	625	-
Other Debtors and prepayments	1,143	712
	<u>2,225</u>	<u>1,471</u>
Included within the above are debtors amounts due after more than one year as follows:		
Concessionary (interest free) loans to Parishes	240	248
	<u>240</u>	<u>248</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

17. CREDITORS: amounts falling due within one year

	2023 £'000	2022 £'000
Loans due in one year		
Church Commissioners value-linked loans	1,470	1,553
Deferred income	75	81
School Building Projects	2,082	1,981
Other Taxes and social security	54	(6)
Other creditors and accruals	2,846	2,771
Clergy Pension Scheme	-	-
	<u>6,527</u>	<u>6,380</u>

Value-linked loans (VLLs) represent amounts advanced to the CDBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. 1 (2022: 3) of these loans is for the benefit of a parish and has been used to purchase a house for a curate. 3 (2022: 4) of the loans have been used by the DBF for the purchase of houses for deserted spouses. As at 31st December 2023 the Board had no intention of disposing of any of those properties funded via VLLs. As the timing of the repayment is uncertain the loans are shown as due within one year.

18. CREDITORS: amounts falling due after more than one year

	2023 £'000	2022 £'000
Pension Scheme liabilities (see note 26)		
Clergy Pension Scheme	-	-
Church Workers Pension Scheme - DBS	-	8
	<u>-</u>	<u>8</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

19. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2023 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2023 £'000
UNRESTRICTED FUNDS						
General	5,984	15,608	(16,388)	61	135	5,400
Designated Funds						
Property	6,736	-	-	-	(2,979)	3,757
Parish Mission	313	50	(385)	50	-	28
Other designated funds	531	1	(95)	-	1	438
	<u>7,580</u>	<u>51</u>	<u>(480)</u>	<u>50</u>	<u>(2,978)</u>	<u>4,223</u>
Restricted Funds						
Diocesan Pastoral	13,173	5	(560)	74	581	13,273
Diocesan Stipend	-	1,036	(1,036)	-	-	-
Clergy Welfare	1,176	110	(48)	-	5	1,243
Clergy Welfare (B Wild)	775	27	(75)	-	27	754
Jenkinson Trust	19	2	-	-	-	21
Training	-	36	(36)	-	-	-
University chaplaincy	45	4	(1)	-	-	48
Hayllar Trust	87	5	(2)	-	-	90
Poling Endowment	93	32	(16)	-	-	109
The Arnold Bequest	38	16	(16)	-	-	38
Clergy Widows	19	-	-	-	-	19
SDF	21	879	(769)	-	-	131
RME	9	179	(208)	-	-	(20)
Archdeacons' loans	1,908	40	(4)	-	53	1,997
Aided Church Schools	2,754	2,443	(1,792)	(61)	52	3,396
Diocesan Overseas Council	52	4	(6)	-	-	50
Parish Share Restricted Fund	-	373	(373)	-	-	-
Energy Cost	46	-	(46)	-	-	-
Other restricted funds	74	289	(201)	-	1	163
	<u>20,289</u>	<u>5,480</u>	<u>(5,189)</u>	<u>13</u>	<u>719</u>	<u>21,312</u>
Endowment Funds						
<u>Expendable</u>						
Parsonage/Benefice houses	206,705	124	-	(124)	8,147	214,852
Diocesan Stipends	67,334	-	-	-	1,753	69,087
Clergy Welfare	2,149	-	-	-	50	2,199
Elfinward	2,108	-	-	-	49	2,157
Terry's Cross	5,959	-	-	-	-	5,959
<u>Permanent</u>						
Jenkinson Trust	45	-	-	-	1	46
Training	857	-	-	-	20	877
University chaplaincy	756	-	-	-	24	780
Hayllar Trust	70	-	-	-	1	71
Poling Endowment	604	-	-	-	(2)	602
The Arnold Bequest	373	-	-	-	5	378
	<u>286,960</u>	<u>124</u>	<u>-</u>	<u>(124)</u>	<u>10,048</u>	<u>297,008</u>
Total funds	<u>320,813</u>	<u>21,263</u>	<u>(22,057)</u>	<u>-</u>	<u>7,924</u>	<u>327,943</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

20. SUMMARY OF ASSETS BY FUND

	Fixed assets		Current Assets £'000	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000			
UNRESTRICTED FUNDS					
General	87	1,651	4,596	(934)	5,400
Designated Funds					
Property	2,985	787	(15)	-	3,757
Parish Mission	-	-	349	(321)	28
Other designated funds	-	6	432	-	438
	<u>2,985</u>	<u>793</u>	<u>766</u>	<u>(321)</u>	<u>4,223</u>
Restricted Funds					
Diocesan Pastoral	-	16,396	(3,123)	-	13,273
Clergy Welfare	1,380	-	1,333	(1,470)	1,243
Clergy Welfare (B Wild)	-	713	41	-	754
Jenkinson Trust	-	-	21	-	21
Training	-	-	-	-	-
University chaplaincy	-	-	48	-	48
Hayllar Trust	-	-	90	-	90
Poling Endowment	-	-	109	-	109
The Arnold Bequest	-	-	38	-	38
Clergy Widows	-	-	19	-	19
SDF	-	-	131	-	131
RME	-	-	(20)	-	(20)
Archdeacons' loans	-	985	1,012	-	1,997
Aided Church Schools	-	2,209	4,989	(3,802)	3,396
Diocesan Overseas Council	-	-	50	-	50
Energy Cost	-	-	-	-	-
Other restricted funds	-	5	158	-	163
	<u>1,380</u>	<u>20,308</u>	<u>4,896</u>	<u>(5,272)</u>	<u>21,312</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	205,941	-	8,911	-	214,852
Diocesan Stipends	50,123	19,969	(1,005)	-	69,087
Clergy Welfare	-	2,012	187	-	2,199
Elfinward	-	1,976	181	-	2,157
Terry's Cross	5,959	-	-	-	5,959
<u>Permanent</u>					
Jenkinson Trust	-	45	1	-	46
Training	-	805	72	-	877
University chaplaincy	751	27	2	-	780
Hayllar Trust	-	68	3	-	71
Poling Endowment	-	602	-	-	602
The Arnold Bequest	-	353	25	-	378
	<u>262,774</u>	<u>25,857</u>	<u>8,377</u>	<u>-</u>	<u>297,008</u>
Total funds	<u>267,226</u>	<u>48,609</u>	<u>18,635</u>	<u>(6,527)</u>	<u>327,943</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

21. PRIOR YEAR SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2022 £'000
UNRESTRICTED FUNDS						
General	5,932	16,318	(15,934)	(233)	(99)	5,984
Designated Funds						
Property	6,483	-	-	-	253	6,736
Parish Mission	253	50	(41)	50	-	313
Other designated funds	540	-	(107)	100	(1)	532
	<u>7,276</u>	<u>50</u>	<u>(148)</u>	<u>150</u>	<u>252</u>	<u>7,580</u>
Restricted Funds						
Diocesan Pastoral	14,756	334	(135)	(50)	(1,732)	13,173
Diocesan Stipend	-	1,047	(1,047)	-	-	0
Clergy Welfare	1,138	91	(103)	-	50	1,176
Clergy Welfare (B Wild)	905	25	(68)	-	(88)	775
Jenkinson Trust	22	2	(5)	-	-	19
Training	-	35	(35)	-	-	-
University chaplaincy	40	6	(1)	-	-	45
Hayllar Trust	84	3	-	-	-	87
Poling Endowment	67	30	(5)	-	-	93
The Arnold Bequest	36	16	(14)	-	-	38
Clergy Widows	23	-	(4)	-	-	19
SDF	(2)	791	(768)	-	-	21
RME	3	320	(315)	-	-	9
Archdeacons' loans	1,960	34	(4)	-	(83)	1,908
Aided Church Schools	2,829	89	(11)	(48)	(105)	2,754
Diocesan Overseas Council	94	2	(44)	-	-	52
Clergy Hardship	-	106	(106)	-	-	-
Energy Cost	-	357	(311)	-	-	46
Other restricted funds	67	50	(41)	-	(1)	75
	<u>22,023</u>	<u>3,338</u>	<u>(3,016)</u>	<u>(98)</u>	<u>(1,958)</u>	<u>20,289</u>
Endowment Funds						
<u>Expendable</u>						
Parsonage/Benefice houses	198,002	-	-	-	8,703	206,705
Diocesan Stipends	67,253	-	-	181	(101)	67,333
Clergy Welfare	2,350	-	-	-	(201)	2,149
Elfinward	2,306	-	-	-	(198)	2,108
Terry's Cross	5,735	-	-	-	224	5,959
<u>Permanent</u>						
Jenkinson Trust	49	-	-	-	(4)	45
Training	938	-	-	-	(81)	857
University chaplaincy	732	-	-	-	24	756
Hayllar Trust	77	-	-	-	(7)	70
Poling Endowment	645	-	-	-	(41)	604
The Arnold Bequest	410	-	-	-	(37)	373
	<u>278,497</u>	<u>-</u>	<u>-</u>	<u>181</u>	<u>8,282</u>	<u>286,960</u>
Total funds	<u>313,728</u>	<u>19,706</u>	<u>(19,098)</u>	<u>-</u>	<u>6,477</u>	<u>320,813</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

22. PRIOR YEAR SUMMARY OF ASSETS BY FUND

	Fixed assets		Current	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000	Assets £'000		
UNRESTRICTED FUNDS					
General	49	1,517	5,223	(805)	5,984
Designated Funds					
Property	5,989	762	(16)	-	6,736
Parish Mission	-	-	312	-	312
Other designated funds	-	6	526	-	532
	<u>5,989</u>	<u>768</u>	<u>823</u>	<u>-</u>	<u>7,580</u>
Restricted Funds					
Diocesan Pastoral	-	16,072	(2,898)	-	13,173
Clergy Welfare	1,338	-	1,391	(1,553)	1,175
Clergy Welfare (B Wild)	-	701	73	-	774
Jenkinson Trust	-	-	19	-	19
Training	-	-	-	-	-
University chaplaincy	-	-	44	-	44
Hayllar Trust	-	-	87	-	87
Poling Endowment	-	-	93	-	93
The Arnold Bequest	-	-	38	-	38
Clergy Widows	-	-	19	-	19
SDF	-	-	22	-	22
RME	-	-	9	-	9
Archdeacons' loans	-	940	968	-	1,908
Aided Church Schools	-	1,157	5,627	(4,030)	2,753
Diocesan Overseas Council	-	-	52	-	52
Energy Cost	-	-	46	-	46
Other restricted funds	-	5	70	-	75
	<u>1,338</u>	<u>18,874</u>	<u>5,660</u>	<u>(5,583)</u>	<u>20,289</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	197,542	-	9,163	-	206,705
Diocesan Stipends	50,323	20,444	(3,434)	-	67,334
Clergy Welfare	-	1,990	158	-	2,149
Elfinward	-	1,954	154	-	2,109
Terry's Cross	5,959	-	-	-	5,959
<u>Permanent</u>					
Jenkinson Trust	-	44	0	-	45
Training	-	796	61	-	857
University chaplaincy	728	27	1	-	756
Hayllar Trust	-	67	3	-	70
Poling Endowment	-	605	(1)	-	604
The Arnold Bequest	-	353	20	-	373
	<u>254,552</u>	<u>26,282</u>	<u>6,125</u>	<u>-</u>	<u>286,960</u>
Total funds	<u>261,929</u>	<u>47,441</u>	<u>17,832</u>	<u>(6,388)</u>	<u>320,813</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

23. DESCRIPTION OF FUNDS

General	The general fund is the CDBF's unrestricted undesignated fund available for any of the CDBF's purposes.
Property	The fund value is set at the level equivalent to the net book value of corporate properties. Church House, Hove and various houses used by retired clergy make up the value of this fund.
Parish Mission	Fund made available from the Benefact Trust and diocesan sources to support parish mission projects throughout the Diocese.
Other Designated Funds	The majority of these funds represents a grant received from the Church Commissioners to meet the costs of two additional curates ordained in 2021, a Parish Development Officer role which was also appointed to from 2021 to 2022 and a Deputy Diocesan Directors of Ordinands role which was appointed to from 2022. There are also funds being held for the Clergy Conference planned for 2025.
Diocesan Pastoral	<p>The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:</p> <ul style="list-style-type: none">• to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees.• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese.• other purposes of the diocese or any benefice or parish in the diocese• to make grants or loans to any other diocese• to transfer funds to the diocesan stipends fund income or capital accounts.
Diocesan Stipend Income	This represents the income generated from the Stipends Capital Fund and is used to fund stipends within the diocese.
Clergy Welfare	Fund is governed by a 1993 Charity Commission scheme with income being used for the welfare of clergy, their spouses or other licensed staff who work or have worked in the diocese.
Clergy Welfare (B Wild)	Fund derives from the sale of a property, Lapwings, bequeathed for purposes connected with clergy welfare. The fund is used for the clergy wellbeing service.
Jenkinson Trust	Fund represents a legacy from William Jenkinson. Income from the fund is used for necessitous Church of England gentlewomen or as the diocesan fund finds most fitting.
Training Income	This fund represents the income generated by the Training endowment fund. The income is used to support ordination training.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

23. DESCRIPTION OF FUNDS (continued)

University Chaplaincy	Fund is governed by a trust deed dated 21 July 1961. The fund is to provide a house for the University of Sussex chaplain and to assist that chaplain in the fulfilment of his/her duties.
Hayllar Trust	Fund represents a legacy from Sidney Hayllar. Income from the fund is used to help clergy with personal costs such as education and personal support and general financial problems.
Clergy Widows	Fund represents a legacy from Charles Peckham to provide financial grants or other benefits for widows of the clergy.
Archdeacons' Loans	The fund arose from three gifts and the proceeds of a fundraising campaign. The accumulated income is used to make interest free loans to parishes to help fund repairs to churches and church halls.
Aided Church Schools	The Aided Church Schools Fund , which includes the consolidated fund of The Diocese of Chichester Consolidated Educational Endowments, represents the accumulated sale proceeds of redundant Church of England School properties. Its use is restricted by Section 287(2) of the Education Act 1993 to capital and maintenance work of Church of England schools in the diocese and education generally at Church of England schools in the diocese. The CDBF is trustee of these funds, which are managed in consultation with the Diocesan Board of Education. Also included are capital funds held on behalf of aided schools and funds donated by parishes for the benefit of those aided schools.
Diocesan Overseas Council	The fund comprises the net income raised after grants made by the Diocesan Overseas Council. The Council promotes the Diocesan interest in, support for and engagement with mission work of the churches of the Anglican Communion in co-operation with the Church of England's Partnership for World Mission accredited mission agencies and partners. It raises funds mainly by way of the Harvest Appeal each year and in reaction to world mission appeals and projects.
Strategic Development Fund	The Diocese has been awarded funding from the Church Commissioners towards a number of parish based mission projects in the Diocese. The funds received are restricted to be used on these projects.
RME Block Grant	A restricted grant received from Ministry Division to be used to meet the costs of ordination training. The grants are received termly but grants to ordinands are paid annually and so there is a negative balance on the fund at 31 December due to these timing issues.
Clergy Hardship Fund	Funds made available by the Church Commissioners to support clergy and parish workers with increased heating costs. The funds are administered by CDBF
Parish Share Restricted Fund	Fund introduced in 2023 in response to the Living in Love and Faith conversations at General Synod. Parish Share which is paid into this fund will only be used to support ministry in parishes which are publicly affiliated with a network which holds an orthodox view of marriage.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

23. DESCRIPTION OF FUNDS (continued)

Other restricted funds	There are a number of smaller funds given for particular purposes and ministries. The amounts are spent in accordance with the restrictions.
Parsonage/Benefice Houses	The parsonage/benefice property fund consists of resources restricted to provision of benefice houses in the diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the CDBF is obliged to maintain them, and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the CDBF.
Diocesan Stipends Capital	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held under the Church Property Measure 2018 to provide income for clergy stipends. It represents glebe property, accumulated sale proceeds of glebe property, and sale proceeds of some benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.
Elfinsward	The fund was created by the sale of a former retreat house. The income from the fund is used to support stipends, communications work and retreat grants.
Terry's Cross	The fund represents the value of a house, originally given as a gift to the diocese, to provide accommodation for retired clergy and church workers.
Training Endowment	This fund has been built up by various bequests. The income is used to support ordination training costs and for modest discretionary grants to assist ordinands in need.
Arnold Bequest	To further the religious and other charitable work of the Church of England in Southgate.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

24. CAPITAL COMMITMENTS

At 31 December 2023 the CDBF had capital expenditure commitments authorised but not contracted for of £NIL (2022 - £NIL) and contracted for but not yet due of £NIL (2022 - £NIL).

25. OPERATING LEASES

Future minimum rentals payable until the end of the lease under non-cancellable operating leases are as follows:

	2023	2022
	£	£
	£'000	£'000
Other operating leases:		
Total amount payable within one year	6	6
Total amount payable in the second to fifth years inclusive	6	10
	<u>12</u>	<u>16</u>

Total lease payments recognised as an expense in the year were £12,848 (2022 - £12,929).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

26. PENSIONS

The CDBF participates in four pension schemes.

- A. **Church of England Funded Pensions Scheme (CEFPS)** for stipendiary clergy administered by the Church of England Pensions Board.
- B. **Church Workers Pension Fund (CWPF)** for Lay workers administered by the Church of England Pensions Board.
- C. **Church Workers Pension Fund (CWPF) Pension Builder Classic** for Lay workers administered by the Church of England Pensions Board.
- D. **Teachers' Pension Scheme (TPS)** governed by the Teachers' Pension Scheme Regulations 2014.

A. Church of England Funded Pensions Scheme (CEFPS)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £1,640,475 in 2023 (2022: £1,743,292), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £1,640,475 (2022: £1,562,292). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

26. PENSIONS (continued)

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023	2022
Balance sheet liability at 1 January	0	438,000
Deficit contribution paid	0	(257,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	(181,000)
Balance sheet liability at 31 December	0	0

* 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. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2023	December 2022	December 2021
Discount rate	n/a	n/a	0.0%
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	-1.5%

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

26. PENSIONS (continued)

B. Church Workers Pension Fund (CWPF)

Chichester Diocesan Board of Finance (CDBF) participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has two sections:

1. The Defined Benefits Scheme
2. The Pension Builder Scheme, which has two subsections;
 - a. A deferred annuity section known as Pension Builder Classic, and
 - b. A cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

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

For funding purposes, 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.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. 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 (2023: £6,843, 2022: £13,887) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total credit of £6,843 in 2023 (2022: £nil).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, 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 DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m 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 DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

26. PENSIONS (continued)

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay expenses of £6,500 per year. In addition, deficit payments of £7,387 per year have been agreed for 1.83 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements. Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2022. A liability has been recognised at earlier dates.

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

	2023	2022
Balance sheet liability at 1 January	0	8,000
Deficit contribution paid	0	-7,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	0	-1,000
Balance sheet liability at 31 December	0	0

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

The liability reported on the balance sheet was £8,000 and the 2022 movement has been reflected in the 2023 accounts.

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

	December 2023	December 2022	December 2021
Discount rate	N/A	0.0%	1.3%

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 CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

26 PENSIONS (continued)

C. Church Workers Pension Fund (CWPF) Pension Builder Classic

Since 1st October 2012 the CDBF has participated in the Pension Builder Scheme section of CWPF 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.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means 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 the contributions payable (2023: £366,069, 2022: £333,017).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

26. PENSIONS (continued)

D. Teachers' Pension Scheme (TPS)

The Diocese participates in the Teachers' Pension Scheme ("the TPS") for a number of its staff. The pension charge for the year includes contributions payable to the TPS of £116,879 (2022: £93,462) and at the year-end £Nil (2020 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

This valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

27. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General	Designated	Funds	Funds	2022	2021
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish share	3a	13,657	-	-	-	13,657	13,024
Other donations	3b	201	50	1,627	-	1,878	1,353
Charitable activities	4	773	-	121	-	894	817
Other activities	5	742	-	15	-	757	696
Investments	6	920	-	1,241	-	2,161	1,928
Other	7	25	-	334	-	359	54
		<u>16,318</u>	<u>50</u>	<u>3,338</u>	<u>-</u>	<u>19,706</u>	<u>17,872</u>
Expenditure on							
Raising Funds	8	56	-	108	-	164	186
Charitable activities	9	15,878	148	2,908	-	18,934	17,742
		<u>15,934</u>	<u>148</u>	<u>3,016</u>	<u>-</u>	<u>19,098</u>	<u>17,928</u>
Net income/(expenditure) before investment gains/(losses)							
		<u>384</u>	<u>(98)</u>	<u>322</u>	<u>-</u>	<u>608</u>	<u>(56)</u>
Unrealised gains on investments	15	(99)	28	(1,957)	(2,022)	(4,050)	5,340
Realised (losses) on investments		-	-	(51)	(412)	(463)	(67)
Net gains/(losses) on investments		<u>(99)</u>	<u>28</u>	<u>(2,008)</u>	<u>(2,434)</u>	<u>(4,513)</u>	<u>5,273</u>
Net income/(expenditure)		<u>285</u>	<u>(70)</u>	<u>(1,686)</u>	<u>(2,434)</u>	<u>(3,905)</u>	<u>5,217</u>
Transfer between funds	13	(233)	150	(98)	181	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	14	-	224	50	10,716	10,990	25,235
Net movement in funds		<u>52</u>	<u>304</u>	<u>(1,734)</u>	<u>8,463</u>	<u>7,085</u>	<u>30,452</u>
Total funds brought forward		<u>5,932</u>	<u>7,276</u>	<u>22,023</u>	<u>278,497</u>	<u>313,728</u>	<u>283,276</u>
Total funds carried forward	19	<u>5,984</u>	<u>7,580</u>	<u>20,289</u>	<u>286,960</u>	<u>320,813</u>	<u>313,728</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

28a. PRIOR YEAR NOTES TO ACCOUNTS – 3 DONATIONS

Parish Share

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	13,761	-	-	-	13,761	13,176
Shortfall in contributions	(163)	-	-	-	(163)	(195)
	<u>13,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,598</u>	<u>12,981</u>
Receipts for previous year	59	-	-	-	59	43
Total Income	<u>13,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,657</u>	<u>13,024</u>

Other Donations

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Benefact Trust Grant	124	50	-	-	174	173
Archbishops Council	28	-	1,294	-	1,322	586
RME Block Grant	-	-	320	-	320	505
Grants from other organisations	1	-	-	-	1	35
Donations	23	-	13	-	36	54
Legacies	25	-	-	-	25	-
	<u>201</u>	<u>50</u>	<u>1,627</u>	<u>-</u>	<u>1,878</u>	<u>1,353</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

28b. PRIOR YEAR NOTES TO ACCOUNTS – 4 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Statutory fees for parochial services	593	-	-	-	593	627
Church Commissioners' guaranteed annuities	-	-	7	-	7	8
Parish trust Income	-	-	101	-	101	101
Generated Income	51	-	-	-	51	14
Church Schools Training & other	129	-	13	-	142	67
	<u>773</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>894</u>	<u>817</u>

28c. PRIOR YEAR NOTES TO ACCOUNTS – 5 OTHER ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Rents receivable - Parsonages	742	-	15	-	757	696
	<u>742</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>757</u>	<u>696</u>

28d. PRIOR YEAR NOTES TO ACCOUNTS – 6 INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Dividends receivable & interest receivable	762	-	970	-	1,732	1,560
Rents receivable - Glebe	158	-	271	-	429	368
	<u>920</u>	<u>-</u>	<u>1,241</u>	<u>-</u>	<u>2,161</u>	<u>1,928</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

28e. PRIOR YEAR NOTES TO ACCOUNTS – 7 OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2022 £'000	2021 £'000
Other income	25	-	-	-	25	1
Gain/ (Loss) on sale of property	-	-	334	-	334	53
	<u>25</u>	<u>-</u>	<u>334</u>	<u>-</u>	<u>359</u>	<u>54</u>

28f. PRIOR YEAR NOTES TO ACCOUNTS – 8 FUND RAISING COSTS

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2022 £'000	2021 £'000
Investment Manager fees	67	-	61	-	128	155
Glebe repairs & improvements	(11)	-	47	-	36	31
	<u>56</u>	<u>-</u>	<u>108</u>	<u>-</u>	<u>164</u>	<u>186</u>

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General £'000	Designated £'000			2022 £'000	2021 £'000
Contributions to Archbishops' Council						
Training for Ministry	631	-	-	-	631	632
National Church Responsibilities	440	-	-	-	440	441
Grants and Provisions	-	-	-	-	-	54
Mission agency pension costs	26	-	-	-	26	28
Retired clergy housing costs	238	-	-	-	238	232
Pooling of ordinands maintenance grants	(47)	-	-	-	(47)	(121)
	<u>1,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,288</u>	<u>1,266</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Resourcing Ministry and Mission - Parish Ministry						
Stipends and National Insurance	6,338	64	600	-	7,002	7,034
Pension contributions	1,903	20	6	-	1,929	2,189
Defined benefit pension scheme movement (see Note 26)	(181)	-	-	-	(181)	20
Housing costs	2,953	23	378	-	3,354	2,129
Mission Fund grants	-	41	-	-	41	67
Removal & resettlement grants	251	-	-	-	251	294
Clergy welfare	65	-	108	-	173	124
Ministry Support	225	-	-	-	225	253
	<u>11,554</u>	<u>148</u>	<u>1,092</u>	<u>-</u>	<u>12,794</u>	<u>12,110</u>

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	319	-	347	-	666	902
Lay Ministry	86	-	39	-	125	111
Children and youth work	143	-	2	-	145	104
Apostolic Life	199	-	32	-	231	214
Common Good	13	-	3	-	16	10
Safeguarding	271	-	-	-	271	437
Diocesan Advisory Committee	87	-	-	-	87	78
Pastoral and Redundant Churches uses	74	-	-	-	74	59
Redundant churches	72	-	-	-	72	201
Communications	88	-	-	-	88	92
Mission projects (SDF)	-	-	768	-	768	515
Chancellor & Registrar	70	-	-	-	70	98
Grants	81	-	555	-	636	133
	<u>1,503</u>	<u>-</u>	<u>1,746</u>	<u>-</u>	<u>3,249</u>	<u>2,954</u>
Support and Governance for parish ministry (note 10)	714	-	-	-	714	625
	<u>2,217</u>	<u>-</u>	<u>1,746</u>	<u>-</u>	<u>3,963</u>	<u>3,579</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

Resourcing Ministry and

Mission - Church Schools

Church Schools department	728	-	70	-	798	706
Support and Governance for Church Schools (note 10)	91	-	-	-	91	81
	<u>819</u>	<u>-</u>	<u>70</u>	<u>-</u>	<u>889</u>	<u>787</u>
Total Charitable activities	<u>15,878</u>	<u>148</u>	<u>2,908</u>	<u>-</u>	<u>18,934</u>	<u>17,742</u>

28h. PRIOR YEAR NOTES TO ACCOUNTS – 10 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Support				
Central services department	138	18	156	89
General office department	190	24	214	223
Finance department	182	23	205	190
IT department	150	19	169	146
Depreciation	33	4	37	34
	<u>693</u>	<u>88</u>	<u>781</u>	<u>682</u>
Governance				
External Audit	22	3	25	24
	<u>715</u>	<u>91</u>	<u>806</u>	<u>706</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

28i. PRIOR YEAR NOTES TO ACCOUNTS – 11 ANALYSIS OF GRANTS MADE

	<i>Number</i>	Individuals £'000	Institutions £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	<u>1</u>	-	<u>1,288</u>	<u>1,288</u>	<u>1,266</u>
From unrestricted					
The Chichester Diocesan Association for Family Support Work	1	-	36	36	36
St Bartz Trust - Youth work	-	-	-	-	1
Clergy Training	199	197	-	197	30
Clergy Moves	95	251	-	251	294
Clergy and families for Welfare	34	38	-	38	-
Other organisations	<u>177</u>	<u>28</u>	<u>6</u>	<u>34</u>	<u>-</u>
	<u>506</u>	<u>514</u>	<u>42</u>	<u>556</u>	<u>361</u>
From designated					
PCCs for Mission projects	<u>7</u>	-	<u>41</u>	<u>41</u>	<u>67</u>
	<u>7</u>	<u>0</u>	<u>41</u>	<u>41</u>	<u>67</u>
From restricted					
PCCs for Mission projects	15	-	80	80	477
Clergy and families for Welfare	341	173	-	173	43
Overseas mission agencies	6	-	40	40	15
Aided Schools	1	-	9	9	-
Ordinands in training	52	315	-	315	332
PCCs for energy costs	107	-	311	311	-
AD Care of Churches	-	-	-	-	1
	<u>522</u>	<u>488</u>	<u>441</u>	<u>929</u>	<u>868</u>
Totals	<u>1,036</u>	<u>1,002</u>	<u>1,812</u>	<u>2,814</u>	<u>2,562</u>

29. POST BALANCE SHEET EVENTS

The cost of living crisis and high rate of inflation is continuing to have a significant impact. Volatility caused by this crisis, and other World events, is likely to continue to have an impact on the value of investment assets, along with property values and Pension Fund deficits. While the ultimate extent of these issues is currently still unknown, there have been no event or series of events since the year end which have had a material impact on values at the balance sheet date.

Trustees will continue to monitor the changing operational landscape and impact on assets and related income.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

30. RELATED PARTY TRANSACTIONS

Church of England related parties include:

- the Archbishops' Council (Charity No 1074857), from which the CDBF receives grants and to which the CDBF pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, including General Synod.
- the Church Commissioners for England (Charity No 1140097), from which the CDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The CDBF pays for clergy stipends through the Church Commissioners
- the Church of England Pensions Board (Charity No 236627), to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees and makes contributions towards the provision of housing for clergy in retirement

The Mother Agnes Trust is an unincorporated charity of which The Right Revd Dr M Warner, the Ven E Dowler, Mrs S Stonor and Gabrielle Higgins/John Preston, Diocesan Secretary of the CDBF, are trustees. Between 2004 and 2017 Chichester DBF paid the running expenses of the Magnet Centre in Hastings on behalf of the Mother Agnes Trust. The Magnet Centre transferred into new ownership in 2017. The total amount expended by CDBF on behalf of the Mother Agnes Trust as at 31 December 2020 in respect of the Magnet Centre is £375,841. In addition, the DBF paid the salary of the Clerk to the Trustees of the Mother Agnes Trust on behalf of the Trust until 31 January 2019. As at 31 December 2020 the amount expended by Chichester DBF in respect of staff costs was £35,304. Chichester DBF has invoiced these sums and the staff costs were repaid in 2022. During 2021 Chichester DBF provided a loan facility to Mother Agnes Trust for £25,000 to enable them to meet a number of costs prior to the sale of land owned by the Trust. At 31st December 2021 £10,000 had been drawn against this facility, and £10,000 was repaid in 2022. The Administrator is employed by CDBF and the costs reimbursed by the Mother Agnes Trust.

The Bishop Otter Trust is an unincorporated charity of which The Right Revd Dr M Warner, the Ven E Dowler, the Ven M Lloyd Williams, the Ven L Irvine-Capel and the Ven A Martin are trustees. The Administrator is employed by CDBF and the costs reimbursed by the Bishop Otter Trust.

The Chichester Diocesan Association for Family Support Work is an unincorporated charity of which Mrs Lesley Lynn has been a trustee for part of the year. The Diocese makes an annual grant of £36,000 towards the work of this charity.

The only related corporate party with whom the DBF has transacted is the Diocese of Chichester Academy Trust ('DCAT') which manages eleven Church of England Schools in the Diocese. DCAT is accountable to the Diocese Board of Education ('DBE') and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust ('DoCET') via members for its operation. The Director of Education, one of the DBF's key management personnel, is a trustee of DCAT, and the Archdeacon of Chichester is its Chair. During the year the DBF performed due diligence on schools intending to convert or join the Trust.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

31. FUNDS HELD AS CUSTODIAN TRUSTEE

The CDBF 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 CDBF does not control them. The financial assets held in this way may be summarised as follows:

	2023	2022
	£'000	£'000
CBF Church of England Investment Fund income shares	16,127	14,491
CBF Church of England Investment Fund accumulation shares	258	263
CBF Church of England Fixed Interest Securities Fund shares	1,551	1,461
CBF Church of England Property Fund shares	233	248
CBF Church of England UK Equity Shares	12	11
CBF Church of England Global Equity Shares	183	159
Other common investment fund holdings	373	1,372
Direct holdings in UK equities	1,676	395
CBF Church of England Deposit Fund	2,824	1,783
Cash at bank	245	155
Total assets held as custodian trustee	<u>23,482</u>	<u>20,338</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

England & Wales - Charity number 243134

Accounts

**THE CHICHESTER DIOCESAN FUND AND
BOARD OF FINANCE (INCORPORATED)**



**Annual Report and Financial Statements
For the year ended 31 December 2022**

**Company No: 00133558
Registered Charity Number: 243134**

A printed copy is available on request from Church
House, 211 New Church Road, Hove BN3 4ED
Or email enquiries@chichester.anglican.org

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

TABLE OF CONTENTS	Page Number
Mission Statement	2
Legal Objects	3
Strategic Report:	
Strategic Aims	4
Objectives for the year	4
Activities and Achievements in the year	5
Future plans	19
Financial review	20
Principal risks and uncertainties	24
Structure and Governance	25
Trustees' Responsibilities	31
Administrative details	33
Independent Auditor's Report	35
Statement of Financial Activities	39
Income and Expenditure Account	40
Balance Sheet	41
Cash Flow Statement	42
Notes to the Financial Statements	43-82

Mission Statement

Our mission is growth in Christ: encouraging people in the Diocese of Chichester and the wider world to know, love, follow Jesus and to grow as his disciples in worship and witness to the truth of the gospel.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2022.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the Diocese of Chichester cover the counties of East and West Sussex and the Unitary Authority of Brighton and Hove.

The principal object of the Chichester Diocesan Fund and Board of Finance (Incorporated) ("CDBF") is to promote, carry on, assist, benefit and advance the work of the Church of England in the Diocese of Chichester by acting as the financial executive of the Chichester Diocesan Synod.

The CDBF 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 Church Property Measure 2018;
- 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 2021;
- iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod on the advice of the Bishop's Council and the Bishop of Chichester (in respect of his responsibility for the provision of the cure of souls) and his Senior Staff. Significant time and effort is committed to communication between and with deaneries and PCCs, as well as with the church nationally, including an annual series of deanery consultations on the Diocesan Budget and the priorities for the forthcoming year.

In reviewing the charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

STRATEGIC REPORT

STRATEGIC AIMS

The main role of the CDBF is to identify and manage the financial aspects of the provision of ministry throughout the Diocese, so as to provide appropriate personnel and financial resources to support both the nurturing of faith in new and existing Anglicans in Sussex and engagement with the community, as part of the Church's response to the mission of God in Sussex. The CDBF aims to achieve this by equipping the Diocesan Synod, its Councils and Committees, deaneries, parishes, chaplaincies and schools to further the mission and strategic priorities of the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of parishes, chaplaincies and schools.

At Pentecost in May 2015, the Diocesan Synod launched a five year Diocesan Strategy with the following three priorities modelled on the priorities of the Archbishops' Council's Renewal and Reform body of work:

1. Growth in holiness and numbers;
2. Re-imagining ministry;
3. Contributing to the Common Good.

At the end of 2019 the second stage of the Diocesan Vision for Growth was launched, which built on the previous aims, but identified four priorities for 2020-2025:

1. More Open: a sign of being One;
2. More Converted to Jesus Christ: a sign of being holy;
3. More Generous: a sign of being catholic;
4. More Engaged: a sign of being apostolic.

These aims focus on similar themes identified by the national Church of England in their strategic vision for growth.

OBJECTIVES FOR THE YEAR

The CDBF seeks to respond to its mission of growth in Christ and to its strategic aims by focusing on the following objectives for this and subsequent years:

- To resource a Christian presence in every parish by:
 - The appointment of stipendiary and self-supporting clergy, lay ministers and Christian leaders and governors in our schools
 - Enabling the laity in congregations to play their part in ministry
 - The payment of stipends and pensions
 - The provision and maintenance of housing which is safe, fit for purpose, and welcoming
 - The selection and training of ordinands and lay ministers, and the provision of financial support to those training for ministry
 - Providing ministerial development reviews and continuing ministerial development for clergy

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

- Providing pastoral care and welfare support to clergy, including financial assistance where needed
 - Planning and delivering improvements to mission and pastoral organisation
- To develop the ability to ensure a Christian presence in future by:
 - Encouraging vocations to both lay and ordained ministry, especially young vocations, and developing apostolic pathways for all, in particular re-imagined forms of lay ministry
 - Supporting apostolic partnerships to reinvigorate communities and establish a presence in areas of new housing
 - Enabling church schools to reach out to families in their communities
- To support clergy, lay leaders, parishes and chaplains and enable their work by providing training, information, advice, guidance, services and good governance
- To support schools and in particular head teachers and governors to provide the best possible education and Christian witness through training and support services and the provision of assistance and advice
- To support schools by ensuring their buildings are fit for purpose, facilitating capital expenditure and the expansion of schools where possible
- To provide support for parishes and individuals in all aspects of safeguarding casework, liaising with the public authorities as necessary
- To promote a care for the environment and a sustainable use of resources, and work towards becoming an Eco Diocese
- To support the Anglican church, nationally and internationally, and other particular ministries to groups and communities
- To run an effective organisation in order to deliver these objectives, including the provision of support to the senior clergy and management of assets.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Resourcing a Christian presence

Appointments of clergy and laity

The presence of clergy and lay ministers in the parishes and communities of the Diocese is an important part of delivering the Diocese's mission. They engage in a wide variety of community and church projects and despite the continuing impact of the Covid-19 pandemic, in 2021 (the latest year for which figures are available) approximately 940 weddings or blessings, 3,230 funerals and 1,610 baptisms were carried out. During the pandemic and beyond they have also engaged in many new projects to support their communities to combat issues ranging from hunger to loneliness, adapted to different worship patterns, notably online worship, and deepened existing work. 357 licensed clergy and 78 licensed readers minister across the 349 parishes and Bishop's Mission Orders in the Diocese, with 25 new stipendiary and 4 new house for duty or self-supporting clergy appointments in 2022, including 13 newly ordained deacons, and 6 new readers licensed.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

The Education Department appointed 149 foundation governors for church schools and helped to appoint 6 new head teachers.

Payment of stipends and pensions

During the year the CDBF paid stipends, pensions and other employment costs totalling £9.2 million for incumbents, curates and other clergy, increasing stipends above national recommendations. The payroll is administered by a separate charity, the Church Commissioners for England, and the CDBF reimburses the costs, which form by far its largest financial commitment. The average rate of vacancies was 25 against a budgeted rate of 26, five lower than in 2021, with an unusually low level of 17.5 at the start of the year rising as the year went on. Rural deans and churchwardens of vacant parishes work closely together to maintain worship and other community activities, aided by a large pool of retired and self-supporting ministers. The CDBF funds fees and expenses for those clergy during vacancies.

Parish clergy are not employed by the CDBF, but the CDBF does have responsibilities in respect of their engagement. In addition to paying their stipends and National Insurance, paying into their pension funds, and housing them, it is responsible for training (see below). Under new terms of service, called Common Tenure, introduced in 2011, clergy have greater clarity on their rights and obligations and have access to Employment Tribunals and other useful services. These apply to all new appointments and some of those in post before February 2011; others chose to retain their freehold. 35 clergy remain on freehold tenure. The CDBF's external HR consultants and employment lawyers provide HR services and advice in respect of clergy as well as lay staff to improve the care and service provided and supplement in-house work.

Provision of housing

The annual quinquennial repair programme for 2022 was deferred because of the Covid pandemic. and is due to resume in 2023.

Again, a significant amount of work was undertaken in respect of appointments and lettings in 2022, with 60 properties being made ready for incoming clergy and private tenants (to derive a rent).

Major projects in 2022 included the planning and tendering exercise for the extension at Moulsecomb Vicarage, and the refurbishment of Middleton Vicarage.

Selection and training of ordinands and lay ministers

The training of curates (IME 2) includes the development and running of a diocesan course, which is a Common Awards programme validated through the University of Durham via St. Augustine's College of Theology (our local training institution). Curates are formally assessed at the end of their training to ensure they have reached an appropriate level of competency, a process overseen by the Department for Apostolic Life. Curates are given support and guidance in the process of applying for posts of first responsibility.

Grants of over £315k were made to ordinands to support them and their families during their training. There are currently 33 ordinands in training.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

Ministerial Development Review (MDR) and Continuing Ministerial Development (CMD)

MDR reviews were mostly able to be held in person again in 2022, except for distance or illness. In response to feedback, several chaplains were involved in a working group to adapt the MDR paperwork for use by chaplains. This was trialled by two chaplains in autumn 2022 and will be kept under review.

A wide range of courses in theology, spirituality, wellbeing and practical skills were delivered – many via Zoom. The First Incumbents course (three-year cycle) continued, with a mix of Zoom and in person sessions. The first cohort completed the final year of the course, after which a review took place. The third cohort of clergy undertook the Galilee leadership programme.

Pastoral care and welfare support

The Wellbeing for Clergy and Families (WCF) service now has 15 professionally registered counsellors, offering both in-person and online appointments (normally 12 fully funded appointments). Counselling feedback has been consistently positive. There has been increased rigour in policy and documentation whilst giving the WCF counsellors more agency, and work on GDPR compliance.

Training has been planned and delivered collaboratively with other staff in the department, particularly with the Diocesan Director of Ordinands and Continuing Ministerial Development Officer. More face-to-face opportunities to meet with clergy have been sought, e.g. at deanery chapters and in 1-1 meetings.

The first Clergy Wellbeing Day took place at Ashburnham Place in September, with 70 clergy attending. Tickets were 'Pay What You Can' which was well-received and facilitated a variety of donations, enabling clergy to make an investment in their own wellbeing, whilst also lessening costs to the CMD budget. The feedback from 30+ persons indicated a hugely positive response regarding speakers, content, delivery, and location, and confirmed the appetite for another Clergy Wellbeing Day in 2023.

In addition, welfare grants totalling approximately £211k have been awarded to 375 clergy and their families in times of need. This includes the grants towards energy costs made from the Clergy Hardship Fund which was made available from the Church Commissioners in 2022.

Implementing improvements to pastoral organisation

Eight Mission and Pastoral schemes and orders (five Pastoral Reorganisation schemes and three Bishop's Pastoral orders) were completed and a further twelve cases were progressed.

Significant progress was also made in relation to finding new uses for several closed churches.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

Developing Christian presence for the future

Encouraging vocations

Training ADDOs (Assistant Diocesan Directors of Ordinands) who accompany those exploring a vocation to ordained ministry continues to be important, and we are grateful that they offer their time as volunteers. In November 2022 we hosted an ADDO residential at Ashburnham over two days. All ADDOs experienced a simulated Stage 1 panel (part of the new national discernment and selection process) run by the DDO.

The DDO gathered the new lay Bishops' Advisers for the National Discernment Process together to support them in their new roles.

In June 2022 13 Deacons were ordained. We 'released' 9 ordinands to seek a post in a different diocese.

26 ordinands continued in training, including candidates from underrepresented groups. In September 2022, we sent an additional 6 ordinands to train and one resumed training, making a total of 33 ordinands at the end of the year.

We continue to prepare candidates for Candidates' Panels, which is an extension of the selection process and reviews a range of candidates' cases: transferring to a new category of ministry, moving to a new focus of ministry, resuming training after withdrawal, receiving ministers from other Churches, those who have completed training but not yet been ordained, and those with conditional recommendations.

There are currently 12 candidates working formally through the new discernment process, some of whom will start training in September 2023. More candidates are in the initial stages of discernment.

A part time (50%) Deputy DDO was appointed in December 2022 to increase capacity and have a particular focus on those going through selection and initial training on the exceptional pathway, which has been developed largely for older candidates who are called out by the bishop to meet local need.

Supporting apostolic partnerships

A diocesan policy was written and agreed by Bishop's Staff and Bishop's Council and presented at Diocesan Synod in May. This will continue to be refined – in particular the processes for developing a proposal for an apostolic partnership as these are trialled.

As a diocese we were successful with a further application for £1.62 million of Strategic Development Funding for Crawley. The application will enable St John's to continue to expand its mission across the town and see even more lives in Crawley spiritually and materially transformed. The vision of this 5-year project is to create a vibrant eco-system of churches, with young leaders, who live and share the Gospel of Jesus Christ to reach a generation that feels forgotten in a town where the Covid pandemic has amplified the needs of the city - especially unemployment, debt,

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

hunger, homelessness, and mental ill health. The funding focuses on 3 key areas; i) Leadership development pipeline (“Character School - Developing leaders in the way of Jesus”); ii) Launch 4 new worshipping communities, Partnerships at St Richard’s (Three Bridges) and St Peter’s (West Green) and new plants at Kilnwood Vale and Forge Wood (new housing developments); iii) Accelerate upscaling of St John’s as a resource church for local parishes in Crawley (and eventually beyond).

The 2021 project continues in the Brighton and Hove deaneries with 2 church apostolic partnerships launched during the past 12 months and preparations underway for 2 more church partnerships scheduled to be launched early in 2023.

The diocese is also beginning to have conversations with Vision and Strategy team at National Church Institutions regarding a new major package of funding to be launched across the UK in 2023 called Strategic Ministry and Mission Investment.

2021 saw St John’s Meads partner with St Michael and All Angels, Eastbourne, and this has seen the congregation grow significantly (150 regular worshippers) over 2022.

As a diocese, we partnered with Winchester & Guildford dioceses to run the church planting course with 2 churches from each diocese. The plan is to repeat this over the next 12 months.

Enabling church schools to reach out

Within the current SIAMS (Statutory Inspection of Anglican and Methodist Schools) schedule, schools are encouraged to demonstrate “courageous advocacy” and reach out to their local communities through engagement in both social action and charitable activities. Our School Effectiveness Team worked alongside schools to determine what this looks like in a local context.

Our Growing Partnerships initiative is in full operation. The essence of this is to look at ways schools and worshipping communities can come together within the Household of Faith and work in partnership within our local communities. Feedback has been positive from all stakeholders. A short video is available on our website. Our School Effectiveness Officers also promoted it through their visits and regular conversations and it is the subject of ongoing training and discussion.

We have been delighted to see the wide range of partnerships that have developed and the way each local relationship is unique. The ideas and concepts supporting Growing Partnerships have been shared with other dioceses who are adopting a range of elements within it.

The Education team also worked closely in 2022 with other partners in the Diocese including the Cathedral to develop our input into Black History Month and Race Awareness Week.

2022 saw the return of our Year 6 Leavers Celebrations. We were joined by over 3,600 children from 121 schools but what was particularly striking was the vast increase in the friends and families that joined us.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

Supporting clergy, lay leaders, parishes and chaplains

Parish development

In 2022, we were involved in driving the deanery planning process across the diocese, which sought to identify missional needs and outcomes for every deanery in the diocese. This involved working 1 to 1 with every deanery and rural dean.

We launched a church growth course, named Great is thy Faithfulness: Growing the Household of Faith, which was piloted for 16 parishes across 6 sessions during early 2022. The feedback helped us to make changes and it will be run in 2023 with 8 parishes over 6 months. The full effect of the programme will only be seen in time as churches implement their growth strategies.

Lay Vocations

2022 marked 5 years since the start of the Living Faith course. In that time 250 people have undertaken the course many of whom have subsequently trained as either ALMs, Readers or clergy. During the pandemic, the course switched to become online only, and it is our hope that in 2023 we will be able to provide both in person and online versions of the course. However, the online version of the course has been well received enabling a rich mix of participants from across the diocese.

In 2022 we appointed a new team of Assistant Wardens for Lay Ministry and a new Ministerial Development Review scheme for Readers has been completed and will be rolled out in 2023.

Continuing ministerial development for Readers and ALMs is now being provided through the Developing Ministries programme organised by the CMD Officer (see above). This means that there are now regular CMD events some of which are designed specifically for Readers and ALMs and others are shared with clergy. A quarterly newsletter 'Lay Ministry Matters' has been developed, and training and other events together with resources etc are now being advertised through this. The newsletter is sent to all licensed and serving Readers and ALMs.

Youth and Children

2022 saw Maycamp gathering in person again for the first time since 2019, with around 350 young people attending and 25 new Christians.

We focussed on 'building back after Covid', starting with re-strengthening the network of relationships between youth and children's leaders. Regular Link up networking events, Maycamp, mini Maycamp, youth and children's leaders retreat and regional hubs have all been important touch points throughout the year.

We are starting to see the hubs operating as a node of communication to previously disconnected churches as well as a valuable space for training, networking, resourcing and fellowship with other like-minded volunteers. We continue to recruit new leaders for more regional hubs working towards a conveniently local regional hub in every geographical area.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

In late spring, a children's and families work conference was run at the cathedral with keynote speakers representing the national Growing Faith initiative as well as creative and emerging thinking around children's and families work. 110 people attended this conference.

The Diocesan Mission Fund continues to fund mission with children and young people through the recruitment of new youth and children's workers in parishes. Not only does this support parishes in funding but also in the strategic development of these roles using mission fund advocates to work closely with parishes in the application process and through ongoing annual reporting.

Communications

Despite a five month gap in digital resourcing following the departure of the Digital Media Officer and recruitment of a successor, video output was increased.

The team planned and delivered over 30 videos for a range of activities including 11 videos welcoming our new ordinands, five videos highlighting the Easyfundraising scheme, five videos for Remembrance Sunday, and videos promoting Black History Month, Holy Land Pilgrimage and Bishop Martin's 10th anniversary, as well as developing the Diocesan Sound cloud podcasts platform which, this year, hosted reflections from the Lambeth conference and Advent reflections. Added to this the department supported and shared training and workshop promotions for a variety of Apostolic Life programmes.

The team supported the Ukraine housing initiative led by Bishop Ruth, communicating the need for church communities to step up and offer refuge to those fleeing Ukraine and sharing stories from host families. The team also supported the appeal for Warm spaces projects which resulted in several churches responding to this initiative.

The department responded to Her late Majesty's death and issued guidelines to churches and responded to local media and parish enquiries at short notice.

The communications team supported a full year of key diocesan events, both the major Christian festivals and special events such as Racial Justice Sunday, Black History month and Order of St Richard honouring exceptional lay service.

On top of this, the team participated in the delivery of social media training for Clergy in collaboration with the Apostolic Life department as well as assisting with increasing registrations to events such as The Childhood Conference and the Clergy Wellbeing Day.

Raising the profile of our partner charities continued with coverage of key Mother's Union, Family Support Work and Children's Society events and new partnerships were explored, including working with the RSPCA.

Three diocesan stories were shared by the National team including The Chapel on the Beach. Other national events such as Great Big Green Week and The Queen's Green Canopy were supported by reporting on the engagement and activities in church communities.

Two issues of Faith in Sussex were planned and published (Summer and Winter). All our communications channels were regularly populated with a mix of diocesan and external campaigns,

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

mostly planned throughout the year.

The fortnightly e-news, social media channels and website continue to connect the whole of the diocese. Regular communications to a range of stakeholders took place throughout the year on various topics, from Ad clerums to specific targeted Diocesan communications for events and activities, governance and compliance, etc.

Education

A key aspect of our work focussed on Growing Partnerships as detailed earlier. Training opportunities and briefings were provided for Headteachers, Foundation Governors and clergy. This remains an area where close partnership work with the Apostolic Life Team is proving valuable.

Since 2021 we have been holding termly briefings online with Heads and Governors. This serves to keep our schools informed and to keep growing the threads of a Diocesan School Family. Three sessions were offered in 2022 and in total 415 school leaders attended including Headteachers, Chairs of Governors and clergy. These briefings gave an opportunity for the Education Team to give information about the future focus of the department as well as sharing the wider context of education issues.

Our Governor Training programme proved very popular with 353 places being booked on a total of 18 training sessions. The areas covered included SIAMS, Safeguarding and Foundation Governor induction.

Safeguarding

As in previous years, the Safeguarding Team provided support to parishes on a daily basis, with advice offered both by email and telephone on safeguarding practice, implementation of policy, and risk management as well as casework, in addition to the advice which is maintained on the safeguarding website. Training was provided to over 400 people during the year, in addition to the online safeguarding training which continues to be accessed by well over 1,000 people across the Diocese every year. In addition, the team continued to manage the DBS process for clergy, ordinands and readers in training, parish safeguarding officers and lead recruiters and others, and to support new lead recruiters to register to apply for DBS checks.

Property

The Property Department continues to support parishes and clergy by providing advice on the management and development of property. The department also provides guidance to parishes regarding the Charities Act and the process to obtain diocesan consent for property sales.

Church Buildings and DAC

The Diocesan Advisory Committee for the Care of Churches has continued to fulfil its statutory role in the faculty jurisdiction system, providing advice and guidance to the Chancellor, Archdeacons and parishes on issues relating to the care of church buildings.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

The DAC issued written advice in relation to 131 applications (94 requests for formal advice and 37 requests for informal advice). The Church Buildings team and DAC also assisted the Archdeacons in processing 196 permissions for minor works under the List B process. 23 DAC site visits were carried out.

The Fundraising Adviser provided tailored fundraising and project management advice to 84 parishes by email, phone, and in person. The figures break down by archdeaconry as Chichester – 34, Hastings – 24, Brighton and Lewes – 17, and Horsham – 9. She visited 24 churches, independently of the DAC's scheduled site visits. As in 2021, grant-funding opportunities and remits continued to change rapidly and frequently and keeping on top of this comprised a significant part of her work. It also increasingly includes advice on major project planning and heating needs.

Parish Support on financial matters

The Department for Apostolic Life provides ongoing support to parishes through its training seminars and manuals, and by providing ad hoc advice throughout the year. Topics covered included the role of the PCC treasurer, contactless/digital giving, good governance, will-writing and legacies, and annual report writing. All seminars were conducted on Zoom and at different times of day, which gave parish officers from across the diocese the chance to attend and participate.

The department continued to share manuals and accounting templates on the diocesan website, updating webpages as needed and to improve clarity. We responded to questions from incumbents, treasurers, PCC secretaries and churchwardens on a daily basis.

A particular emphasis in 2022 was the development of contactless and digital technology to facilitate individual donations via bank card. We acknowledge with thanks a grant from the Archbishops' Council to support contactless giving pilots.

The Parish Giving Scheme continued to improve its offering and the methods of engagement. By the end of the year 225 parishes had joined the scheme, with over 64,000 donations processed over the year for the Diocese, to a value of £5.6 million including Gift Aid. Innovations for givers included the ability to register online to begin giving and to amend existing giving. The information booklets that Apostolic Life make available to parishes were updated and added to the Diocesan webpages, as well as being sent out in hard copy to parishes as needed.

Generous Giving

We have sought to support churches as they aim to create the right conditions for generosity – through appropriate mechanisms, explaining the impact of and need for generosity and to help build trust between the church members and their leadership. With the right conditions in place, the focus then moves to creating a church culture where generosity is seen as “what we do as church”.

To facilitate this, we have provided training on inspirational preaching and teaching, equipping leaders for discipling church members, looking to embed generosity into a church's DNA and creating suitable actions and activities to facilitate a generous response. It has been important to set or re-set expectations that generosity is not a one-off event - a stewardship Sunday or a tick in

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

the box on a Mission Action Plan - but rather an ongoing journey of generous giving which is part of the fabric of church life.

In order to promote this, we continue to have individual meetings with church incumbents and leadership teams, seeking assistance from the appropriate Rural Dean, and members of the senior staff. We have also continued presenting to PCCs, clergy deanery chapters and deanery synods. The opportunity to preach on giving has also been taken when invited to do so by the individual incumbent and proves to be a significant factor in the raising of awareness of generosity.

Significant use has been made of resources available online, including those created by the Church of England National Giving Team, Giving in Grace, and Ecclesiastical Insurance.

In 2021 and into 2022, the diocese established a formal agreement with easyfundraising – a mechanism to “capture” donations made by participating companies when people shop for goods and services on-line. The take up by individual churches has been encouraging as there is no cost to the individual purchaser – the donation coming out of the marketing funds of the supplier. As part of this programme, a range of supporting resources, including video testimonials of successful churches have been created. We expect these to significantly increase the take-up of the programme and the individual revenue thus created.

Finance

The Diocese acts as custodian trustee for many trust funds; the Finance Department administers investments on behalf of almost 500 parish and chancel trusts and 65 school trusts.

Governance

The Governance team continued to advise parishes on matters of governance, record-keeping, GDPR and the like and as in 2021 there was a particular focus on the impact of the pandemic, the holding of meetings and alternative methods of decision-making.

16 Autumn Deanery meetings were held in 2022. This year these were mainly joint meetings between either 2 or 3 deaneries and mainly in person. Two further Zoom meetings and two further in-person meetings were offered to anyone across the diocese who had been unable to attend but wished to ask questions. These meetings once again offered a chance to reflect on and celebrate the work of all those in our deaneries and parishes, and to share and discuss key financial information. Three diocesan synods were held in person with hybrid options for those who could attend in person in February, May and November.

Supporting schools

All our schools have benefitted from the support of a named Diocesan Effectiveness Officer with the experience to support school improvement and effectiveness.

The programme of Continuing Professional Development offered by the department is designed to support school leaders, governors and clergy through a wide variety of topics that are relevant to school life. Courses offered around the SIAMS schedule proved popular with governors and

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

headteachers alike, with additional bespoke sessions being arranged for groups of schools.

The numbers engaging across our range of training opportunities have grown considerably over the past twelve months with 1,146 training places taken in the academic year. The training programme offered for our Headteachers, school leaders and teachers saw 378 places booked on 20 different courses. In addition, 80 school leaders registered for our Headteachers' Conference on the theme of Growing Partnerships.

Academisation remains an important part of the strategy of the department. A successful Academies Roadshow in November was very well attended and we are confident this has supported our School Leaders in developing their thinking. The amount of ongoing dialogue with our Trusts is very encouraging. Our Academy Trusts are growing and it is important that we ensure that their growth is sustainable as we seek to support as wide a range of schools as possible. We now have four diocesan Multi-Academy Trusts in operation: the Bishop Luffa Learning Partnership, the Bishop Otter Academy Trust, the Diocese of Chichester Academy Trust and Hurst Education Trust. The Diocesan Board of Education have developed a new body with the CEOs of our MATS. This is known as the Strategic Partnership of Diocesan MATs and has been created to develop a coherent approach that will begin to amount to a Diocese of Chichester offer, to support the challenging decisions that our schools will need to make in the coming years.

By the end of 2022, 91% of our schools were judged to be graded good or above by Ofsted. This compares with the national average of 88%.

Facilitating of capital expenditure on schools

The Education Department continued to support the remaining 47 Voluntary Aided schools via capital funding from the government, under the scheme known as the School Condition Allocation, launched in 2020, which gives the diocese greater independence and greater flexibility to use the resource effectively, coupled with greater accountability. Projects at 26 schools were funded in 2021-22.

Safeguarding casework

Safeguarding casework remained busy in 2022 but at a lower level of intensity than in previous years. Chichester's Second Past Cases Review (PCR2) was completed in 2022 and accepted by the national PCR2 Project Board. The report commended the quality of safeguarding casework across the Diocese, although making various recommendations including that the Diocese continues to monitor the resourcing of the Safeguarding Team to ensure that good quality casework remains achievable. The Diocese has already responded to this recommendation by providing increased staffing levels for the Team.

The environment

The Environment Group chaired by the Archdeacon of Brighton and Lewes continued work towards a climate plan of action in response to the Church of England's target of Net Zero Carbon by 2030, presenting a route map to Diocesan Synod in May and engaging with the resources made available by the Church of England.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

57% of churches submitted data to the national Energy Footprint in 2021 (the latest year for which data is available), an increase of 11%, with the estimated net carbon footprint reducing from 4,600 tonnes of CO₂ in 2020 to 4,100. The number of churches joining Eco Church has also continued to grow.

Two pilot projects looking at increasing the energy efficiency of different types of parsonage house were initiated, and Heat Decarbonisation Plans have been produced for 74% of our Voluntary Aided Church Schools. One Voluntary Aided school, which had a completed Heat Decarbonisation Plan, successfully applied for £670,000 of public funding from the Department for Energy Security and Net Zero. The DBF is contributing £92,000 match funding along with some contingency funds from the School Condition Allocation capital funding. The project will replace two old oil boilers with a ground source heat pump, distribution pipework, radiators, windows, roofing, draught proofing and insulation. The bid was undertaken by the school with support from the diocese, the diocesan HDP and the diocesan consultants.

Supporting the wider church and specific ministries

Support for parish projects within diocese

The Diocesan Mission Fund deployed part of the grant from the Benefact Trust as well as an amount from the Pastoral Fund to support outreach mission initiatives within the Diocese. It supports both new work and developments of current activities that need further financial assistance. In the last year the Mission Fund has awarded £90,000 towards projects including an Interparish Children and Families Mission Initiator & Youth Worker, a children's worker and Rick's Bench, an innovative listening project tackling loneliness and mental health issues. All projects are linked closely to the Diocesan Strategy.

Grants are made to other connected charities, notably Chichester Diocesan Association for Family Support Work to support their work with disadvantaged families. An analysis of grants made by the CDBF to support the furtherance of its objects can be found in note 11 to the financial statements.

Support for the wider church nationally

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of various national boards and councils including General Synod, and also to cover a proportion of the cost of national training for ministry and the provision of housing for retired clergy (see note 9 to the financial statements).

Support for the wider church internationally

The DOC has continued to focus principally on supporting Christians training for ministry. Three students from Kericho, Baringo and Maralal Dioceses in the Church of Kenya are studying at Carlile College, Nairobi, either full-time or part-time, for two or three years. In addition, Adam Tomalin, who is originally from Hailsham, and his wife Nomfundo work for Crosslinks and are studying at George Whitfield College, Muizenburg, South Africa. Adam introduces himself in a YouTube clip on the 'Overseas Mission and Companion Links' page of the Diocesan website.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

The Lambeth Conference finally took place in early August – a huge logistical exercise masterminded by the team at Lambeth. Unfortunately, it was not possible to hold the customary week in the Diocese and Parishes beforehand. However, Bishop Martin was able to invite nine of our eleven link bishops and their spouses - all apart from The Gambia and Kericho, Kenya - to Chichester on 2nd August. Supporters and members of the DOC joined them for tea and a short tour of the Palace, followed a service in the Cathedral at which Bishop Martin presented our visitors with chasubles. The bishops' wives were also presented with gifts and met with MU representatives. At the supper afterwards, arrangements were made to provide the bishops with mitres.

Regarding the difficult discussions within the Anglican Communion, our link dioceses - the Church of the Province of West Africa and the Anglican Church of Kenya - are not members of the Global South Fellowship of Anglican Churches (GSFA). At the end of 2022 the DOC discussed the repercussions for the Diocesan Mothers Union and their relationship with South Sudan becoming more complicated.

The pandemic meant that the Feuerstein Conference (held in Bayreuth, Germany) was postponed until May 2022. The theme of the conference was focussed on mission and Chichester sent a small cohort of two curates and one first incumbent.

The Diocesan European Ecumenical Committee (DEEC) was disbanded in 2022 due to its limited scope and ineffective structure.

Support for particular ministries

The CDBF continued to provide the Gatwick Airport Chaplain, who continued to offer a Christian presence and ministry to individuals and airport companies in Gatwick. In 2023, this will be taken over by the Diocese of Southwark.

Diocesan clergy also continued to support the South East Coast Ambulance chaplaincy.

The Rural Officer for East Sussex has continued to offer support, encouragement, care and advice to the many rural churches and communities we have in East Sussex. Highlights in 2022 included Rural Resource Events for laity and clergy, such as 'Using Your Churchyard For Mission' and 'How Village Churches Thrive'. Events such as these, as well as addressing Deanery Synods and Chapters, have enabled the Rural Officer to share good practice and to create greater confidence in our shared mission and ministry, while the emerging Chaplaincy at Plumpton Agricultural College and his appointment to the Board for the South of England Show have enabled the Rural Officer to be a 'conduit' between the Church and other rural stakeholders.

The Bishop's LGBTI Liaison Officer, a pioneering role created in 2017 to ensure that those who identify as LGBTI (both within and outside the Church) are affirmed and welcomed rather than simply tolerated, has continued to seek to build bridges of trust and relationships across divisions, to raise awareness, to provide for one to one and shared conversations with clergy and others, and to bring experience to bear on scripture, reason and tradition.

Coming to a place of "good disagreement" is not always easy. The current debate about same sex marriage is perhaps one of the most difficult issues the Church of England is facing in the 21st

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

century. This year concludes six years of theological reflection through the 'Living in Love and Faith' project which was debated in depth at General Synod in February 2023. Throughout 2022 the Liaison Officer was involved in offering confidential support of those who are LGBTI and feel hurt by the Church, together with providing a sounding board for clergy across the theological spectrum dealing with these sensitive issues.

One of the most fruitful experiences has been meeting with those who disagree and yet seeking some common ground in our God-given humanity, recognising with dignity, the Christ in the other, and then parting on good terms, having formed a degree of trust that will continue to undergird relationships together into the future.

Racial Justice work developed during 2022. There was a special service at Uckfield Church on the 13th February, Racial Justice Sunday. This service was the first of its kind within the diocese. Following the service, work took place towards forming a Racial Justice Committee for the diocese and two Diocesan Racial Justice Officers were appointed by Bishop Martin at the Black History Month Service at Chichester Cathedral on the 8th October. They have been raising awareness about racism and its effects at schools and churches within the diocese. By the end of 2022, a Racial Justice Strategy and a Racial Justice Committee which works towards implementing the strategy were in place.

Running an effective organisation

19 governing committee meetings were held, including the Bishop's Council, the Operating Committee, Assets Committee, Audit Committee, Education Finance Committee and Remuneration Committee. Elections to the Diocesan Board of Education were completed, following the reconstitution of the Board in accordance with the Diocesan Boards of Education Measure 2021.

The Diocese makes great efforts to be a good steward of its assets, and to manage its investments effectively, balancing the need to maximise the long term return from our assets with the need to generate income to reduce the pressure on parishes. Great care continues to be taken with this management, with an ever increasing focus on ethical and environmental consideration.

With regard to glebe land, planning applications in the Horsham and North Chichester area have been affected by water neutrality issues. At Wisborough Green, Pulborough West, and Rotherfield Glebes, planning refusals were issued although it seems likely that the developers will submit fresh applications. Plumpton Glebe received a positive planning decision in 2022 and we are in the process of determining the price notice.

The Property Department continues to focus on letting empty houses where it can. In 2022 rental income of c. £710k was generated from vacant parsonage houses and c. £390k from glebe houses and land.

In May 2021, in response to the ongoing Covid-19 pandemic and to reflect the success of working from home, the DBF introduced a remote working policy which is now embedded into the organisation. This hybrid model enables staff to work between the office and from home whilst meeting the needs of the organisation. Our IT systems have facilitated effective business continuity throughout the pandemic and the new softphone telephone system (3CX) rolled out in 2021 has bedded in and both improved our flexibility and saved costs. We continue to work with our IT

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

partner, Trident, to monitor and support our IT systems and are working towards becoming serverless in 2023-4 with data stored securely on the cloud.

FUTURE PLANS

The strategic aims established by Diocesan Synod in 2019 detailed on page 4 will continue to direct the activities of the CDBF. The Diocese will be working with the Church of England's Vision and Strategy team to further develop strategic plans and seek Strategic Mission and Ministry Investment.

Resourcing a Christian Presence

Pressures on finance and mission will continue to be addressed by the diocesan wide deanery planning exercise to consult on, and made decisions about, the mission and ministry needs of the diocese, the resources that can be found to fund them, and the best way to deploy ministers in light of those needs and resources while closing the funding gap. This was rolled out to all deaneries in 2021 and encouraging responses received, with follow ups during 2022. A diocesan wide view will be developed during 2023.

The diocese's major commitment continues to be the maintenance of a Christian presence across the parishes of Sussex. We will continue to encourage more vocations to the ordained ministry through events, mentoring, visibility of role models, and increasing team capacity, and we also plan to train and develop lay members of the Church, including expansion of the number of Authorised Lay Ministry electives, in response to needs identified in deanery and parish MAPs.

In response to the ongoing pressures placed on clergy following the Covid-19 pandemic, clergy welfare will remain a priority. Another Clergy Wellbeing Day (to which all clergy in the diocese will be invited) is being planned, pursuing the direction set out by the General Synod in their 2022 Covenant for Clergy Wellbeing. Further workshops are being developed in collaboration between the Head of Wellbeing for Clergy and Families and the Continuing Ministerial Development officer, which will incorporate both theological and psychological perspectives. Further models of reflective practice for clergy are being proactively considered with a view to long-term development and financial sustainability.

Building on the strategic aims, we will be having three further themed years with events and opportunities for laity and clergy to deepen their knowledge and understanding of the faith and their Christian discipleship. Advent 2022 to the beginning of Advent 2023 is the Year of the Old Testament.

Generous Giving

In 2023 we aim to continue with our support and guidance for parishes wishing to take on new contactless giving methods, including a "try before you buy" project and customisable postcards including QR codes to online giving mechanisms. Supporting treasurers has never been more important, with pressure on volunteers including bank charges and branch closures; we will again offer detailed treasurer training seminars and continue to offer day to day help as needed.

A key focus for 2023 will be to enable churches to make more of the easy fundraising facility – to encourage those yet to sign up to do so, and for those already registered to increase the

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

contributions received. To do this, a proactive campaign is in progress, encouraging churches to look wider than the participation of core church membership, extending this to include friends and family of the membership and also local businesses, who, although they may not be attending church personally, value its presence within the local community.

Education

The Education team plan to produce an initiative similar to Growing Partnerships to support clergy working with non-Church schools. Year 6 Leavers Services will also be developed further, with an increase in the number of services to 14 in order to meet demand.

A further key focus will be developing and implementing a strategy to achieve Carbon Net Zero in the diocese, and in particular assisting schools to meet the target, and ensuring that our parishes and schools are safe and welcoming places remains a priority. A temporary additional post, funded by a grant from the Archbishops' Council, will help to deliver this.

Safeguarding

The Diocese of Chichester is now a Pathfinder Diocese for the national implementation of Recommendations 1 & 8 from the Independent Inquiry into Child Sexual Abuse (IICSA). Recommendation 1 relates to the increased autonomy of Diocesan Safeguarding Advisers (to be re-named Officers to reflect their ability to act on their own authority in certain key casework tasks). Recommendation 8 relates to the ongoing auditing and quality assurance of safeguarding work in Dioceses and Cathedrals.

This is an ongoing project that will exist until 2024 when Recommendations 1 and 8 will be implemented across every Diocese. Being a Pathfinder Diocese places Chichester at the forefront of one of the most significant change projects across the CofE regarding safeguarding. In addition to its status as a Pathfinder, the Chichester Diocesan Safeguarding Adviser is the Lead User amongst DSAs for the national project.

Our central structures are designed to support the vision and the priorities of the diocese and, as such, are kept under review to ensure that they are fit for that purpose.

FINANCIAL REVIEW

Financial Performance

The main incoming resource for the Diocese is Parish Share, the money given by the parishes to the Diocese to fund its mission and ministry and in particular the costs of clergy stipends, pensions and housing. This provides 69.3% of the CDBF's income (2021: 72.9%).

The current year's Parish Share receipts represent 98.8% (2021: 98.5%) of the total pledges made for 2022. When the receipts for prior years are included the collection rate increases to 99.2% (2021: 98.8%). The Trustees are grateful to all parishes who pledged so generously and continued to meet those pledges despite the cost of living crisis, especially to those parishes that make their contribution payments by monthly instalments which enables the Diocese to manage cash flow efficiently.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

The total income for the year was £19.7m (2021: £17.9m). The changes to income in 2022 are due to the following factors:

- Parish share pledges over £0.5m more than 2021, and with a higher rate of payment, although the impact of the pandemic continued to mean that parishes had not been able to pledge as much as they had for 2020 prior to the start of the crisis.
- During the year the Diocese received grants of £791k from the Strategic Development Fund and one off grants from the Archbishops' Council of £106k for Clergy Hardship and £357k for Energy Costs for parishes in recognition of the substantial increase in energy prices as a result of the war in Ukraine.

The total expenditure for the year was £19.1m (2021: £17.9m). Significant changes included:

- An increase in housing costs of £1.2m reflecting catch-up costs following the recommencement of quinquennial inspection remedial work.
- An increase of £253k in Strategic Development project costs which was more than offset by increased Strategic Development grant income.
- An increase of £102k in supporting church schools.

Overall, net income of £608k was posted before investment gains. Realised losses of £463k were booked on investments and unrealised losses of £4.1m were reported on the investment portfolio and gains of £11.0m on the property portfolio. As a result, funds increased by £7.1m to £320.8m.

A deficit budget has again been set for 2023. Parish Share is budgeted to build on the increases reported in 2022 with the aim of not impacting the ability to provide ministry where needed across the Diocese.

Significant Property Transactions

Six properties (one parsonage and five glebe houses) were sold during the year for a total of £3.8m. Four glebe properties were purchased during the year for £2.4m.

The CDBF will consider the disposal of property for the following reasons:

- to replace unsuitable parsonages;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

Balance sheet

The Trustees consider that the balance sheet together with note 20, show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While net assets at balance sheet date totalled £320.8m (2021: £313.7m), it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £247.9m (2021: £245.6m). Much of the remainder of the assets shown in the balance sheet is held in restricted funds and cannot be used for the general purposes of the CDBF.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

Reserves policy

Free reserves

The CDBF has substantial ongoing responsibilities including the remuneration of some 260 stipendiary clergy, the upkeep of about 430 houses and the employment of about 50 full time equivalent staff. Having considered financial risk, liquidity requirements and the timing of cash flows throughout the year, and in particular the fact that c.70% of diocesan income comes from contributions from parishes who have their own cash flow challenges, the Trustees' policy is to hold a balance of readily realisable assets in the general fund equivalent to a minimum of 3 months' budgeted expenditure. At 31 December 2022 the amount required under this policy totalled £4.8m (2020: £3.0m). Actual free reserves at that date totalled £5.9m (2021: £5.9m).

Although the reserves at year end are above the target, it is expected this will reduce over the coming year. The trustees are acutely aware that there are numerous pressures on diocesan finances. The trustees have budgeted for a deficit in 2023, and Parish Share pledges for 2023 have come in below the budgeted level. With the increased costs of living for parishioners along with increased energy costs for PCCs and the concerns of some parishes relating to the Church of England's discussions on human sexuality, there may be further reductions in Parish Share contributions in year, and the prospects of significant increases in Parish Share in future years is low. In addition, the high levels of inflation mean that diocesan costs will likely be higher than budget. Therefore maintaining healthy cash balances remains important for our financial resilience and the trustees are of the opinion that the current surplus of the level of free reserves above the desired minimum is prudent.

Designated funds

The Trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed periodically and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with its intended use is set out in notes 19, 20 and 23. At 31 December 2022 total designated reserves were £7.6m (2021: £7.3m), the majority of which is tied up in fixed assets.

Restricted and endowment funds

As set out in note 19, 20 and 23 the CDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2022 restricted funds totalled £20.3m (2021: £22.0m) and endowment funds totalled £287.0m (2021: £278.5m). Neither are available for the general purposes of the CDBF.

Grant making policy

The Memorandum of Association of the CDBF explicitly permits the CDBF to make grants in pursuance of its objects. The nature of grants made in 2022 is indicated in note 11. Grants were made to parishes to support mission projects, to Ordinands to support them in training and to Clergy to assist with new appointments and relocation and with welfare needs.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

Investment policy

The CDBF is empowered by its memorandum of association to invest monies not immediately required for its purposes. Responsibility for the management of diocesan assets is delegated (through the Finance Committee) to the Assets Committee which oversees investment policy, monitors performance and reviews strategy with its advisers.

The CDBF is subject to the Charities Acts, the Trustee Investment Act 2000 and Measures passed by the General Synod of the Church of England.

There are no restrictions on the CDBF's power to invest subject only to the Acts and Measures set out above plus Charity Commission guidance CC14 and the ethical policy referred to below. Specific Trustee permission is required for investments in Private Equity, Hedge Funds, Commodities or Derivatives.

The CDBF endorses the Church of England Ethical Investment Policy and requires its investment managers to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography, tobacco, thermal coal or tar sands. The ethical policy was amended to exclude fossil fuel companies not in line with the Paris Agreement. The CDBF's investment objectives are to maintain and enhance the real value of the Fund over the long term, whilst producing an annual income which grows at least in line with inflation and having due regard for the possible need for liquidity.

The risk profile is medium high with a commensurate level of volatility in capital value being acceptable. The permitted asset classes are detailed within the DBF's investment policy as recommended by the Assets Committee. The base currency of the portfolio is sterling. The minimum acceptable credit rating for bond issuing or deposit taking institutions is BB.

The portfolio is split among a number of investment managers who each have a different brief in order to achieve diversification and spread risk. Each manager operates on a discretionary basis with a normal weighting in favour of equities. Managers may be appointed to perform principally to an Income target (while maintaining capital value) or a Total Return basis. It is expected that funds will be fully invested. Benchmarks are agreed with each Investment Manager.

In addition, the CDBF acts as trustee of a number of trust funds, which are invested in accordance with the related trusts.

Note 20 provides details of the assets of each fund, note 15 summarises the movements in investments during the year and note 23 indicates the purposes of each fund.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

The listed investments held at year end and their return during the year are set out in the following table:

	Funds at 31 December 2022 £'000s	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	1,918	4.60%	2.40%	(19.17%)
M&G Managed				
Charifund	14,106	33.87%	5.09%	(0.49%)
Charibond	22	0.01%	2.05%	2.05%
Charles Stanley Managed	9,819	23.55%	3.73%	(4.8%)
J M Finn Managed	7,424	17.80%	2.98%	(14.02%)
Cazenove	8,408	20.16%	1.79%	(8.1%)
	<u>41,697</u>	<u>100.0%</u>	<u>3.55%</u>	<u>(9.46%)</u>

Fundraising

Chichester DBF is aware of the Charities (Protection and Social Investment) Act 2016, the Fundraising Code of Practice and the Charity Commission's guidance on fundraising. The trustees fully support the aims of the legislation and guidance. The majority of the DBF's income comes from other charitable bodies and it undertakes very little direct fundraising activity involving individual donors. The DBF considers the origin of unsolicited donations and legacies when received. The DBF did not share or purchase any donor data with third parties and did not engage any professional fundraisers during the year. The DBF did not receive any complaints in relation to fundraising in 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy. This is subject to review by the Trustees on an annual basis, and by the Audit Committee at each meeting, with responsibility for delivery of the mitigation strategies delegated to the Diocesan Secretary. The register is reviewed at least three times a year and is regularly updated.

The principal areas where the risk of either failure to act or the impact of the events is considered 'high' and the associated mitigation strategies are:

Significant loss of income or increase in expenditure, such as through the impact of the cost of living crisis or responses to the Church of England's discussions on human sexuality:

- Improved forward planning;
- Close monitoring of income, expenditure, investments and cash flow;
- Close communication with parishes to maintain parish share payments;
- Maintenance of reserves;
- Exploration of alternative funding avenues.

Falling clergy and congregation numbers:

- Great care taken to make good appointments;
- A larger team is in place to foster more vocations;

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

- Increased training and support for clergy and parishes on discipleship courses, use of technology, evangelism, mission and outreach;
- Developing deanery deployment plans;
- Re-imagining ministry is a core part of the diocesan strategy with a strong focus on equipping and building confidence to energise lay ministry and development of self-supporting ministry;
- The diocese is engaged in Strategic Development Projects with financial support from the national church and other missional investment to promote growth in strength and depth both in particular places and across the diocese.

Safeguarding, where there is an occurrence of child, vulnerable adult or domestic abuse by someone working for or on behalf of the Church:

- The CDBF employs a safeguarding adviser, a deputy and two assistants, supported by two administrators and an independent sexual violence adviser;
- The diocese has a strong independent safeguarding advisory panel to review and challenge its actions, and excellent relationships with statutory agencies, who are all represented on the panel;
- Policies are aligned with those of the national church;
- All parishes are required to undertake a full audit of their practices and take action as appropriate based on the findings;
- Training is compulsory for all relevant staff, office holders and volunteers;
- The CDBF has engaged a communications consultant in addition to its communications officer to handle matters which come into the public arena, including matters relating to non-recent abuse.

Trustees and Diocesan Officers continue to assess the risks and uncertainties brought about by continuing impact of the Covid-19 pandemic, the cost of living crisis, and discussions on human sexuality among other matters. Cashflow is continuously monitored, along with the impact of this and other crises on income levels. A number of scenarios have been modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing, should it be required.

STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England

The Church of England is by law established and HM The King is its Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a See under the care of a Bishop who is charged with the cure of souls of all the people within its geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The National Church has a General Synod comprised of ex-officio and elected representatives from each diocese and it agrees and lays before Parliament Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod. The Church Commissioners manage the historic assets of the Church of England and the Church of England Pensions Board administers the pension schemes for clergy, employees and lay workers. Within each diocese, the Diocesan Bishop exercises leadership supported by a Diocesan Synod and a senior staff of suffragan bishops and archdeacons. The Diocese of Chichester is divided into twenty-

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

one deaneries, each with its own Synod and within each parish there is a parochial church council which shares responsibility with the parish priest for the mission of the church in that place, in a similar way to the Bishop with the Diocesan Synod.

Whilst each diocese is a separate entity with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables mutual support between dioceses.

Organisational structure

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a company limited by guarantee (No. 00133558) and a registered charity (No. 243134) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Chichester. It was established in its present form in 1914. Every eligible member of Diocesan Synod is a member of the company for company law purposes and has a personal liability limited to £1 under their guarantee as a member in the event of the company being wound up.

Governance and policy of the CDBF are the responsibility of the Trustees acting as the Finance Committee, who are also directors of the company and trustees for the purposes of charity law. The Bishop of Chichester is the ex-officio president of the Diocesan Board of Finance, and appoints a chair and deputy chair of the Finance Committee after consulting with the chairs of the House of Clergy and House of Laity of Diocesan Synod.

The members of the Finance Committee are the members of the Bishop's Council and Standing Committee of the Diocesan Synod from time to time. The Bishop of Chichester, the chair and deputy chair of the Finance Committee, the two suffragan bishops and the four archdeacons, the Dean of Chichester, the chairs of the Diocesan Synod House of Clergy and House of Laity, and the Deans of Women's Ministry are ex-officio members, together with one member of the House of Clergy and two members of the House of Laity from each archdeaconry elected from and by the members of Diocesan Synod every three years and up to five additional members of Diocesan Synod co-opted by the Bishop after consulting with the chairs of the House of Clergy and House of Laity of Diocesan Synod. The details of Trustees who served during the year, the majority of whom were elected in 2021 to serve from 1 January 2022, are set out on page 33.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Council and Bishop's Senior Staff Team. The Synod membership is elected every three years; the majority of the members were elected in 2021 to serve from August 2021. The Synod elects twelve of the Trustees of the Diocesan Board of Finance. Whilst the CDBF is a separate legal entity, with clear responsibilities under both company and charity law as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 the CDBF is subject to the direction of Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England School properties, held as The Diocese of Chichester Consolidated Educational Endowments,

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

are accounted for in the restricted Aided Church Schools fund and are managed by the CDBF in consultation with the Diocesan Board of Education.

The CDBF is designated as *Diocesan Parsonages Board*, with responsibility for making decisions concerning the management of all clergy houses.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Chichester, are set by the Diocesan Synod and CDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary who is supported by a number of heads of department and their staff. The company meets once a year in general meeting to receive the annual report and financial statements and to appoint auditors. The company meets a second time each year to receive and agree the annual budget, prepared and approved by the Trustees.

The Trustees, meeting within the context of the Bishop's Council and Standing Committee of the Diocesan Synod, hold at least four meetings during the year to formulate and monitor the implementation of policies on mission, ministry and finance by:-

- Initiating proposals for action by the Synod and advising it on matters of policy
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with its Standing Orders
- Acting as the Trustees of the CDBF, including reviewing overall activities, assessing performance, and deciding investment and other policies
- Planning the business of the Synod, preparing agendas for its sessions, and circulating to members information about matters for discussion
- Advising the Bishop on any matters he may refer to the committee
- Initiating consideration of any restructuring of Synod Committees and Departments which may be necessary and the establishment of ad hoc review groups, their terms of reference and membership
- Carrying out such other functions as the Synod delegates to it
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

The Trustees met five times during the year.

Trustee	Meetings Attended (*Trustee for part of year)
The Rt Revd Dr Martin Warner	5
The Rt Revd Will Hazlewood	5
The Rt Revd Ruth Bushyager	3
The Very Revd Stephen Waine	1
The Ven Angela Martin	4
The Ven Martin Lloyd Williams	5
The Ven Luke Irvine-Capel	4
The Ven Dr Edward Dowler	5
Mrs Lesley Lynn	5
Mr Guy Leonard	0*
Mr Duncan Irvine	3
Revd Canon Lisa Barnett	3
Revd Canon Mark Gilbert	5
Mr John Booth	2
Revd Canon Ann Waizeneker	0*
Revd Philip Coekin	4
Mrs Milly Murphy	5
Mr Michael Julian Thomas	5
Mr Bradley Smith	2
Miss Alison Marchant	4
Mrs Valerie Burgess	5
Mrs Sara Stonor	4
Revd Andrew Woodward	5*
Reverend Helen Garratt	4*
Mrs Sharon Phillips	4*
Miss Margaret Lumley	2*
Revd Thomas Holbird	5

The Trustees are assisted in their work by four principal sub-committees:-

Operating Committee: monitors management accounts and the budget, the collection of Parish Share pledged by parishes, and the acquisition, use and disposal of parsonages and other assets, and exercises the authority delegated to it by the Trustees in areas such as approval of capital expenditure, grants and loans. It also undertakes the CDBF's responsibilities as Diocesan Authority with respect to parochial property under the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964.

Audit Committee: supports the Finance Committee in its responsibilities regarding issues of risk, control and governance and associated assurance.

Assets Committee: oversees investment policy, monitors performance and reviews strategy with its advisors. It also undertakes the CDBF's responsibilities under the Church Property Measure 2018 (with regard to glebe assets).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

Parsonages and Houses Committees: two sub-committees, one for the east of the Diocese and one for the west, undertake the CDBF's responsibilities under the Church Property Measure 2018 (with regard to parsonages) and the Repair of Benefice Building Measure 1972.

In 2019 an assessment of the CDBF's compliance with the Governance Code was undertaken. A good level of compliance was identified together with some areas for improvement.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council and Standing Committee of the Diocesan Synod and are selected as set out above. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest and loyalty.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration committee consisting of the Chair and Deputy chair of the Finance Committee, the Chair of the House of Clergy, the Chair of the House of Laity, and a suffragan bishop or archdeacon nominated by the Bishop of Chichester. The terms of reference for this group are established by the Bishop's Council and include recommending policy on remuneration to the Finance Committee and determining the remuneration for employees of the CDBF. In 2015, a full independent benchmarking exercise was carried out, taking into account comparable jobs in the local area, in the sector nationally, and in another Diocese. Further independent benchmarking of specific posts is undertaken whenever a post is filled, responsibilities substantially amended, or a review is requested.

Delegation of day to day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and her colleagues for the delivery of the day to day activities of the company. The Diocesan Secretary is given specific and general delegated authority to execute the business of the CDBF in accordance with the policies framed by the Trustees.

Funds held as Diocesan Authority

The CDBF is Diocesan Authority (akin to custodian trustee) in respect of assets held on permanent trust 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. These assets are not aggregated in the financial statements as the CDBF does not control them, and they are segregated from the CDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £20.3m at 31 December 2022 (2021: £24.10m), are available from the CDBF on request, and are summarised in note 31. Where properties are held as Diocesan Authority, the deeds are identified as such and held in safe custody by the CDBF's solicitor, Winckworth Sherwood.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

Funds held on behalf of schools

The Board of Education (as incorporated within the CDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in current assets and current liabilities as at 31 December 2022 is £1,981k (2021: £1,915k).

Connected Bodies and Related Parties

- The Church Commissioners, which acts on behalf of clergy with HM Revenue and Customs and through which the CDBF pays for clergy stipends.
- The Church of England Pensions Board, to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- Chichester Diocesan Association for Family Support Work with whom the CDBF works and to whom grants are made. The Chair of the Finance Committee is a trustee of Family Support Work.
- Mother Agnes Trust, four of whose six trustees are members of, or secretary to, the Finance Committee.
- Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of transactions merits more detailed disclosure, this is given in note 30 to the financial statements.
- The only related corporate parties with whom the DBF has transacted are the Multi Academy Trusts which manage 22 Church of England Schools in the Diocese as well as one Stand Alone Academy. These trusts are as follows:
 - The Diocese of Chichester Academy Trust (DCAT)
 - Bishop Otter Academy Trust (BOAT)
 - Hurst Education Trust (HE)
 - Bishop Luffa Learning Partnership (BLLP)
 - South Downs Education Trust (SDET)
 - Bohunt Education Trust (BET)
 - St Lawrence CE Primary School, Hurstpierpoint
 - Tenax Education Trust

All of these are accountable to the DBE and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust (DoCET) via its Members for their operation. The Director of Education, one of the DBF's key management personnel, is a Trustee of DCAT, HET, BOAT and Tenax and the Archdeacon of Chichester is the Chair of DCAT. During the year the DBF performed due diligence on schools intending to convert or join the any of these trusts. DoCET is also a related party, which shares trustees with the DBF, but no transactions have taken place.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

Volunteers

The CDBF is dependent on a huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship with the church particularly at times of crisis. The CDBF greatly values the considerable time given by all its committee members and other volunteers across the Diocese in pursuit of its mission.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the CDBF and of the surplus or deficit of the CDBF for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CDBF 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 CDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the CDBF's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITOR

So far as the Trustees are aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

- b) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

APPOINTMENT OF AUDITOR

The appointment of auditors to the CDBF is proposed to be subject to a tendering exercise for the coming year, and it will be proposed at the Annual General Meeting that the appointment be made by the Directors after the tenders.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2022. The following Trustees served during the reporting year or were in post at the date of this report:

President:	The Right Revd Dr M Warner (Bishop of Chichester)
Ex-officio:	The Right Reverend W Hazlewood (Bishop of Lewes) The Right Reverend R Bushyager (Bishop of Horsham) The Venerable M Lloyd Williams (Archdeacon of Brighton & Lewes) The Venerable L Irvine-Capel (Archdeacon of Chichester) (Chair of House of Clergy) The Venerable Dr REM Dowler (Archdeacon of Hastings) The Venerable A Martin (Archdeacon of Horsham) The Very Revd S Waine (Dean of Chichester) (to 29.4.23) Mrs L Lynn (Chair of the Finance Committee) The Revd Canon A Waizeneker (Dean of Women's Ministry) (to 25.1.22) The Revd HLF Garratt (Dean of Women's Ministry) (from 6.2.22) Mr J Booth (Chair of House of Laity)
Appointed by the Bishop:	Mrs S Stonor The Revd A Woodward (from 21.1.22)
Elected by Diocesan Synod: Archdeaconry of Chichester	Mr B Smith Mr G Leonard (to 2.4.22) The Revd Canon PM Gilbert Miss M Lumley (from 14.7.22)
Archdeaconry of Horsham	Mrs V Burgess The Revd L Barnett Mr M Thomas
Archdeaconry of Brighton and Lewes	Mrs A Murphy The Revd T Holbird Mrs S Phillips (from 31.3.22)
Archdeaconry of Hastings	The Revd P Coekin Miss A Marchant Mr D Irvine (Deputy Chair from 10.2.23)

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2022

Senior staff and advisers

Diocesan Secretary	Gabrielle Higgins
Finance Director	Tim Redding (to September 2022) Catherine Dawkins (from October 2022)
Director of Education	Trevor Cristin
Director for Apostolic Life	Rebecca Swyer
Property Director	Scott Ralph

Registered Office: Diocesan Church House, 211 New Church Road, Hove, BN3 4ED

Bankers Barclays Bank plc, 90-92 High Street, Crawley, RH10 1BP

Independent Auditor Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Solicitors Winckworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB

Investment advisers CCLA Investment Management Ltd, 80 Senator House, 85 Queen Victoria Street, London, EC4V 4ET
M&G Securities Ltd, M&G House, Victoria Road, Chelmsford, Essex CM1 1FB
J M Finn & Co, 4 Coleman Street, London EC2R 5TA
Charles Stanley & Co Ltd, 25 Luke Street, London EC2A 4AR
Cazenove Capital, 31 Gresham Street, London EC2V 7QA

Insurers EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES



The Right Revd Dr Martin Warner
President of the CDBF



Mrs Lesley Lynn
Chair of the Finance Committee

20 April 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2022

Opinion

We have audited the financial statements of **Chichester Diocesan Fund and Board of Finance (Incorporated)** for the year ended 31 December 2022 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2022

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on Page 31, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2022

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular reviewing the controls and procedures in place for these;
- Challenging assumptions and judgements made by management in their critical accounting estimates in particular valuation of property assets and investment properties; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. The key areas subject to estimation are fair values assigned for property assets and investment properties.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2022

Use of our report

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



Adam Halsey

(Senior Statutory Auditor)

for and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 5 June 2023

10 Queen Street Place
London
EC4R 1AG

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2022

		Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	Note	General	Designated	Funds	Funds	2022	2021
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish share	3a	13,657	-	-	-	13,657	13,024
Other donations	3b	201	50	1,627	-	1,878	1,353
Charitable activities	4	773	-	121	-	894	817
Other activities	5	742	-	15	-	757	696
Investments	6	920	-	1,241	-	2,161	1,928
Other	7	25	-	334	-	359	54
		<u>16,318</u>	<u>50</u>	<u>3,338</u>	<u>-</u>	<u>19,706</u>	<u>17,872</u>
Expenditure on							
Raising Funds	8	56	-	108	-	164	186
Charitable activities	9	<u>15,878</u>	<u>148</u>	<u>2,908</u>	<u>-</u>	<u>18,934</u>	<u>17,742</u>
		<u>15,934</u>	<u>148</u>	<u>3,016</u>	<u>-</u>	<u>19,098</u>	<u>17,928</u>
Net income/(expenditure) before investment gains/(losses)							
		<u>384</u>	<u>(98)</u>	<u>322</u>	<u>-</u>	<u>608</u>	<u>(56)</u>
Unrealised gains on investments	15	(99)	28	(1,957)	(2,022)	(4,050)	5,340
Realised (losses) on investments		-	-	(51)	(412)	(463)	(67)
Net gains/(losses) on investments		<u>(99)</u>	<u>28</u>	<u>(2,008)</u>	<u>(2,434)</u>	<u>(4,513)</u>	<u>5,273</u>
Net income/(expenditure)							
		<u>285</u>	<u>(70)</u>	<u>(1,686)</u>	<u>(2,434)</u>	<u>(3,905)</u>	<u>5,217</u>
Transfer between funds	13	(233)	150	(98)	181	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	14	-	224	50	10,716	10,990	25,235
Net movement in funds		<u>52</u>	<u>304</u>	<u>(1,734)</u>	<u>8,463</u>	<u>7,085</u>	<u>30,452</u>
Total funds brought forward		<u>5,932</u>	<u>7,276</u>	<u>22,023</u>	<u>278,497</u>	<u>313,728</u>	<u>283,276</u>
Total funds carried forward	19	<u>5,984</u>	<u>7,580</u>	<u>20,289</u>	<u>286,960</u>	<u>320,813</u>	<u>313,728</u>

All activities derive from continuing activities. The notes on pages 43 to 82 form part of the financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2022

	Total 2022 £'000	Total 2021 £'000
Total incoming resources	19,706	17,819
Resources expended	<u>(19,098)</u>	<u>(17,799)</u>
Operating surplus/(deficit) for the year	608	20
Net gains on investments	<u>(2,079)</u>	<u>2,275</u>
Net gain/(loss) for the year	(1,471)	2,295
 Other comprehensive income :		
Revaluation of fixed assets	<u>274</u>	<u>630</u>
Total comprehensive gain/(loss)	<u>(1,197)</u>	<u>2,925</u>

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

BALANCE SHEET

For the year ended 31 December 2022

Company Number - 00133558		2022		2021	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	14		261,929		252,692
Investments	15		47,441		49,804
			<u>309,370</u>		<u>302,496</u>
CURRENT ASSETS					
Debtors	16	1,471		2,389	
Cash on deposit		6,963		7,004	
Cash at bank and in hand		9,397		8,093	
		<u>17,831</u>		<u>17,486</u>	
CREDITORS: amounts falling due					
within one year	17	<u>(6,380)</u>		<u>(6,246)</u>	
NET CURRENT ASSETS			<u>11,451</u>		<u>11,240</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			320,821		313,736
CREDITORS: amounts falling due					
after more than one year	18				
Pension scheme liabilities			(8)		(8)
Other creditors			-		-
NET ASSETS			<u>320,813</u>		<u>313,728</u>
FUNDS					
Endowment funds					
			286,960		278,497
Restricted income funds					
			20,289		22,023
Unrestricted income funds					
General funds			5,984		5,932
Designated funds			7,580		7,276
TOTAL FUNDS	19/20		<u>320,813</u>		<u>313,728</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 20 April 2023 and signed on behalf of the Board by:



The Right Revd Dr Martin Warner
President of the CDBF



Mrs Lesley Lynn
Chair of the Finance Committee

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

CASH FLOW STATEMENT

For the year ended 31 December 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities (see below)		(859)		(1,324)
Cash flows from investing activities				
Dividends / interest and rent from Investments	2,161		1,928	
Proceeds from the sales of:				
Tangible fixed assets	4,106		5,277	
Fixed assets Investments	1,224		3,874	
Purchase of:				
Tangible fixed assets	(2,417)		(3,103)	
Fixed assets Investments	(3,005)		(4,703)	
Net Cash provided by investing activities		2,069		3,273
Cash flows from financing activities				
Loans (repaid)	53		(297)	
Net cash used in financing activities		53		(297)
Change in cash and cash equivalents in the reporting period		1,263		1,652
Cash and cash equivalents at 1 January		15,097		13,445
Cash and cash equivalents at 31 December		16,360		15,097
Analysis of Cash and Cash equivalents				
Cash in Hand		9,397		8,093
Notice deposits (less than 3 months)		6,963		7,004
		16,360		15,097
Reconciliation of net movements in funds to net cash flow from operating activities				
Net expenditure before investment gains		608		(56)
Adjustments for				
(Gains) on the disposal of fixed assets		(334)		(53)
Depreciation charges		37		34
Investment income		(2,161)		(1,928)
Change in value of Value Linked Loans		-		-
(Increase)/Decrease in Debtors		918		848
Increase/(Decrease) in Creditors		73		(169)
Net Cash used in operating activities		(859)		(1,324)

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. ACCOUNTING POLICIES

a) General information

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a charitable company limited by guarantee incorporated in England and Wales (company registration number 00133558) and registered with the Charity Commission (charity registration number 243134). The registered office address is Diocesan Church House, 211 New Church Road, Hove BN3 4ED. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1.

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

b) Accounting convention and basis of preparation

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 (f), 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 – Second Edition, effective 1st January 2019, the Companies Act 2006 and applicable accounting standards (FRS102).

c) Going concern

Although the global pandemic is largely behind us, the financial statements are approved during another period of economic uncertainty with high levels of inflation and a cost of living crisis. The trustees are mindful of the financial pressures on parishes and therefore the ability of PCCs to make their parish share contributions. Whilst a significant general fund deficit is budgeted for 2023, the trustees do not consider that 2023 or beyond would give rise to any inability of the charity to continue as a going concern.

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient liquid assets, including short term cash deposits and investments, which could be readily realised to meet liabilities should there be an unexpected curtailment of income. Further, the trustees consider that there are no material uncertainties over the charity's financial viability. Accordingly the trustees have assessed that the use of the going concern assumption is appropriate in preparing these financial statements.

d) Income

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

- i. **Parish Share** is recognised as income in the year in which it is received.
- ii. **Rent** is recognised as income in the period in which it is received.
- 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 when received.
- vi. **Donations** other than grants are recognised when receivable.
- vii. **Gains on disposal of fixed assets for the CDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other expenditure.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

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. The income is fully expended within the year of receipt and the legal restrictions are therefore satisfied.

e) 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** includes costs relating to the temporary renting out of parsonages and 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 through 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 CDBF, in which case the grants are recognised when the conditions are fulfilled. Records of grants offered subject to such conditions which have not been met at the year-end are kept, but committed grants are not accrued as expenditure.
- iv. **Support costs** consist of central management, administration and governance costs. The amount of support costs 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 usage basis.
- v. **Pension contributions.** The CDBF's staff are members of the Church Workers Pension Fund or the Teachers Pension Scheme and clergy are members of the Church of England Funded Pensions Scheme (see note 26). The pension costs charged as resources expended represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes in which the CDBF participates is accrued at current value in creditors, distinguished between contributions falling due within one year and after more than one year. Movements in the value of these schemes are recognised in the Statement of Financial Activities.

f) Tangible fixed assets and depreciation

Freehold properties

The CDBF measures freehold property assets in accordance with an estimate of fair value as required by FRS 102. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

1. ACCOUNTING POLICIES (continued)

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 CDBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage 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. Through a process of regular visits by the Diocesan Property Department, 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 their fair value.

Investment properties

Glebe properties and assets which are held for investment purposes and rented out have been included at their fair value. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

Parsonage houses

The CDBF 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 CDBF 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 fair value. Parsonage houses are revalued on a five year cycle, with 20% being valued each year on a rolling basis. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

g) Other tangible fixed assets

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

Fixtures and fittings - 25% per annum - reducing balance basis
Computer Equipment - 20% per annum - straight line basis

h) 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 CDBF has entered into operating leases for the use of certain assets. The rental is charged as expenditure in the year to which it relates.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

1. ACCOUNTING POLICIES (continued)

i) Financial Instruments - assets and liabilities

- i. **Debtors:** Debtors are recognised at the settlement amount due
- ii. **Cash and cash equivalents:** Cash at bank and cash in hand includes cash held in short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- iii. **Creditors and provisions:** Creditors and provisions are recognised where the CDBF has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- iv. **Value Linked Loans:** The CDBF has a number of loans for which the settlement proceeds are based on the value of the equity in a property. As this constitutes a non-basic financial instrument under FRS102 these loans have been recognised at fair value and are revalued at each reporting date. Any gains or losses arising at year end are recognised in the SOFA.
- v. **Concessionary Loans:** Loans obtained or made by the CDBF to further its charitable purposes at rates below the prevailing market rates are classified as concessionary loans and accounted for in accordance with section 34 of FRS 102. Such loans are initially recognised and measured at the amount received or paid and subsequently amended to reflect any repayments, interest and impairment.

j) Fund balances

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

Unrestricted funds are the CDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the CDBF.

There are two types of unrestricted funds:

- i. **General funds** which the CDBF uses for the general purposes of the CDBF
- ii. **Designated funds** which are set aside out of unrestricted funds by the CDBF 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 Stipends Fund Capital and Parsonage Houses Fund 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 CDBF 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 those financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the CDBF's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to estimation are fair values assigned for property assets and investment properties. In 2020, 20% of parsonage and 98% of glebe houses were valued using an on-line valuation tool which uses relevant market data to provide a valuation for each property. In 2021 and 2022 the same tool was used to value an additional 20% of parsonage property and revalue 20% of glebe property. The average uplift in values identified by these valuations was then applied to the rest of the portfolio. The DBF is responsible for the maintenance of the houses and employees visit the properties on a regular basis. Any improvements are capitalised at cost and added to the carrying value of the properties. The occupants of the houses notify the DBF promptly of any damage or disrepair. Any variances from actual fair market value and the estimated value of the portfolio will affect the value of tangible fixed assets reported on the balance sheet, and other gains and losses reported in the Statement of Financial Activities. Income and expenditure are not impacted except to the extent that profit or loss is calculated on the sale of a property. The trustees consider this methodology and the resulting balance sheet values to be an appropriate estimate of fair value for reporting purposes.

3. DONATIONS

3a. Parish Share

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	
Current Year pledges	13,761	-	-	-	13,761	13,176
Shortfall in contributions	(163)	-	-	-	(163)	(195)
	13,598	-	-	-	13,598	12,981
Receipts for previous year	59	-	-	-	59	43
Total Income	13,657	-	-	-	13,657	13,024

Current year parish share receipts represent 98.8% of the total pledges (2021 – 98.5%), or, when receipts for previous years are included, 99.2% of the total pledges (2021 – 98.8%).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

3. DONATIONS (continued)

3b. Other donations

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Benefact Trust Grant	124	50	-	-	174	173
Archbishops Council	28	-	1,294	-	1,322	586
RME Block Grant	-	-	320	-	320	505
Grants from other organisations	1	-	-	-	1	35
Donations	23	-	13	-	36	54
Legacies	25	-	-	-	25	-
	<u>201</u>	<u>50</u>	<u>1,627</u>	<u>-</u>	<u>1,878</u>	<u>1,353</u>

4. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees for parochial services	593	-	-	-	593	627
Church Commissioners' guaranteed annuities	-	-	7	-	7	8
Parish trust Income	-	-	101	-	101	101
Generated Income	51	-	-	-	51	14
Church Schools Training & other	129	-	13	-	142	67
	<u>773</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>894</u>	<u>817</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

5. OTHER ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Parsonages	742	-	15	-	757	696
	<u>742</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>757</u>	<u>696</u>

6. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable & interest receivable	762	-	970	-	1,732	1,560
Rents receivable - Glebe	158	-	271	-	429	368
	<u>920</u>	<u>-</u>	<u>1,241</u>	<u>-</u>	<u>2,161</u>	<u>1,928</u>

7. OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	25	-	-	-	25	1
Gain/ (Loss) on sale of property	-	-	334	-	334	53
	<u>25</u>	<u>-</u>	<u>334</u>	<u>-</u>	<u>359</u>	<u>54</u>

8. FUNDRAISING COSTS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	67	-	61	-	128	155
Glebe repairs & improvements	(11)	-	47	-	36	31
	<u>56</u>	<u>-</u>	<u>108</u>	<u>-</u>	<u>164</u>	<u>186</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

9. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	631	-	-	-	631	632
National Church Responsibilities	440	-	-	-	440	441
Grants and Provisions	-	-	-	-	-	54
Mission agency pension costs	26	-	-	-	26	28
Retired clergy housing costs	238	-	-	-	238	232
Pooling of ordinands maintenance grants	(47)	-	-	-	(47)	(121)
	<u>1,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,288</u>	<u>1,266</u>

Maintenance grants paid to ordinands are reported annually to Ministry Division of Archbishops Council and combined with similar grants paid by other Dioceses. An extra charge or credit is then made to the CDBF for the difference between the amount actually paid and its assessed share of the total national cost.

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and						
Mission - Parish Ministry						
Stipends and National Insurance	6,338	64	600	-	7,002	7,034
Pension contributions	1,903	20	6	-	1,929	2,189
Defined benefit pension scheme movement (see Note 26)	(181)	-	-	-	(181)	20
Housing costs	2,953	23	378	-	3,354	2,129
Mission Fund grants	-	41	-	-	41	67
Removal & resettlement grants	251	-	-	-	251	294
Clergy welfare	65	-	108	-	173	124
Ministry Support	225	-	-	-	225	253
	<u>11,554</u>	<u>148</u>	<u>1,092</u>	<u>-</u>	<u>12,794</u>	<u>12,110</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

9. CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	319	-	347	-	666	902
Lay Ministry	86	-	39	-	125	111
Children and youth work	143	-	2	-	145	104
Apostolic Life	199	-	32	-	231	214
Common Good	13	-	3	-	16	10
Safeguarding	271	-	-	-	271	437
Diocesan Advisory Committee	87	-	-	-	87	78
Pastoral and Redundant						
Churches uses	74	-	-	-	74	59
Redundant churches	72	-	-	-	72	201
Communications	88	-	-	-	88	92
Mission projects (SDF)	-	-	768	-	768	515
Chancellor & Registrar	70	-	-	-	70	98
Grants	81	-	555	-	636	133
	<u>1,503</u>	<u>-</u>	<u>1,746</u>	<u>-</u>	<u>3,249</u>	<u>2,954</u>
Support and Governance						
for parish ministry (note 10)	714	-	-	-	714	625
	<u>2,217</u>	<u>-</u>	<u>1,746</u>	<u>-</u>	<u>3,963</u>	<u>3,579</u>
Resourcing Ministry and Mission - Church Schools						
Church Schools department	728	-	70	-	798	706
Support and Governance for Church Schools (note 10)	91	-	-	-	91	81
	<u>819</u>	<u>-</u>	<u>70</u>	<u>-</u>	<u>889</u>	<u>787</u>
Total Charitable activities	<u>15,878</u>	<u>148</u>	<u>2,908</u>	<u>-</u>	<u>18,934</u>	<u>17,742</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

10. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Support				
Central services department	138	18	156	89
General office department	190	24	214	223
Finance department	182	23	205	190
IT department	150	19	169	146
Depreciation	33	4	37	34
	693	88	781	682
Governance				
External Audit	22	3	25	24
	715	91	806	706

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

11. ANALYSIS OF GRANTS MADE

	<i>Number</i>	<i>Individuals £'000</i>	<i>Institutions £'000</i>	<i>Total Funds 2022 £'000</i>	<i>Total Funds 2021 £'000</i>
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	1	-	1,289	1,289	1,266
From unrestricted					
The Chichester Diocesan Association for Family Support Work	1	-	36	36	36
St Bartz Trust - Youth work	-	-	-	-	1
Clergy Training	199	197	-	197	30
Clergy Moves	95	251	-	251	294
Clergy and families for Welfare	34	38	-	38	-
Other organisations	177	28	6	34	-
	<u>506</u>	<u>514</u>	<u>42</u>	<u>556</u>	<u>361</u>
From designated					
PCCs for Mission projects	7	-	41	41	67
	<u>7</u>	<u>0</u>	<u>41</u>	<u>41</u>	<u>67</u>
From restricted					
PCCs for Mission projects	15	-	80	80	477
Clergy and families for Welfare	341	173	-	173	43
Overseas mission agencies	6	-	40	40	15
Aided Schools	1	-	9	9	-
Ordinands in training	52	315	-	315	332
PCCs for energy costs	107	-	311	311	-
AD Care of Churches	-	-	-	-	1
	<u>522</u>	<u>488</u>	<u>441</u>	<u>929</u>	<u>868</u>
Totals	<u>1,036</u>	<u>1,002</u>	<u>1,813</u>	<u>2,815</u>	<u>2,562</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

12. STAFF COSTS

	2022 £'000	2021 £'000
Employee costs during the year were as follows:		
Wages and salaries	1,994	1,930
National insurance contributions	212	193
Pension costs	312	295
	<u>2,518</u>	<u>2,418</u>

	2022 Number	2021 Number
The average number of persons employed by the group during the year:		
Administration and financial management	23	23
Apostolic Life	14	14
Common Good	-	-
Property	7	6
Education - Church Schools	13	15
Safeguarding & inclusion	5	5
	<u>62</u>	<u>63</u>

	2022 Number	2021 Number
The average number of persons employed by the group during the year: based on full-time equivalents:		
Administration and financial management	21	21
Apostolic Life	11	11
Common Good	-	-
Property	7	6
Education - Church Schools	9	10
Safeguarding & inclusion	4	4
	<u>52</u>	<u>52</u>

	2022 Number	2021 Number
The numbers of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:		
£60,001 - £70,000	1	3
£70,001 - £80,000	<u>2</u>	<u>1</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

12. 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 2022 they were:

Diocesan Secretary and Company Secretary	Gabrielle Higgins
Diocesan Director for Apostolic Life	Rebecca Swyer
Diocesan Director of Education	Trevor Cristin
Diocesan Director of Property	Scott Ralph
Diocesan Finance Director	Tim Redding (to September 2022) Catherine Dawkins (from October 2022)

Remuneration (including Employer NI) and pensions for these employees/posts amounted to £441,843 (2021 - £418,405).

Termination payments

During the year termination payments totalling £NIL were paid (2021 - £Nil).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £9,665 (2021 - £5,309) in respect of General Synod duties, duties as archdeacon or rural dean, and other duties as Trustees. In addition, seven Trustees received grants totalling £6,776 (2021 - 1 Trustee £750) in respect of their role as parochial clergy. One trustee, who is also the Chair of the Audit Committee, holds two part time roles: parish priest and DBF employee as the LGBTQI Liaison Officer.

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

	Stipend	Housing
The Right Revd R K F Bushyager	No	Yes
The Right Revd W P G Hazlewood	No	Yes
The Venerable L Irvine-Capel	Yes	Yes
The Venerable M Lloyd-Williams	Yes	Yes
The Venerable E Dowler	Yes	Yes
The Venerable A Martin	Yes	Yes
The Revd Canon PM Gilbert	Yes	Yes
The Revd P Coekin	Yes	Yes
The Revd H Garratt	Yes	No
The Revd A Woodward	Yes	Yes
The Revd T Holbird	Yes	Yes
The Revd Canon L Barnett	Yes	Yes

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

12. STAFF COSTS (continued)

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

	2022 £'000	2021 £'000
Stipends	6,418	6,477
National insurance contributions	585	557
Pension costs - current year	1,929	1,755
Pension costs - deficit reduction contributions paid	257	434
	9,189	9,223

The stipends of the Diocesan Bishop and Suffragan Bishops are paid and funded by the Church Commissioners and are in the range £38,050 - £46,640 (2021 range £37,670 - £46,180). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2022 was £37,930 (2021 - £36,648) and other clergy who were Trustees were paid in the range £27,540 - £29,000 (2021 range £27,295 - £28,767).

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Endowment Funds
	General £'000	Designated £'000	£'000	£'000
Movement on defined benefit pension scheme	(181)	-	-	181
Administration charge - Aided Schools fund	48	-	(48)	-
Mission Fund	-	50	(50)	-
Transfer for clergy conference 2025	(100)	100	-	-
	(233)	150	(98)	181

Defined benefit pension scheme movement. Transfer of the movement to the Diocesan Stipends fund.

Administration charge - Aided Schools fund. This reflects the administration charge of the Schools' Buildings Officer costs charged to the Aided Schools restricted fund.

Mission Fund Annual transfer from the Pastoral Fund for the Mission Fund

Clergy Conference 2025 Transfer from general funds towards the Clergy Conference planned for 2025.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

14. TANGIBLE FIXED ASSETS

	Freehold Property £'000	Leasehold Property £'000	Office Equipment £'000	Total £'000
Cost or valuation				
At 1 January 2022	252,374	253	697	253,324
Additions	2,395	-	22	2,417
Disposals	(4,142)	-	-	(4,142)
Revaluation	10,960	39	-	10,999
At 31 December 2022	<u>261,587</u>	<u>292</u>	<u>719</u>	<u>262,598</u>
Depreciation				
At 1 January 2022	-	-	632	632
Charge for the year	-	-	37	37
At 31 December 2022	<u>-</u>	<u>-</u>	<u>669</u>	<u>669</u>
Net Book Value				
At 31 December 2022	<u>261,587</u>	<u>292</u>	<u>50</u>	<u>261,929</u>
At 31 December 2021	<u>252,374</u>	<u>253</u>	<u>65</u>	<u>252,692</u>

All but one of the properties in the balance sheet are freehold and are vested in the CDBF, except for benefice houses which are vested in the incumbent. Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £1,337,000 (2021: £1,278,924). Properties are subject to a cycle of valuations and repairs are charged as expenditure with the SOFA.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

15. FIXED ASSET INVESTMENTS

	At 1 January 2022 £'000	Additions £'000	Disposal £'000	Transfer £'000	Change in Market Value £'000	At 31 December 2022 £'000
Unrestricted Funds						
Listed investments	116	1,504	(3)	-	(99)	1,518
Unlisted investments	5	-	-	-	-	5
Investment property	734	-	-	-	29	763
	<u>855</u>	<u>1,504</u>	<u>(3)</u>	<u>-</u>	<u>(70)</u>	<u>2,286</u>
Restricted Funds						
Listed investments	20,812	648	(629)	-	(1,957)	18,874
	<u>20,812</u>	<u>648</u>	<u>(629)</u>	<u>-</u>	<u>(1,957)</u>	<u>18,874</u>
Endowment Funds						
Listed investments	23,257	853	(680)	-	(2,125)	21,305
Investment property	4,880	-	(6)	-	102	4,976
	<u>28,137</u>	<u>853</u>	<u>(686)</u>	<u>-</u>	<u>(2,023)</u>	<u>26,281</u>
Total	<u>49,804</u>	<u>3,005</u>	<u>(1,318)</u>	<u>-</u>	<u>(4,050)</u>	<u>47,441</u>

Trustees are aware of the continuing impact of the COVID-19 pandemic and other Global events on the value of investment assets. The DBF is, however, a long-term investor and currently has no immediate plans to realise investments in order to raise cash.

16. DEBTORS

	2022 £'000	2021 £'000
Concessionary (interest free) loans to Parishes	367	562
Loans to Parishes	392	374
School projects	-	581
Other Debtors and prepayments	712	872
	<u>1,471</u>	<u>2,389</u>
Included within the above are debtors amounts due after more than one year as follows:		
Concessionary (interest free) loans to Parishes	248	415
	<u>248</u>	<u>415</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

17. CREDITORS: amounts falling due within one year

	2022 £'000	2021 £'000
Loans due in one year		
Church Commissioners value-linked loans	1,553	1,492
Deferred income	81	83
Payments received in advance from Education Funding Authority	1,981	2,289
Other Taxes and social security	(6)	3
Other creditors and accruals	2,771	1,941
Clergy Pension Scheme	-	438
	<u>6,380</u>	<u>6,246</u>

Value-linked loans (VLLs) represent amounts advanced to the CDBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. 3 (2021: 3) of these loans are for the benefit of parishes and have been used to purchase houses for curates. 4 (2021: 4) of the loans have been used by the DBF for the purchase of houses for deserted spouses. As at 31st December 2022 the Board had no intention of disposing of any of those properties funded via VLLs. As the timing of the repayment is uncertain the loans are shown as due within one year.

18. CREDITORS: amounts falling due after more than one year

	2022 £'000	2021 £'000
Pension Scheme liabilities (see note 26)		
Clergy Pension Scheme	-	-
Church Workers Pension Scheme - DBS	8	8
	<u>8</u>	<u>8</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

19. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2022 £'000
UNRESTRICTED FUNDS						
General	5,932	16,318	(15,934)	(233)	(99)	5,984
Designated Funds						
Property	6,483	-	-	-	253	6,736
Parish Mission	253	50	(41)	50	-	313
Other designated funds	540	-	(107)	100	(1)	532
	<u>7,276</u>	<u>50</u>	<u>(148)</u>	<u>150</u>	<u>252</u>	<u>7,580</u>
Restricted Funds						
Diocesan Pastoral	14,756	334	(135)	(50)	(1,732)	13,173
Diocesan Stipend	-	1,047	(1,047)	-	-	0
Clergy Welfare	1,138	91	(103)	-	50	1,176
Clergy Welfare (B Wild)	905	25	(68)	-	(88)	775
Jenkinson Trust	22	2	(5)	-	-	19
Training	-	35	(35)	-	-	-
University chaplaincy	40	6	(1)	-	-	45
Hayllar Trust	84	3	-	-	-	87
Poling Endowment	67	30	(5)	-	-	93
The Arnold Bequest	36	16	(14)	-	-	38
Clergy Widows	23	-	(4)	-	-	19
SDF	(2)	791	(768)	-	-	21
RME	3	320	(315)	-	-	9
Archdeacons' loans	1,960	34	(4)	-	(83)	1,908
Aided Church Schools	2,829	89	(11)	(48)	(105)	2,754
Diocesan Overseas Council	94	2	(44)	-	-	52
Clergy Hardship	-	106	(106)	-	-	-
Energy Cost	-	357	(311)	-	-	46
Other restricted funds	67	50	(41)	-	(1)	75
	<u>22,023</u>	<u>3,338</u>	<u>(3,016)</u>	<u>(98)</u>	<u>(1,958)</u>	<u>20,289</u>
Endowment Funds						
<u>Expendable</u>						
Parsonage/Benefice houses	198,002	-	-	-	8,703	206,705
Diocesan Stipends	67,253	-	-	181	(101)	67,333
Clergy Welfare	2,350	-	-	-	(201)	2,149
Elfinward	2,306	-	-	-	(198)	2,108
Terry's Cross	5,735	-	-	-	224	5,959
<u>Permanent</u>						
Jenkinson Trust	49	-	-	-	(4)	45
Training	938	-	-	-	(81)	857
University chaplaincy	732	-	-	-	24	756
Hayllar Trust	77	-	-	-	(7)	70
Poling Endowment	645	-	-	-	(41)	604
The Arnold Bequest	410	-	-	-	(37)	373
	<u>278,497</u>	<u>-</u>	<u>-</u>	<u>181</u>	<u>8,282</u>	<u>286,960</u>
Total funds	<u>313,728</u>	<u>19,706</u>	<u>(19,098)</u>	<u>-</u>	<u>6,477</u>	<u>320,813</u>

The balance on the restricted fund for SDF represents grants made to parishes under the strategic development fund program for which grants will be received from the fund post year end.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

20. SUMMARY OF ASSETS BY FUND

	Fixed assets		Current	Creditors	Net
	Tangible	Investments	Assets		Assets
	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS					
General	49	1,517	5,223	(805)	5,984
Designated Funds					
Property	5,989	762	(16)	-	6,736
Parish Mission	-	-	312	-	312
Other designated funds	-	6	526	-	532
	5,989	768	823	-	7,580
Restricted Funds					
Diocesan Pastoral	-	16,072	(2,898)	-	13,173
Clergy Welfare	1,338	-	1,391	(1,553)	1,175
Clergy Welfare (B Wild)	-	701	73	-	774
Jenkinson Trust	-	-	19	-	19
Training	-	-	-	-	-
University chaplaincy	-	-	44	-	44
Hayllar Trust	-	-	87	-	87
Poling Endowment	-	-	93	-	93
The Arnold Bequest	-	-	38	-	38
Clergy Widows	-	-	19	-	19
SDF	-	-	22	-	22
RME	-	-	9	-	9
Archdeacons' loans	-	940	968	-	1,908
Aided Church Schools	-	1,157	5,627	(4,030)	2,753
Diocesan Overseas Council	-	-	52	-	52
Energy Cost	-	-	46	-	46
Other restricted funds	-	5	70	-	75
	1,338	18,874	5,660	(5,583)	20,289
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	197,542	-	9,163	-	206,705
Diocesan Stipends	50,323	20,444	(3,434)	-	67,334
Clergy Welfare	-	1,990	158	-	2,149
Elfinward	-	1,954	154	-	2,109
Terry's Cross	5,959	-	-	-	5,959
<u>Permanent</u>					
Jenkinson Trust	-	44	0	-	45
Training	-	796	61	-	857
University chaplaincy	728	27	1	-	756
Hayllar Trust	-	67	3	-	70
Poling Endowment	-	605	(1)	-	604
The Arnold Bequest	-	353	20	-	373
	254,552	26,282	6,125	-	286,960
Total funds	261,929	47,441	17,832	(6,388)	320,813

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

21. PRIOR YEAR SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2021 £'000
UNRESTRICTED FUNDS						
General	5,738	15,392	(15,278)	68	12	5,932
Designated Funds						
Property	5,839	-	-	-	644	6,483
Parish Mission	220	50	(67)	50	-	253
Other designated funds	615	-	(76)	-	1	540
	6,674	50	(143)	50	645	7,276
Restricted Funds						
Diocesan Pastoral	13,047	-	(37)	(104)	1,850	14,756
Diocesan Stipend	-	1,084	(1,084)	-	-	-
Clergy Welfare	1,078	80	(78)	-	58	1,138
Clergy Welfare (B Wild)	866	23	(61)	-	77	905
Jenkinson Trust	21	2	(1)	-	-	22
Training	-	32	(32)	-	-	-
University chaplaincy	39	1	-	-	-	40
Hayllar trust	81	3	-	-	-	84
Poling endowment	43	27	(3)	-	-	67
The Arnold Bequest	36	14	(14)	-	-	36
Clergy Widows	23	-	-	-	-	23
SDF	-	469	(525)	54	-	(2)
RME	(24)	505	(478)	-	-	3
Archdeacons' loans	1,824	31	(4)	-	109	1,960
Aided Church Schools	2,666	59	(1)	(48)	153	2,829
Diocesan Overseas Council	107	2	(15)	-	-	94
Other restricted funds	66	45	(45)	-	1	67
	19,874	2,377	(2,378)	(98)	2,248	22,023
Endowment Funds						
<u>Expendable</u>						
Parsonage/Benefice houses	179,054	151	-	-	18,797	198,002
Diocesan Stipends	60,040	(98)	(129)	(20)	7,460	67,253
Clergy Welfare	2,107	-	-	-	243	2,350
Elfinsward	2,067	-	-	-	239	2,306
Terry's Cross	5,167	-	-	-	568	5,735
<u>Permanent</u>						
Jenkinson	44	-	-	-	5	49
Training	841	-	-	-	97	938
University chaplaincy	660	-	-	-	72	732
Hayllar trust	69	-	-	-	8	77
Poling endowment	574	-	-	-	71	645
The Arnold Bequest	367	-	-	-	43	410
	250,990	53	(129)	(20)	27,603	278,497
Total funds	283,276	17,872	(17,928)	-	30,508	313,728

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

22. PRIOR YEAR SUMMARY OF ASSETS BY FUND

	Fixed assets		Current Assets £'000	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000			
UNRESTRICTED FUNDS					
General	65	114	6,611	(858)	5,932
Designated Funds					
Property	5,765	734	(15)	-	6,483
Parish Mission	-	-	253	-	253
Other designated funds	-	6	534	-	540
	<u>5,765</u>	<u>740</u>	<u>772</u>	<u>-</u>	<u>7,276</u>
Restricted Funds					
Diocesan Pastoral	-	17,730	(2,974)	-	14,756
Clergy Welfare	1,279	-	1,041	(1,182)	1,138
Clergy Welfare (B Wild)	-	783	122	-	905
Jenkinson Trust	-	-	22	-	22
University chaplaincy	-	-	40	-	40
Hayllar trust	-	-	84	-	84
Poling endowment	-	-	67	-	67
The Arnold Bequest	-	-	36	-	36
Clergy Widows	-	-	23	-	23
SDF	-	-	(2)	-	(2)
RME	-	-	3	-	3
Archdeacons' loans	-	1,031	929	-	1,960
Aided Church Schools	-	1,262	5,343	(3,776)	2,829
Diocesan Overseas Council	-	-	94	-	94
Other restricted funds	-	5	62	-	67
	<u>1,279</u>	<u>20,811</u>	<u>4,890</u>	<u>(4,958)</u>	<u>22,023</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	190,737	-	7,263	-	198,000
Diocesan Stipends	48,410	21,792	(2,510)	(438)	67,254
Clergy Welfare	-	2,167	183	-	2,350
Elfinward	-	2,128	178	-	2,306
Terry's Cross	5,735	-	-	-	5,735
<u>Permanent</u>					
Jenkinson	-	48	1	-	49
Training	-	867	71	-	938
University chaplaincy	701	30	2	-	733
Hayllar trust	-	74	3	-	77
Poling endowment	-	647	(2)	-	645
The Arnold Bequest	-	386	24	-	410
	<u>245,583</u>	<u>28,139</u>	<u>5,213</u>	<u>(438)</u>	<u>278,497</u>
Total funds	<u>252,692</u>	<u>49,804</u>	<u>17,486</u>	<u>(6,254)</u>	<u>313,728</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

23. DESCRIPTION OF FUNDS

General	The general fund is the CDBF's unrestricted undesignated fund available for any of the CDBF's purposes.
Property	The fund value is set at the level equivalent to the net book value of corporate properties. Church House, Hove and various houses used by retired clergy make up the value of this fund.
Parish Mission	Fund made available from the Benefact Trust and diocesan sources to support parish mission projects throughout the Diocese.
Other Designated Funds	The majority of these funds represents a grant received from the Church Commissioners to meet the costs of two additional curates ordained in 2021, a Parish Development Officer role which was also appointed to from 2021 to 2022 and a Deputy Diocesan Directors of Ordinands role which was appointed to from 2022. There are also funds being held for the Clergy Conference planned for 2025.
Diocesan Pastoral	<p>The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:</p> <ul style="list-style-type: none">• to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees.• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese.• other purposes of the diocese or any benefice or parish in the diocese• to make grants or loans to any other diocese• to transfer funds to the diocesan stipends fund income or capital accounts.
Clergy Welfare	Fund is governed by a 1993 Charity Commission scheme with income being used for the welfare of clergy, their spouses or other licensed staff who work or have worked in the diocese.
Clergy Welfare (B Wild)	Fund derives from the sale of a property, Lapwings, bequeathed for purposes connected with clergy welfare. The fund is used for the clergy wellbeing service.
Jenkinson Trust	Fund represents a legacy from William Jenkinson. Income from the fund is used for necessitous Church of England gentlewomen or as the diocesan fund finds most fitting.
University Chaplaincy	Fund is governed by a trust deed dated 21 July 1961. The fund is to provide a house for the University of Sussex chaplain and to assist that chaplain in the fulfilment of his/her duties.
Hayllar Trust	Fund represents a legacy from Sidney Hayllar. Income from the fund is used to help clergy with personal costs such as education and personal support and general financial problems.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

23. DESCRIPTION OF FUNDS (continued)

Poling Endowment	A fund to be used for the welfare of clergy and their families in need or hardship, serving, in training or retired, of the Diocese of Chichester.
Clergy Widows	Fund represents a legacy from Charles Peckham to provide financial grants or other benefits for widows of the clergy.
Archdeacons' Loans	The fund arose from three gifts and the proceeds of a fundraising campaign. The accumulated income is used to make interest free loans to parishes to help fund repairs to churches and church halls.
Aided Church Schools	The Aided Church Schools Fund , which includes the consolidated fund of The Diocese of Chichester Consolidated Educational Endowments, represents the accumulated sale proceeds of redundant Church of England School properties. Its use is restricted by Section 287(2) of the Education Act 1993 to capital and maintenance work of Church of England schools in the diocese and education generally at Church of England schools in the diocese. The CDBF is trustee of these funds, which are managed in consultation with the Diocesan Board of Education. Also included are capital funds held on behalf of aided schools and funds donated by parishes for the benefit of those aided schools.
Diocesan Overseas Council	The fund comprises the net income raised after grants made by the Diocesan Overseas Council. The Council promotes the Diocesan interest in, support for and engagement with mission work of the churches of the Anglican Communion in co-operation with the Church of England's Partnership for World Mission accredited mission agencies and partners. It raises funds mainly by way of the Harvest Appeal each year and in reaction to world mission appeals and projects.
Strategic Development Fund	The Diocese has been awarded funding from the Church Commissioners towards a number of parish based mission projects in the Diocese. The funds received are restricted to be used on these projects.
RME Block Grant	A restricted grant received from Ministry Division to be used to meet the costs of ordination training.
Clergy Hardship Fund	Funds made available by the Church Commissioners to support clergy and parish workers with increased heating costs. The funds are administered by CDBF
Energy Cost	Funds made available by the Church Commissioners to support parishes with increased heating costs. The funds are administered by CDBF.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

23. DESCRIPTION OF FUNDS (continued)

Parsonage/Benefice Houses	The parsonage/benefice property fund consists of resources restricted to provision of benefice houses in the diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the CDBF is obliged to maintain them, and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the CDBF.
Diocesan Stipends	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held under the Church Property Measure 2018 to provide income for clergy stipends. It represents glebe property, accumulated sale proceeds of glebe property, and sale proceeds of some benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.
Elfinward	The fund was created by the sale of a former retreat house. The income from the fund is used to support stipends, communications work and retreat grants.
Terry's Cross	The fund represents the value of a house, originally given as a gift to the diocese, to provide accommodation for retired clergy and church workers.
Training	This fund has been built up by various bequests. The income is used to support ordination training costs and for modest discretionary grants to assist ordinands in need.

24. CAPITAL COMMITMENTS

At 31 December 2022 the CDBF had capital expenditure commitments authorised but not contracted for of £NIL (2021 - £NIL) and contracted for but not yet due of £NIL (2021 - £NIL).

25. OPERATING LEASES

Future minimum rentals payable until the end of the lease under non-cancellable operating leases are as follows:

	2022	2021
	£	£
	£'000	£'000
Other operating leases:		
Total amount payable within one year	6	13
Total amount payable in the second to fifth years inclusive	10	6
	<u>16</u>	<u>19</u>

Total lease payments recognised as an expense in the year were £12,929 (2021 - £18,651).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

26. PENSIONS

The CDBF participates in four pension schemes.

- A. **Church of England Funded Pensions Scheme (CEFPS)** for stipendiary clergy administered by the Church of England Pensions Board.
- B. **Church Workers Pension Fund (CWPF)** for Lay workers administered by the Church of England Pensions Board.
- C. **Church Workers Pension Fund (CWPF) Pension Builder Classic** for Lay workers administered by the Church of England Pensions Board.
- D. **Teachers' Pension Scheme (TPS)** governed by the Teachers' Pension Scheme Regulations 2014.

A. Church of England Funded Pensions Scheme (CEFPS)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2022: £1,928,880, 2021: £2,188,664), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £1,490,880 for 2022 (2021: £1,774,664).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions: An average discount rate of 2.7% p.a.;

- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, asoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

26. PENSIONS (continued)

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022	2021
Balance sheet liability at 1 January	438,000	852,000
Deficit contribution paid	(257,000)	(434,000)
Interest cost (recognised in SoFA)		1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(181,000)	19,000
Balance sheet liability at 31 December	0	438,000

* 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. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0%	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5%	1.6% pa

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

26. PENSIONS (continued)

B. Church Workers Pension Fund (CWPF)

Chichester Diocesan Board of Finance (CDBF) participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has two sections:

1. The Defined Benefits Scheme
2. The Pension Builder Scheme, which has two subsections;
 - a. A deferred annuity section known as Pension Builder Classic, and
 - b. A cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

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

For funding purposes, 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.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. 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 (2022: £13,887, 2021: £13,687) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total credit of nil in 2022 (2021: £9,313 credit).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, 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 DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m 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 DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

26. PENSIONS (continued)

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay expenses of £6,500 per year. In addition, deficit payments of £7,387 per year have been agreed for 1.83 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements. Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2022. A liability has been recognised at earlier dates.

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

	2022	2021
Balance sheet liability at 1 January	8,000	31,000
Deficit contribution paid	-7,000	-7,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	-1,000	-16,000
Balance sheet liability at 31 December	0	8,000

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

The liability reported on the balance sheet is £8,000 and the 2022 movement will be reflected in the 2023 accounts.

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

	December 2022	December 2021	December 2020
Discount rate	0.0%	1.3%	0.4%

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 CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

26 PENSIONS (continued)

C. Church Workers Pension Fund (CWPF) Pension Builder Classic

Since 1st October 2012 the CDBF has participated in the Pension Builder Scheme section of CWPF 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.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means 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 the contributions payable (2022: £333,017, 2021: £222,133).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

26. PENSIONS (continued)

D. Teachers' Pension Scheme (TPS)

The Diocese participates in the Teachers' Pension Scheme ("the TPS") for a number of its staff. The pension charge for the year includes contributions payable to the TPS of £93,462 (2021: £68,450) and at the year-end £Nil (2020 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

27. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General	Designated	Funds	Funds	2021	2020
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish share	3a	13,024	-	-	-	13,024	13,120
Other donations	3b	282	50	1,021	-	1,353	1,575
Charitable activities	4	708	-	109	-	817	811
Other activities	5	686	-	10	-	696	487
Investments	6	691	-	1,237	-	1,928	1,717
Other	7	1	-	-	53	54	121
		<u>15,392</u>	<u>50</u>	<u>2,377</u>	<u>53</u>	<u>17,872</u>	<u>17,831</u>
Expenditure on							
Raising Funds	8	87	-	99	-	186	159
Charitable activities	9	15,191	143	2,279	129	17,742	17,548
		<u>15,278</u>	<u>143</u>	<u>2,378</u>	<u>129</u>	<u>17,928</u>	<u>17,707</u>
Net income/(expenditure) before investment gains/(losses)							
		<u>114</u>	<u>(93)</u>	<u>(1)</u>	<u>(76)</u>	<u>(56)</u>	<u>124</u>
Unrealised gains on investments	15	12	74	2,261	2,993	5,340	(3,417)
Realised gains on investments		-	-	(72)	5	(67)	- 520
Net gains/(losses) on investments		<u>12</u>	<u>74</u>	<u>2,189</u>	<u>2,998</u>	<u>5,273</u>	<u>(3,937)</u>
Net income/(expenditure)		<u>126</u>	<u>(19)</u>	<u>2,188</u>	<u>2,922</u>	<u>5,217</u>	<u>(3,813)</u>
Transfer between funds	13	68	50	(98)	(20)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	14	-	571	59	24,605	25,235	1,140
Net movement in funds		<u>194</u>	<u>602</u>	<u>2,149</u>	<u>27,507</u>	<u>30,452</u>	<u>(2,673)</u>
Total funds brought forward		<u>5,738</u>	<u>6,674</u>	<u>19,874</u>	<u>250,990</u>	<u>283,276</u>	<u>285,949</u>
Total funds carried forward	19	<u>5,932</u>	<u>7,276</u>	<u>22,023</u>	<u>278,497</u>	<u>313,728</u>	<u>283,276</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

28a. PRIOR YEAR NOTES TO ACCOUNTS – 3 DONATIONS

Parish Share

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	13,176	-	-	-	13,176	14,010
Shortfall in contributions	(195)	-	-	-	(195)	(978)
	<u>12,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,981</u>	<u>13,032</u>
Receipts for previous year	43	-	-	-	43	88
Total Income	<u>13,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,024</u>	<u>13,120</u>

Current year parish share receipts represent 92.7% of the total pledges (2020 – 98.7%), or, when receipts for previous years are included, 93.6% of the total pledges (2019 – 99.7%). The principal cause of the reduction seen was the impact on parishes of the coronavirus pandemic.

Other Donations

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	
All Churches Trust Grant	123	50			173	172
Archbishops Council	87		499		586	709
RME Block Grant			505		505	568
Grants from other organisations	33		2		35	103
Donations	39		15	-	54	23
	<u>282</u>	<u>50</u>	<u>1,021</u>	<u>-</u>	<u>1,353</u>	<u>1,575</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

28b. PRIOR YEAR NOTES TO ACCOUNTS – 4 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees for parochial services	627	-	-	-	627	468
Church Commissioners' guaranteed annuities	-	-	8	-	8	11
Parish trust Income	-	-	101	-	101	110
Generated Income	14	-	-	-	14	27
Church Schools Training & other	67	-	-	-	67	195
	<u>708</u>	<u>-</u>	<u>109</u>	<u>-</u>	<u>817</u>	<u>811</u>

28c. PRIOR YEAR NOTES TO ACCOUNTS – 5 OTHER ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Properties	686	-	10	-	696	487
	<u>686</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>696</u>	<u>487</u>

28d. PRIOR YEAR NOTES TO ACCOUNTS – 6 INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable & interest receivable	691	-	869	-	1,560	1,467
Rents receivable - Glebe	-	-	368	-	368	250
	<u>691</u>	<u>-</u>	<u>1,237</u>	<u>-</u>	<u>1,928</u>	<u>1,717</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

28e. PRIOR YEAR NOTES TO ACCOUNTS – 7 OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	1	-	-	-	1	6
Gain/ (Loss) on sale of property	-	-	-	53	53	115
	<u>1</u>	<u>-</u>	<u>-</u>	<u>53</u>	<u>54</u>	<u>121</u>

28f. PRIOR YEAR NOTES TO ACCOUNTS – 8 FUND RAISING COSTS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	79	-	76	-	155	143
Glebe repairs & improvements	8	-	23	-	31	16
	<u>87</u>	<u>-</u>	<u>99</u>	<u>-</u>	<u>186</u>	<u>159</u>

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	632	-	-	-	632	632
National Church Responsibilities	441	-	-	-	441	475
Grants and Provisions	54	-	-	-	54	53
Mission agency pension costs	28	-	-	-	28	23
Retired clergy housing costs	232	-	-	-	232	227
Pooling of ordinands maintenance grants	(121)	-	-	-	(121)	(82)
	<u>1,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,266</u>	<u>1,328</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General £'000	Designated £'000			2021 £'000	2020 £'000
Resourcing Ministry and Mission - Parish Ministry						
Stipends and National Insurance	6,345	29	650	10	7,034	7,390
Pension contributions	2,055	13	3	118	2,189	1,710
Defined benefit pension scheme movement (see Note 26)	20	-	-	-	20	(35)
Housing costs	1,744	23	362		2,129	2,240
Mission Fund grants		67			67	122
Removal, resettlement & grants	288		6		294	235
Clergy welfare			124		124	149
Ministry Support	243		9	1	253	225
	<u>10,695</u>	<u>132</u>	<u>1,154</u>	<u>129</u>	<u>12,110</u>	<u>12,036</u>
Ordination Training	395		507		902	1,140
Adult Education	110		1		111	85
Children and youth work	98		6		104	101
Apostolic Life	176	11	27		214	174
Common Good	8		2		10	8
Safeguarding	437				437	319
Diocesan Advisory Committee	78				78	78
Pastoral and Redundant Churches uses	59				59	50
Redundant churches	201				201	132
Communications	92				92	92
Mission projects (SDF)	-	-	515	-	515	120
Chancellor & Registrar	98	-	-	-	98	81
Grants	67		66		133	219
	<u>1,819</u>	<u>11</u>	<u>1,124</u>	<u>-</u>	<u>2,954</u>	<u>2,599</u>
Support and Governance for parish ministry (note 10)	625	-	-	-	625	694
	<u>2,444</u>	<u>11</u>	<u>1,124</u>	<u>-</u>	<u>3,579</u>	<u>3,293</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

Resourcing Ministry and

Mission - Church Schools

Church Schools department	705	-	1	-	706	803
Support and Governance for Church Schools (note 10)	81	-	-	-	81	88
	<u>786</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>787</u>	<u>891</u>
Total Charitable activities	<u>15,191</u>	<u>143</u>	<u>2,279</u>	<u>129</u>	<u>17,742</u>	<u>17,548</u>

28h. PRIOR YEAR NOTES TO ACCOUNTS – 10 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Support				
Central services department	79	10	89	178
General office department	198	25	223	231
Finance department	168	22	190	202
IT department	129	17	146	115
Depreciation	30	4	34	34
	<u>604</u>	<u>78</u>	<u>682</u>	<u>760</u>
Governance				
External Audit	21	3	24	22
	<u>625</u>	<u>81</u>	<u>706</u>	<u>782</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

28i. PRIOR YEAR NOTES TO ACCOUNTS – 11 ANALYSIS OF GRANTS MADE

	<i>Number</i>	<i>Individuals £'000</i>	<i>Institutions £'000</i>	<i>Total Funds 2021 £'000</i>	<i>Total Funds 2020 £'000</i>
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	6	-	1,266	1,266	1,328
From unrestricted					
The Chichester Diocesan Association for Family Support Work	1	-	36	36	36
Together in Sussex	0	-	-	-	4
St Bartz Trust - Youth work	1	-	1	1	19
Clergy Training	28	30	-	30	8
Clergy Moves	113	294	-	294	234
Other organisatons	0	-	-	-	-
	<u>143</u>	<u>324</u>	<u>37</u>	<u>361</u>	<u>301</u>
From designated					
PCCs for Mission projects	9	-	67	67	90
The Chichester Diocesan Association for Family Support Work	0	-	-	-	15
Other Organisations for Mission projects	0	-	-	-	16
Individuals for Mission projects	0	-	-	-	1
	<u>9</u>	<u>0</u>	<u>67</u>	<u>67</u>	<u>122</u>
From restricted					
PCCs for Mission projects	13	-	477	477	240
Clergy and families for Welfare	110	43	-	43	62
Overseas mission agencies	1	-	15	15	9
Aided Schools	0	-	-	-	69
Ordinands in training	53	332	-	332	511
AD Care of Churches	1	-	1	1	-
Other organisatons	0	-	-	-	-
	<u>178</u>	<u>375</u>	<u>493</u>	<u>868</u>	<u>891</u>
Totals	<u>336</u>	<u>699</u>	<u>1863</u>	<u>2562</u>	<u>2642</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

29. POST BALANCE SHEET EVENTS

The cost of living crisis and high rate of inflation is continuing to have a significant impact. Volatility caused by this crisis, and other World events, is likely to continue to have an impact on the value of investment assets, along with property values and Pension Fund deficits. While the ultimate extent of these issues is currently still unknown, there have been no event or series of events since the year end which have had a material impact on values at the balance sheet date.

Trustees will continue to monitor the changing operational landscape and impact on assets and related income.

30. RELATED PARTY TRANSACTIONS

Church of England related parties include:

- the Archbishops' Council (Charity No 1074857), from which the CDBF receives grants and to which the CDBF pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, including General Synod.
- the Church Commissioners for England (Charity No 1140097), from which the CDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The CDBF pays for clergy stipends through the Church Commissioners
- the Church of England Pensions Board (Charity No 236627), to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees and makes contributions towards the provision of housing for clergy in retirement

The Mother Agnes Trust is an unincorporated charity of which The Right Revd Dr M Warner, the Ven E Dowler, Mrs S Stonor and Gabrielle Higgins, Diocesan Secretary of the CDBF, are trustees. Between 2004 and 2017 Chichester DBF paid the running expenses of the Magnet Centre in Hastings on behalf of the Mother Agnes Trust. The Magnet Centre transferred into new ownership in 2017. The total amount expended by CDBF on behalf of the Mother Agnes Trust as at 31 December 2020 in respect of the Magnet Centre is £375,841. In addition, the DBF paid the salary of the Clerk to the Trustees of the Mother Agnes Trust on behalf of the Trust until 31 January 2019. As at 31 December 2020 the amount expended by Chichester DBF in respect of staff costs was £35,304. Chichester DBF has invoiced these sums and the staff costs were repaid in 2022. During 2021 Chichester DBF provided a loan facility to Mother Agnes Trust for £25,000 to enable them to meet a number of costs prior to the sale of land owned by the Trust. At 31st December 2021 £10,000 had been drawn against this facility, and £10,000 was repaid in 2022.

The Chichester Diocesan Association for Family Support Work is an unincorporated charity of which Mrs Lesley Lynn has been a trustee for part of the year. The Diocese makes an annual grant of £36,000 towards the work of this charity.

The only related corporate party with whom the DBF has transacted is the Diocese of Chichester Academy Trust ('DCAT') which manages eleven Church of England Schools in the Diocese. DCAT is accountable to the Diocese Board of Education ('DBE') and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust ('DoCET') via members for its operation. The Director of Education, one of the DBF's key management personnel, is a trustee of DCAT, and the Archdeacon of Chichester is its Chair. During the year the DBF performed due diligence on schools intending to convert or join the Trust.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

31. FUNDS HELD AS CUSTODIAN TRUSTEE

The CDBF 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 CDBF does not control them. The financial assets held in this way may be summarised as follows:

	2022	2021
	£'000	£'000
CBF Church of England Investment Fund income shares	14,491	16,606
CBF Church of England Investment Fund accumulation shares	263	281
CBF Church of England Fixed Interest Securities Fund shares	1,461	1,711
CBF Church of England Property Fund shares	248	281
CBF Church of England UK Equity Shares	11	13
CBF Church of England Global Equity Shares	159	197
Other common investment fund holdings	1,372	1,681
Direct holdings in UK equities	395	368
CBF Church of England Deposit Fund	1,783	2,783
Cash at bank	155	175
Total assets held as custodian trustee	<u>20,338</u>	<u>24,096</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

England & Wales - Charity number 243134

Accounts

THE CHICHESTER DIOCESAN FUND AND
BOARD OF FINANCE (INCORPORATED)



**Annual Report and Financial Statements
For the year ended 31 December 2021**

**Company No: 00133558
Registered Charity Number: 243134**

A printed copy is available on request from Church
House, 211 New Church Road, Hove BN3 4ED
Or email enquiries@chichester.anglican.org

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

TABLE OF CONTENTS	Page Number
Mission Statement	2
Legal Objects	3
Strategic Report:	
Strategic Aims	4
Objectives for the year	4
Activities and Achievements in the year	5
Future plans	18
Financial review	20
Principal risks and uncertainties	24
Structure and Governance	25
Trustees' Responsibilities	30
Administrative details	32
Independent Auditor's Report	34
Statement of Financial Activities	38
Income and Expenditure Account	39
Balance Sheet	40
Cash Flow Statement	41
Notes to the Financial Statements	42-79

Mission Statement

Our mission is growth in Christ: encouraging people in the Diocese of Chichester and the wider world to know, love, follow Jesus and to grow as his disciples in worship and witness to the truth of the gospel.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2021.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the Diocese of Chichester cover the counties of East and West Sussex and the Unitary Authority of Brighton and Hove.

The principal object of the Chichester Diocesan Fund and Board of Finance (Incorporated) ("CDBF") is to promote, carry on, assist, benefit and advance the work of the Church of England in the Diocese of Chichester by acting as the financial executive of the Chichester Diocesan Synod.

The CDBF 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 Church Property Measure 2018;
- 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 2021;
- iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod on the advice of the Bishop's Council and the Bishop of Chichester (in respect of his responsibility for the provision of the cure of souls) and his Senior Staff. Significant time and effort is committed to communication between and with deaneries and PCCs, as well as with the church nationally, including an annual series of deanery consultations on the Diocesan Budget and the priorities for the forthcoming year.

In reviewing the charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

STRATEGIC REPORT

STRATEGIC AIMS

The main role of the CDBF is to identify and manage the financial aspects of the provision of ministry throughout the Diocese, so as to provide appropriate personnel and financial resources to support both the nurturing of faith in new and existing Anglicans in Sussex and engagement with the community, as part of the Church's response to the mission of God in Sussex. The CDBF aims to achieve this by equipping the Diocesan Synod, its Councils and Committees, deaneries, parishes, chaplaincies and schools to further the mission and strategic priorities of the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of parishes, chaplaincies and schools.

At Pentecost in May 2015, the Diocesan Synod launched a five year Diocesan Strategy with the following three priorities modelled on the priorities of the Archbishops' Council's Renewal and Reform body of work:

1. Growth in holiness and numbers;
2. Re-imagining ministry;
3. Contributing to the Common Good.

At the end of 2019 the second stage of the Diocesan Vision for Growth was launched, which built on the previous aims, but identified four priorities for 2020-2025:

1. More Open: a sign of being One;
2. More Converted to Jesus Christ: a sign of being holy;
3. More Generous: a sign of being catholic;
4. More Engaged: a sign of being apostolic.

These aims focus on similar themes identified by the national Church of England in their strategic vision for growth.

OBJECTIVES FOR THE YEAR

The CDBF seeks to respond to its mission of growth in Christ and to its strategic aims by focusing on the following objectives for this and subsequent years:

- To resource a Christian presence in every parish by:
 - The appointment of stipendiary and self-supporting clergy, lay ministers and Christian leaders and governors in our schools
 - Enabling the laity in congregations to play their part in ministry
 - The payment of stipends and pensions
 - The provision and maintenance of housing which is safe, fit for purpose, and welcoming
 - The selection and training of ordinands and lay ministers, and the provision of financial support to those training for ministry
 - Providing ministerial development reviews and continuing ministerial development for clergy

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

- Providing pastoral care and welfare support to clergy, including financial assistance where needed
 - Planning and delivering improvements to mission and pastoral organisation
- To develop the ability to ensure a Christian presence in future by:
 - Encouraging vocations to both lay and ordained ministry, especially young vocations, and developing apostolic pathways for all, in particular re-imagined forms of lay ministry
 - Supporting apostolic partnerships to reinvigorate communities and establish a presence in areas of new housing
 - Enabling church schools to reach out to families in their communities
- To support clergy, lay leaders, parishes and chaplains and enable their work by providing training, information, advice, guidance, services and good governance
- To support schools and in particular head teachers and governors to provide the best possible education and Christian witness through training and support services and the provision of assistance and advice
- To support schools with planning pupil places and ensuring their buildings are fit for purpose, facilitating capital expenditure and the expansion of schools where possible
- To provide support for parishes and individuals in all aspects of safeguarding casework, liaising with the public authorities as necessary
- To promote a care for the environment and a sustainable use of resources, and work towards becoming an Eco Diocese
- To support the Anglican church, nationally and internationally, and other particular ministries to groups and communities
- To run an effective organisation in order to deliver these objectives, including the provision of support to the senior clergy and management of assets.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Resourcing a Christian presence

Appointments, enabling the ministry of the laity, and payment of stipends and pensions

The presence of clergy and lay ministers in the parishes and communities of the Diocese is an important part of delivering the Diocese's mission. They engage in a wide variety of community and church projects and despite the restrictions imposed on church opening and gatherings as a result of the Covid-19 pandemic, in 2020 (the latest year for which figures are available) approximately 350 weddings or blessings, 3,120 funerals and 510 baptisms were carried out. During the pandemic they have also engaged in many new projects to support their communities to combat issues ranging from hunger to loneliness, adapted to different worship patterns, notably online worship, and deepened existing work. Almost 370 licensed clergy and over 80 licensed readers minister in the 350 parishes in the Diocese, with 36 new stipendiary and 7 new house for duty or self-supporting clergy appointments in 2021, including 8 newly ordained deacons, and 6 new readers licensed.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

The Education Department appointed 97 foundation governors for church schools and helped to appoint 8 new head teachers.

During the year the CDBF paid stipends, pensions and other employment costs totalling £9.2 million for incumbents, curates and other clergy, increasing stipends in line with national recommendations despite the financial challenges caused by Covid-19. The payroll is administered by a separate charity, the Church Commissioners for England, and the CDBF reimburses the costs, which form by far its largest financial commitment. The average rate of vacancies was 31.5 against a budgeted rate of 31, with a high level of vacancies in the middle of the year falling to an unusually low level of 22 at the end of the year following a large number of appointments. Rural deans and churchwardens of vacant parishes work closely together to maintain worship and other community activities, aided by a large pool of retired and self-supporting ministers. The CDBF funds fees and expenses for those clergy during interregna.

Parish clergy are not employed by the CDBF, but the CDBF does have responsibilities in respect of their engagement. In addition to paying their stipends and National Insurance, paying into their pension funds, and housing them, it is responsible for training (see below). Under new terms of service, called Common Tenure, introduced in 2011, clergy have greater clarity on their rights and obligations and have access to Employment Tribunals and other useful services. These apply to all new appointments and some of those in post before 2012; others chose to retain their freehold. The CDBF's external HR consultants and employment lawyers provide HR services and advice in respect of clergy as well as lay staff to improve the care and service provided and supplement in house work.

Provision of housing

The annual quinquennial repair programme for 2021 was deferred because of the Covid pandemic, and a limited improvement programme was run in the latter part of the year.

A significant amount of work was undertaken in respect of appointments and lettings in 2021, with 62 properties being made ready for incoming clergy and private tenants (to derive a rent).

A number of projects which had been delayed by the pandemic were completed in the early part of the 2021. These included the completion of a new vicarage at Chichester St Wilfrid and works at North Bersted to provide accessible accommodation.

Selection and training of ordinands and lay ministers

The training of curates (IME 2) includes the development and running of a diocesan course, which is a Common Awards programme validated through the University of Durham via St. Augustine's College of Theology (our local training institution). Curates are formally assessed at the end of their training to ensure they have reached an appropriate level of competency, a process overseen by the Department for Apostolic Life.

Grants of over £330k were made to ordinands to support them and their families during their training. There are currently 34 people in training.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

The third year of Authorised Lay Ministry (ALM) training began in September 2021, training 58 people for pastoral, worship, chaplaincy, mission and children, youth and family ministries. The candidates were commissioned for these ministries in January 2022 at Chichester Cathedral. 3 candidates for Reader ministry began training in September 2021.

Ministerial Development Review (MDR) and Continuing Ministerial Development (CMD)

MDR began again in May 2021, after a period of suspension due to lockdown and the absence of suffragan bishops. At first some reviews took place over Zoom but are now in person.

A wide range of courses in theology, spirituality and practical skills were delivered – many via Zoom. The First Incumbents course (three-year cycle) continued, with a mix of Zoom and in person sessions. The first cohort are now in the final year of the course, after which a review will take place. The third cohort of clergy undertaking the Galilee leadership programme began.

Pastoral care and welfare support

The Wellbeing for Clergy and Families (WCF) service continues to provide the wellbeing service for stipendiary and SSM clergy and their partners/spouses and households. The WCF service is now overseen by Laura Steven, who began in post in September 2021. Over the last 6 months, over 250 counselling sessions have been delivered. The team of associate therapists is being developed to extend the geographical reach and specialisms offered. A specialist 'StopSO' therapist has been recruited to work with issues of sexual abuse, pornography, and sex addiction. Children's therapists and systemic practitioners are being sought. Therapeutic arts workshops are being developed. The WCF webpage is under construction as a 'go-to' resource for clergy, including information about the team of therapists, workshops and events.

4 Reflective Practice Groups (RPGs) for clergy were facilitated, and extended in duration in acknowledgement of the impact of the pandemic. A review of the RPGs will take place in Spring 2022.

Traumatic Event Debriefings were introduced for any member of clergy impacted by a traumatic event, i.e. the opportunity to 'off-load' with a trained debriefer, to be followed-up with counselling where required.

Psychoeducational workshops were run for all clergy and annual CMD cohorts including Managing Stress, Managing Boundaries, and Managing Anxiety, and the Head of WCF is liaising with members of CONNECT, the support network for clergy partners and spouses.

In addition, welfare grants of approximately £43k have been awarded to 110 clergy and their families in times of need.

Implementing improvements to pastoral organisation

As a result of the coronavirus restrictions, there were some delays to pastoral reorganisation in 2020 and early 2021. In June 2021, a new half-time Pastoral Reorganisation Officer role was created by reorganising duties between existing roles. This enabled the team to catch up with the backlog of pastoral reorganisation work by the end of the year.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Seven Mission and Pastoral schemes and orders (five Pastoral Reorganisation schemes and two Bishop's Pastoral orders) were completed and a further six cases were progressed.

Significant progress was also made in relation to finding new uses for several closed churches.

Developing Christian presence for the future

Encouraging vocations

In 2021, 10 candidates were accompanied and subsequently recommended for training for ordained ministry after attending national Temporary Online Discernment Panels.

Other candidates were prepared for national Candidates' Panels to change focus of ministry or to be licensed to exercise their ministry in the Church of England.

Vocations were encouraged on Vocations Sunday in April with a video sermon from the DDO. Churches across the diocese used the sermon in their Sunday service.

Eight deacons were ordained in Chichester Cathedral in June. One impact of the pandemic has been having fewer title posts, which has meant that we have had to manage expectations of 'released' ordinands.

The other team coordinated by the DDO on behalf of the Diocesan Bishop is the eleven volunteer Bishops' Advisers (ordained and lay) who are drawn from our diocese to work with others in the National Stage One and Stage Two events. New appointments were made to this team after interviews and the DDO has provided support for the new lay team.

In November, the DDO ran an annual 2-day residential training event at Ashburnham Place for 10 Assistant DDOs. The programme included a session with the new Sponsoring Bishops; work on the new Shared Discernment Process; engaging with the Traffic Light document; and experiencing a day Stage 1 Carousel Conversation event.

The diocesan team continues to work with a good number of candidates including those from underrepresented groups. Numbers have fallen slightly due to the difficulty of fostering vocations during a pandemic and two 0.5 diocesan roles not being reappointed due to financial concerns.

Bishop Martin appointed a Young Vocations Officer and an Assistant Vocations Officer in volunteer roles. These volunteers report to the DDO regarding vocations work.

Supporting apostolic partnerships

As a diocese we were awarded a grant of £2.5 million, for the 'Revitalising the Church and Renewing the City' programme. This money will be shared between St Peter's Brighton, to develop four different apostolic partnerships across the city and All Saints Hove to become a resource hub for churches from a catholic tradition across the city and the diocese. Furthermore, All Saints will launch a new Leadership Development Hub and St Peter's will expand their Leadership Development Year (LDY); both will provide opportunities for theological reflection and reflective

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

practice, including placement opportunities within the local parishes and beyond. These SDF project leadership development initiatives will directly interact with the Department for Apostolic Life under the umbrella of 'Pro Ecclesia' to enable and encourage wider discussion, learning and engagement about mission throughout the diocese. Pro Ecclesia means 'for the Church' and is therefore about the training and equipping of laity and clergy across the diocese to live out God's call and engage effectively in mission.

We also applied for a further grant for apostolic partnerships from St John's Crawley, and successfully got through stage one of the process.

2021 has seen St John's Meads partner with St Michael and All Angels, Eastbourne, and has seen the congregation grow significantly over the past year.

As a diocese, we partnered with Winchester diocese to run the church planting course with 2 churches from each diocese. The plan is to repeat this over the next 12 months.

Enabling church schools to reach out

Within the current SIAMS (Statutory Inspection of Anglican and Methodist Schools) schedule, schools are encouraged to demonstrate "courageous advocacy" and reach out to their local communities through engagement in both social action and charitable activities. Our School Effectiveness Team worked alongside schools to determine what this looks like in a local context.

2021 saw our Growing Partnerships initiative fully launched. The essence of this is to look at ways schools and worshipping communities can come together within the Household of Faith and work in partnership within our local communities. Feedback has been positive from all stakeholders. It was launched through well attended webinars, a presentation at Diocesan Synod, a range of Deanery briefings, a webinar for Clergy and through our Annual Headteachers' Conference. A short video is also available on our website. Our School Effectiveness Officers also promoted it through their visits and regular conversations.

The response has been encouraging and we have wide evidence of partnerships that are clearly developing. The document has also been shared with other dioceses who are adopting a range of elements within it.

Supporting clergy, lay leaders, parishes and chaplains

Lay Vocations

The Living Faith course began again online in January 2021 with 39 participants. The course has adapted well to an online format and an online will now remain part of our provision moving forward.

In 2021 we evaluated the structures supporting Reader ministry and the outcomes of this review will be a new team of Assistant Wardens for Lay Ministry and a new MDR scheme for Readers. 2021 also saw the renewal of all Reader licences.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

In 2021 we also held Zoom catch up meetings to support ALMs and conducted a survey of their experiences of ministry. We also introduced a new quarterly newsletter for Readers and ALMs which has been well received.

Youth and Children

2021 continued from the same starting point as 2020 with much of our support for youth and children's leaders remaining online. A new training course for clergy and managers was added to the Virtual Learning Environment on managing youth workers. Youth groups were able to start meeting in bubbles and we asked youth groups to run their own Maycamp events in their churches. We sent out packs – including games, puzzles, and other resources, as well as links to videos - to 22 churches engaging 250 young people. During the year we were able to start meeting youth leaders face to face again, continuing to find new regional hub leaders. The Mission Fund has continued to support churches allowing some new youth workers to be recruited and appointed in 2021.

Communications

The communications team supported a full year of key diocesan events, both the major Christian festivals and special events such as the Order of St Richard honouring exceptional lay service and events around COP26. Support for parishes and Church House departments included lockdown stories, resources and encouragement, promotion of new appointments, and communications support for the Past Cases Review 2. Monthly themes guided the focus.

Continuing the increased focus on video output which began in 2020 whilst churches adapted to lockdown, in 2021 the department prepared a further 100 videos for the Diocesan Youtube channel in 2021, including:

- Growing Partnerships video for the Education Team
- The Lent course
- Welcoming our new deacons
- Supporting Church House training programme
- Welcoming the new Rural Officer

Four issues of Faith in Sussex were planned and published. All our communications channels were regularly populated with a mix of diocesan and external campaigns, mostly planned throughout the year.

The fortnightly e-news, social media channels and the website continues to connect the whole of the diocese. Regular communications to a range of stakeholders took place throughout the year on various topics from Ad clerums to specific targeted Diocesan communications for events and activities and governance and compliance etc.

In late December 2021 we faced an incident preventing us from posting any new content on our Facebook and Instagram pages, and a new Diocesan Facebook page had to be created and promoted.

Parish development

In 2021, we were involved in driving the deanery planning process across the diocese, which will identify missional needs and outcomes for every deanery in the diocese. This will be delivered during 2022.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

A new half time Parish Development Officer was appointed in 2021, jointly with the Cathedral where the postholder was also appointed as Canon Precentor. This has helped us increase our provision of vision days and consultancy to parishes, which has increased due to the need driven by the deanery planning process.

We developed a church growth course, named Great is thy Faithfulness , which will be piloted for 16 churches across 6 sessions during early 2022.

Education

In expectation of the forthcoming White Paper for Education re-enforcing the long-standing commitment to all schools becoming part of a strong MAT in the future, we have focussed on supporting and developing the options available to our schools within our Diocesan MATs as well as offering impartial and informed advice to schools as they consider their future options.

Another key aspect of our work focussed on Growing Partnerships as detailed above. Training opportunities and briefings were provided for Headteachers, Foundation Governors and clergy. This remains an area where close partnership work with the Apostolic Life Team is proving valuable.

The annual Autumn briefings were held remotely in 2021 and this was coupled with a Growing Partnerships Briefing. Two sessions were offered and in total 278 school leaders attended including head teachers, chairs of governors and clergy. These briefings gave an opportunity for the Education Team to give information about the future focus of the department as well as sharing the wider context of education issues such as the small schools' agenda and academisation. It also enabled a strong launch of the Growing Partnerships initiative. In addition, 80 school leaders registered for our Headteachers' Conference which was again, on the theme of Growing Partnerships.

Our Governors' Conference was attended by 146 delegates. Our Governor Training programme was paused as we carried out the Recruitment process for a new Governance Officer but despite a gap of four months, 101 Governors have attended training which is an increase of 20 compared to 2020. The training programme offered by the Education department has continued to support Head Teachers, governors and clergy with a variety of courses covering topics from Understanding Christianity to SIAMS and Church School governance. Most of this moved online this year and we have seen a noticeable increase in attendance. 162 school leaders attended CPD training.

Safeguarding

As in previous years, the Safeguarding Team provided support to parishes on a daily basis, with advice offered both by email and telephone on safeguarding practice, implementation of policy, and risk management as well as casework, in addition to the advice which is maintained on the safeguarding website. Training was provided to over 300 people during the year. In addition, the team continued to manage the DBS process for clergy, ordinands and readers in training, parish safeguarding officers and lead recruiters and others, and to support new lead recruiters to register to apply for DBS checks.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Property

The Property Department continues to support parishes and clergy by providing advice on the management and development of property. The department also provides guidance to parishes regarding the Charities Act and the process to obtain diocesan consent for property sales.

Church Buildings and DAC

The Diocesan Advisory Committee for the Care of Churches has continued to fulfil its statutory role in the faculty jurisdiction system, providing advice and guidance to the Chancellor, Archdeacons and parishes on issues relating to the care of church buildings.

The DAC issued written advice in relation to 129 applications (91 requests for formal advice and 38 requests for informal advice). The Church Buildings team and DAC also assisted the Archdeacons in processing 158 permissions for minor works under the List B process. Due to the coronavirus, site visits were not possible for some of the year, so only 19 full DAC site visits were carried out.

Faculties applications began to be processed through the Online Faculty System at the beginning of the pandemic, when all faculty applications were moved online. In 2021, the Church Buildings team and Registry continued to process applications in this way, and provided training to parishes to enable clergy and churchwardens to enable them to upload their own applications directly to the Online Faculty System.

The Fundraising Adviser provided tailored fundraising and project management advice to 72 parishes by email, phone, and in person. She made visits to 17 churches, independently of the DAC's scheduled site visits. As in 2020, grant-funding opportunities continued to change rapidly and frequently throughout the year and keeping on top of this and updating parishes about the changes comprised a significant part of her work.

Parish Support

The Department for Apostolic Life provides ongoing support to parishes through its training seminars and manuals, and by providing ad hoc advice throughout the year. Topics covered included the role of the PCC treasurer, contactless/digital giving, good governance, will-writing and legacies, and annual report writing. All seminars were conducted on Zoom and at different times of day, which gave parish officers from across the diocese the chance to attend and participate.

The department continued to share manuals and accounting templates on the diocesan website, updating webpages as needed and to improve clarity. We responded to questions from incumbents, treasurers, PCC secretaries and churchwardens on a daily basis.

A particular emphasis in 2021 was the development of contactless and digital technology to facilitate individual donations via bank card. Seminars in August were attended by over 150 participants, and surveys showed that by the end of the year 177 parishes were using a contactless giving device in their churches.

The Parish Giving Scheme continued to improve its offering and the methods of engagement. By the end of the year 225 parishes had joined the scheme, with over 64,000 donations processed

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

over the year for the Diocese, to a value of £5.6 million including Gift Aid. Innovations for givers included the ability to register online to begin giving and to amend existing giving. The information booklets that Apostolic Life make available to parishes were updated and added to the Diocesan webpages, as well as being sent out in hard copy to parishes as needed.

Generous Giving

We have sought to support churches as they aim to create the right conditions for generosity – through appropriate mechanism, explaining the impact of and need for generosity and to help build trust between the church members and their leadership. With the right conditions in place, the focus moves to creating a church culture where generosity is seen as “what we do as church”. To facilitate this, we have provided training on inspirational preaching and teaching, equipping leaders for discipling church members, looking to embed generosity into a church’s DNA and creating suitable actions and activities to facilitate a generous response. It has been important to set or re-set expectations that generosity is not a one-off event - a stewardship Sunday or a tick in the box on a Mission Action Plan - but rather an ongoing journey of generous giving which is part of the fabric of church life.

In order to promote this, we have met individually with church incumbents and leadership teams, sought assistance from the appropriate Rural Dean, presented to PCCs, clergy deanery chapters and deanery synods. The opportunity to preach on giving has also been taken when invited to do so by the individual incumbent.

Significant use has been made of resources available online, including those created by the Church of England National Giving Team, Giving in Grace, and Ecclesiastical Insurance. The Generous Giving programme benefitted from a training webinar on preaching on generosity in October, featuring contributions from both suffragan bishops and the incumbent of St Andrew’s Burgess Hill. This was very well attended and well received.

In 2021, the diocese has established a formal agreement with easyfundraising – a mechanism to “capture” donations made by participating companies when people shop for goods and services on-line. The take up by individual churches has been encouraging as there is no cost to the individual purchaser – the donation coming out of the marketing funds of the supplier.

Finance

The Diocese acts as custodian trustee for many trust funds; the Finance Department administers investments on behalf of almost 500 parish and chancel trusts and 65 school trusts.

Governance

The Governance team continued to advise parishes on matters of governance, record-keeping, GDPR and the like and as in 2020 there was a particular focus on the impact of the pandemic, the holding of meetings and alternative methods of decision-making.

18 Autumn Deanery meetings were held, mainly in person though with a small number of online and hybrid meetings. A meeting was held for every deanery, mostly for individual deaneries but

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

with three joint meetings. Two further Zoom meetings were offered to anyone across the diocese who had been unable to attend but wished to ask questions. These meetings once again offered a chance to reflect on and celebrate the work of all those in our deaneries and parishes, and to share and discuss key financial information. Two diocesan synods were held online in May and November.

Supporting schools

During 2021, our Education Team was reshaped into a more sustainable model aiming to combine offering a strong service to 155 schools with keeping the team lean. All schools have benefitted from the support of a named Diocesan Effectiveness Officer with the experience to support school improvement and effectiveness.

The programme of Continuing Professional Development offered by the department is designed to support school leaders, governors and clergy through a wide variety of topics that are relevant to school life. Courses offered around the SIAMS schedule proved popular with governors and headteachers alike, with additional bespoke sessions being arranged for groups of schools.

Academisation remains an important part of the strategy of the department. We now have four diocesan MATS in operation, the Bishop Luffa Learning Partnership, the Bishop Otter Academy Trust, the Diocese of Chichester Academy Trust and Hurst Education Trust. The Diocesan Board of Education have developed a new body with the CEOs of our MATS. This is known as the Strategic Partnership of Diocesan MATs and has been created to develop a coherent approach that will begin to amount to a Diocese of Chichester offer, to support the challenging decisions that our schools will need to make in the coming years.

By the end of 2021, 91% of our schools were judged to be graded good or above by Ofsted. The number of good or better schools has steadily risen over the past four years, despite the Ofsted framework having increasingly raised expectations of schools. However, both Ofsted and SIAMS Inspections were paused during the pandemic and have only been in full operation since the start of 2022.

Facilitating of capital expenditure on schools

The Education Department continued to support the remaining 49 Voluntary Aided schools via capital funding from the government, under the new scheme, known as the School Condition Allocation, launched in 2020, which gives the diocese greater independence and greater flexibility to use the resource effectively, coupled with greater accountability. Projects at 26 schools were funded in 2021, including significant investment in our 2 Voluntary Aided Secondary Schools, providing new science laboratories and helping one school to move from single sex to co-educational provision.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Safeguarding casework

The Diocesan Safeguarding Team continued to oversee safeguarding casework and training across the Diocese, and the implementation of a number of House of Bishops' safeguarding practice guidance documents. This remains a challenging and busy area of Diocesan work, within a fast-moving national context.

The national Past Case Review (2) was completed in 2021, and the final report has been submitted to the national project manager. PCR(2) is a major national project for the Church of England, involving a review of every case file, including all clergy files, by independent safeguarding professionals, to ensure that all necessary safeguarding actions have been taken. PCR(2) also involved written returns from every parish, to ensure that knowledge about safeguarding concerns held in parishes is also incorporated into the review.

The Chichester report identified a number of aspects of good practice, particularly in terms of overall leadership, cultural change, and safeguarding practice. A number of casework-related actions were identified by the PCR(2) reviewers, the majority of which were relatively minor. The PCR(2) reviewers did identify a small number of cases which needed to be referred to the statutory agencies, although there were no new criminal investigations arising from these referrals. The PCR(2) final report also identified the need to improve file keeping practices, particularly in relation to clergy files, and to ensure that the Diocesan Safeguarding Team is adequately resourced. The national overview report is expected to be published in May 2022.

The environment

Despite the continuing challenges posed by the pandemic, the Environment Group chaired by the Archdeacon of Brighton and Lewes has laid the foundations for a climate plan of action in response to the Church of England's target of Net Zero Carbon by 2030. 46% of churches submitted data to the national Energy Footprint, an increase of 10%. The number of churches joining Eco Church has also continued to grow. Over 20% of churches are now engaging with the scheme.

Supporting the wider church and specific ministries

Support for parish projects within diocese

The Diocesan Mission Fund deployed part of the grant from the AllChurches Trust as well as an amount from the Pastoral Fund to support outreach mission initiatives within the Diocese. It supports both new work and developments of current activities that need further financial assistance. In the last year the Mission Fund has awarded £67,000 towards projects including: Interparish Children and Families Mission Initiator & Youth Worker, children's worker and Rick's Bench, an innovative listening project tackling loneliness and mental health issues. All projects are linked closely to the Diocesan Strategy.

Grants are made to other connected charities, notably Chichester Diocesan Association for Family Support Work and St Bartz Trust to support their work with disadvantaged families and youth work respectively. An analysis of grants made by the CDBF to support the furtherance of its objects can be found in note 11 to the financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Support for the wider church nationally

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of various national boards and councils including General Synod, and also to cover a proportion of the cost of national training for ministry and the provision of housing for retired clergy (see note 9 to the financial statements).

Support for the wider church internationally

Alongside the challenges of the continuing Covid-19 pandemic, the Diocesan Overseas Council (DOC) undertook a major review of its work during 2021 under the leadership of Bishop Ruth. In the summer, James Campbell took over as the Companion Links Officer from Christine Keyte.

Historically, the DOC has principally supported ministry, whilst receiving a wide range of other requests including for building and income-supporting projects, the costs of enthronements etc; The Committee recognised that it is a challenge to attempt to support such a large number of dioceses spread over so many countries. They also recognised the limitations implicit for a diocese, rather than a parish, and were conscious of the fruitful partnerships that many parishes enjoy already.

The DOC agreed to concentrate on three particular areas: 1) Bursaries – the primary focus to be on equipping future Christian leaders, by granting bursaries for training at Theological Colleges; 2) Friendship – to build, foster and develop relationships with those in Christian work, as an aid to prayer and support; 3) Diocesan Clergy - some training curates will be offered the opportunity to gain overseas experience of the Anglican Communion, or to visit the Holy Land; and also clergy on Extended Ministerial Development Leave, especially where their plans relate to one of our link dioceses. Generally, the DOC consider that building and income-generating projects are best supported by individual parishes; such links are encouraged. Similarly, schools are best supported by individual schools or parishes.

During the year donations received from previous Harvest Appeals were disbursed to projects run by three major Christian charities. Three more students studying in Kenya are now being supported, making a total of six, together with one from this Diocese who is training with Crosslinks in South Africa.

The recently announced modified format for the long-awaited Lambeth Conference is a disappointment. The eleven bishops expected to come with their spouses will not now be able to visit the Diocese. However, the opportunity of meeting some of our partners in Canterbury, even if briefly, will be a blessing.

The pandemic meant that meetings of the Diocesan European Ecumenical Committee did not happen in 2021 and the Feuerstein Conference (to be held in Bayreuth, Germany) was postponed until May 2022. The theme of the conference will be focussed on mission.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Support for particular ministries

The CDBF has continued to provide the Gatwick Airport Chaplain, who continued to offer a Christian presence and ministry to individuals and airport companies in Gatwick. These have been devastated by the Covid-19 virus and its effect on the aviation industry. Gatwick was the worst affected airport in Europe, and has taken the longest time to show some regrowth in 2021.

Working with Gatwick Airport Limited, the Chaplain has been vital to ensure the visible presence of the love of God, during this pandemic, in the community. This has been seen to be alive and active through the live streaming of twice weekly Holy Communion services, via the Zoom social media platform, and regularly walking around the airport concourse. There has never been a Sunday in the airport without a Eucharist to this day.

Later in the summer, a weekly time slot was instituted where the Chaplain guaranteed to be available in the South Terminal Chaplain's Office for private and confidential meetings, known as CCCTV (Chaplain's Confidential Chat Time, Visit-me). The choice of the South Terminal, as a closed terminal, was to enable people to come and go with a greater degree of anonymity. Visits to the wider community were maintained, although these were difficult until the Delta variant of the virus receded. Certain areas of the vital infrastructure of the airport running operations, such as the Gatwick Control Centre and the Airport Fire Station, still maintained a lockdown no visiting policy.

Support was given to the British Isles and Ireland Airport Chaplains Network, and the International Association of Aviation Chaplains. Being an Airport Chaplain can be very lonely, especially for lone working chaplains and the very small airport teams of two or three. Zoom meetings proved vital for all airport chaplains' support, and regular Zoom seminars were maintained for both institutions. However virtual meetings over the computer can never replace personal social interaction, expressing the love of God physically, face to face.

Diocesan clergy continued to support the South East Coast Ambulance chaplaincy. A number of restrictions were put on voluntary staff including chaplains because of Covid. This resulted in fewer 1:1 contacts with ambulance personnel, but more frequent emails exchanged, especially after serious incidents. Because of the intensity of the work, with Covid cases added to everyday ambulance work by front-line paramedics etc, 5 welfare vans were hired, staffed by volunteers and chaplains, to bring free refreshments to staff sometimes unable to take proper breaks during their 12 hour shifts. Along with Community First Responders, Chaplains were awarded "Team of the Year" – an honour received by the Revd Francis Pole, as Joint Senior Chaplain on behalf of the chaplains. Mr Pole has now retired from his post and the Senior Chaplaincy is now held by a Pentecostal Minister.

With almost 70% of the Diocese described as 'rural', in 2021 a new post of Rural Officer for East Sussex was created and an appointment made to it in September. This new venture is in partnership with Ashburnham Thanksgiving Trust, who are sponsoring the post. The Officer has begun offering support, encouragement, promoting ideas and good practice, and offering advice to the many rural churches and communities we have in East Sussex, advising the Diocese on key rural issues happening locally and nationally, and building networks of mutual support with other agencies, such as Action For Rural Sussex and the Farmer's Community Network, is another key element of the role.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Running an effective organisation

18 governing committee meetings were held, including the Bishop's Council, the Operating Committee, Assets Committee, Audit Committee, Education Finance Committee and Remuneration Committee. 2021 also saw a number of elections across the diocese including Diocesan Synod, General Synod, Chairs for the Houses of Laity and Clergy and Appointments to Committees and Councils.

The Diocese makes great efforts to be a good steward of its assets, and to manage its investments effectively, balancing the need to maximise the long term return from our assets with the need to generate income to reduce the pressure on parishes. Great care continues to be taken with this management, with an ever increasing focus on ethical and environmental consideration.

Negotiations continue to progress on options for glebe land, and options on three glebes reached near final stages of negotiation in 2021. Planning applications were lodged for four glebes, for which options had previously been signed.

The Property Department continues to focus on letting empty houses where it can. In 2021 rental income of c. £700k was generated from vacant parsonage houses and c. £280k from glebe houses and land.

In response to the ongoing Covid-19 pandemic and to reflect the success of working from home, the DBF introduced a remote working policy in May 2021. This enables staff to work on a hybrid model between the office and from home whilst providing service efficiency and stability. Our IT systems have facilitated effective business continuity throughout the pandemic and a new softphone telephone system (3CX) was rolled out in 2021 to further improve our flexibility and to save costs. The DBF renewed its cyber essential accreditation in August 2021, demonstrating our commitment to cybersecurity and helping us to guard against the most common cyber threats.

FUTURE PLANS

The strategic aims established by Diocesan Synod in 2019 detailed on page 4 will continue to direct the activities of the CDBF. The diocese's major commitment continues to be the maintenance of a Christian presence across the parishes of Sussex. We will continue to encourage more vocations to the ordained ministry through events, mentoring, visibility of role models, and increasing team capacity (one reappointment and increased numbers of volunteers), and we also plan to train and develop lay members of the Church, including holding a lay ministry conference in 2022, expanding the Living Faith course to both an online and an in person version, restarting the Authorised Lay Ministry course with a new core module linked to the diocesan strategy and an increased range of electives, and transitioning to the new national framework for Reader selection.

After the pressures placed on clergy by the Covid-19 pandemic, clergy welfare is a priority. A Clergy Wellbeing Day (to which all clergy in the diocese will be invited) is being planned for 27th Sept 2022, to pursue the direction set out by the General Synod in their 2022 Covenant to Clergy Wellbeing. Further workshops are being developed in collaboration between the Head of Wellbeing for Clergy and Families and the Continuing Ministerial Development officer, covering topics such as Radical Rest, which will incorporate both theological and psychological perspectives. Further models of reflective practice for clergy are being proactively considered with a view to long-term development and financial sustainability. Resources pertinent to women are being

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

developed in collaboration between The Head of Wellbeing for Clergy and their Families and the new Dean of Women's Ministry.

Pressures on finance and mission will continue to be addressed by the diocesan wide deanery planning exercise to consult on, and made decisions about, the mission and ministry needs of the diocese, the resources that can be found to fund them, and the best way to deploy ministers in light of those needs and resources while closing the funding gap. This was rolled out to all deaneries in 2021 and encouraging responses received. Those who have not yet responded with either their mission action plans or their financial aspirations will be followed up during 2022 to enable a diocesan wide view to be taken.

As part of this process, continued support on both mission and finance will be offered. More apostolic partnerships will be encouraged, support and training will be offered, and a Strategy for Apostolic Partnerships in the diocese is being developed by the Senior Staff. The church growth programme, Great is Thy Faithfulness, is currently being piloted with 16 parishes, and it will then be reviewed and rolled out more widely across the diocese. It is supported by a series of videos, and advice and consultancy will be offer to the parishes covering a range of areas including buildings and communications. Maycamp, the diocesan youth camp, will be back in person in 2022 after two years off and other youth and children's initiatives like Hubs and Link up will be back in person. Our youth leaders' retreat will be back in person, and we have plans for new volunteer training resources as well as new training courses for the Virtual Learning Environment coming too.

In 2022 we aim to continue with our support and guidance for parishes wishing to take on new contactless giving methods, including a "try before you buy" project and customisable postcards including QR codes to online giving mechanisms. Supporting treasurers has never been more important, with pressure on volunteers including bank charges and branch closures; we will again offer detailed treasurer training seminars and continue to offer day to day help as needed.

A key focus for 2022 is to enable churches to make more of the easyfundraising facility – to encourage those yet to sign up to do so, and for those already registered to increase the contributions received. To do this, a proactive campaign is in progress, encouraging churches to look wider than the participation of core church membership, extending this to include friends and family of the membership and also local businesses, who, although they may not be attending church personally, value its presence within the local community.

The Education team plan to work closely in 2022 with other partners in the Diocese including the Cathedral to develop our input into Black History Month and Race Awareness Week.

A further key focus will be developing and implementing a strategy to achieve Carbon Net Zero in the diocese, and in particular assisting schools to meet the target, and ensuring that our parishes and schools are safe and welcoming places remains a priority.

Following the final national report of the Independent Inquiry into Child Sexual Abuse (IICSA), the Diocese put itself forward and been accepted as a pilot diocese for IICSA Recommendations 1 and 8, which refer to the independence of safeguarding decision-making and the quality assurance of safeguarding work respectively. The Chichester Diocesan Safeguarding Adviser will become the Lead User for this national project amongst Diocesan Safeguarding Advisers, representing the DSA community to ensure the implementations of these two recommendations meet the needs of

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

safeguarding practitioners across the Church of England.

Our central structures are designed to support the vision and the priorities of the diocese and, as such, are kept under review to ensure that they are fit for that purpose.

FINANCIAL REVIEW

Financial Performance

The main incoming resource for the Diocese is Parish Share, the money given by the parishes to the Diocese to fund its mission and ministry and in particular the costs of clergy stipends, pensions and housing. This provides 72.9% of the CDBF's income (2020: 73.6%).

The current year's Parish Share receipts represent 98.5% (2020: 92.7%) of the total pledges made for 2021. When the receipts for prior years are included the collection rate increases to 98.8% (2020: 93.6%). The Trustees are grateful to all parishes who pledge so generously and, even during the COVID-19 pandemic, continued to meet those pledges, especially to those parishes that make their contribution payments by monthly instalments which enables the Diocese to manage cash flow efficiently.

The total income for the year was £17.9m (2020: £17.8m). The changes to income in 2021 are due to:

- While parish share receipts were at a higher rate of total pledged in 2021, the impact of the pandemic meant that parishes had not been able to pledge as much as they had for 2020 prior to the start of the crisis. Parish share actually fell by £96k. Parish fee income increased by £159k with the events which generate these fees, especially weddings, starting to be able to take place again. Investment income also recovered, increasing by £93k. The Diocese was able to access grants of £21k from the Job Retention Scheme by furloughing a number of members of staff for varying periods of time during the year, in addition to the £84k received in 2020.
- In 2020, The Diocese received a one-off grant of £600k of sustainability funding from Archbishops Council. With the agreement of the Council, this grant was designated to fund two additional curates who were ordained in 2021 and also the appointment of a Parish Development Officer. In 2021 the Diocese received grants of £469k from the Strategic Development Fund, along with £32k to fund a Generous Giving Advisor who was appointed in 2021.
- An increase of £327k in rental income from vacant parsonages and glebe properties.

The total expenditure for the year was £17.9m (2020: £17.7m). Significant changes included:

- A decrease of £62k in the amount payable to the Archbishops' Council in respect of Chichester's share of national responsibilities, particularly with regard to the pooling arrangements for Ordinand maintenance.
- A continued decrease in expenditure resulting from the consequences of the coronavirus pandemic. Some of the savings were planned with the prospect of income being severely

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

reduced. This included the deferment of works to property following quinquennial inspections. This deferment is for a period of two years and took advantage of the work that the property department has done over several years to maintain and improve the condition of our properties. This expenditure will have to re-commence in 2022.

- An increase of £49k in first appointment, resettlement and removal grants as moves became easier to make as the impact of the pandemic eased.
- Of the total contributions to the clergy pension scheme, which were relatively unchanged from 2020, £307k more was applied to current service affecting the General Fund and £307k less to deficit repayments which reduce the liability in the Stipends Fund. Contributions to the scheme are due to reduce from April 2022 following the scheme predicted to be going back into surplus.

Overall, the net deficit before investment gains was £56k. Taking account of realised and unrealised gains on investments of £5.273m, and unrealised gains on revaluations of property fixed assets of £25.235m, the resulting increase in funds was £30.452m which increased the total assets of the CDBF from £283.2m to £313.7m.

A deficit budget has again been set for 2022. Parish Share is budgeted to recover about 50% of that which was lost as a result of the pandemic, with savings continued to be sought in all areas with the aim of not impacting the ability to provide ministry where needed across the Diocese.

Significant Property Transactions

Seven properties (two parsonages and five glebe houses) were sold during 2021 for a total of £5.359m. Three properties (one parsonage and two glebe properties) were purchased during the year for £2.132m. Improvements of £0.957m to four parsonages and one glebe property were also capitalised.

Several properties are currently also being marketed for sale.

The CDBF will consider the disposal of property for the following reasons:

- to replace unsuitable parsonages;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

Balance sheet

The Trustees consider that the balance sheet together with note 20, show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While net assets at balance sheet date totalled £314m (2020: £283m), it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £252m (2020: £229m). Much of the remainder of the assets shown in the balance sheet is held in restricted funds and cannot be used for the general purposes of the CDBF.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Reserves policy

Free reserves

Having considered financial risk, liquidity requirements and the timing of cash flows throughout the year and in particular the fact that 72.8% of diocesan income comes from contributions from parishes who have their own cash flow challenges, the Trustees' policy is to hold a balance of readily realisable assets in the general fund equivalent to a minimum of 2 months' budgeted expenditure. At 31 December 2021 the amount required under this policy totalled £3.0m (2020: £3.0m). Actual free reserves at that date totalled £5.9m (2020: £5.7m). The Trustees are aware, particularly in the light of not only the continuing COVID-19 pandemic, but also increased living costs for parishioners and the impact of other world events, that levels of parish contributions may reduce in future years and that, even with the current surplus above the minimum level detailed above, the level of free reserves could fall below the policy level detailed above. Longer term forecasting indicate that it will take a number of years to bring the operational budget back into surplus and so Trustees are of the opinion that the current surplus of the level of free reserves above the desired minimum is prudent. The ultimate impact of the COVID-19 and other crises on asset values, income levels and ultimately on free reserves remains unclear.

Designated funds

The Trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed periodically and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with its intended use is set out in notes 19, 20 and 23. At 31 December 2021 total designated reserves were £7.3m (2020: £6.7m), the majority of which is tied up in fixed assets.

Restricted and endowment funds

As set out in note 19, 20 and 23 the CDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2021 restricted funds totalled £22.0m (2020: £19.9m) and endowment funds totalled £278m (2020: £251m). Neither are available for the general purposes of the CDBF.

Grant making policy

The Memorandum of Association of the CDBF explicitly permits the CDBF to make grants in pursuance of its objects. The nature of grants made in 2021 is indicated in note 11. Grants were made to parishes to support mission projects, to Ordinands to support them in training and to Clergy to assist with new appointments and relocation and with welfare needs.

Investment policy

The CDBF is empowered by its memorandum of association to invest monies not immediately required for its purposes. Responsibility for the management of diocesan assets is delegated (through the Finance Committee) to the Assets Committee which oversees investment policy, monitors performance and reviews strategy with its advisers.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

The CDBF is subject to the Charities Acts, the Trustee Investment Act 2000 and Measures passed by the General Synod of the Church of England.

There are no restrictions on the CDBF's power to invest subject only to the Acts and Measures set out above plus Charity Commission guidance CC14 and the ethical policy referred to below. Specific Trustee permission is required for investments in Private Equity, Hedge Funds, Commodities or Derivatives.

The CDBF endorses the Church of England Ethical Investment Policy and requires its investment managers to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography, tobacco, thermal coal or tar sands. The CDBF's investment objectives are to maintain and enhance the real value of the Fund over the long term, whilst producing an annual income which grows at least in line with inflation and having due regard for the possible need for liquidity.

The risk profile is medium high with a commensurate level of volatility in capital value being acceptable. The permitted asset classes are detailed within the DBF's investment policy as recommended by the Assets Committee. The base currency of the portfolio is sterling. The minimum acceptable credit rating for bond issuing or deposit taking institutions is BB.

The portfolio is split among a number of investment managers who each have a different brief in order to achieve diversification and spread risk. Each manager operates on a discretionary basis with a normal weighting in favour of equities. Managers may be appointed to perform principally to an Income target (while maintaining capital value) or a Total Return basis. It is expected that funds will be fully invested. Benchmarks are agreed with each Investment Manager.

In addition, the CDBF acts as trustee of a number of trust funds, which are invested in accordance with the related trusts.

Note 20 provides details of the assets of each fund, together with the related purposes, and note 15 summarises the movements in investments during the year.

The investments held at year end and their return during the year are set out in the following table:

	Funds at 31 December 2021 £'000s	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	574	1.30%	2.90%	17.25%
M&G Managed				
Charifund	14,938	33.81%	5.13%	18.51%
Charibond	25	0.06%	2.05%	2.05%
Charles Stanley Managed	10,467	23.69%	3.82%	17.78%
J M Finn Managed	8,733	19.76%	2.54%	9.48%
Cazenove	9,448	21.38%	1.82%	11.25%
	<u>44,185</u>	<u>100.00%</u>		

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Fundraising

Chichester DBF is aware of the Charities (Protection and Social Investment) Act 2016, the Fundraising Code of Practice and the Charity Commission's guidance on fundraising. The trustees fully support the aims of the legislation and guidance. The majority of the DBF's income comes from other charitable bodies and it undertakes very little direct fundraising activity involving individual donors. The main exceptions are the annual Harvest Appeal and Lent Appeal which are promoted through general communications rather than targeting specific individuals, although neither of these appeals were run during the pandemic. The DBF considers the origin of unsolicited donations and legacies when received. The DBF did not share or purchase any donor data with third parties and did not engage any professional fundraisers during the year. The DBF did not receive any complaints in relation to fundraising in 2021.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy. This is subject to review by the Trustees on an annual basis, and by the Audit Committee at each meeting, with responsibility for delivery of the mitigation strategies delegated to the Diocesan Secretary. The register is reviewed at least three times a year and is regularly updated.

The principal areas where the risk of either failure to act or the impact of the events is considered 'high' and the associated mitigation strategies are:

Significant loss of income or increase in expenditure:

- Improved forward planning;
- Close monitoring of income, expenditure, investments and cash flow;
- Close communication with parishes to maintain parish share payments;
- Exploration of alternative funding avenues.

Falling clergy and congregation numbers

- Great care taken to make good appointments;
- A larger team is in place to foster more vocations;
- Increased training and support for clergy and parishes on discipleship courses, use of technology, evangelism, mission and outreach;
- Developing deanery deployment plans;
- Re-imagining ministry is a core part of the diocesan strategy with a strong focus on equipping and building confidence to energise lay ministry and development of self-supporting ministry;
- The diocese is engaged in Strategic Development Projects with financial support from the national church and other missional investment to promote growth in strength and depth both in particular places and across the diocese.

Safeguarding: Where there is an occurrence of child, vulnerable adult or domestic abuse by someone working for or on behalf of the Church.

- The CDBF employs a safeguarding adviser, a deputy and an assistant, supported by two administrators and an independent sexual violence adviser;

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

- The diocese has a strong independent safeguarding advisory panel to review and challenge its actions, and excellent relationships with statutory agencies, who are all represented on the panel;
- Policies are aligned with those of the national church;
- All parishes are required to undertake a full audit of their practices and take action as appropriate based on the findings;
- Training is compulsory for all relevant staff, office holders and volunteers;
- The CDBF has engaged a communications consultant in addition to its communications officer to handle matters which come into the public arena, including matters relating to non-recent abuse.

Trustees and Diocesan Officers continue to assess the risks and uncertainties brought about by the COVID-19 pandemic. Cashflow is continuously monitored, along with the impact of this and other crisis on income levels. A number of scenarios have been modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing, should it be required.

STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England

The Church of England is by law established and HM The Queen is its Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a See under the care of a Bishop who is charged with the cure of souls of all the people within its geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The National Church has a General Synod comprised of ex-officio and elected representatives from each diocese and it agrees and lays before Parliament Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod. The Church Commissioners manage the historic assets of the Church of England and the Church of England Pensions Board administers the pension schemes for clergy, employees and lay workers. Within each diocese, the Diocesan Bishop exercises leadership supported by a Diocesan Synod and a senior staff of suffragan bishops and archdeacons. The Diocese of Chichester is divided into twenty-one deaneries, each with its own Synod and within each parish there is a parochial church council which shares responsibility with the parish priest for the mission of the church in that place, in a similar way to the Bishop with the Diocesan Synod.

Whilst each diocese is a separate entity with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables mutual support between dioceses.

Organisational structure

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a company limited by guarantee (No. 00133558) and a registered charity (No. 243134) governed by its Memorandum and Articles of Association.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Chichester. It was established in its present form in 1914. Every eligible member of Diocesan Synod is a member of the company for company law purposes and has a personal liability limited to £1 under their guarantee as a member in the event of the company being wound up.

Governance and policy of the CDBF are the responsibility of the Trustees acting as the Finance Committee, who are also directors of the company and trustees for the purposes of charity law. The Bishop of Chichester is the ex-officio president of the Diocesan Board of Finance, and appoints a chair and vice-chair of the Finance Committee after consulting with the chairs of the Diocesan Synod House of Clergy and House of Laity.

The members of the Finance Committee are the members of the Bishop's Council and Standing Committee of the Diocesan Synod from time to time. The Bishop of Chichester, the chair and vice-chair of the Finance Committee, the two suffragan bishops and the four archdeacons, the Dean of Chichester, the chairs of the Diocesan Synod House of Clergy and House of Laity, and the Deans of Women's Ministry and of Self-Supporting Ministry are ex-officio members, together with one member of the House of Clergy and two members of the House of Laity from each archdeaconry elected from and by the members of Diocesan Synod every three years and up to five additional members of Diocesan Synod co-opted by the Bishop after consulting with the chairs of the Diocesan Synod House of Clergy and House of Laity. The details of Trustees who served during the year, who were elected in 2018 to serve from 1 January 2019, are set out on page 32.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Council and Bishop's Senior Staff Team. The Synod membership is elected every three years; the members for the majority of the year were elected in 2018 to serve from November 2018. Elections took place during the year for new members to serve from November 2021. The Synod elects twelve of the Trustees of the Diocesan Board of Finance. Whilst the CDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 the CDBF is subject to the direction of Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England School properties, held as The Diocese of Chichester Consolidated Educational Endowments, are accounted for in the restricted Aided Church Schools fund and are managed by the CDBF in consultation with the Diocesan Board of Education.

The CDBF is designated as *Diocesan Parsonages Board*, with responsibility for making decisions concerning the management of all clergy houses.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Chichester, are set by the Diocesan Synod and CDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary who is supported by a number of heads of department and their staff. The company meets once a year in general meeting to receive

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

the annual report and financial statements and to appoint auditors. The company meets a second time each year to receive and agree the annual budget, prepared and approved by the Trustees.

The Trustees, meeting within the context of the Bishop's Council and Standing Committee of the Diocesan Synod, hold at least four meetings during the year to formulate and monitor the implementation of policies on mission, ministry and finance by:-

- Initiating proposals for action by the Synod and advising it on matters of policy
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with its Standing Orders
- Acting as the Trustees of the CDBF, including reviewing overall activities, assessing performance, and deciding investment and other policies
- Planning the business of the Synod, preparing agendas for its sessions, and circulating to members information about matters for discussion
- Advising the Bishop on any matters he may refer to the committee
- Initiating consideration of any restructuring of Synod Committees and Departments which may be necessary and the establishment of ad hoc review groups, their terms of reference and membership
- Carrying out such other functions as the Synod delegates to it
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod

The Trustees met four times during the year.

Trustee	Meetings Attended (*Trustee for part of year)
The Rt Revd Dr Martin Warner	4
The Rt Revd Will Hazlewood	3
The Rt Revd Ruth Bushyager	3
The Very Revd Stephen Waine	1
The Ven Martin Lloyd Williams	3
The Ven Luke Irvine-Capel	3
The Ven Dr Edward Dowler	2
Mrs Lesley Lynn	4
Revd Canon Mark Gilbert	4
Mr John Booth	4
Revd Canon Ann Waizeneker	3
Revd Canon Julia Peaty	*1
Revd James Hollingsworth	3
Revd Canon David Twinley	*1
Revd Philip Coekin	4
Revd Martin King	4
Mr Martin Cruttenden	4
Mrs Milly Murphy	4
Mr Bradley Smith	4
Mr Jacob Vince	2
Miss Alison Marchant	3
Mrs Valerie Burgess	4
Mrs Lesley Webster	4
Mrs Sara Stonor	4

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

The Ven Angela Martin

*1

The Trustees are assisted in their work by four principal sub-committees:-

Operating Committee: monitors management accounts and the budget, the collection of Parish Share pledged by parishes, and the acquisition, use and disposal of parsonages and other assets, and exercises the authority delegated to it by the Trustees in areas such as approval of capital expenditure, grants and loans. It also undertakes the CDBF's responsibilities as Diocesan Authority with respect to parochial property under the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964.

Audit Committee: supports the Finance Committee in its responsibilities regarding issues of risk, control and governance and associated assurance.

Assets Committee: oversees investment policy, monitors performance and reviews strategy with its advisors. It also undertakes the CDBF's responsibilities under the Church Property Measure 2018 (with regard to glebe assets).

Parsonages and Houses Committees: two sub-committees, one for the east of the Diocese and one for the west, undertake the CDBF's responsibilities under the Church Property Measure 2018 (with regard to parsonages) and the Repair of Benefice Building Measure 1972.

In 2019 an assessment of the CDBF's compliance with the Governance Code was undertaken. A good level of compliance was identified together with some areas for improvement.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council and Standing Committee of the Diocesan Synod and are selected as set out above. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest and loyalty.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration committee consisting of the Chair and Vice-chair of the Finance Committee, the Chair of the House of Clergy, the Chair of the House of Laity, and a suffragan bishop or archdeacon nominated by the Bishop of Chichester. The terms of reference for this group are established by the Bishop's Council and include recommending policy on remuneration to the Finance Committee and determining the remuneration for employees of the CDBF. In 2015, a full independent benchmarking exercise was carried out, taking into account comparable jobs in the local area, in the sector nationally, and in another Diocese. Further independent benchmarking of specific posts is undertaken whenever a post is filled, responsibilities substantially amended, or a review is requested.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Delegation of day to day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and her colleagues for the delivery of the day to day activities of the company. The Diocesan Secretary is given specific and general delegated authority to execute the business of the CDBF in accordance with the policies framed by the Trustees.

Funds held as Diocesan Authority

The CDBF is Diocesan Authority (akin to custodian trustee) in respect of assets held on permanent trust 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. These assets are not aggregated in the financial statements as the CDBF does not control them, and they are segregated from the CDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £24.10m at 31 December 2021 (2020: £21.33m), are available from the CDBF on request, and are summarised in note 31. Where properties are held as Diocesan Authority, the deeds are identified as such and held in safe custody by the CDBF's solicitor, Winckworth Sherwood.

Funds held on behalf of schools

The Board of Education (as incorporated within the CDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in current assets and current liabilities as at 31 December 2021 is £1,915k (2020 £1,902k).

Connected Bodies and Related Parties

- The Church Commissioners, which acts on behalf of clergy with HM Revenue and Customs and through which the CDBF pays for clergy stipends.
- The Church of England Pensions Board, to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- Chichester Diocesan Association for Family Support Work and St Bartz Trust with whom the CDBF works and to whom grants are made.
- Mother Agnes Trust whose trustees are all members of, or secretary to, the Finance Committee.
- Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of transactions merits more detailed disclosure, this is given in note 30 to the financial statements.
- The only related corporate party with whom the DBF has transacted is the Diocese of Chichester Academy Trust ('DCAT') which manages eleven Church of England Schools in the

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Diocese. DCAT is accountable to the DBE and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust (DoCET) via its members for its operation. The Director of Education, one of the DBF's key management personnel, is a Trustee of DCAT and the Archdeacon of Chichester is its Chair. During the year the DBF provided office facilities free of charge to DCAT as well as performing due diligence on schools intending to convert or join the Trust. DoCET is also a related party, which shares trustees with the DBF, but no transactions have taken place.

Volunteers

The CDBF is dependent on a huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship with the church particularly at times of crisis. The CDBF greatly values the considerable time given by all its committee members and other volunteers across the Diocese in pursuit of its mission.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the CDBF and of the surplus or deficit of the CDBF for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CDBF 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 CDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the CDBF's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

STATEMENT OF DISCLOSURE TO THE AUDITOR

So far as the Trustees are aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

APPOINTMENT OF AUDITOR

The re-appointment of Haysmacintyre LLP as auditor to the CDBF will be proposed at the Annual General Meeting.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2021. The following Trustees served during the reporting year or were in post at the date of this report:

President:	The Right Revd Dr M Warner (Bishop of Chichester)
Ex-officio:	The Right Reverend W Hazlewood (Bishop of Lewes) The Right Reverend R Bushyager (Bishop of Horsham) The Venerable M Lloyd Williams (Archdeacon of Brighton & Lewes) The Venerable L Irvine-Capel (Archdeacon of Chichester and from 20.11.21 Chair of House of Clergy) The Venerable Dr REM Dowler (Archdeacon of Hastings) The Venerable A Martin (Archdeacon of Horsham) (from 04.07.21) The Very Revd S Waine (Dean of Chichester) The Revd Canon J Peaty (Dean of Self Supporting Ministry) (to 24.05.21) The Revd Canon A Waizeneker (Dean of Women's Ministry) (to 31.01.22) The Revd Canon PM Gilbert (Chair of House of Clergy to 20.11.21) Mr J Booth (Chair of House of Laity)
Appointed by the Bishop:	Mrs L Lynn (Chair of the Finance Committee) Mrs S Stonor
Elected by Diocesan Synod: Archdeaconry of Chichester	The Revd Canon D Twinley (to 31.07.21) Mr B Smith Mr G Leonard (from 1.1.22) The Revd Canon PM Gilbert (from 1.1.22)
Archdeaconry of Horsham	The Revd M King (to 31.12.21) Mrs V Burgess Mrs L Webster (to 31.12.21) The Revd L Barnett (from 1.1.22) Mr M Thomas (from 1.1.22)
Archdeaconry of Brighton and Lewes	The Revd J Hollingsworth (to 31.12.21) Mr M Cruttenden (to 31.12.21) Mrs A Murphy The Revd T Holbird (from 1.1.22)

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2021

Archdeaconry of Hastings The Revd P Coekin
Miss A Marchant
Mr J Vince (to 31.12.21)
Mr D Irvine (from 1.1.22)

Senior staff and advisers

Diocesan Secretary	Gabrielle Higgins
Finance Director	Tim Redding
Director of Education	Trevor Cristin
Director for Apostolic Life	Rebecca Swyer
Property Director	Scott Ralph

Registered Office: Diocesan Church House, 211 New Church Road, Hove, BN3 4ED

Bankers Barclays Bank plc, 90-92 High Street, Crawley, RH10 1BP

Independent Auditor Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Solicitors Winckworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB

Investment advisers CCLA Investment Management Ltd, 80 Senator House, 85 Queen Victoria Street, London, EC4V 4ET
M&G Securities Ltd, M&G House, Victoria Road, Chelmsford, Essex CM1 1FB
J M Finn & Co, 4 Coleman Street, London EC2R 5TA
Charles Stanley & Co Ltd, 25 Luke Street, London EC2A 4AR
Cazenove Capital, 31 Gresham Street, London EC2V 7QA

Insurers EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES

+Martin Cicestr:

The Right Revd Dr Martin Warner
President of the CDBF
25th August 2022

Lesley Lynn

Mrs Lesley Lynn
Chair of the Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2021

Opinion

We have audited the financial statements of **Chichester Diocesan Fund and Board of Finance (Incorporated)** for the year ended 31 December 2021 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2021

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on Page 28, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular reviewing the controls and procedures in place for these;
- Challenging assumptions and judgements made by management in their critical accounting estimates in particular valuation of property assets and investment properties; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. The key areas subject to estimation are fair values assigned for property assets and investment properties.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN
FUND AND BOARD OF FINANCE (INCORPORATED)**

For the year ended 31 December 2021

Use of our report

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



Adam Halsey

(Senior Statutory Auditor)

for and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 12/09/2022

10 Queen Street Place
London
EC4R 1AG

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2021

	Note	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
		General £'000	Designated £'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish share	3a	13,024	-	-	-	13,024	13,120
Other donations	3b	282	50	1,021	-	1,353	1,575
Charitable activities	4	708	-	109	-	817	811
Other activities	5	686	-	10	-	696	487
Investments	6	691	-	1,237	-	1,928	1,717
Other	7	1	-	-	53	54	121
		<u>15,392</u>	<u>50</u>	<u>2,377</u>	<u>53</u>	<u>17,872</u>	<u>17,831</u>
Expenditure on							
Raising Funds	8	87	-	99	-	186	159
Charitable activities	9	<u>15,191</u>	<u>143</u>	<u>2,279</u>	<u>129</u>	<u>17,742</u>	<u>17,548</u>
		<u>15,278</u>	<u>143</u>	<u>2,378</u>	<u>129</u>	<u>17,928</u>	<u>17,707</u>
Net income/(expenditure) before investment gains/(losses)		<u>114</u>	<u>(93)</u>	<u>(1)</u>	<u>(76)</u>	<u>(56)</u>	<u>124</u>
Unrealised gains on investments	15	12	74	2,261	2,993	5,340	(3,417)
Realised gains on investments		-	-	(72)	5	(67)	(520)
Net gains/(losses) on investments		<u>12</u>	<u>74</u>	<u>2,189</u>	<u>2,998</u>	<u>5,273</u>	<u>(3,937)</u>
Net income/(expenditure)		<u>126</u>	<u>(19)</u>	<u>2,188</u>	<u>2,922</u>	<u>5,217</u>	<u>(3,813)</u>
Transfer between funds	13	68	50	(98)	(20)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets							
	14	-	<u>571</u>	<u>59</u>	<u>24,605</u>	<u>25,235</u>	<u>1,140</u>
Net movement in funds		<u>194</u>	<u>602</u>	<u>2,149</u>	<u>27,507</u>	<u>30,452</u>	<u>(2,673)</u>
Total funds brought forward		5,738	6,674	19,874	250,990	283,276	285,949
Total funds carried forward	19	<u>5,932</u>	<u>7,276</u>	<u>22,023</u>	<u>278,497</u>	<u>313,728</u>	<u>283,276</u>

All activities derive from continuing activities. The notes on pages 39 to 76 form part of the financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2021

	Total 2021 £'000	Total 2020 £'000
Total incoming resources	17,819	17,831
Resources expended	<u>(17,799)</u>	<u>(17,654)</u>
Operating surplus/(deficit) for the year	20	177
Net gains on investments	<u>2,275</u>	<u>(1,432)</u>
Net gain/(loss) for the year	2,295	(1,255)
Other comprehensive income :		
Revaluation of fixed assets	<u>630</u>	<u>(355)</u>
Total comprehensive gain/(loss)	<u><u>2,925</u></u>	<u><u>(1,610)</u></u>

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

BALANCE SHEET

For the year ended 31 December 2021

Company Number - 00133558	Note	2021 £'000	2020 £'000	2020 £'000	£'000
FIXED ASSETS					
Tangible assets	14		252,692		229,543
Investments	15		49,804		43,703
			<u>302,496</u>		<u>273,246</u>
CURRENT ASSETS					
Debtors	16	2,389		3,237	
Cash on deposit		7,004		5,171	
Cash at bank and in hand		8,093		8,274	
		<u>17,486</u>		<u>16,682</u>	
CREDITORS: amounts falling due within one year	17	<u>(6,246)</u>		<u>(6,269)</u>	
NET CURRENT ASSETS			<u>11,240</u>		<u>10,413</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			313,736		283,659
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities	18		(8)		(383)
NET ASSETS			<u>313,728</u>		<u>283,276</u>
FUNDS					
Endowment funds			278,497		250,990
Restricted income funds			22,023		19,874
Unrestricted income funds					
General funds			5,932		5,738
Designated funds			7,276		6,674
TOTAL FUNDS	19/20		<u>313,728</u>		<u>283,276</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 25th August 2022 and signed on behalf of the Board by:

+Martin Cicestr.

.....
The Right Revd Dr Martin Warner
President of the CDBF

Lesley Lynn

.....
Mrs Lesley Lynn
Chair of the Trustees

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

CASH FLOW STATEMENT

For the year ended 31 December 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities (see below)		(1,324)		(457)
Cash flows from investing activities				
Dividends / interest and rent from Investments	1,928		1,717	
Proceeds from the sales of:				
Tangible fixed assets	5,277		3,099	
Fixed assets Investments	3,874		4,801	
Purchase of:				
Tangible fixed assets	(3,103)		(1,971)	
Fixed assets Investments	<u>(4,703)</u>		<u>(2,642)</u>	
Net Cash provided by investing activities		3,273		5,004
Cash flows from financing activities				
Loans (repaid)	<u>(297)</u>		<u>0</u>	
Net cash used in financing activities		<u>(297)</u>		<u>-</u>
Change in cash and cash equivalents in the reporting period		1,652		4,547
Cash and cash equivalents at 1 January		13,445		8,898
Cash and cash equivalents at 31 December		<u>15,097</u>		<u>13,445</u>
Analysis of Cash and Cash equivalents				
Cash in Hand		8,093		8,274
Notice deposits (less than 3 months)		<u>7,004</u>		<u>5,171</u>
		<u>15,097</u>		<u>13,445</u>
Reconciliation of net movements in funds to net cash flow from operating activities				
Net income before investment gains		(56)		124
Adjustments for				
(Gains) on the disposal of fixed assets		(53)		(115)
Depreciation charges		34		34
Investment income		(1,928)		(1,717)
Change in value of Value Linked Loans		-		-
(Increase)/Decrease in Debtors		848		(472)
Increase/(Decrease) in Creditors		<u>(169)</u>		<u>1,689</u>
Net Cash used in operating activities		<u>(1,324)</u>		<u>(457)</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. ACCOUNTING POLICIES

a) General information

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a charitable company limited by guarantee incorporated in England and Wales (company registration number 00133558) and registered with the Charity Commission (charity registration number 243134). The registered office address is Diocesan Church House, 211 New Church Road, Hove BN3 4ED. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1.

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

b) Accounting convention and basis of preparation

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 (f), 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 – Second Edition, effective 1st January 2019, the Companies Act 2006 and applicable accounting standards (FRS102).

c) Going concern

The financial statements are approved during a period where there continues to be much uncertainty as a result of the international spread of a coronavirus (COVID-19). The ultimate impact of the COVID 19 pandemic remains unclear, although there is room for optimism following the rollout of a vaccination programme, and also the continued support of parishes in paying and pledging parish share. Pledges received for 2022 provide further cause for optimism with parishes responding to appeals for increased generosity. World events also provide additional uncertainty. Diocesan Officers are modelling scenarios should there be a material effect on income and expenditure plans are reviewed as a consequence of this.

However, having reviewed the funding facilities available to CDBF together with the expected future cash flows, along with a prudent estimation of longer term income levels and expenditure requirements, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

d) Income

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

- i. **Parish Share** is recognised as income in the year in which it is received.
- ii. **Rent** is recognised as income in the period in which it is received.
- 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. Coronavirus Job Retention Scheme grants are recognised in the period to which they relate.
- v. **Parochial fees** are recognised as income when received.
- vi. **Donations** other than grants are recognised when receivable.
- vii. **Gains on disposal of fixed assets for the CDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other expenditure.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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. The income is fully expended within the year of receipt and the legal restrictions are therefore satisfied.

e) 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** includes costs relating to the temporary renting out of parsonages and 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 through 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 CDBF, in which case the grants are recognised when the conditions are fulfilled. Records of grants offered subject to such conditions which have not been met at the year-end are kept, but committed grants are not accrued as expenditure.
- iv. **Support costs** consist of central management, administration and governance costs. The amount of support costs 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 usage basis.
- v. **Pension contributions.** The CDBF's staff are members of the Church Workers Pension Fund or the Teachers Pension Scheme and clergy are members of the Church of England Funded Pensions Scheme (see note 26). The pension costs charged as resources expended represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes in which the CDBF participates is accrued at current value in creditors, distinguished between contributions falling due within one year and after more than one year. Movements in the value of these schemes are recognised in the Statement of Financial Activities.

f) Tangible fixed assets and depreciation

Freehold properties

The CDBF measures freehold property assets in accordance with an estimate of fair value as required by FRS 102. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

1. ACCOUNTING POLICIES (continued)

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 CDBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage 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. Through a process of regular visits by the Diocesan Property Department, 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 their fair value.

Investment properties

Glebe properties and assets which are held for investment purposes and rented out have been included at their fair value. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

Parsonage houses

The CDBF 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 CDBF 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 fair value. Parsonage houses are revalued on a five year cycle, with 20% being valued each year on a rolling basis. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

g) Other tangible fixed assets

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

Fixtures and fittings - 25% per annum - reducing balance basis

Computer Equipment - 20% per annum - straight line basis

h) 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 CDBF has entered into operating leases for the use of certain assets. The rental is charged as expenditure in the year to which it relates.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

1. ACCOUNTING POLICIES (continued)

i) Financial Instruments - assets and liabilities

- i. **Debtors:** Debtors are recognised at the settlement amount due
- ii. **Cash and cash equivalents:** Cash at bank and cash in hand includes cash held in short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- iii. **Creditors and provisions:** Creditors and provisions are recognised where the CDBF has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- iv. **Value Linked Loans:** The CDBF has a number of loans for which the settlement proceeds are based on the value of the equity in a property. As this constitutes a non-basic financial instrument under FRS102 these loans have been recognised at fair value and are revalued at each reporting date. Any gains or losses arising at year end are recognised in the SOFA.
- v. **Concessionary Loans:** Loans obtained or made by the CDBF to further its charitable purposes at rates below the prevailing market rates are classified as concessionary loans and accounted for in accordance with section 34 of FRS 102. Such loans are initially recognised and measured at the amount received or paid and subsequently amended to reflect any repayments, interest and impairment.

j) Fund balances

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

Unrestricted funds are the CDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the CDBF.

There are two types of unrestricted funds:

- i. **General funds** which the CDBF uses for the general purposes of the CDBF
- ii. **Designated funds** which are set aside out of unrestricted funds by the CDBF 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 Stipends Fund Capital and Parsonage Houses Fund 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 CDBF 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 those financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the CDBF's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to estimation are fair values assigned for property assets and investment properties. In 2020, 20% of parsonage and 98% of glebe houses were valued using an on-line valuation tool which uses relevant market data to provide a valuation for each property. In 2021 the same tool was used to value an additional 20% of parsonage property and revalue 20% of glebe property. The average uplift in values identified by these valuations was then applied to the rest of the portfolio. The DBF is responsible for the maintenance of the houses and employees visit the properties on a regular basis. Any improvements are capitalised at cost and added to the carrying value of the properties. The occupants of the houses notify the DBF promptly of any damage or disrepair. Any variances from actual fair market value and the estimated value of the portfolio will affect the value of tangible fixed assets reported on the balance sheet, and other gains and losses reported in the Statement of Financial Activities. Income and expenditure are not impacted except to the extent that profit or loss is calculated on the sale of a property. The trustees consider this methodology and the resulting balance sheet values to be an appropriate estimate of fair value for reporting purposes.

3. DONATIONS

3a. Parish Share

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	13,176	-	-	-	13,176	14,010
Shortfall in contributions	(195)	-	-	-	(195)	(978)
	12,981	-	-	-	12,981	13,032
Receipts for previous year	43	-	-	-	43	88
Total Income	13,024	-	-	-	13,024	13,120

Current year parish share receipts represent 98.5% of the total pledges (2020 – 92.7%), or, when receipts for previous years are included, 98.8% of the total pledges (2020 – 93.6%).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

3. DONATIONS (continued)

3b. Other donations

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	General	Designated				
	£'000	£'000				
All Churches Trust Grant	123	50	-	-	173	172
Archbishops Council	87	-	499	-	586	709
RME Block Grant	-	-	505	-	505	568
Grants from other organisations	33	-	2	-	35	103
Donations	39	-	15	-	54	23
	<u>282</u>	<u>50</u>	<u>1,021</u>	<u>-</u>	<u>1,353</u>	<u>1,575</u>

4. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	General	Designated				
	£'000	£'000				
Statutory fees for parochial services	627	-	-	-	627	468
Church Commissioners' guaranteed annuities	-	-	8	-	8	11
Parish trust Income	-	-	101	-	101	110
Generated Income	14	-	-	-	14	27
Church Schools Training & other	67	-	-	-	67	195
	<u>708</u>	<u>-</u>	<u>109</u>	<u>-</u>	<u>817</u>	<u>811</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

5. OTHER ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Properties	686	-	10	-	696	487
	<u>686</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>696</u>	<u>487</u>

6. INVESTMENT INCOME

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable & interest receivable	691	-	869	-	1,560	1,467
Rents receivable - Glebe	-	-	368	-	368	250
	<u>691</u>	<u>-</u>	<u>1,237</u>	<u>-</u>	<u>1,928</u>	<u>1,717</u>

7. OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	1	-	-	-	1	6
Gain/ (Loss) on sale of property	-	-	-	53	53	115
	<u>1</u>	<u>-</u>	<u>-</u>	<u>53</u>	<u>54</u>	<u>121</u>

8. FUNDRAISING COSTS

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	79	-	76	-	155	143
Glebe repairs & improvements	8	-	23	-	31	16
	<u>87</u>	<u>-</u>	<u>99</u>	<u>-</u>	<u>186</u>	<u>159</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

9. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	632	-	-	-	632	632
National Church Responsibilities	441	-	-	-	441	475
Grants and Provisions	54	-	-	-	54	53
Mission agency pension costs	28	-	-	-	28	23
Retired clergy housing costs	232	-	-	-	232	227
Pooling of ordinands	-	-	-	-	-	-
maintenance grants	(121)	-	-	-	(121)	(82)
	<u>1,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,266</u>	<u>1,328</u>

Maintenance grants paid to ordinands are reported annually to Ministry Division of Archbishops Council and combined with similar grants paid by other Dioceses. An extra charge or credit is then made to the CDBF for the difference between the amount actually paid and its assessed share of the total national cost.

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and						
Mission - Parish Ministry						
Stipends and National Insurance	6,345	29	650	10	7,034	7,390
Pension contributions	2,055	13	3	118	2,189	1,710
Defined benefit pension scheme movement (see Note 26)	20	-	-	-	20	- 35
Housing costs	1,744	23	362	-	2,129	2,240
Mission Fund grants	-	67	-	-	67	122
Removal, resettlement & grants	288	-	6	-	294	235
Clergy welfare	-	-	124	-	124	149
Ministry Support	243	-	9	1	253	225
	<u>10,695</u>	<u>132</u>	<u>1,154</u>	<u>129</u>	<u>12,110</u>	<u>12,036</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

9. CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	395	-	507	-	902	1,140
Adult Education	110	-	1	-	111	85
Children and youth work	98	-	6	-	104	101
Apostolic Life	176	11	27	-	214	174
Common Good	8	-	2	-	10	8
Safeguarding	437	-	-	-	437	319
Diocesan Advisory Committee	78	-	-	-	78	78
Pastoral and Redundant Churches uses	59	-	-	-	59	50
Redundant churches	201	-	-	-	201	132
Communications	92	-	-	-	92	92
Mission projects (SDF)	-	-	515	-	515	120
Chancellor & Registrar	98	-	-	-	98	81
Grants	67	-	66	-	133	219
	<u>1,819</u>	<u>11</u>	<u>1,124</u>	<u>-</u>	<u>2,954</u>	<u>2,599</u>
Support and Governance for parish ministry (note 10)	<u>625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>625</u>	<u>694</u>
	<u>2,444</u>	<u>11</u>	<u>1,124</u>	<u>-</u>	<u>3,579</u>	<u>3,293</u>
Resourcing Ministry and Mission - Church Schools						
Church Schools department	705	-	1	-	706	803
Support and Governance for Church Schools (note 10)	<u>81</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>88</u>
	<u>786</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>787</u>	<u>891</u>
Total Charitable activities	<u>15,191</u>	<u>143</u>	<u>2,279</u>	<u>129</u>	<u>17,742</u>	<u>17,548</u>

10. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission	Education	Total Funds	Total Funds
	Support for Ministry	Church Schools	2021	2020
	£'000	£'000	£'000	£'000
Support				
Central services department	79	10	89	178
General office department	198	25	223	231
Finance department	168	22	190	202
IT department	129	17	146	115
Depreciation	<u>30</u>	<u>4</u>	<u>34</u>	<u>34</u>
	<u>604</u>	<u>78</u>	<u>682</u>	<u>760</u>
Governance				
External Audit	<u>21</u>	<u>3</u>	<u>24</u>	<u>22</u>
	<u>625</u>	<u>81</u>	<u>706</u>	<u>782</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

11. ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institution: £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	6	-	1,266	1,266	1,328
From unrestricted					
The Chichester Diocesan Association for Family Support Work	1	-	36	36	36
Together in Sussex	-	-	-	-	4
St Bartz Trust - Youth work	1	-	1	1	19
Clergy Training	28	30	-	30	8
Clergy Moves	113	294	-	294	234
Other organisatons	-	-	-	-	-
	143	324	37	361	301
From designated					
PCCs for Mission projects	9	-	67	67	90
The Chichester Diocesan Association for Family Support Work	-	-	-	-	15
Other Organisations for Mission projects	-	-	-	-	16
Individuals for Mission projects	-	-	-	-	1
	9	-	67	67	122
From restricted					
PCCs for Mission projects	13	-	477	477	240
Clergy and families for Welfare	110	43	-	43	62
Overseas mission agencies	1	-	15	15	9
Aided Schools	-	-	-	-	69
Ordinands in training	53	332	-	332	511
AD Care of Churches	1	-	1	1	-
Other organisatons	-	-	-	-	-
	178	375	493	868	891
Totals	336	699	1,863	2,562	2,642

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

12. STAFF COSTS

	2021	2020
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	1,930	1,874
National insurance contributions	193	193
Pension costs	295	290
	<u>2,418</u>	<u>2,357</u>
The average number of persons employed by the group during the year:		
	2021	2020
	Number	Number
Administration and financial management	23	23
Apostolic Life	14	12
Common Good	-	-
Property	6	7
Education - Church Schools	15	14
Safeguarding & inclusion	5	7
	<u>63</u>	<u>63</u>
The average number of persons employed by the group during the year: based on full-time equivalents:		
	2021	2020
	Number	Number
Administration and financial management	21	20
Apostolic Life	11	11
Common Good	-	-
Property	6	7
Education - Church Schools	10	10
Safeguarding & inclusion	4	5
	<u>52</u>	<u>53</u>
The numbers of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:		
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

12. 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 2021 they were:

Diocesan Secretary and Company Secretary	Gabrielle Higgins
Diocesan Director for Apostolic Life	Rebecca Swyer
Diocesan Director of Education	Trevor Cristin
Diocesan Director of Property	Scott Ralph
Diocesan Finance Director	Tim Redding

Remuneration (including Employer NI) and pensions for these employees/posts amounted to £418,405 (2020 - £419,253).

Termination payments

During the year termination payments totalling £Nil were paid (2020 - £1,914).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £5,309 (2020 - £4,084) in respect of General Synod duties, duties as archdeacon or rural dean, and other duties as Trustees. In addition, one Trustee received a grant of £750 (2020 - 1 Trustee £5,047) in respect of their role as parochial clergy.

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

	Stipend	Housing
The Right Revd R K F Bushyager	No	Yes
The Right Revd W P G Hazlewood	No	Yes
The Venerable L Irvine-Capel	Yes	Yes
The Venerable M Lloyd-Williams	Yes	Yes
The Venerable E Dowler	Yes	Yes
The Venerable A Martin	Yes	Yes
The Revd Canon PM Gilbert	Yes	Yes
The Revd Canon A Waizeneker	Yes	Yes
The Revd Canon J Peaty	Yes	Yes
The Revd J Hollingsworth	Yes	Yes
The Revd D Twinley	Yes	Yes
The Revd P Coekin	Yes	Yes
The Revd M King	Yes	Yes

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

12. STAFF COSTS (continued)

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

	2021 £'000	2020 £'000
Stipends	6,477	6,816
National insurance contributions	557	576
Pension costs - current year	1,755	1,710
Pension costs - deficit reduction contributions paid	434	741
	<u>9,223</u>	<u>9,843</u>

The stipends of the Diocesan Bishop and Suffragan Bishops are paid and funded by the Church Commissioners and are in the range £37,670 - £46,180 (2020 range £37,670 - £46,180). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2021 was £36,648 (2020 - £36,648) and other clergy who were Trustees were paid in the range £27,295 - £28,767 (2020 range £27,295 - £28,767).

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Endowment Funds
	General £'000	Designated £'000	£'000	£'000
Transfer of net proceeds from sale of redundant parsonages	-	-	-	-
Movement on defined benefit pension scheme	20	-	-	(20)
Administration charge - Aided Schools fund	48	-	(48)	-
Mission Fund	-	50	(50)	-
Pastoral Fund transfer - housing costs	-	-	0	-
	<u>68</u>	<u>50</u>	<u>(98)</u>	<u>(20)</u>

Redundant Parsonages. The net proceeds resulting from the disposal of redundant parsonages can be transferred from the parsonage fund to the pastoral fund after due process has been completed.

Defined benefit pension scheme movement. Transfer of the movement to the Diocesan Stipends fund.

Administration charge - Aided Schools fund. This reflects the administration charge of the Schools' Buildings Officer costs charged to the Aided Schools restricted fund.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

14. TANGIBLE FIXED ASSETS

	Freehold Property £'000	Leasehold Property £'000	Office Equipment £'000	- Total £'000
Cost or valuation				
At 1 January 2021	229,191	253	697	230,141
Additions	3,103	-	-	3,103
Disposals	(5,224)	-	-	(5,224)
Revaluation	25,304	-	-	25,304
At 31 December 2021	<u>252,374</u>	<u>253</u>	<u>697</u>	<u>253,324</u>
Depreciation				
At 1 January 2021	-	-	598	598
Charge for the year	-	-	34	34
At 31 December 2021	<u>-</u>	<u>-</u>	<u>632</u>	<u>632</u>
Net Book Value				
At 31 December 2021	<u>252,374</u>	<u>253</u>	<u>65</u>	<u>252,692</u>
At 31 December 2020	<u>229,191</u>	<u>253</u>	<u>99</u>	<u>229,543</u>

All but one of the properties in the balance sheet are freehold and are vested in the CDBF, except for benefice houses which are vested in the incumbent. Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £1,278,924 (2020: £1,152,184). Properties are subject to a cycle of valuations and consequently repairs are charged as expenditure with the SoFA.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

15. FIXED ASSET INVESTMENTS

	At 1 January 2021 £'000	Additions £'000	Disposal £'000	Transfer £'000	Change in Market Value £'000	At 31 December 2021 £'000
Unrestricted Funds						
Listed investments	103	7	(7)	0	13	116
Unlisted investments	5	0	0	0	0	5
Investment property	661	0	0	0	73	734
	<u>769</u>	<u>7</u>	<u>(7)</u>	<u>0</u>	<u>86</u>	<u>855</u>
Restricted Funds						
Listed investments	18,080	2,634	(2,163)	0	2,261	20,812
	<u>18,080</u>	<u>2,634</u>	<u>(2,163)</u>	<u>0</u>	<u>2,261</u>	<u>20,812</u>
Endowment Funds						
Listed investments	20,415	2,063	(1,770)	0	2,549	23,257
Investment property	4,439	0	(3)	0	444	4,880
	<u>24,854</u>	<u>2,063</u>	<u>(1,773)</u>	<u>0</u>	<u>2,993</u>	<u>28,137</u>
Total	<u>43,703</u>	<u>4,704</u>	<u>(3,943)</u>	<u>0</u>	<u>5,340</u>	<u>49,804</u>

Trustees are aware of the continuing impact of the COVID-19 pandemic and other Global events on the value of investment assets. The DBF is, however, a long-term investor and currently has no immediate plans to realise investments in order to raise cash.

16. DEBTORS

	2021 £'000	2020 £'000
Concessionary (interest free) loans to Parishes	562	446
Loans to Parishes	374	985
School projects	581	368
Other Debtors and prepayments	872	1,438
	<u>2,389</u>	<u>3,237</u>
Included within the above are debtors amounts due after more than one year as follows:		
Concessionary (interest free) loans to Parishes	415	381
	<u>415</u>	<u>381</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

17. CREDITORS: amounts falling due within one year

	2021 £'000	2020 £'000
Loans due in one year		
Church Commissioners value-linked loans	1,492	1,721
Deferred income	83	-
Payments received in advance from Education Funding authority	2,289	2,119
Other Taxes and social security	3	2
Other creditors and accruals	1,941	1,927
Clergy Pension Scheme	438	500
	<u>6,246</u>	<u>6,269</u>

Value-linked loans (VLLs) represent amounts advanced to the CDBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Three of these loans are for the benefit of parishes and have been used to purchase houses for curates. Five of the loans have been used by the DBF for the purchase of houses for deserted spouses, of which one was sold in 2020. The related loan was repaid early in 2021. As at 31st December 2021 the Board had no intention of disposing of any more of those properties funded via VLLs. As the timing of the repayment is uncertain the loans are shown as due within one year.

18. CREDITORS: amounts falling due after more than one year

	2021 £'000	2020 £'000
Pension Scheme liabilities (see note 26)		
Clergy Pension Scheme	-	352
Church Workers Pension Scheme - DBS	8	31
	<u>8</u>	<u>383</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

19. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January				Balances at 31 December	
	2021 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	2021 £'000
UNRESTRICTED FUNDS						
General	5,738	15,392	(15,278)	68	12	5,932
Designated Funds						
Property	5,839	-	-	-	644	6,483
Parish Mission	220	50	(67)	50	-	253
Other designated funds	615	-	(76)	-	1	540
	<u>6,674</u>	<u>50</u>	<u>(143)</u>	<u>50</u>	<u>645</u>	<u>7,276</u>
Restricted Funds						
Diocesan Pastoral	13,047	-	(37)	(104)	1,850	14,756
Diocesan Stipends	-	1,084	(1,084)	-	-	-
Clergy Welfare	1,078	80	(78)	-	58	1,138
Clergy Welfare (B Wild)	866	23	(61)	-	77	905
Jenkinson Trust	21	2	(1)	-	-	22
Training	-	32	(32)	-	-	-
University chaplaincy	39	1	-	-	-	40
Hayllar trust	81	3	-	-	-	84
Poling endowment	43	27	(3)	-	-	67
The Arnold Bequest	36	14	(14)	-	-	36
Clergy Widows	23	-	-	-	-	23
SDF	-	469	(525)	54	-	(2)
RME	(24)	505	(478)	-	-	3
Archdeacons' loans	1,824	31	(4)	-	109	1,960
Aided Church Schools	2,666	59	(1)	(48)	153	2,829
Diocesan Overseas Council	107	2	(15)	-	-	94
Other restricted funds	66	45	(45)	-	1	67
	<u>19,874</u>	<u>2,377</u>	<u>(2,378)</u>	<u>(98)</u>	<u>2,248</u>	<u>22,023</u>
Endowment Funds						
<u>Expendable</u>						
Parsonage/Benefice houses	179,054	151	-	-	18,797	198,002
Diocesan Stipends	60,040	(98)	(129)	(20)	7,460	67,253
Clergy Welfare	2,107	-	-	-	243	2,350
Elfinward	2,067	-	-	-	239	2,306
Terry's Cross	5,167	-	-	-	568	5,735
<u>Permanent</u>						
Jenkinson	44	-	-	-	5	49
Training	841	-	-	-	97	938
University chaplaincy	660	-	-	-	72	732
Hayllar trust	69	-	-	-	8	77
Poling endowment	574	-	-	-	71	645
The Arnold Bequest	367	-	-	-	43	410
	<u>250,990</u>	<u>53</u>	<u>(129)</u>	<u>(20)</u>	<u>27,603</u>	<u>278,497</u>
Total funds	<u>283,276</u>	<u>17,872</u>	<u>(17,928)</u>	<u>-</u>	<u>30,508</u>	<u>313,728</u>

The restricted funds above for RME relate to a grant received from Ministry Division to be used to meet the cost of ordination training. Grants are made by reference to the age of ordinands in each year, in the expectation that younger ordinands will follow more expensive training pathways. Depending on the actual pathway chosen for each ordinand, expenditure may be more or less than the grant. Surpluses must be held in reserve to be spent on future ordinands in years where there is a deficit. Deficits may be made good from future years where there is a surplus. If deficits persist, the Ministry Division of the Church of England will review the position. If no further funding can be made available, the deficit must be met from general funds. The balance on the restricted fund for SDF represents grants made to parishes under the strategic development fund program for which grants will be received from the fund post year end.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

20. SUMMARY OF ASSETS BY FUND

	Fixed asset: Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	65	114	6,611	(858)	5,932
Designated Funds					
Property	5,765	734	(15)	-	6,483
Parish Mission	-	-	253	-	253
Other designated funds	-	6	534	-	540
	<u>5,765</u>	<u>740</u>	<u>772</u>	<u>-</u>	<u>7,276</u>
Restricted Funds					
Diocesan Pastoral	-	17,730	(2,974)	-	14,756
Clergy Welfare	1,279	-	1,041	(1,182)	1,138
Clergy Welfare (B Wild)	-	783	122	-	905
Jenkinson Trust	-	-	22	-	22
University chaplaincy	-	-	40	-	40
Hayllar trust	-	-	84	-	84
Poling endowment	-	-	67	-	67
The Arnold Bequest	-	-	36	-	36
Clergy Widows	-	-	23	-	23
SDF	-	-	(2)	-	(2)
RME	-	-	3	-	3
Archdeacons' loans	-	1,031	929	-	1,960
Aided Church Schools	-	1,262	5,343	(3,776)	2,829
Diocesan Overseas Council	-	-	94	-	94
Other restricted funds	-	5	62	-	67
	<u>1,279</u>	<u>20,811</u>	<u>4,890</u>	<u>(4,958)</u>	<u>22,023</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	190,737	-	7,263	-	198,000
Diocesan Stipends	48,410	21,792	(2,510)	(438)	67,254
Clergy Welfare	-	2,167	183	-	2,350
Elfinward	-	2,128	178	-	2,306
Terry's Cross	5,735	-	-	-	5,735
<u>Permanent</u>					
Jenkinson	-	48	1	-	49
Training	-	867	71	-	938
University chaplaincy	701	30	2	-	733
Hayllar trust	-	74	3	-	77
Poling endowment	-	647	(2)	-	645
The Arnold Bequest	-	386	24	-	410
	<u>245,583</u>	<u>28,139</u>	<u>5,213</u>	<u>(438)</u>	<u>278,497</u>
Total funds	<u>252,692</u>	<u>49,804</u>	<u>17,486</u>	<u>(6,254)</u>	<u>313,728</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

21. PRIOR YEAR SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2020 £'000
UNRESTRICTED FUNDS						
General	5,488	15,181	(15,441)	525	(15)	5,738
Designated Funds						
Property	6,086	-	-	-	(247)	5,839
Parish Mission	241	50	(121)	50	-	220
Other designated funds	15	601	(1)	-	-	615
	<u>6,342</u>	<u>651</u>	<u>(122)</u>	<u>50</u>	<u>(247)</u>	<u>6,674</u>
Restricted Funds						
Diocesan Pastoral	15,071	-	(122)	(650)	(1,252)	13,047
Diocesan Stipend	-	952	(952)	-	-	-
Clergy Welfare	1,170	78	(83)	-	(87)	1,078
Clergy Welfare (B Wild)	940	23	(62)	-	(35)	866
Jenkinson Trust	19	2	-	-	-	21
Training	-	30	(30)	-	-	-
University chaplaincy	38	1	-	-	-	39
Hayllar trust	78	3	-	-	-	81
Poling endowment	18	25	-	-	-	43
The Arnold Bequest	40	14	(18)	-	-	36
Clergy Widows	27	-	(4)	-	-	23
SDF	-	93	(181)	88	-	-
RME	(46)	568	(546)	-	-	(24)
Archdeacons' loans	1,849	31	(3)	-	(53)	1,824
Aided Church Schools	2,713	173	(74)	(48)	(98)	2,666
Diocesan Overseas Council	114	2	(9)	-	-	107
Other restricted funds	69	4	(7)	-	-	66
	<u>22,101</u>	<u>1,999</u>	<u>(2,091)</u>	<u>(610)</u>	<u>(1,525)</u>	<u>19,874</u>
Endowment Funds						
Expendable						
Parsonage/Benefice houses	180,313	-	-	-	(1,259)	179,054
Diocesan Stipends	59,038	-	(53)	35	1,020	60,040
Clergy Welfare	2,365	-	-	-	(258)	2,107
Elfinsward	2,321	-	-	-	(254)	2,067
Terry's Cross	5,167	-	-	-	-	5,167
Permanent						
Jenkinson	50	-	-	-	(6)	44
Training	943	-	-	-	(102)	841
University chaplaincy	663	-	-	-	(3)	660
Hayllar trust	77	-	-	-	(8)	69
Poling endowment	669	-	-	-	(95)	574
The Arnold Bequest	412	-	-	-	(45)	367
	<u>252,018</u>	<u>-</u>	<u>(53)</u>	<u>35</u>	<u>(1,010)</u>	<u>250,990</u>
Total funds	<u>285,949</u>	<u>17,831</u>	<u>(17,707)</u>	<u>-</u>	<u>(2,797)</u>	<u>283,276</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

22. PRIOR YEAR SUMMARY OF ASSETS BY FUND

	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	98	101	6,467	(928)	5,738
Designated Funds					
Property	5,193	661	(15)	-	5,839
Parish Mission	-	-	220	-	220
Other designated funds	-	6	609	-	615
	<u>5,193</u>	<u>667</u>	<u>814</u>	<u>-</u>	<u>6,674</u>
Restricted Funds					
Diocesan Pastoral	-	15,399	(2,351)	-	13,048
Clergy Welfare	1,153	-	1,336	(1,411)	1,078
Clergy Welfare (B Wild)	-	676	190	-	866
Jenkinson Trust	-	-	21	-	21
University chaplaincy	-	-	39	-	39
Hayllar trust	-	-	81	-	81
Poling endowment	-	-	43	-	43
The Arnold Bequest	-	-	36	-	36
Clergy Widows	-	-	23	-	23
SDF	-	-	-	-	-
RME	-	-	(24)	-	(24)
Archdeacons' loans	-	891	933	-	1,824
Aided Church Schools	-	1,109	5,018	(3,461)	2,666
Diocesan Overseas Council	-	-	107	-	107
Other restricted funds	-	4	62	-	66
	<u>1,153</u>	<u>18,079</u>	<u>5,514</u>	<u>(4,872)</u>	<u>19,874</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	172,007	-	7,047	-	179,054
Diocesan Stipends	45,294	19,261	(3,663)	(852)	60,040
Clergy Welfare	-	1,911	196	-	2,107
Elfinward	-	1,876	191	-	2,067
Terry's Cross	5,167	-	-	-	5,167
<u>Permanent</u>					
Jenkinson	-	43	1	-	44
Training	-	764	77	-	841
University chaplaincy	631	26	3	-	660
Hayllar trust	-	64	5	-	69
Poling endowment	-	572	2	-	574
The Arnold Bequest	-	339	28	-	367
	<u>223,099</u>	<u>24,856</u>	<u>3,887</u>	<u>(852)</u>	<u>250,990</u>
Total funds	<u>229,543</u>	<u>43,703</u>	<u>16,682</u>	<u>(6,652)</u>	<u>283,276</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

23. DESCRIPTION OF FUNDS

General	The general fund is the CDBF's unrestricted undesignated fund available for any of the CDBF's purposes.
Property	The fund value is set at the level equivalent to the net book value of corporate properties. Church House, Hove and various houses used by retired clergy make up the value of this fund.
Parish Mission	Fund made available from the AllChurches Trust and diocesan sources to support parish mission projects throughout the Diocese.
Other Designated Funds	The majority of these funds represents a grant received from the Church Commissioners to meet the costs of two additional curates ordained in 2021 and a Parish Development Officer role which was also appointed to in 2021..
Diocesan Stipends	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held under the Church Property Measure 2018 to provide income for clergy stipends. It represents glebe property, accumulated sale proceeds of glebe property, and sale proceeds of some benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.
Clergy Welfare	Fund is governed by a 1993 Charity Commission scheme with income being used for the welfare of clergy, their spouses or other licensed staff who work or have worked in the diocese.
Clergy Welfare (B Wild)	Fund derives from the sale of a property, Lapwings, bequeathed for purposes connected with clergy welfare. The fund is used for the clergy wellbeing service.
Clergy Widows	Fund represents a legacy from Charles Peckham to provide financial grants or other benefits for widows of the clergy.
University Chaplaincy	Fund is governed by a trust deed dated 21 July 1961. The fund is to provide a house for the University of Sussex chaplain and to assist that chaplain in the fulfilment of his/her duties.
Jenkinson Trust	Fund represents a legacy from William Jenkinson. Income from the fund is used for necessitous Church of England gentlewomen or as the diocesan fund finds most fitting.
Hayllar Trust	Fund represents a legacy from Sidney Hayllar. Income from the fund is used to help clergy with personal costs such as education and personal support and general financial problems.
Poling Endowment	A fund to be used for the welfare of clergy and their families in need or hardship, serving, in training or retired, of the Diocese of Chichester.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

23. DESCRIPTION OF FUNDS (continued)

Archdeacons' Loans	The fund arose from three gifts and the proceeds of a fundraising campaign. The accumulated income is used to make interest free loans to parishes to help fund repairs to churches and church halls.
Aided Church Schools	The Aided Church Schools Fund , which includes the consolidated fund of The Diocese of Chichester Consolidated Educational Endowments, represents the accumulated sale proceeds of redundant Church of England School properties. Its use is restricted by Section 287(2) of the Education Act 1993 to capital and maintenance work of Church of England schools in the diocese and education generally at Church of England schools in the diocese. The CDBF is trustee of these funds, which are managed in consultation with the Diocesan Board of Education. Also included are capital funds held on behalf of aided schools and funds donated by parishes for the benefit of those aided schools.
Diocesan Overseas Council	The fund comprises the net income raised after grants made by the Diocesan Overseas Council. The Council promotes the Diocesan interest in, support for and engagement with mission work of the churches of the Anglican Communion in co-operation with the Church of England's Partnership for World Mission accredited mission agencies and partners. It raises funds mainly by way of the Harvest Appeal each year and in reaction to world mission appeals and projects.
Diocesan Pastoral	<p>The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:</p> <ul style="list-style-type: none">• to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees.• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese.• other purposes of the diocese or any benefice or parish in the diocese• to make grants or loans to any other diocese• to transfer funds to the diocesan stipends fund income or capital accounts.
Strategic Development Fund	The Diocese has been awarded funding from the Church Commissioners towards a number of parish based mission projects in the Diocese. The funds received are restricted to be used on these projects.
RME Block Grant	A restricted grant received from Ministry Division to be used to meet the costs of ordination training.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

23. DESCRIPTION OF FUNDS (continued)

Parsonage/Benefice Houses	The parsonage/benefice property fund consists of resources restricted to provision of benefice houses in the diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the CDBF is obliged to maintain them, and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the CDBF.
Elfinsward	The fund was created by the sale of a former retreat house. The income from the fund is used to support stipends, communications work and retreat grants.
Terry's Cross	The fund represents the value of a house, originally given as a gift to the diocese, to provide accommodation for retired clergy and church workers.
Training	This fund has been built up by various bequests. The income is used to support ordination training costs and for modest discretionary grants to assist ordinands in need.

24. CAPITAL COMMITMENTS

At 31 December 2021 the CDBF had capital expenditure commitments authorised but not contracted for of £NIL (2020 - £NIL) and contracted for but not yet due of £Nil (2020 - £173,414).

25. OPERATING LEASES

Future minimum rentals payable until the end of the lease under non-cancellable operating leases are as follows:

	2021	2020
	£	£
	£'000	£'000
Other operating leases:		
Total amount payable within one year	13	22
Total amount payable in the second to fifth years inclusive	6	10
	<u>19</u>	<u>32</u>

Total lease payments recognised as an expense in the year were £18,651 (2020 - £34,522).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

26. PENSIONS

The CDBF participates in four pension schemes.

- A. **Church of England Funded Pensions Scheme (CEFPS)** for stipendiary clergy administered by the Church of England Pensions Board.
- B. **Church Workers Pension Fund (CWPF)** for Lay workers administered by the Church of England Pensions Board.
- C. **Church Workers Pension Fund (CWPF) Pension Builder Classic** for Lay workers administered by the Church of England Pensions Board.
- D. **Teachers' Pension Scheme (TPS)** governed by the Teachers' Pension Scheme Regulations 2014.

A. Church of England Funded Pensions Scheme (CEFPS)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2021: £2,188,664, 2020: £2,455,384), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £1,774,664 for 2021 (2020: £1,679,384).

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

- An average discount rate of 3.2% 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.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

26. PENSIONS (continued)

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

As at 31 December 2019 and 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

	2021	2020
Balance sheet liability at 1 January	852,000	1,628,000
Deficit contribution paid	434,000	-741,000
Interest cost (recognised in SoFA)	1,000	14,000
Remaining change to the balance sheet liability* (recognised in SoFA)	19,000	-49,000
Balance sheet liability at 31 December	438,000	852,000

* 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:

	December 2021	December 2020	December 2019
Discount rate	0.0%	0.2% pa	1.1% pa
Price inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable payroll	-1.5%	1.6% pa	1.3% pa

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

26. PENSIONS (continued)

B. Church Workers Pension Fund (CWPF)

Chichester Diocesan Board of Finance (CDBF) participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has two sections:

1. The Defined Benefits Scheme
2. The Pension Builder Scheme, which has two subsections;
 - a. A deferred annuity section known as Pension Builder Classic, and
 - b. A cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

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

For funding purposes, 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.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. 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 (2021: £13,687, 2020: £13,287) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total credit of £9,313 for 2021 (2020: charge of £7,287).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, 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 DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m 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 DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

26. PENSIONS (continued)

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of £6,5000 per year. In addition, deficit payments of £7,387 per year have been agreed for 1.83 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

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

	2021	2020
Balance sheet liability at 1 January	31,000	37,000
Deficit contribution paid	-7,000	-7,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	-16,000	1,000
Balance sheet liability at 31 December	8,000	31,000

* Comprises change in agreed deficit recovery plan and change in discount rate 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:

	December 2021	December 2020	December 2019
Discount rate	1.3%	0.4%	1.3%

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 CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

26 PENSIONS (continued)

C. Church Workers Pension Fund (CWPF) Pension Builder Classic

Since 1st October 2012 the CDBF has participated in the Pension Builder Scheme section of CWPF 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.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means 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 the contributions payable (2021: £222,133, 2020: £226,667).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

26. PENSIONS (continued)

D. Teachers' Pension Scheme (TPS)

The Diocese participates in the Teachers' Pension Scheme ("the TPS") for a number of its staff. The pension charge for the year includes contributions payable to the TPS of £68,450 (2020: £60,240) and at the year-end £Nil (2020 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

27. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General	Designated	Funds	Funds	2020	2019
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish share	3a	13,120	-	-	-	13,120	13,954
Other donations	3b	256	651	668	-	1,575	815
Charitable activities	4	690	-	121	-	811	868
Other activities	5	477	-	10	-	487	456
Investments	6	632	-	1,085	-	1,717	2,182
Other	7	6	-	115	-	121	185
		<u>15,181</u>	<u>651</u>	<u>1,999</u>	<u>-</u>	<u>17,831</u>	<u>18,460</u>
Expenditure on							
Raising Funds	8	76	-	83	-	159	458
Charitable activities	9	15,365	122	2,008	53	17,548	16,360
		<u>15,441</u>	<u>122</u>	<u>2,091</u>	<u>53</u>	<u>17,707</u>	<u>16,818</u>
Net income/(expenditure) before							
investment gains/(losses)		<u>(260)</u>	<u>529</u>	<u>(92)</u>	<u>(53)</u>	<u>124</u>	<u>1,642</u>
Unrealised gains on investment:	15	(13)	73	(1,212)	(2,265)	(3,417)	5,532
Realised gains on investments		<u>- 2</u>	<u>-</u>	<u>(278)</u>	<u>(240)</u>	<u>(520)</u>	<u>274</u>
Net gains/(losses) on investments		<u>(15)</u>	<u>73</u>	<u>(1,490)</u>	<u>(2,505)</u>	<u>(3,937)</u>	<u>5,806</u>
Net income/(expenditure)		<u>(275)</u>	<u>602</u>	<u>(1,582)</u>	<u>(2,558)</u>	<u>(3,813)</u>	<u>7,448</u>
Transfer between funds	13	525	50	(610)	35	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of							
fixed assets	14	<u>-</u>	<u>(320)</u>	<u>(35)</u>	<u>1,495</u>	<u>1,140</u>	<u>2,223</u>
Net movement in funds		<u>250</u>	<u>332</u>	<u>(2,227)</u>	<u>(1,028)</u>	<u>(2,673)</u>	<u>9,671</u>
Total funds brought forward		5,488	6,342	22,101	252,018	285,949	276,278
Total funds carried forward	19	<u>5,738</u>	<u>6,674</u>	<u>19,874</u>	<u>250,990</u>	<u>283,276</u>	<u>285,949</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

28a. PRIOR YEAR NOTES TO ACCOUNTS – 3 DONATIONS

Parish Share

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	14010	-	-	-	14,010	13,999
Shortfall in contributions	(978)	0	0	0	(978)	(183)
	<u>13032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,032</u>	<u>13,816</u>
Receipts for previous year	88	-	-	-	88	138
Total Income	<u>13120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,120</u>	<u>13,954</u>

Current year parish share receipts represent 92.7% of the total pledges (2019 – 98.7%), or, when receipts for previous years are included, 93.6% of the total pledges (2019 – 99.7%). The principal cause of the reduction seen was the impact on parishes of the coronavirus pandemic.

Other Donations

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
All Churches Trust Grant	122	50	-	-	172	171
Archbishops Council	16	600	93	-	709	170
RME Block Grant	-	-	568	-	568	419
Grants from other organisations	103	-	-	-	103	9
Donations	15	1	7	-	23	46
	<u>256</u>	<u>651</u>	<u>668</u>	<u>-</u>	<u>1,575</u>	<u>815</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

28b. PRIOR YEAR NOTES TO ACCOUNTS – 4 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2020	2019
	£'000	£'000			£'000	£'000
Statutory fees for parochial services	468	-	-	-	468	560
Church Commissioners' guaranteed annuities	-	-	11	-	11	13
Parish trust Income	-	-	110	-	110	93
Generated Income	27	-	-	-	27	83
Church Schools Training & other	195	-	-	-	195	119
	<u>690</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>811</u>	<u>868</u>

28c. PRIOR YEAR NOTES TO ACCOUNTS – 5 OTHER ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2020	2019
	£'000	£'000			£'000	£'000
Rents receivable - Properties	477	-	10	-	487	456
	<u>477</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>487</u>	<u>456</u>

28d. PRIOR YEAR NOTES TO ACCOUNTS – 6 INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2020	2019
	£'000	£'000			£'000	£'000
Dividends receivable & interest receivable	632	-	835	-	1,467	1,925
Rents receivable - Glebe	-	-	250	-	250	257
	<u>632</u>	<u>-</u>	<u>1,085</u>	<u>-</u>	<u>1,717</u>	<u>2,182</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

28e. PRIOR YEAR NOTES TO ACCOUNTS – 7 OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	6	-	-	-	6	154
Gain/ (Loss) on sale of property	-	-	115	-	115	31
	<u>6</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>121</u>	<u>185</u>

28f. PRIOR YEAR NOTES TO ACCOUNTS – 8 FUND RAISING COSTS

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	72	-	71	-	143	147
Glebe repairs & improvements	4	-	12	-	16	311
	<u>76</u>	<u>-</u>	<u>83</u>	<u>-</u>	<u>159</u>	<u>458</u>

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	632	-	-	-	632	632
National Church						
Responsibilities	475	-	-	-	475	502
Grants and Provisions	53	-	-	-	53	54
Mission agency pension costs	23	-	-	-	23	7
Retired clergy housing costs	227	-	-	-	227	216
Pooling of ordinands						
maintenance grants	(82)	-	-	-	(82)	38
	<u>1,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,328</u>	<u>1,449</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and Mission - Parish Ministry						
Stipends and National Insurance	6,567	-	770	53	7,390	7,574
Pension contributions	1,710	-	-	-	1,710	1,736
Defined benefit pension scheme movement (see Note 2)	(35)	-	-	-	(35)	(2,614)
Housing costs	2,061	-	179	-	2,240	3,017
Mission Fund grants	-	122	-	-	122	121
Removal, resettlement & grants	235	-	-	-	235	231
Clergy welfare	19	-	130	-	149	186
Ministry Support	223	-	2	-	225	230
	<u>10,780</u>	<u>122</u>	<u>1,081</u>	<u>53</u>	<u>12,036</u>	<u>10,481</u>
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	567	-	573	-	1,140	1,188
Adult Education	78	-	7	-	85	120
Children and youth work	101	-	-	-	101	172
Apostolic Life	174	-	-	-	174	257
Common Good	8	-	-	-	8	33
Safeguarding	319	-	-	-	319	229
Diocesan Advisory Committee	78	-	-	-	78	81
Pastoral and Redundant Churches uses	50	-	-	-	50	45
Redundant churches	132	-	-	-	132	104
Communications	92	-	-	-	92	108
Chaplains	-	-	-	-	-	-
Mission projects (SDF)	-	-	120	-	120	117
Chancellor & Registrar	81	-	-	-	81	69
Grants	67	-	152	-	219	223
	<u>1,747</u>	<u>-</u>	<u>852</u>	<u>-</u>	<u>2,599</u>	<u>2,746</u>
Support and Governance for parish ministry (note 10)	694	0	0	0	694	812
	<u>2,441</u>	<u>0</u>	<u>852</u>	<u>0</u>	<u>3,293</u>	<u>3,558</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General £'000	Designated £'000	Funds £'000	Funds £'000	2020 £'000	2019 £'000
Resourcing Ministry and Mission - Church Schools						
Church Schools department	728	-	75	-	803	804
Support and Governance for Church Schools (note 10)	88	-	-	-	88	68
	<u>816</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>891</u>	<u>872</u>
Total Charitable activities	<u>15,365</u>	<u>122</u>	<u>2,008</u>	<u>53</u>	<u>17,548</u>	<u>16,360</u>

28h. PRIOR YEAR NOTES TO ACCOUNTS – 10 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry		Education Church Schools		Total Funds	Total Funds
	£'000	£'000	£'000	£'000	2020 £'000	2019 £'000
Support						
Central services department	158		20		178	181
General office department	205		26		231	275
Finance department	179		23		202	212
IT department	102		13		115	158
Depreciation	30		4		34	35
	<u>674</u>		<u>86</u>		<u>760</u>	<u>861</u>
Governance						
External Audit	20		2		22	19
	<u>694</u>		<u>88</u>		<u>782</u>	<u>880</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

28i. PRIOR YEAR NOTES TO ACCOUNTS – 11 ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	Total 2020 £'000	Total 2019 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	6	-	1,328	1,328	1,449
From unrestricted					
The Chichester Diocesan Association for Family Support Work	1	-	36	36	36
Together in Sussex	1	-	4	4	10
St Bartz Trust - Youth work	1	-	19	19	19
Clergy Training	27	8	-	8	12
Clergy Moves	47	234	-	234	231
Other organisations	0	-	-	-	11
	77	242	59	301	319
From designated					
PCCs for Mission projects	12	-	90	90	121
The Chichester Diocesan Association for Farr	1	-	15	15	-
Other Organisations for Mission projects	1	-	16	16	-
Individuals for Mission projects	1	1	-	1	-
	15	1	121	122	121
From restricted					
PCCs for Mission projects	9	-	240	240	158
Clergy and families for Welfare	110	62	-	62	75
Overseas mission agencies	4	-	9	9	13
Aided Schools	3	-	69	69	-
Ordinands in training	59	511	-	511	553
AD Care of Churches	0	-	-	-	4
Other organisations	0	-	-	-	26
	185	573	318	891	829
Totals	283	816	1,826	2,642	2,718

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

29. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

The COVID-19 pandemic is continuing to have a huge impact across the world. Volatility caused by this crisis, and other World events, is likely to continue to have an impact on the value of investment assets, along with property values and Pension Fund deficits. While the ultimate extent of these issues is currently still unknown, there have been no event or series of events since the year end which have had a material impact on values at the balance sheet date.

The COVID-19 crisis in particular also continues to have an impact on the operations of CDBF. The ability to hold a number of events in person remains in question and Diocesan Officers have prepared budgets with expenditure plans based on income levels which continue to be under pressure, although indications are that some recovery is being made. Most employees have, however, been able to work effectively, at least in part, from home and every effort is being made to continue to provide as many of our services as possible.

Trustees will continue to monitor the changing operational landscape and impact on assets and related income.

30. RELATED PARTY TRANSACTIONS

The Mother Agnes Trust is an unincorporated charity of which The Right Revd Dr M Warner, the Ven E Dowler, Mrs S Stonor and Gabrielle Higgins, Diocesan Secretary of the CDBF, are trustees. Between 2004 and 2017 Chichester DBF paid the running expenses of the Magnet Centre in Hastings on behalf of the Mother Agnes Trust. The Magnet Centre transferred into new ownership in 2017. The total amount expended by CDBF on behalf of the Mother Agnes Trust as at 31 December 2020 in respect of the Magnet Centre is £375,841. In addition, the DBF paid the salary of the Clerk to the Trustees of the Mother Agnes Trust on behalf of the Trust until 31 January 2019. As at 31 December 2020 the amount expended by Chichester DBF in respect of staff costs was £35,304. Chichester DBF has invoiced these sums but will not pursue payment until the sale of land by the Mother Agnes Trust. During 2021 Chichester DBF provided a loan facility to Mother Agnes Trust for £25,000 to enable them to meet a number of costs prior to the sale of the land. At 31st December 2021 £10,000 had been drawn against this facility.

The Chichester Diocesan Association for Family Support Work is an unincorporated charity of which Mrs Lesley Lynn has been a trustee for part of the year. The Diocese makes an annual grant of £36,000 towards the work of this charity.

The only related corporate party with whom the DBF has transacted is the Diocese of Chichester Academy Trust ('DCAT') which manages eleven Church of England Schools in the Diocese. DCAT is accountable to the Diocese Board of Education ('DBE') and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust ('DoCET') via members for its operation. The Director of Education, one of the DBF's key management personnel, is a trustee of DCAT, and the Archdeacon of Chichester is its Chair. During the year the DBF provided office facilities free of charge to DCAT as well as performing due diligence on schools intending to convert or join the Trust.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

31. FUNDS HELD AS CUSTODIAN TRUSTEE

The CDBF 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 CDBF does not control them. The financial assets held in this way may be summarised as follows:

	2021	2020
	£'000	£'000
CBF Church of England Investment Fund income shares	16,606	14,530
CBF Church of England Investment Fund accumulation shares	281	225
CBF Church of England Fixed Interest Securities Fund shares	1,711	1,829
CBF Church of England Property Fund shares	281	246
CBF Church of England UK Equity Shares	13	11
CBF Church of England Global Equity Shares	197	162
Other common investment fund holdings	1,681	1,368
Direct holdings in UK equities	368	238
CBF Church of England Deposit Fund	2,783	2,584
Cash at bank	175	134
Total assets held as custodian trustee	<u>24,096</u>	<u>21,327</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

England & Wales - Charity number 243134

Accounts

**THE CHICHESTER DIOCESAN FUND AND
BOARD OF FINANCE (INCORPORATED)**



**Annual Report and Financial Statements
For the year ended 31 December 2020**

**Company No: 00133558
Registered Charity Number: 243134**

A printed copy is available on request from Church
House, 211 New Church Road, Hove BN3 4ED
Or email enquiries@chichester.anglican.org

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

TABLE OF CONTENTS	Page Number
Mission Statement	2
Legal Objects	3
Strategic Report:	
Strategic Aims	4
Objectives for the year	4
Activities and Achievements in the year	5
Future plans	16
Financial review	17
Principal risks and uncertainties	21
Structure and Governance	22
Trustees' Responsibilities	27
Administrative details	29
Independent Auditor's Report	31
Statement of Financial Activities	35
Income and Expenditure Account	36
Balance Sheet	37
Cash Flow Statement	38
Notes to the Financial Statements	39-76

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

Mission Statement

Our mission is growth in Christ: encouraging people in the Diocese of Chichester and the wider world to know, love, follow Jesus and to grow as his disciples in worship and witness to the truth of the gospel.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

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

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the Diocese of Chichester cover the counties of East and West Sussex and the Unitary Authority of Brighton and Hove.

The principal object of the Chichester Diocesan Fund and Board of Finance (Incorporated) ("CDBF") is to promote, carry on, assist, benefit and advance the work of the Church of England in the Diocese of Chichester by acting as the financial executive of the Chichester Diocesan Synod.

The CDBF 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 Church Property Measure 2018;
- 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;
- iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod on the advice of the Bishop's Council and the Bishop of Chichester (in respect of his responsibility for the provision of the cure of souls) and his Senior Staff. Significant time and effort is committed to communication between and with deaneries and PCCs, as well as with the church nationally, including an annual series of deanery consultations on the Diocesan Budget and the priorities for the forthcoming year.

In reviewing the charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

STRATEGIC REPORT

STRATEGIC AIMS

The main role of the CDBF is to identify and manage the financial aspects of the provision of ministry throughout the Diocese so as to provide appropriate personnel and financial resources to support both the nurturing of faith in new and existing Anglicans in Sussex and engagement with the community, as part of the Church's response to the mission of God in Sussex. The CDBF aims to achieve this by equipping the Diocesan Synod, its Councils and Committees, deaneries, parishes, chaplaincies and schools to further the mission and strategic priorities of the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of parishes, chaplaincies and schools.

At Pentecost in May 2015, the Diocesan Synod launched a five year Diocesan Strategy with the following three priorities modelled on the priorities of the Archbishops' Council's Renewal and Reform body of work:

1. Growth in holiness and numbers;
2. Re-imagining ministry;
3. Contributing to the Common Good.

At the end of 2019 we launched the second stage of the Diocesan Vision for Growth, which built on the previous aims, but identified four priorities for 2020-2025:

1. More Open: a sign of being One;
2. More Converted to Jesus Christ: a sign of being holy;
3. More Generous: a sign of being catholic;
4. More Engaged: a sign of being apostolic.

These aims focus on similar themes identified by the national Church of England in their draft strategic vision for growth. In each of the coming years, the diocese will focus on one of the Four Mores in order that Anglicans in Sussex can address these priorities. 2021 will focus on More Open, recognising the need for congregations to reflect more fully the communities they serve, in terms of age and other profiles.

OBJECTIVES FOR THE YEAR

The CDBF seeks to respond to its mission of growth in Christ and to its strategic aims by focusing on the following objectives for this and subsequent years:

- To resource a Christian presence in every parish by:
 - The appointment of stipendiary and self-supporting clergy, lay ministers and Christian leaders and governors in our schools
 - Enabling the laity in congregations to play their part in ministry
 - The payment of stipends and pensions
 - The provision and maintenance of housing which is safe, fit for purpose, and welcoming
 - The selection and training of ordinands and lay ministers, and the provision of financial support to those training for ministry

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

- Providing ministerial development reviews and continuing ministerial development for clergy
- Providing pastoral care and welfare support to clergy, including financial assistance where needed
- Planning and delivering improvements to mission and pastoral organisation
- To develop the ability to ensure a Christian presence in future by:
 - Encouraging vocations to both lay and ordained ministry, especially young vocations, and developing apostolic pathways for all, in particular re-imagined forms of lay ministry
 - Supporting apostolic partnerships to reinvigorate communities and establish a presence in areas of new housing
 - Enabling church schools to reach out to families in their communities
- To support clergy, lay leaders, parishes and chaplains and enable their work by providing training, information, advice, guidance, services and good governance
- To support schools and in particular head teachers and governors to provide the best possible education and Christian witness through training and support services and the provision of assistance and advice
- To support schools with planning pupil places and ensuring their buildings are fit for purpose, facilitating capital expenditure and the expansion of schools where possible
- To provide support for parishes and individuals in all aspects of safeguarding casework, liaising with the public authorities as necessary
- To promote a care for the environment and a sustainable use of resources, and work towards becoming an Eco Diocese
- To support the Anglican church, nationally and internationally, and other particular ministries to groups and communities
- To run an effective organisation in order to deliver these objectives, including the provision of support to the senior clergy and management of assets.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Resourcing a Christian presence

Appointments, enabling the ministry of the laity, and payment of stipends and pensions

The presence of clergy and lay ministers in the parishes and communities of the Diocese is an important part of delivering the Diocese's mission. They engage in a wide variety of community and church projects and in a normal year carry out over 1,200 weddings or blessings, 3,900 funerals and 2,500 baptisms. During the Covid-19 pandemic they have engaged in many new projects to support their communities to combat issues ranging from hunger to loneliness, adapted to different worship patterns, notably online worship, and deepened existing work, with a particular call for funeral ministry. Almost 375 licensed clergy and 100 licensed readers minister in the 353 parishes in the Diocese, with 34 new stipendiary and 16 new house for duty or self-supporting clergy appointments in 2020, including 17 newly ordained deacons, and 3 new readers licensed.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

The Education Department appointed 67 new foundation governors and reappointed 31 existing foundation governors for church schools and helped to appoint 6 new head teachers.

This year has seen the Education Department support a significantly increased number of interim leadership posts. A number of schools have adopted this strategy until they are able to undertake recruitment processes in person.

During the year the CDBF paid stipends, pensions and other employment costs totalling £9.8 million for incumbents, curates and other clergy, increasing stipends in line with national recommendations despite the financial challenges caused by Covid-19. The payroll is administered by a separate charity, the Church Commissioners for England, and the CDBF reimburses the costs, which form by far its largest financial commitment. The average rate of vacancies was 31, with an unusually high level of retirements towards the end of the year; this was above the budgeted rate of 26. Rural deans and churchwardens of vacant parishes work closely together to maintain worship and other community activities, aided by a large pool of retired and self-supporting ministers. The CDBF funds fees and expenses for those clergy during interregna.

Parish clergy are not employed by the CDBF, but the CDBF does have responsibilities in respect of their engagement. In addition to paying their stipends and National Insurance, paying into their pension funds, and housing them, it is responsible for training (see below). Under new terms of service, called Common Tenure, introduced in 2011, clergy have greater clarity on their rights and obligations and have access to Employment Tribunals and other useful services. These apply to all new appointments and some of those in post before 2012; others chose to retain their freehold. The CDBF's external HR consultants and employment lawyers provide HR services and advice in respect of clergy as well as lay staff to improve the care and service provided and supplement in house work.

Provision of housing

The annual quinquennial repair programme for 2020 was deferred because of the Covid pandemic, we also suspended our improvement programme. The departments focussed switched to dealing with emergency repairs and supporting clergy and tenants through the lockdown.

20 properties were made ready for incoming clergy and private tenants (to derive a rent).

The pandemic also delayed the completion of the new vicarage at Chichester St Wilfrid, although this work is now all but complete.

Selection and training of ordinands and lay ministers

The training of curates (IME 2) includes the development and running of a diocesan course, which is a Common Awards programme validated through the University of Durham via St. Augustine's College of Theology (our local training institution). Curates are formally assessed at the end of their training to ensure they have reached an appropriate level of competency, a process overseen by the Department for Apostolic Life.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

Grants of over £511k were made to ordinands to support them and their families during their training. There are currently 44 people in training.

The second year of Authorised Lay Ministry (ALM) training began in September 2019, training 57 people for community, family, pastoral and preaching ministries. The candidates were commissioned for these ministries in January 2020 at Chichester Cathedral. Sadly the 2020 programme of training for ALM was cancelled due to the pandemic and will resume in 2021.

Ministerial Development Review (MDR) and Continuing Ministerial Development (CMD)

MDR was suspended in spring 2020, due to lockdown and the absence of suffragan bishops. It will start again in May 2021, with most clergy undertaking their second review.

A wide range of courses in theology, spirituality and practical skills took place – many via Zoom. A new course for First Incumbents (three-year cycle) was begun and has continued by Zoom. The second cohort of clergy undertaking the Galilee leadership programme finished.

Pastoral care and welfare support

The Wellbeing for Clergy and Families (WCF) service continues to provide the wellbeing service for stipendiary and SSM clergy and their partners/spouses and families. We have delivered over 250 confidential short-term counselling episodes since the service was launched and we also facilitate 4 Reflective Practice Groups (RPGs) for clergy. We also have provided psychoeducational workshops for all clergy and annual CMD cohorts including Managing Stress, Managing Boundaries, and Managing Anxiety, and the Head of WCF is liaising with members of CONNECT, the support network for clergy partners and spouses.

In addition, welfare grants of approximately £62k have been awarded to 110 clergy and their families in times of need.

Implementing improvements to pastoral organisation

Due to the coronavirus restrictions, there were some delays to pastoral reorganisation, as the Church Commissioners advised that schemes should not be published for formal consultation during the first lockdown. Despite these delays, eleven Mission and Pastoral schemes and orders were completed in 2020: six pastoral reorganisation schemes, two bishop's pastoral orders to terminate defunct group ministries, two orders to amend the names of parishes and benefices, and a scheme to appropriate a small area of churchyard to the PCC. A further eleven cases were progressed.

Significant progress was also made in relation to finding new uses for closed church buildings. The church of St Elizabeth, Eastbourne was vested in the Church Commissioners and demolished, so that the site can be marketed for development, and agreement was reached for the church of St Bartholomew, Chichester, to be sold for use as a dance studio. Progress was also made towards finding new uses for six other closed churches.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

Developing Christian presence for the future

Encouraging vocations

In 2020, the discernment process was paused briefly due to financial concerns brought about by the pandemic. However, 16 candidates were accompanied and subsequently recommended for training after attending national Temporary Online Discernment Panels.

The start of the new national Shared Discernment Process was delayed a year due to the crisis. Nonetheless, the diocesan discernment team worked on new local procedures needed for the national process and began assessing candidates against the new qualities.

Moving from using St Marylebone in London for psychotherapeutic assessments to local qualified assessors has been successful. This change not only reduces costs but improves the way assessments are integrated into our diocesan discernment process.

There have been some changes in the team. Our 0.5 Deputy DDO moved to another position in the diocese, and this post is now on hold. Our 0.5 Vocations Officer retired and was not replaced. We added an SSM ADDO to the team to further increase team diversity.

The first lockdown made moving some ordinands into the diocese from their TEIs challenging. Still, 17 deacons were ordained in an extensive sequence of parish-wide celebrations in September and October rather than June.

Vocations were encouraged on Vocations Sunday with a video from the DDO talking about Vocations and Crisis. The diocesan team continues to work with a good number of candidates including those from underrepresented groups.

Some ordinands have been in lockdown in residential colleges and others spent much of the year working online.

Supporting apostolic partnerships

A new post of Programme Delivery Manager was created to help drive the second SDF project forward and the Bishop of Horsham took over the leadership of the projects. This led to the application successfully completing stage 1 of the bid.

Enabling church schools to reach out

Within the current SIAMS (Statutory Inspection of Anglican and Methodist Schools) schedule, schools are being encouraged to demonstrate "courageous advocacy" and reach out to their local communities through engagement in both social action and charitable activities. Our School Effectiveness Team work alongside schools to determine what this looks like in a local context.

To develop this the Education Team have been developing our Growing Partnerships Document, which also picks up on the national Church of England Growing Faith initiative. This outlines key elements of how church and school can work in partnership effectively at a local level. This document has been ready to launch since March 2020 but due to the pandemic, it was not felt

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

schools or churches would be as receptive as usual given the challenges they face. However, it has been made available to them and is on the diocesan website. A formal launch is planned for the Summer term of 2021.

Supporting clergy, lay leaders, parishes and chaplains

Apostolic Life

The Living Faith course began again in January 2020 and took place at three venues. The course was interrupted by the pandemic and moved online in the autumn of 2020. 43 people completed the course successfully, though numbers were inevitably impacted by the Covid crisis. We had planned a lay conference on the theme of 'Empowering Lay Ministry' for March 2020 but sadly this event had to be cancelled at short notice because of the pandemic.

Youth and Children

2020 started with continuing to implement the new youth and children's work strategy developed in 2019. Youth work training was put online and is accessible for anyone. Advising youth and children's workers on running youth and children's activities remotely and responding to the pandemic was a top priority in 2020. May Camp ran completely online and had hundreds of live participants with over a thousand hits in the following week.

Communications

2020 proved to be full of challenges on all levels of the communications agenda, in particular the challenge of supporting parishes in their mission and ministry and helping them to connect with their congregations in the new era of lockdown.

A whole range of online resources enabled the team to support parishes whether they could create their own content online or not.

Resources for Lent for the whole of Holy Week and Easter through to Pentecost were created at short notice to respond to the closure of churches both for worship and private prayer, with a constant stream of online worship, sermons and prayer.

156 videos were produced for our Youtube channel in 2020, including:

- Sunday sermons
- Live streamed services
- Ad hoc Video Messages
- Daily Lent reflections
- Vocations reflections
- Advent reflections
- Education End of year service
- Deanery presentations
- Remembrance

A highlight of the year was the Faith in Action video commissioned and created by the communications team to demonstrate how our churches responded to the challenges of online

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

services during lockdown. It featured people and parishes from all traditions talking about how they have coped. This video currently has over 3,000 views and was highly commended by the Church institutions.

The regular communications from the weekly e-news and the Faith in Sussex magazine continue to be valued and connect the whole of the diocese.

Partnerships were further strengthened with the Church of England and charity partners to engage with national initiatives.

Parish development

Covid-19 meant that most of the parish development initiatives were placed on hold. Time was invested instead in helping parishes understand the implication of the restrictions and coping with these.

Education

The key aspect in this area is Growing Partnerships work. As indicated above, this has been delayed because of the pandemic. When launched, it is expected to provide support and training for clergy and school leaders together as well as engaging Apostolic Life in how ongoing support can be offered.

The annual Autumn briefings were held remotely this year. Three sessions were offered and in total 147 people attended including head teachers, chairs of governors and clergy. This is an increase of 50 people compared to 2019, which may well have been a result of the convenience of a remote session. These briefings gave an opportunity for the Education Team to give information about the future focus of the department as well as sharing the wider context of education issues such as the small schools agenda and academisation.

The training programme offered by the Education department has continued to support Head Teachers, governors and clergy with a variety of courses covering topics from Understanding Christianity to SIAMS and Church School governance. Most of this moved online this year and we have seen a noticeable increase in attendance. In 2020, 81 Governors attended training. 156 school leaders attended CPD training.

All new Foundation Governors are expected to attend safeguarding training.

The Education department has continued to establish relationships with external organisations such as Open The Book and Big Start Assemblies to ensure that schools and parishes are able to deliver collective worship sessions for children that are both engaging and innovative.

Safeguarding

The Independent Inquiry into Child Sexual Abuse (IICSA) produced the final report into their investigation into the Church of England and the Church in Wales in 2020. This followed 2019's

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

report into the specific case study involving the Diocese of Chichester. 2020's final report made many recommendations for the Church of England and the Church in Wales, including a primary recommendation which drew heavily from a paper submitted as evidence to IICSA by the Chichester Diocesan Safeguarding Adviser. Chichester Diocese's initial review of the IICSA recommendations did not reveal any major required changes; the practice currently employed across the Diocese already meets the requirements set out in the IICSA recommendations.

The Diocese entered the Covid-19 'lockdown' in March 2020 with approximately 99% of licensed clergy and over 90% of PTO clergy having met their full safeguarding training requirements. In September 2020 the Diocese implemented the new Safeguarding Leadership training programme to replace the 'C2' training previously used. Despite the inevitable challenges of lockdown and the suspension of training while the new training programme was awaited from the National Safeguarding Team, the Diocese is currently at 90% compliance for licensed clergy and 80% for PTO across all safeguarding training requirements.

Simple Quality Protects ('SQP'), the online parish safeguarding tool, launched in 2017, has had a very good take-up across the Diocese. During 2020, assessment events continued, often by video conference, and over 200 parishes have now completed the full requirements of Level 1, with almost all other parishes having very nearly completed.

The Diocese implemented the Past Case Review (2) protocol in 2020. PCR(2) is a major national project for the Church of England, involving a review of every case file, including all clergy files, by independent safeguarding professionals, to ensure that all necessary safeguarding actions have been taken. PCR(2) also involves written returns from every parish, to ensure that knowledge about safeguarding concerns held in parishes is also incorporated into the review. PCR(2) continues into 2021, and is anticipated to be completed by the summer of 2021.

Property

The Property Department continues to support parishes and clergy by providing advice on the management and development of property. The department also provides guidance to parishes regarding the Charities Act and the process to obtain diocesan consent for property sales. It has made considerable efforts during the year to build the asset register to include parish property held by the CDBF as diocesan authority.

Church Buildings and DAC

The Diocesan Advisory Committee for the Care of Churches has continued to fulfil its statutory role in the faculty jurisdiction system and has provided advice and guidance to the Chancellor, Archdeacons and parishes on issues relating to the care of church buildings.

The DAC issued written advice in relation to 130 applications (99 requests for Formal advice and 31 requests for Informal advice). The Church Buildings team and DAC also assisted the Archdeacons in processing 132 permissions for minor works under the List B process. Due to the coronavirus, site visits were not possible for much of the year and only 16 DAC site visits were carried out.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

The phased introduction of the Online Faculty System was accelerated due to the coronavirus; from March 2020, all faculty applications were moved online and this has been helpful in enabling parishes, the Church Buildings team, and the Registry to deal with applications remotely.

The Fundraising Adviser provided tailored fundraising and project management advice to 66 parishes and one Anglican pre-school by phone or email in 2020. She also visited five churches (independent of DAC site visits) and two parishes met with her at Church House. Because of coronavirus, grant-funding opportunities changed significantly and repeatedly throughout the year and keeping abreast of this fluid situation and updating parishes about the changes has comprised a large part of her work.

Parish Resources and Stewardship

Apostolic Life provides ongoing support to parishes through its training seminars and manuals, and by providing ad hoc advice throughout the year. Topics covered included accounting regulations for PCCs, essentials of charity law, Gift Aid, legacy giving and good stewardship. The pandemic meant few seminars took place in 2020, but a significant number of parishes sought advice and individual consultancy. The department shared its manuals and accounting templates on the diocesan website and responded to questions from parish treasurers, priests and churchwardens on an almost daily basis.

The 2019 Parish Finance Returns were released in 2020, which demonstrated a rise in average giving in the whole diocese rising from £12 to £14 per person per week by the end of 2019.

There was encouragement and advice about diversifying methods of giving, including the Parish Giving Scheme and contactless giving. At the beginning of 2019, 48 churches had obtained a digital device, and by the middle of 2020 that presence had grown to 89.

We also continued to promote legacy giving.

National church funding was also given for a new Generous Giving post, which will sit alongside the Parish Adviser for Finance Governance and Stewardship and will be an appointment in 2021.

Finance

The Diocese acts as custodian trustee for many trust funds; the Finance Department administers investments on behalf of almost 500 parish and chancel trusts and 65 school trusts.

Governance

The Governance team continued to advise parishes on matters of governance, record-keeping, and the like and in particular the impact of the pandemic on the holding of meetings and alternative methods of decision-making.

Governing committee meetings continued to be held online, with only two cancelled early in lockdown. 19 were held, including the Bishop's Council, the Operating Committee, Assets Committee, Audit Committee, Education Finance Committee and Remuneration Committee.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

Autumn Deanery meetings were also held online, with all 21 deaneries having a meeting for the first time in many years. These meetings offered a chance to reflect on and celebrate the work of all those in our deaneries and parishes, and to share and discuss key financial information. Two brief Diocesan Synod meetings were held online to transact essential business.

Supporting schools

During 2020, the programme of continuing professional development and school-based reviews for the 155 schools in the diocese was remodelled. The previous system, whilst effective and wide reaching, was not sustainable as funding came to an end. The staff team was reshaped with an initial increase in the permanent team which was more than balanced in terms of cost by the savings to the consultancy budget. Moving forward, the education department will continue to work with a lean team with a tight communication and feedback system that offers a coherent and consistent message.

All schools have benefitted from the support of a named Diocesan Effectiveness Officer with the experience to support school improvement and effectiveness.

The programme of Continuing Professional Development offered by the department is designed to support school leaders, governors and clergy through a wide variety of topics that are relevant to school life. Courses offered around the SIAMS schedule have proved popular with governors and headteachers alike, with additional bespoke sessions being arranged for groups of schools.

Academisation remains an important part of the strategy of the department. Although the pace of academisation across the diocese is slow, the Diocese of Chichester Academy Trust have continued to grow and currently have eleven schools in their care with several more in the pipeline. The diocese is continuing to work on developing a new Multi Academy Trust in the area around Hurstpierpoint.

2020 also saw an unexpected conclusion to the West Sussex Consultation on Proposed School Closures. The Office of the Regional Schools Commissioner intervened and as a result, Clapham and Patching CE Primary School joined South Downs Educational Trust and Rumboldswyke CE Infant School joined Bishop Luffa Learning Partnership.

Steyning Grammar School also became an academy after a challenging process, joining the Bohunt Education Trust.

By the end of 2020, 91% of our schools were judged to be graded good or above by Ofsted. The number of good or better schools has steadily risen over the past four years, despite the Ofsted framework having increasingly raised expectations of schools. However, both Ofsted and SIAMS Inspections were paused indefinitely in March 2020 and will not restart until April 2021 at the earliest.

In 2020 the diocese supported 3 aspiring headteachers in Church schools to complete the Church of England Professional Qualification for Headship. This brings the total number of Heads to go through

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

this scheme since its inception to 23. A further 14 are set to undertake the course in 2021, ensuring that there is a continuing future pipeline of leaders for Church Schools.

Facilitating of capital expenditure on schools

The Education Department continues to support the remaining 49 Voluntary Aided schools via capital funding from the government, but the system has been completely revamped in 2020. The scheme is now known as the School Condition Allocation and it gives the diocese greater independence. With this comes greater accountability but also greater flexibility to use the resource effectively. In 2020/21 the diocese benefited from an additional allocation of £960k to take the total SCA funding for the year to just over £3m. In particular, this extra funding has allowed us to invest in two large projects to support the two remaining VA secondary schools.

Safeguarding casework

The Safeguarding Team continues to work with Sussex Police and other statutory partners across Sussex, and with the Church's National Safeguarding Team, as required, and to assist churches across the Diocese in responding to issues they raise. Casework remains a significant part of the team's overall responsibilities. However, the amount of criminal investigations involving allegations of child sexual abuse by church officers has reduced very considerably since 2011, with this trend continuing into 2020 and 2021. Given that this reduction has continued despite the implementation of the PCR(2) protocol mentioned above, the Diocese should take this as a sign of encouragement.

The environment

A new group, chaired by the Archdeacon of Brighton and Lewes, has been set up to coordinate and promote the Diocese's response to General Synod's February 2020 call to all parts of the Church of England to draw up a climate crisis plan of action to cut carbon emissions year-on-year, reaching net zero emissions by 2030. The Covid-19 pandemic has slowed down the diocese's progress towards Eco Diocese status, but the number of churches joining Eco Church has continued to grow.

Supporting the wider church and specific ministries

Support for parish projects within diocese

The Diocesan Mission Fund deployed part of the grant from the AllChurches Trust as well as an amount from the Pastoral Fund to support outreach mission initiatives within the Diocese. It supports both new work and developments of current activities that need further financial assistance. In the last year the Mission Fund has awarded £23,000 towards projects including parish children's & families worker and a series of small grants which enabled a young person to begin youth work training and to a church with equipment for live streaming across a number of churches. All projects are linked closely to the Diocesan Strategy.

Grants are made to other connected charities, notably Chichester Diocesan Association for Family Support Work and St Bartz Trust to support their work with disadvantaged families and youth work respectively. A smaller grant was made to the Church Urban Fund to support the Together in Sussex

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

project. Together in Sussex is a joint venture between the Church Urban Fund and the Diocese of Chichester to support churches and others to bring positive change to their wider community. This occurs by enabling reflection on the needs of the parish and providing a broader understanding of what else is available in the community, linking groups and individuals where possible. An analysis of grants made by the CDBF to support the furtherance of its objects can be found in note 11 to the financial statements.

Support for the wider church nationally

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of various national boards and councils including General Synod, and also to cover a proportion of the cost of national training for ministry and the provision of housing for retired clergy (see note 9 to the financial statements).

Support for the wider church internationally

As the realities of the Covid 19 Pandemic set in, in April 2020 our Companion Links Officer, Reverend Christine Keyte, requested an online meeting with Canon Richard Bartlett, the Director of Mission Engagement for United Society Partners in the Gospel (USPG), with the proposal for a partnership in working and funding grants in our West African link Dioceses where USPG is already working. This partnership was approved by the Bishop's Council and USPG and we made a grant from the Harvest Appeal via USPG to the Dioceses of Bo and Freetown for Covid 19 support. The USPG grants committee meets once a week and with their on the ground network was able to follow up in terms of obtaining extra information required for the grant proposal quickly. The DOC has also approved emergency grants for computer equipment for two of our sponsored students from Kericho Diocese, so that they could continue to engage in online learning at St Paul's University in Limuru, Kenya when the university changed to an online platform due to the Covid 19 pandemic. A new student was sponsored for ordination training for ministry in the Diocese of Maralal and two of our sponsored students at Carlile College have graduated and moved on to curacy in Maralal and Baringo Dioceses. The Lambeth Conference planned for July 2020 has been postponed. It will be important to continue with the pre-conference planning for the rescheduled date of July 2022.

The major reflection this year for the Diocesan European Ecumenical Committee was the forthcoming Coburg Conference to be held in Bamberg. The theme of the conference will focus on what has happened as a result of the coronavirus, in particular because there has been criticism over the role of the churches during this pandemic.

Support for particular ministries

The Chaplain to Gatwick Airport has continued to offer a Christian presence in a context which has been particularly hard hit by the effects of the pandemic. Direct diocesan support for other ministries has reduced to focus resources on parochial ministry, but parishes continue to be encouraged to develop their own locally appropriate projects.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

Running an effective organisation

The Diocese makes great efforts to be a good steward of its assets, and to manage its investments effectively, balancing the need to maximise the long term return from our assets with the need to generate income to reduce the pressure on parishes. Following the change in church law allowing the capital accounts of Diocesan Stipends Funds to be invested on a total return basis, the Assets Committee adopted a new investment policy taking into account this new approach, and appointed Cazenove in December 2016 to manage part of the investment portfolio on a total return basis.

Negotiations continue to progress on options for glebe land, and in 2020 we signed options on three glebes: Frant, Rotherfield and Fishbourne. The Property Department also continues to focus on letting empty houses where it can, generating rental income of c. £469k for parsonage houses and c. £256k for glebe houses and land.

Due to the pandemic and the Government's stay-at-home order, the majority of staff have exclusively worked from home since the end of March 2020. Our IT systems have enabled effective business continuity, and all staff have been able to work from home on this long-term basis. The DBF was granted cyber essential accreditation in February 2020, which demonstrates our commitment to cybersecurity and helps to guard us against the most common cyber threats. We continue to maintain a positive partnership with our IT supplier and will be working with them in 2021 to roll out a softphone telephone system which will further improve our business continuity.

FUTURE PLANS

Future plans remain subject to the impact and consequences of the Covid-19 pandemic. Churches were closed for significant parts of 2020 and many have not re-opened at the date of this report. This had a major impact on income, particularly from parish share, and future effects remain to be seen. Expenditure plans have been reviewed as a result, with the situation and its impact on cashflow being continuously monitored.

A particular focus for 2021 will be a diocesan wide deanery planning exercise to consult on, and make decisions about, the mission and ministry needs of the diocese, the resources that can be found to fund them, and the best way to deploy ministers in light of those needs and resources while closing the funding gap.

Notwithstanding the impact of lockdown, the strategic aims established by Diocesan Synod in 2019 detailed on page 4 will continue to direct the activities of the CDBF. Although the planned use of 2020 to roll out the strategy as a whole was thwarted, there will be a focus in 2021 on being More Open, the first of the Four Mores of the strategy, with the following years being dedicated to each More in turn. A key part of the focus on being More Open will be a community audit which will feed into the deanery planning exercise, drawing on the Mission Action Plans parishes have worked on over the last decade, the One Thing each parish focussed on in the last five years, and the needs of the community which the pandemic has laid bare.

A more focussed parish development programme will be developed and run in 2021. This will be assisted by the appointment of a new 0.5 Parish Development post, funded by the national church. A newly appointed Generous Giving Adviser, also funded by the national church, will support the deanery planning exercise by helping parishes refocus their approaches to this essential part of Christian discipleship in order to resource diocesan work and commitments.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

The diocese's major commitment continues to be the maintenance of a Christian presence across the parishes of Sussex. As well as encouraging more vocations to the ordained ministry we plan to train and develop lay members of the Church, including the staff and governors of our church schools, as part of our strategic intention to re-imagine ministry. Ensuring that our parishes and schools are safe and welcoming places remains a priority.

The Education team will be focussing on the continued viability and breadth of MAT opportunities available to our schools. This will involve the measured growth of the Diocese of Chichester Academy Trust, the Bishop Otter Academy Trust, Hurst Education Trust and the Bishop Luffa Learning Partnership. We will continue to support them to ensure that they are strong and effective Multi-Academy Trusts for our schools to join. We will also be focussing on our school and parish approach to mission through our Growing Partnerships document.

Much has been learned during the pandemic which will change our operations permanently: the online worship and other engagement developed by churches has reached many who would not come to a church building, and diocesan staff have taken advantage of the improvements in information technology that have been implemented over the last couple of years to enable provision of services remotely, and that learning will continue to be used even when workplaces can re-open.

Our central structures are designed to support the vision and the priorities of the diocese and, as such, are kept under review to ensure that they are fit for that purpose.

FINANCIAL REVIEW

Financial Performance

The main incoming resource for the Diocese is Parish Share, the money given by the parishes to the Diocese to fund its mission and ministry and in particular the costs of clergy stipends, pensions and housing. This provides 73.6% of the CDBF's income (2019: 75.6%).

The current year's Parish Share receipts represent 92.7% (2019: 98.7%) of the total pledges made for 2020. Additionally when the receipts for prior years are included the collection rate increases to 93.6% (2019: 99.7%). The Trustees are grateful to all parishes who pledge so generously and, even during the COVID-19 pandemic, continue to meet those pledges, especially to those parishes that make their contribution payments by monthly instalments which enables the Diocese to manage cash flow efficiently.

The total income for the year was £17.8m (2019: £18.4m). The changes to income in 2020 are due to:

- The impact of the coronavirus pandemic on in particular parish share income which fell by £834k. The ability of parishes to maintain the levels of payment that they have was an extraordinary effort, particularly with churches closed for a significant period of time, the loss of income from the hire of facilities and the inability for many fundraising activities to take place. We are very grateful to them for this. Parish fee income fell by £92k with the events which generate these fees, especially weddings, not being possible. Investment

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

income was also adversely affected by the crisis, falling by £458k. The Diocese was able to access grants of £84k from the Job Retention Scheme by furloughing a number of members of staff for varying periods of time during the year.

- The Diocese received £600k of sustainability funding from Archbishops Council. With the agreement of the Council, this grant has been designated to fund two additional curates to be ordained in 2021 and also the appointment of a Parish Development Officer.
- An increase of £31k in rental income from vacant parsonages.

The total expenditure for the year was £17.7m (2019: £16.8m). This increase in expenditure of £0.9m was principally due to the credit in 2019 of £2.615m on the Clergy pension scheme principally relating to the change in calculation of the balance sheet liability made by the Pensions Board. The equivalent movement in 2020 was £35k. Without those movements total expenditure for the year would be £17.735m (2019: £19.415m). Other significant changes included:

- A decrease of £121k in the amount payable to the Archbishops' Council in respect of Chichester's share of national responsibilities, particularly with regard to the pooling arrangements for Ordinand maintenance.
- A general decrease in expenditure resulting from the consequences of the coronavirus pandemic. Some of the savings were planned with the prospect of income being severely reduced. This included the deferment of works to property following quinquennial inspections. This deferment is for a period of two years and takes advantage of the work that the property department has done over several years to maintain and improve the condition of our properties. This measure alone has resulted in a reduction in housing costs for the year of £777k. This expenditure will have to re-commence in 2022.
- At the start of the pandemic, all departments were asked to examine their expenditure plans and make savings where possible. A number of events had to be cancelled as a result of the pandemic and travel costs in particular were greatly reduced as face to face meetings were cancelled or held online.

Overall the net surplus before investment gains was £0.12m. Taking account of realised and unrealised losses on investments of £3.9m, and unrealised gains on revaluations of property fixed assets of £1.1m, the resulting decrease in funds was £2.67m which decreased the total assets of the CDBF from £285.9m to £283.2m.

A deficit budget has been set for 2021. Parish Share and investment income are not expected to increase in line with inflation while expenditure does continue to rise with inflation.

Significant Property Transactions

Six properties (three parsonages, two glebe houses and one DBF property) were sold during 2020 for a total of £2,939k. Three properties (two parsonages and one glebe property) were purchased during the year for £1.971k.

Several properties are currently also being marketed for sale.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

The CDBF will consider the disposal of property for the following reasons:

- to replace unsuitable parsonages;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

Balance sheet

The Trustees consider that the balance sheet together with note 20, show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While net assets at balance sheet date totalled £283m (2019: £286m), it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £229m (2019: £229m). Much of the remainder of the assets shown in the balance sheet is held in restricted funds and cannot be used for the general purposes of the CDBF.

Reserves policy

Free reserves

Having considered financial risk, liquidity requirements and the timing of cash flows throughout the year and in particular the fact that 73.6% of diocesan income comes from contributions from parishes who have their own cash flow challenges, the Trustees' policy is to hold a balance of readily realisable assets in the general fund equivalent to a minimum of 2 months' budgeted expenditure. At 31 December 2020 the amount required under this policy totalled £3.0m (2019: £3.1m). Actual free reserves as at 31 December totalled £5.7m (2019: £5.5m). The Trustees are aware, particularly in the light of the COVID-19 pandemic, that levels of parish contributions may reduce in future years and that, even with the current surplus above the minimum level detailed above, there could be a deficit against the policy level of free reserves. Longer term forecasting indicate that it will take a number of years to bring the operational budget back into surplus and so Trustees are of the opinion that the current surplus of the level of free reserves above the desired minimum is prudent. The ultimate impact of the COVID-19 crisis on asset values, income levels and ultimately on free reserves remains unclear.

Designated funds

The Trustees may, with the approval of the Board, 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 their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with its intended use is set out in notes 19, 20 and 23. At 31 December 2020 total designated reserves were £6.7m (2019: £6.3m), the majority of which is tied up in fixed assets.

Restricted and endowment funds

As set out in note 19, 20 and 23 the CDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2020 restricted funds totalled £19.9m (2019: £22.1m) and

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

endowment funds totalled £251m (2019: £252m). Neither are available for the general purposes of the CDBF.

Grant making policy

The Memorandum of Association of the CDBF explicitly permits the CDBF to make grants in pursuance of its objects. The nature of grants made in 2020 is indicated in note 11. The principal grants were made to parishes to support mission projects.

Investment policy

The CDBF is empowered by its memorandum of association to invest monies not immediately required for its purposes. Responsibility for the management of diocesan assets is delegated (through the Finance Committee) to the Assets Committee which oversees investment policy, monitors performance and reviews strategy with its advisers.

The CDBF is subject to the Charities Acts, the Trustee Investment Act 2000 and Measures passed by the General Synod of the Church of England.

There are no restrictions on the CDBF's power to invest subject only to the Acts and Measures set out above plus Charity Commission guidance CC14 and the ethical policy referred to below. Specific Trustee permission is required for investments in Private Equity, Hedge Funds, Commodities or Derivatives.

The CDBF endorses the Church of England Ethical Investment Policy and requires its investment managers to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography, tobacco, thermal coal or tar sands. The CDBF's investment objectives are to maintain and enhance the real value of the Fund over the long term, whilst producing an annual income which grows at least in line with inflation and having due regard for the possible need for liquidity.

The risk profile is medium high with a commensurate level of volatility in capital value being acceptable. The permitted asset classes are detailed within the DBF's investment policy as recommended by the Assets Committee. The base currency of the portfolio is sterling. The minimum acceptable credit rating for bond issuing or deposit taking institutions is BB.

The portfolio is split among a number of investment managers who each have a different brief in order to achieve diversification and spread risk. Each manager operates on a discretionary basis with a normal weighting in favour of equities. Managers may be appointed to perform principally to an Income target (while maintaining capital value) or a Total Return basis. It is expected that funds will be fully invested. Benchmarks are agreed with each Investment Manager.

In addition, the CDBF acts as trustee of a number of trust funds, which are invested in accordance with the related trusts.

Note 20 provides details of the assets of each fund, together with the related purposes, and note 15 summarises the movements in investments during the year.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

The investments held at year end and their return during the year are set out in the following table:

	Funds at 31 December 2020 £'000s	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	502	1.30%	2.96%	9.77%
M&G Managed				
Charifund	13,176	34.14%	3.84%	-13.5%
Charibond	25	0.07%	2.29%	2.29%
Charles Stanley Managed	9,568	24.79%	2.62%	-24.35%
J M Finn Managed	7,273	18.84%	3.14%	2.33%
Cazenove	8,051	20.86%	2.33%	4.27%
	<u>38,595</u>	<u>100.00%</u>		

Fundraising

Chichester DBF is aware of the Charities (Protection and Social Investment) Act 2016, the Fundraising Code of Practice and the Charity Commission's guidance on fundraising. The trustees fully support the aims of the legislation and guidance. The majority of the DBF's income comes from other charitable bodies and it undertakes very little direct fundraising activity involving individual donors. The main exceptions are the annual Harvest Appeal and Lent Appeal which are promoted through general communications rather than targeting specific individuals. The DBF considers the origin of unsolicited donations and legacies when received. The DBF did not share or purchase any donor data with third parties and did not engage any professional fundraisers during the year. The DBF did not receive any complaints in relation to fundraising in 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy. This is subject to review by the Trustees on an annual basis, and by the Audit Committee at each meeting, with responsibility for delivery of the mitigation strategies delegated to the Diocesan Secretary. The register is reviewed at least three times a year and is regularly updated.

The principal areas where the risk of either failure to act or the impact of the events is considered 'high' and the associated mitigation strategies are:

Significant loss of income or increase in expenditure:

- Improved forward planning;
- Close monitoring of income, expenditure, investments and cash flow;
- Close communication with parishes to maintain parish share payments;
- Exploration of alternative funding avenues.

Falling clergy and congregation numbers

- Great care taken to make good appointments;
- A larger team is in place to foster more vocations;

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

- Increased training and support for clergy and parishes on discipleship courses, use of technology, evangelism, mission and outreach;
- Developing deanery deployment plans;
- Re-imagining ministry is a core part of the diocesan strategy with a strong focus on equipping and building confidence to energise lay ministry and development of self-supporting ministry;
- The diocese is engaged in Strategic Development Projects with financial support from the national church and other missional investment to promote growth in strength and depth both in particular places and across the diocese.

Safeguarding: Where there is an occurrence of child, vulnerable adult or domestic abuse by someone working for or on behalf of the Church.

- The CDBF employs a safeguarding adviser, a deputy and an assistant, supported by an administrator and an independent sexual violence adviser;
- The diocese has a strong independent safeguarding advisory panel to review and challenge its actions, and excellent relationships with statutory agencies, who are all represented on the panel;
- Policies are aligned with those of the national church;
- All parishes are required to undertake a full audit of their practices and take action as appropriate based on the findings;
- Training is compulsory for all relevant staff, office holders and volunteers;
- The CDBF has engaged a communications consultant in addition to its communications officer to handle matters which come into the public arena, including matters relating to non-recent abuse.

Trustees and Diocesan Officers continue to assess the risks and uncertainties brought about by the COVID-19 pandemic. Cashflow is continuously monitored, along with the impact of the crisis on income levels. A number of scenarios have been modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing, should it be required.

STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England

The Church of England is by law established and HM The Queen is its Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a See under the care of a Bishop who is charged with the cure of souls of all the people within its geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The National Church has a General Synod comprised of ex-officio and elected representatives from each diocese and it agrees and lays before Parliament Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod. The Church Commissioners manage the historic assets of the Church of England and the Church of England Pensions Board administers the pension schemes for clergy, employees and lay workers. Within each diocese, the Diocesan Bishop exercises leadership supported by a Diocesan Synod and a senior staff of suffragan bishops and archdeacons. The Diocese of Chichester is divided into twenty-

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

one deaneries, each with its own Synod and within each parish there is a parochial church council which shares responsibility with the parish priest for the mission of the church in that place, in a similar way to the Bishop with the Diocesan Synod.

Whilst each diocese is a separate entity with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables mutual support between dioceses.

Organisational structure

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a company limited by guarantee (No. 00133558) and a registered charity (No. 243134) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Chichester. It was established in its present form in 1914. Every eligible member of Diocesan Synod is a member of the company for company law purposes and has a personal liability limited to £1 under their guarantee as a member in the event of the company being wound up.

Governance and policy of the CDBF are the responsibility of the Trustees acting as the Finance Committee, who are also directors of the company and trustees for the purposes of charity law. The Bishop of Chichester is the ex-officio president of the Diocesan Board of Finance, and appoints a chair and vice-chair of the Finance Committee after consulting with the chairs of the Diocesan Synod House of Clergy and House of Laity.

The members of the Finance Committee are the members of the Bishop's Council and Standing Committee of the Diocesan Synod from time to time. The Bishop of Chichester, the chair and vice-chair of the Finance Committee, the two suffragan bishops and the four archdeacons, the Dean of Chichester, the chairs of the Diocesan Synod House of Clergy and House of Laity, and the Deans of Women's Ministry and of Self-Supporting Ministry are ex-officio members, together with one member of the House of Clergy and two members of the House of Laity from each archdeaconry elected from and by the members of Diocesan Synod every three years and up to five additional members of Diocesan Synod co-opted by the Bishop after consulting with the chairs of the Diocesan Synod House of Clergy and House of Laity. The details of Trustees who served during the year, who were elected in 2018 to serve from 1 January 2019, are set out on page 29.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Council and Bishop's Senior Staff Team. The Synod membership is elected every three years; the current members were elected in 2018 to serve from November 2018. The Synod elects twelve of the Trustees of the Diocesan Board of Finance. Whilst the CDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 the CDBF is subject to the direction of Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England School properties are accounted for in the restricted Aided Church Schools fund and are managed by the CDBF in consultation with the Diocesan Board of Education.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

The CDBF is designated as *Diocesan Parsonages Board*, with responsibility for making decisions concerning the management of all clergy houses.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Chichester, are set by the Diocesan Synod and CDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary who is supported by a number of heads of department and their staff. The company meets once a year in general meeting to receive the annual report and financial statements and to appoint auditors. The company meets a second time each year to receive and agree the annual budget, prepared and approved by the Trustees.

The Trustees, meeting within the context of the Bishop's Council and Standing Committee of the Diocesan Synod, hold at least four meetings during the year to formulate and monitor the implementation of policies on mission, ministry and finance by:-

- Initiating proposals for action by the Synod and advising it on matters of policy
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with its Standing Orders
- Acting as the Trustees of the CDBF, including reviewing overall activities, assessing performance, and deciding investment and other policies
- Planning the business of the Synod, preparing agendas for its sessions, and circulating to members information about matters for discussion
- Advising the Bishop on any matters he may refer to the committee
- Initiating consideration of any restructuring of Synod Committees and Departments which may be necessary and the establishment of ad hoc review groups, their terms of reference and membership
- Carrying out such other functions as the Synod delegates to it
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod

The Trustees met four times during the year.

Trustee	Meetings Attended (*Trustee for part of year)
The Rt Revd Dr Martin Warner	3
The Rt Revd Richard Jackson	*0
The Rt Revd Will Hazlewood	*2
The Rt Revd Ruth Bushyager	*3
The Very Revd Stephen Waine	2
The Ven Martin Lloyd Williams	4
The Ven Luke Irvine-Capel	3
The Ven Dr Edward Dowler	3
The Ven Fiona Windsor	*0
Mr Philip Bowden	*1
Mrs Lesley Lynn	4
Revd Canon Mark Gilbert	4

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

Mr John Booth	4
Revd Canon Ann Waizeneker	3
Revd Canon Julia Peaty	3
Revd James Hollingsworth	4
Revd Canon David Twinley	3
Revd Philip Coekin	4
Revd Martin King	4
Mr Martin Cruttenden	3
Mrs Milly Murphy	4
Mr Bradley Smith	4
Mr Jacob Vince	3
Miss Alison Marchant	4
Mrs Valerie Burgess	4
Mrs Lesley Webster	3
Mrs Sara Stonor	4

The Trustees are assisted in their work by four principal sub-committees:-

Operating Committee: monitors management accounts and the budget, the collection of Parish Share pledged by parishes, and the acquisition, use and disposal of parsonages and other assets, and exercises the authority delegated to it by the Trustees in areas such as approval of capital expenditure, grants and loans. It also undertakes the CDBF's responsibilities as Diocesan Authority with respect to parochial property under the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964.

Audit Committee: supports the Finance Committee in its responsibilities regarding issues of risk, control and governance and associated assurance.

Assets Committee: oversees investment policy, monitors performance and reviews strategy with its advisors. It also undertakes the CDBF's responsibilities under the Church Property Measure 2018 (with regard to property assets).

Parsonages and Houses Committees: two sub-committees, one for the east of the Diocese and one for the west, undertake the CDBF's responsibilities under the Parsonages Measure and the Repair of Benefice Building Measure 1972.

In 2019 an assessment of the CDBF's compliance with the Governance Code was undertaken. A good level of compliance was identified together with some areas for improvement.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council and Standing Committee of the Diocesan Synod and are selected as set out above. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest and loyalty.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration committee consisting of the Chair and Vice-chair of the Finance Committee, the Chair of the House of Clergy, the Chair of the House of Laity, and a suffragan bishop or archdeacon nominated by the Bishop of Chichester. The terms of reference for this group are established by the Bishop's Council and include recommending policy on remuneration to the Finance Committee and determining the remuneration for employees of the CDBF. In 2015, a full independent benchmarking exercise was carried out, taking into account comparable jobs in the local area, in the sector nationally, and in another Diocese. Further independent benchmarking of specific posts is undertaken whenever a post is filled, responsibilities substantially amended, or a review is requested.

Delegation of day to day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and her colleagues for the delivery of the day to day activities of the company. The Diocesan Secretary is given specific and general delegated authority to execute the business of the CDBF in accordance with the policies framed by the Trustees.

Funds held as Diocesan Authority

The CDBF is Diocesan Authority (akin to custodian trustee) in respect of assets held on permanent trust 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. These assets are not aggregated in the financial statements as the CDBF does not control them, and they are segregated from the CDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £21.33m at 31 December 2020 (2019: £20.24m), are available from the CDBF on request, and are summarised in note 31. Where properties are held as Diocesan Authority, the deeds are identified as such and held in safe custody by the CDBF's solicitor, Winckworth Sherwood.

Funds held on behalf of schools

The Board of Education (as incorporated within the CDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in current assets and current liabilities as at 31 December 2020 is £1,902k (2019 £434k).

Connected Bodies and Related Parties

- The Church Commissioners, which acts on behalf of clergy with HM Revenue and Customs and through which the CDBF pays for clergy stipends.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

- The Church of England Pensions Board, to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- Chichester Diocesan Association for Family Support Work and St Bartz Trust with whom the CDBF works and to whom grants are made.
- Mother Agnes Trust whose trustees are all members of, or secretary to, the Finance Committee.
- Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of transactions merits more detailed disclosure, this is given in note 30 to the financial statements.
- The only related corporate party with whom the DBF has transacted is the Diocese of Chichester Academy Trust ('DCAT') which manages eleven Church of England Schools in the Diocese. DCAT is accountable to the DBE and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust (DoCET) via its members for its operation. The Director of Education, one of the DBF's key management personnel, is a Trustee of DCAT and the Archdeacon of Chichester is its Chair. During the year the DBF provided office facilities free of charge to DCAT as well as performing due diligence on schools intending to convert or join the Trust. DoCET is also a related party, which shares trustees with the DBF, but no transactions have taken place.

Volunteers

The CDBF is dependent on a huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship with the church particularly at times of crisis. The CDBF greatly values the considerable time given by all its committee members and other volunteers across the Diocese in pursuit of its mission.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the CDBF and of the surplus or deficit of the CDBF for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CDBF 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 CDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the CDBF's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITOR

So far as the Trustees are aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

APPOINTMENT OF AUDITOR

The re-appointment of Haysmacintyre LLP as auditor to the CDBF will be proposed at the Annual General Meeting.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2019. The following Trustees served during the reporting year or were in post at the date of this report:

President:	The Right Revd Dr M Warner (Bishop of Chichester)
Ex-officio:	The Right Reverend R Jackson (Bishop of Lewes) (to 07.01.20) The Right Reverend W Hazlewood (Bishop of Lewes) (from 15.07.20) The Right Reverend R Bushyager (Bishop of Horsham) (from 15.07.20) The Venerable M Lloyd Williams (Archdeacon of Brighton & Lewes) The Venerable L Irvine-Capel (Archdeacon of Chichester) The Venerable Dr REM Dowler (Archdeacon of Hastings) The Venerable JF Windsor (Archdeacon of Horsham) (to 31.07.20) The Very Revd S Waine (Dean of Chichester) The Revd Canon J Peaty (Dean of Self Supporting Ministry) The Revd Canon A Waizeneker (Dean of Women's Ministry) The Revd Canon PM Gilbert (Chair of House of Clergy) Mr J Booth (Chair of House of Laity)
Appointed by the Bishop:	Mr P Bowden (Chair of the Finance Committee) (to 30.05.20) Mrs L Lynn (Vice Chair of the Finance Committee to 30.05.20 and Chair from 31.05.20) Mrs S Stonor
Elected by Diocesan Synod: Archdeaconry of Chichester	The Revd Canon D Twinley Mr B Smith
Archdeaconry of Horsham	The Revd M King Mrs V Burgess Mrs L Webster
Archdeaconry of Brighton and Lewes	The Revd J Hollingsworth Mr M Cruttenden Mrs A Murphy
Archdeaconry of Hastings	The Revd P Coekin Miss A Marchant Mr J Vince

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT

For the year ended 31 December 2020

Senior staff and advisers

Diocesan Secretary	Gabrielle Higgins
Finance Director	Catherine Dawkins (to 29 th February 2020)
Finance Director	Tim Redding (from 16 th March 2020)
Director of Education	Trevor Cristin
Director for Apostolic Life	Rebecca Swyer
Property Director	Scott Ralph

Registered Office:	Diocesan Church House, 211 New Church Road, Hove, BN3 4ED
Bankers	Barclays Bank plc, 90-92 High Street, Crawley, RH10 1BP
Independent Auditor	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Solicitors	Winckworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB
Investment advisers	CCLA Investment Management Ltd, 80 Senator House, 85 Queen Victoria Street, London, EC4V 4ET M&G Securities Ltd, M&G House, Victoria Road, Chelmsford, Essex CM1 1FB J M Finn & Co, 4 Coleman Street, London EC2R 5TA Charles Stanley & Co Ltd, 25 Luke Street, London EC2A 4AR Cazenove Capital, 31 Gresham Street, London EC2V 7QA
Insurers	EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES



The Right Revd Dr Martin Warner
President of the CDBF
15 April 2021



Mrs Lesley Lynn
Chair of the Trustees
15 April 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2020

Opinion

We have audited the financial statements of **Chichester Diocesan Fund and Board of Finance (Incorporated)** for the year ended 31 December 2020 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2020

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on Page 28 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2020

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates in particular valuation of property assets and investment properties; and
- Reviewing the assumptions and judgements used by the professional actuary in relation to the charitable company's pension valuation.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN
FUND AND BOARD OF FINANCE (INCORPORATED)**

For the year ended 31 December 2020

Use of our report

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



Adam Halsey

(Senior Statutory Auditor)

for and on behalf of Haysmacintyre LLP, Statutory Auditor

Date:..... 3 June 2021

10 Queen Street Place
London
EC4R 1AG

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General	Designated	Funds	Funds	2020	2019
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish share	3a	13,120	-	-	-	13,120	13,954
Other donations	3b	256	651	668	-	1,575	815
Charitable activities	4	690	-	121	-	811	868
Other activities	5	477	-	10	-	487	456
Investments	6	632	-	1,085	-	1,717	2,182
Other	7	6	-	115	-	121	185
		<u>15,181</u>	<u>651</u>	<u>1,999</u>	<u>-</u>	<u>17,831</u>	<u>18,460</u>
Expenditure on							
Raising Funds	8	76	-	83	-	159	458
Charitable activities	9	<u>15,365</u>	<u>122</u>	<u>2,008</u>	<u>53</u>	<u>17,548</u>	<u>16,360</u>
		<u>15,441</u>	<u>122</u>	<u>2,091</u>	<u>53</u>	<u>17,707</u>	<u>16,818</u>
Net income/(expenditure) before investment gains/(losses)		<u>(260)</u>	<u>529</u>	<u>(92)</u>	<u>(53)</u>	<u>124</u>	<u>1,642</u>
Unrealised gains on investments	15	(13)	73	(1,212)	(2,265)	(3,417)	5,532
Realised gains on investments		<u>(2)</u>	<u>-</u>	<u>(278)</u>	<u>- 240</u>	<u>(520)</u>	<u>274</u>
Net gains/(losses) on investments		<u>(15)</u>	<u>73</u>	<u>(1,490)</u>	<u>(2,505)</u>	<u>(3,937)</u>	<u>5,806</u>
Net income/(expenditure)		<u>(275)</u>	<u>602</u>	<u>(1,582)</u>	<u>(2,558)</u>	<u>(3,813)</u>	<u>7,448</u>
Transfer between funds	13	525	50	(610)	35	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets							
	14	-	(320)	(35)	1,495	1,140	2,223
Net movement in funds		<u>250</u>	<u>332</u>	<u>(2,227)</u>	<u>(1,028)</u>	<u>(2,673)</u>	<u>9,671</u>
Total funds brought forward		<u>5,488</u>	<u>6,342</u>	<u>22,101</u>	<u>252,018</u>	<u>285,949</u>	<u>276,278</u>
Total funds carried forward	19	<u>5,738</u>	<u>6,674</u>	<u>19,874</u>	<u>250,990</u>	<u>283,276</u>	<u>285,949</u>

All activities derive from continuing activities. The notes on pages 39 to 76 form part of the financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2020

	Total 2020 £'000	Total 2019 £'000
Total incoming resources	17,831	18,456
Resources expended	<u>(17,654)</u>	<u>(16,818)</u>
Operating surplus/(deficit) for the year	177	1,638
Net gains on investments	<u>(1,432)</u>	<u>2,857</u>
Net gain/(loss) for the year	<u>(1,255)</u>	4,495
Other comprehensive income :		
Revaluation of fixed assets	<u>-</u>	<u>-</u>
Total comprehensive gain/(loss)	<u>(1,255)</u>	<u>4,495</u>

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

BALANCE SHEET

For the year ended 31 December 2020

Company Number - 00133558	Note	2020 £'000	2019 £'000	2019 £'000	£'000
FIXED ASSETS					
Tangible assets	14		229,543		229,454
Investments	15		43,703		49,801
			<u>273,246</u>		<u>279,255</u>
CURRENT ASSETS					
Assets held for resale					
Debtors	16	3,237		2,765	
Cash on deposit		5,171		2,146	
Cash at bank and in hand		8,274		6,752	
		<u>16,682</u>		<u>11,663</u>	
CREDITORS: amounts falling due within one year	17	<u>(6,269)</u>		<u>(3,804)</u>	
NET CURRENT ASSETS			<u>10,413</u>		<u>7,859</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			283,659		287,114
CREDITORS: amounts falling due after more than one year	18				
Pension scheme liabilities			(383)		(1,165)
NET ASSETS			<u>283,276</u>		<u>285,949</u>
FUNDS					
Endowment funds			250,990		252,018
Restricted income funds			19,874		22,101
Unrestricted income funds					
General funds			5,738		5,488
Designated funds			6,674		6,342
TOTAL FUNDS	19/20		<u>283,276</u>		<u>285,949</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 15th April 2021 and signed on behalf of the Board by:



The Right Revd Dr Martin Warner
President of the CBF



Mrs Lesley Lynn
Chair of the Trustees

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

CASH FLOW STATEMENT

For the year ended 31 December 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities (see below)		(457)		(5,111)
Cash flows from investing activities				
Dividends / Interest and rent from Investments	1,717		2,182	
Proceeds from the sales of:				
Tangible fixed assets	3,099		5,822	
Fixed assets Investments	4,801		2,938	
Purchase of:				
Tangible fixed assets	(1,971)		(442)	
Fixed assets Investments	(2,642)		(2,027)	
Net Cash provided by Investing activities		5,004		8,473
Cash flows from financing activities				
Loans (repaid)	0		30	
Net cash used in financing activities				30
Change in cash and cash equivalents in the reporting period		4,547		3,392
Cash and cash equivalents at 1 January		8,898		5,506
Cash and cash equivalents at 31 December		<u>13,445</u>		<u>8,898</u>
Analysis of Cash and Cash equivalents				
Cash in Hand		8,274		6,752
Notice deposits (less than 3 months)		<u>5,171</u>		<u>2,146</u>
		<u>13,445</u>		<u>8,898</u>
Reconciliation of net movements in funds to net cash flow from operating activities				
Net income before investment gains		124		1,642
Adjustments for				
(Gains) on the disposal of fixed assets		(115)		(31)
Depreciation charges		34		35
Investment income		(1,717)		(2,182)
Change in value of Value Linked Loans		6		-
(Increase) in Debtors		(472)		(352)
Increase/(Decrease) in Creditors		<u>1,683</u>		<u>(4,223)</u>
Net Cash used in operating activities		<u>(457)</u>		<u>(5,111)</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES

a) General Information

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a charitable company limited by guarantee incorporated in England and Wales (company registration number 00133558) and registered with the Charity Commission (charity registration number 243134). The registered office address is Diocesan Church House, 211 New Church Road, Hove BN3 4ED. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1.

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

b) Accounting convention and basis of preparation

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 (f), 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 – Second Edition, effective 1st January 2019, the Companies Act 2006 and applicable accounting standards (FRS102).

c) Going concern

The financial statements are approved during a period where there continues to be much uncertainty as a result of the international spread of a coronavirus (COVID-19). The ultimate impact of the COVID 19 pandemic remains unclear, although there is room for optimism with the rollout of a vaccination programme, and also the continued support of parishes in paying and pledging parish share. Diocesan Officers are modelling scenarios should there be a material effect on income and expenditure plans are being reviewed as a consequence of this.

However, having reviewed the funding facilities available to CDBF together with the expected future cash flows, along with a prudent estimation of longer term income levels and expenditure requirements, the trustees have a reasonable expectation that charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

d) Income

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

- i. **Parish Share** is recognised as income in the year in which it is received.
- ii. **Rent** is recognised as income in the period in which it is received.
- 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. Coronavirus Job Retention Scheme grants are recognised in the period to which they relate.
- v. **Parochial fees** are recognised as income when received.
- vi. **Donations** other than grants are recognised when receivable.
- vii. **Gains on disposal of fixed assets for the CDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other expenditure.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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. The income is fully expended within the year of receipt and the legal restrictions are therefore satisfied.

e) 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** includes costs relating to the temporary renting out of parsonages and 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 through 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 CDBF, in which case the grants are recognised when the conditions are fulfilled. Records of grants offered subject to such conditions which have not been met at the year-end are kept, but committed grants are not accrued as expenditure.
- iv. **Support costs** consist of central management, administration and governance costs. The amount of support costs 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 usage basis.
- v. **Pension contributions.** The CDBF's staff are members of the Church Workers Pension Fund or the Teachers Pension Scheme and clergy are members of the Church of England Funded Pensions Scheme (see note 26). The pension costs charged as resources expended represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes in which the CDBF participates is accrued at current value in creditors, distinguished between contributions falling due within one year and after more than one year. Movements in the value of these schemes are recognised in the Statement of Financial Activities.

f) Tangible fixed assets and depreciation

Freehold properties

The CDBF measures freehold property assets in accordance with an estimate of fair value as required by FRS 102. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

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 CDBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage 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. Through a process of regular visits by the Diocesan Property Department, 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 their fair value.

Investment properties

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

Parsonage houses

The CDBF 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 CDBF 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 fair value. Parsonage houses are revalued on a five year cycle, with 20% being valued each year on a rolling basis.

g) Other tangible fixed assets

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

- Fixtures and fittings - 25% per annum - reducing balance basis
- Computer Equipment - 20% per annum - straight line basis

h) 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 CDBF has entered into operating leases for the use of certain assets. The rental is charged as expenditure in the year to which it relates.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

I) Financial Instruments - assets and liabilities

- i. **Debtors:** Debtors are recognised at the settlement amount due
- ii. **Cash and cash equivalents:** Cash at bank and cash in hand includes cash held in short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- iii. **Creditors and provisions:** Creditors and provisions are recognised where the CDBF has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- iv. **Value Linked Loans:** The CDBF has a number of loans for which the settlement proceeds are based on the value of the equity in a property. As this constitutes a non-basic financial instrument under FRS102 these loans have been recognised at fair value and are revalued at each reporting date. Any gains or losses arising at year end are recognised in the SOFA.
- v. **Concessionary Loans:** Loans obtained or made by the CDBF to further its charitable purposes at rates below the prevailing market rates are classified as concessionary loans and accounted for in accordance with section 34 of FRS 102. Such loans are initially recognised and measured at the amount received or paid and subsequently amended to reflect any repayments, interest and impairment.

J) Fund balances

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

Unrestricted funds are the CDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the CDBF.

There are two types of unrestricted funds:

- i. **General funds** which the CDBF uses for the general purposes of the CDBF
- ii. **Designated funds** which are set aside out of unrestricted funds by the CDBF 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 Stipends Fund Capital and Parsonage Houses Fund 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 CDBF 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.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the CDBF's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to estimation are fair values assigned for property assets and investment properties. In 2020, 20% of parsonage and 98% of glebe houses were valued using an on-line valuation tool which uses relevant market data to provide a valuation for each property. The DBF is responsible for the maintenance of the houses and employees visit the properties on a regular basis. Any improvements are capitalised at cost and added to the carrying value of the properties. The occupants of the houses notify the DBF promptly of any damage or disrepair. Any variances from actual fair market value and the estimated value of the portfolio will affect the value of tangible fixed assets reported on the balance sheet, and other gains and losses reported in the Statement of Financial Activities. Income and expenditure are not impacted except to the extent that profit or loss is calculated on the sale of a property. The trustees consider this methodology and the resulting balance sheet values to be an appropriate estimate of fair value for reporting purposes.

3. DONATIONS

3a. Parish Share

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	14,010	-	-	-	14,010	13,999
Shortfall in contributions	(978)	-	-	-	(978)	(183)
	<u>13,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,032</u>	<u>13,816</u>
Receipts for previous year	88	-	-	-	88	138
Total Income	<u>13,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,120</u>	<u>13,954</u>

Current year parish share receipts represent 92.7% of the total pledges (2019 – 98.7%), or, when receipts for previous years are included, 93.6% of the total pledges (2019 – 99.7%). The principal cause of the reduction seen was the impact on parishes of the coronavirus pandemic.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

3. DONATIONS (continued)

3b. Other donations

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
All Churches Trust Grant	122	50	-	-	172	171
Archbishops Council	16	600	93	-	709	170
RME Block Grant	-	-	568	-	568	419
Grants from other organisations	103	-	-	-	103	9
Donations	15	1	7	-	23	46
	<u>256</u>	<u>651</u>	<u>668</u>	<u>-</u>	<u>1,575</u>	<u>815</u>

4. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees for parochial services	468	-	-	-	468	560
Church Commissioners' guaranteed annuities	-	-	11	-	11	13
Parish trust Income	-	-	110	-	110	93
Generated Income	27	-	-	-	27	83
Church Schools Training & other	195	-	-	-	195	119
	<u>690</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>811</u>	<u>868</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

5. OTHER ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Properties	477	-	10	-	487	456
	<u>477</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>487</u>	<u>456</u>

6. INVESTMENT INCOME

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable & interest receivable	632	-	835	-	1,467	1,925
Rents receivable - Glebe	-	-	250	-	250	257
	<u>632</u>	<u>-</u>	<u>1,085</u>	<u>-</u>	<u>1,717</u>	<u>2,182</u>

7. OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	6	-	-	-	6	154
Gain/(Loss) on sale of property	-	-	115	-	115	31
	<u>6</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>121</u>	<u>185</u>

8. FUNDRAISING COSTS

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	72	-	71	-	143	147
Glebe repairs & improvements	4	-	12	-	16	311
	<u>76</u>	<u>-</u>	<u>83</u>	<u>-</u>	<u>159</u>	<u>458</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

9. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	632	-	-	-	632	632
National Church Responsibilities	475	-	-	-	475	502
Grants and Provisions	53	-	-	-	53	54
Mission agency pension costs	23	-	-	-	23	7
Retired clergy housing costs	227	-	-	-	227	216
Pooling of ordinands maintenance grants	(82)	-	-	-	(82)	38
	<u>1,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,328</u>	<u>1,449</u>
	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and						
Mission - Parish Ministry						
Stipends and National Insurance	6,567	-	770	53	7,390	7,574
Pension contributions	1,710	-	-	-	1,710	1,736
Defined benefit pension scheme movement (see Note 26)	(35)	-	-	-	(35)	(2,614)
Housing costs	2,061	-	179	-	2,240	3,017
Mission Fund grants	-	122	-	-	122	121
Removal, resettlement & grants	235	-	-	-	235	231
Clergy welfare	19	-	130	-	149	186
Ministry Support	223	-	2	-	225	230
	<u>10,780</u>	<u>122</u>	<u>1,081</u>	<u>53</u>	<u>12,036</u>	<u>10,481</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

9. CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
	General £'000	Designated £'000				
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	567	-	573	-	1,140	1,188
Adult Education	78	-	7	-	85	120
Children and youth work	101	-	-	-	101	172
Apostolic Life	174	-	-	-	174	257
Common Good	8	-	-	-	8	33
Safeguarding	319	-	-	-	319	229
Diocesan Advisory Committee	78	-	-	-	78	81
Pastoral and Redundant Churches uses	50	-	-	-	50	45
Redundant churches	132	-	-	-	132	104
Communications	92	-	-	-	92	108
Chaplains	-	-	-	-	-	-
Mission projects (SDF)	-	-	120	-	120	117
Chancellor & Registrar	81	-	-	-	81	69
Grants	67	-	152	-	219	223
	<u>1,747</u>	<u>-</u>	<u>852</u>	<u>-</u>	<u>2,599</u>	<u>2,746</u>
Support and Governance for parish ministry (note 10)	694	-	-	-	694	812
	<u>2,441</u>	<u>-</u>	<u>852</u>	<u>-</u>	<u>3,293</u>	<u>3,558</u>
Resourcing Ministry and Mission - Church Schools						
Church Schools department	728	-	75	-	803	804
Support and Governance for Church Schools (note 10)	88	-	-	-	88	68
	<u>816</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>891</u>	<u>872</u>
Total Charitable activities	<u>15,365</u>	<u>122</u>	<u>2,008</u>	<u>53</u>	<u>17,548</u>	<u>16,360</u>

10. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Support				
Central services department	158	20	178	181
General office department	205	26	231	275
Finance department	179	23	202	212
IT department	102	13	115	158
Depreciation	30	4	34	35
	<u>674</u>	<u>86</u>	<u>760</u>	<u>861</u>
Governance				
External Audit	20	2	22	19
	<u>694</u>	<u>88</u>	<u>782</u>	<u>880</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

11. ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	6	-	1,328	1,328	1,449
From unrestricted					
The Chichester Diocesan Association for					
Family Support Work	1	-	36	36	36
Together in Sussex	1	-	4	4	10
St Bartz Trust - Youth work	1	-	19	19	19
Clergy Training	27	8	-	8	12
Clergy Moves	47	234	-	234	231
Other organisations	-	-	-	-	11
	77	242	59	301	319
From designated					
PCCs for Mission projects	12	-	90	90	121
The Chichester Diocesan Association for Fami	1	-	15	15	-
Other Organisations for Mission projects	1	-	16	16	-
Individuals for Mission projects	1	1	-	1	-
	15	1	121	122	121
From restricted					
PCCs for Mission projects	9	-	240	240	158
Clergy and families for Welfare	110	62	-	62	75
Overseas mission agencies	4	-	9	9	13
Aided Schools	3	-	69	69	-
Ordinands in training	59	511	-	511	553
AD Care of Churches	-	-	-	-	4
Other organisations	-	-	-	-	26
	185	573	318	891	829
Totals	283	816	1,826	2,642	2,718

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

12. STAFF COSTS

	2020	2019
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	1,874	1,881
National insurance contributions	193	186
Pension costs	290	259
	<u>2,357</u>	<u>2,326</u>

	2020	2019
	Number	Number
The average number of persons employed by the group during the year:		
Administration and financial management	21	25
Apostolic Life	14	15
Common Good	-	-
Property	7	7
Education - Church Schools	14	13
Safeguarding & Inclusion	7	6
	<u>63</u>	<u>66</u>

	2020	2019
	Number	Number
The average number of persons employed by the group during the year: based on full-time equivalents:		
Administration and financial management	18	22
Apostolic Life	13	11
Common Good	-	-
Property	7	7
Education - Church Schools	10	10
Safeguarding & inclusion	5	4
	<u>53</u>	<u>54</u>

	2020	2019
	Number	Number
The numbers of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:		
£60,001 - £70,000	2	2
£70,001 - £80,000	1	2
	<u>3</u>	<u>4</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

12. STAFF COSTS (continued)

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary	Gabrielle Higgins
Diocesan Director for Apostolic Life	Rebecca Swyer
Diocesan Director of Education	Trevor Cristin
Diocesan Director of Property	Scott Ralph
Diocesan Finance Director	Catherine Dawkins (to 28 th February 2020)
Diocesan Finance Director	Tim Redding (from 16 th March 2020)

Remuneration (including Employer NI) and pensions for these employees/posts amounted to £419,253 (2019 - £411,003).

Termination payments

During the year termination payments totalling £1,914 were paid (2019 - £1,719).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £4,084 (2019 - £17,143) in respect of General Synod duties, duties as archdeacon or rural dean, and other duties as Trustees. In addition, one Trustee received a removal grant of £5,047 in respect of his role as a member of the clergy.

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

	Stipend	Housing
The Right Revd R Jackson (to 7/1/20)	No	Yes
The Right Revd R K F Bushyager (from 15/7/20)	No	Yes
The Right Revd W P G Hazlewood (from 15/7/20)	No	Yes
The Venerable L Irvine-Capel	Yes	Yes
The Venerable F Windsor (to 31/7/20)	Yes	Yes
The Venerable M Lloyd-Williams	Yes	Yes
The Venerable E Dowler	Yes	Yes
The Revd Canon PM Gilbert	Yes	Yes
The Revd A Waizeneker	Yes	Yes
The Revd J Hollingsworth	Yes	Yes
The Revd D Twinley	Yes	Yes
The Revd P Coekin	Yes	Yes
The Revd M King	Yes	Yes

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

12. STAFF COSTS (continued)

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

	2020 £'000	2019 £'000
Stipends	6,816	6,991
National insurance contributions	576	581
Pension costs - current year	1,710	1,742
Pension costs - deficit reduction contributions paid	741	752
	<u>9,843</u>	<u>10,066</u>

The stipends of the Diocesan Bishop and Suffragan Bishops are paid and funded by the Church Commissioners and are in the range £37,670 - £46,180 (2019 range £36,930 - £45,270). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2020 was £36,648 (2019 - £36,110) and other clergy who were Trustees were paid in the range £27,295 - £28,767 (2019 range £25,980 - £26,890).

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Transfer of net proceeds from sale of redundant parsonages	-	-	-	-
Movement on defined benefit pension scheme	(35)	-	-	35
Administration charge - Aided Schools fund	48	-	(48)	-
Mission Fund	-	50	(50)	-
Pastoral Fund transfer - housing costs	512	-	(512)	-
	<u>525</u>	<u>50</u>	<u>(610)</u>	<u>35</u>

Redundant Parsonages. The net proceeds resulting from the disposal of redundant parsonages can be transferred from the parsonage fund to the pastoral fund after due process has been completed.

Defined benefit pension scheme movement. Transfer of the movement to the Diocesan Stipends fund.

Administration charge - Aided Schools fund. This reflects the administration charge of the Capital Asset Programme Manager costs charged to the Aided Schools restricted fund.

Pastoral Fund transfer – housing costs. This reflects a contribution from the Pastoral Fund, agreed by Synod, towards the cost of maintenance of housing.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

14. TANGIBLE FIXED ASSETS

	Freehold Land £'000	Leasehold Property £'000	Office Equipment £'000	Total £'000
At 1 January 2020	228,746	573	699	230,018
Additions	1,973	-	(2)	1,971
Disposals	(2,988)	-	-	2,988
Reclassification	-	-	-	-
Revaluation	1,460	(320)	-	1,140
At 31 December 2020	229,191	253	697	230,141
Depreciation	-	-	-	-
At 1 January 2020	-	-	564	564
Disposals	-	-	-	-
Charge for the year	-	-	34	34
At 31 December 2020	-	-	598	598
Net Book Value				
At 31 December 2020	229,191	253	99	229,543
At 31 December 2019	228,746	573	135	229,454

All but one of the properties in the balance sheet are freehold and are vested in the CDBF, except for benefice houses which are vested in the incumbent. Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £1,152,184 (2019: £1,542,514). Properties are subject to a five-year cycle of survey and valuation and consequent repairs are charged as expenditure with the SoFA.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

15. FIXED ASSET INVESTMENTS

	At 1 January 2020 £'000	Additions £'000	Disposal £'000	Transfer £'000	Change In Market Value £'000	At 31 December 2020 £'000
Unrestricted Funds						
Listed investments	126	4	(15)	-	(12)	103
Unlisted investments	5	-	-	-	0	5
Investment property	588	-	-	-	73	661
	<u>719</u>	<u>4</u>	<u>(15)</u>	<u>-</u>	<u>61</u>	<u>769</u>
Restricted Funds						
Listed investments	20,330	1,456	(2,494)	-	(1,212)	18,080
	<u>20,330</u>	<u>1,456</u>	<u>(2,494)</u>	<u>-</u>	<u>(1,212)</u>	<u>18,080</u>
Endowment Funds						
Listed investments	24,313	1,181	(2,814)	-	(2,265)	20,415
Investment property	4,439	-	-	-	0	4,439
	<u>28,752</u>	<u>1,181</u>	<u>(2,814)</u>	<u>-</u>	<u>(2,265)</u>	<u>24,854</u>
Total	<u>49,801</u>	<u>2,641</u>	<u>(5,323)</u>	<u>-</u>	<u>(3,416)</u>	<u>43,703</u>

Trustees are aware of the continuing impact of the COVID-19 pandemic on the value of investment assets. The DBF is, however, a long-term investor and currently has no immediate plans to realise investments in order to raise cash.

16. DEBTORS

	2020 £'000	2019 £'000
Concessionary (interest free) loans to Parishes	446	441
Loans to Parishes	985	1,015
Loans to Schools	368	434
Other Debtors and prepayments	1,438	875
	<u>3,237</u>	<u>2,765</u>
Included within the above are debtors amounts due after more than one year as follows:		
Loans to Parishes	381	994
	<u>381</u>	<u>994</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

17. CREDITORS: amounts falling due within one year

	2020	2019
	£'000	£'000
Loans due in one year		
Church Commissioners value-linked loans	1,721	1,727
Deferred income	-	-
Payments received in advance from Education Funding authority	2,119	797
Loan repayment instalments due in less than one year		
Central Board of Finance other loans	-	100
Other Taxes and social security	2	45
Other creditors and accruals	1,927	635
Clergy Pension Scheme	500	500
	<u>6,269</u>	<u>3,804</u>

Value-linked loans (VLLs) represent amounts advanced to the CDBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Three of these loans are for the benefit of parishes and have been used to purchase houses for curates. Five of the loans have been used by the DBF for the purchase of houses for deserted spouses, of which one was sold just prior to the year end. The related loan was repaid early in the new year. As at 31st December 2020 the Board had no intention of disposing of any more of those properties funded via VLLs. As the timing of the repayment is uncertain the loans are shown as due within one year.

18. CREDITORS: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Pension Scheme liabilities (see note 24)		
Clergy Pension Scheme		
Church Workers Pension Scheme - DBS	352	1,128
	<u>31</u>	<u>37</u>
	<u>383</u>	<u>1,165</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

19. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2020 £'000
UNRESTRICTED FUNDS						
General	5,488	15,181	(15,441)	525	(15)	5,738
Designated Funds						
Property	6,086	-	-	-	(247)	5,839
Parish Mission	241	50	(121)	50	-	220
Other designated funds	15	601	(1)	-	-	615
	6,342	651	(122)	50	(247)	6,674
Restricted Funds						
Diocesan Pastoral	15,071	-	(122)	(650)	(1,252)	13,047
Diocesan Stipend	-	952	(952)	-	-	-
Clergy Welfare	1,170	78	(83)	-	(87)	1,078
Clergy Welfare (B Wild)	940	23	(62)	-	(35)	866
Jenkinson Trust	19	2	0	-	-	21
Training	-	30	(30)	-	-	-
University chaplaincy	38	1	0	-	-	39
Hayllar trust	78	3	0	-	-	81
Poling endowment	18	25	0	-	-	43
The Arnold Bequest	40	14	(18)	-	-	36
Clergy Widows	27	-	(4)	-	-	23
SDF	-	93	(181)	88	-	-
RME	(46)	568	(546)	-	-	(24)
Archdeacons' loans	1,849	31	(3)	-	(53)	1,824
Aided Church Schools	2,713	173	(74)	(48)	(98)	2,666
Diocesan Overseas Council	114	2	(9)	-	-	107
Other restricted funds	69	4	(7)	-	-	66
	22,101	1,999	(2,091)	(610)	(1,525)	19,874
Endowment Funds						
Expendable						
Parsonage/Benefice houses	180,313	-	-	-	(1,259)	179,054
Diocesan Stipends	59,038	-	(53)	35	1,020	60,040
Clergy Welfare	2,365	-	-	-	(258)	2,107
Elfinward	2,321	-	-	-	(254)	2,067
Terry's Cross	5,167	-	-	-	-	5,167
Permanent						
Jenkinson	50	-	-	-	(6)	44
Training	943	-	-	-	(102)	841
University chaplaincy	663	-	-	-	(3)	660
Hayllar trust	77	-	-	-	(8)	69
Poling endowment	669	-	-	-	(95)	574
The Arnold Bequest	412	-	-	-	(45)	367
	252,018	-	(53)	35	(1,010)	250,990
Total funds	285,949	17,831	(17,707)	-	(2,797)	283,276

The restricted funds above for RME relate to a grant received from Ministry Division to be used to meet the cost of ordination training. Grants are made by reference to the age of ordinands in each year, in the expectation that younger ordinands will follow more expensive training pathways. Depending on the actual pathway chosen for each ordinand, expenditure may be more or less than the grant. Surpluses must be held in reserve to be spent on future ordinands in years where there is a deficit. Deficits may be made good from future years where there is a surplus. If deficits persist, the Ministry Division of the Church of England will review the position. If no further funding can be made available, the deficit must be met from general funds.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

20. SUMMARY OF ASSETS BY FUND

	Fixed asset Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	98	101	6,467	(928)	5,738
Designated Funds					
Property	5,193	661	(15)	-	5,839
Parish Mission	-	-	220	-	220
Other designated funds	-	6	609	-	615
	<u>5,193</u>	<u>667</u>	<u>814</u>	<u>-</u>	<u>6,674</u>
Restricted Funds					
Diocesan Pastoral	-	15,399	(2,351)	-	13,048
Clergy Welfare	1,153	-	1,336	(1,411)	1,078
Clergy Welfare (B Willd)	-	676	190	-	866
Jenkinson Trust	-	-	21	-	21
University chaplaincy	-	-	39	-	39
Hayllar trust	-	-	81	-	81
Poling endowment	-	-	43	-	43
The Arnold Bequest	-	-	36	-	36
Clergy Widows	-	-	23	-	23
SDF	-	-	-	-	-
RME	-	-	(24)	-	24
Archdeacons' loans	-	891	933	-	1,824
Aided Church Schools	-	1,109	5,018	(3,461)	2,666
Diocesan Overseas Council	-	-	107	-	107
Other restricted funds	-	4	62	-	66
	<u>1,153</u>	<u>18,079</u>	<u>5,514</u>	<u>- 4,872</u>	<u>19,874</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	172,007	-	7,047	-	179,054
Diocesan Stipends	45,294	19,261	(3,663)	(852)	60,040
Clergy Welfare	-	1,911	196	-	2,107
Elfinward	-	1,876	191	-	2,067
Terry's Cross	5,167	-	-	-	5,167
<u>Permanent</u>					
Jenkinson	-	43	1	-	44
Training	-	764	77	-	841
University chaplaincy	631	26	3	-	660
Hayllar trust	-	64	5	-	69
Poling endowment	-	572	2	-	574
The Arnold Bequest	-	339	28	-	367
	<u>223,099</u>	<u>24,856</u>	<u>3,887</u>	<u>(852)</u>	<u>250,990</u>
Total funds	<u>229,543</u>	<u>43,703</u>	<u>16,682</u>	<u>(6,652)</u>	<u>283,276</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

21. PRIOR YEAR SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2019 £'000
UNRESTRICTED FUNDS						
General	4,641	16,142	(13,075)	(2,557)	337	5,488
Designated Funds						
Property	6,086	-	-	-	-	6,086
Parish Mission	242	50	(121)	70	-	241
Other designated funds	31	-	-	(16)	-	15
	6,359	50	(121)	54	-	6,342
Restricted Funds						
Diocesan Pastoral	12,553	-	(1,519)	1,876	2,161	15,071
Diocesan Stipend	-	1,141	(1,141)	-	-	-
Clergy Welfare	1,109	133	(72)	-	-	1,170
Clergy Welfare (B Willd)	900	29	(85)	-	96	940
Jenkinson Trust	18	2	(1)	-	-	19
Training	-	46	(46)	-	-	-
University chaplaincy	37	1	-	-	-	38
Hayllar trust	74	4	-	-	-	78
Polling endowment	9	31	(22)	-	-	18
The Arnold Bequest	40	18	(18)	-	-	40
Clergy Widows	45	-	(18)	-	-	27
SDF	-	170	(175)	5	-	-
RME	(9)	419	(456)	-	-	(46)
Archdeacons' loans	1,703	37	(3)	-	112	1,849
Aided Church Schools	2,415	210	(21)	(42)	151	2,713
Diocesan Overseas Council	117	9	(12)	-	-	114
Other restricted funds	88	14	(33)	-	-	69
	19,100	2,264	(3,622)	1,839	2,520	22,101
Endowment Funds						
Expendable						
Parsonage/Benefice houses	180,473	4	-	(1,951)	1,787	180,313
Diocesan Stipends	53,935	-	-	2,615	2,488	59,038
Clergy Welfare	2,056	-	-	-	309	2,365
Elfinsward	2,018	-	-	-	303	2,321
Terry's Cross	5,167	-	-	-	-	5,167
Permanent						
Jenkinson	44	-	-	-	6	50
Training	820	-	-	-	123	943
University chaplaincy	659	-	-	-	4	663
Hayllar trust	67	-	-	-	10	77
Polling endowment	581	-	-	-	88	669
The Arnold Bequest	358	-	-	-	54	412
	246,178	4	-	664	5,172	252,018
Total funds	276,278	18,460	(16,818)	-	8,029	285,949

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

22. PRIOR YEAR SUMMARY OF ASSETS BY FUND

	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	134	125	5,876	(647)	5,488
Designated Funds					
Property	5,513	589	(16)	-	6,086
Parish Mission	-	-	241	-	241
Other designated funds	-	5	10	-	15
	5,513	594	235	-	6,342
Restricted Funds					
Diocesan Pastoral		17,414	(2,343)		15,071
Clergy Welfare	1,543		1,355	(1,727)	1,171
Clergy Welfare (B Wild)		748	192		940
Jenkinson Trust			19		19
University chaplaincy			38		38
Hayllar trust			78		78
Polling endowment			18		18
The Arnold Bequest			40		40
Clergy Widows			27		27
SDF					-
RME			(46)		(46)
Archdeacons' loans		957	892		1,849
Aided Church Schools		1,207	2,473	(967)	2,713
Diocesan Overseas Council	-	-	114	-	114
Other restricted funds	-	4	65	-	69
	1,543	20,330	2,922	(2,694)	22,101
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	174,012	-	6,301	-	180,313
Diocesan Stipends	42,454	21,992	(3,780)	(1,628)	59,038
Clergy Welfare	-	2,322	43	-	2,365
Elfinsward	-	2,279	42	-	2,321
Terry's Cross	5,167	-	-	-	5,167
<u>Permanent</u>					
Jenkinson	-	51	(1)	-	50
Training	-	926	17	-	943
University chaplaincy	631	31	1	-	663
Hayllar trust	-	76	1	-	77
Polling endowment	-	668	1	-	669
The Arnold Bequest	-	407	5	-	412
	222,264	28,752	2,630	(1,628)	252,018
Total funds	229,454	49,801	11,663	(4,969)	285,949

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

23. DESCRIPTION OF FUNDS

General	The general fund is the CDBF's unrestricted undesignated fund available for any of the CDBF's purposes.
Property	The fund value is set at the level equivalent to the net book value of corporate properties. Church House, Hove and various houses used by retired clergy make up the value of this fund.
Parish Mission	Fund made available from the AllChurches Trust and diocesan sources to support parish mission projects throughout the Diocese.
Other Designated Funds	The majority of these funds represents a grant received from the Church Commissioners to meet the costs of two additional curates to be ordained in 2021 and a Parish Development Officer role.
Diocesan Stipends	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held under the Church Property Measure 2018 to provide income for clergy stipends. It represents glebe property, accumulated sale proceeds of glebe property, and sale proceeds of some benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.
Clergy Welfare	Fund is governed by a 1993 Charity Commission scheme with income being used for the welfare of clergy, their spouses or other licensed staff who work or have worked in the diocese.
Clergy Welfare (B Wild)	Fund derives from the sale of a property, Lapwings, bequeathed for purposes connected with clergy welfare. The fund is used for the clergy wellbeing service.
Clergy Widows	Fund represents a legacy from Charles Peckham to provide financial grants or other benefits for widows of the clergy.
University Chaplaincy	Fund is governed by a trust deed dated 21 July 1961. The fund is to provide a house for the University of Sussex chaplain and to assist that chaplain in the fulfilment of his/her duties.
Jenkinson Trust	Fund represents a legacy from William Jenkinson. Income from the fund is used for necessitous Church of England gentlewomen or as the diocesan fund finds most fitting.
Hayllar Trust	Fund represents a legacy from Sidney Hayllar. Income from the fund is used to help clergy with personal costs such as education and personal support and general financial problems.
Poling Endowment	A fund to be used for the welfare of clergy and their families in need or hardship, serving, in training or retired, of the Diocese of Chichester.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

23. DESCRIPTION OF FUNDS (continued)

Archdeacons' Loans	The fund arose from three gifts and the proceeds of a fundraising campaign. The accumulated income is used to make interest free loans to parishes to help fund repairs to churches and church halls.
Aided Church Schools	The Aided Church Schools Fund represents the accumulated sale proceeds of redundant Church of England School properties. Its use is restricted by Section 287(2) of the Education Act 1993 to capital and maintenance work of Church of England schools in the diocese and education generally at Church of England schools in the diocese. The CDBF is trustee of these funds, which are managed in consultation with the Diocesan Board of Education.
Diocesan Overseas Council	The fund comprises the net income raised after grants made by the Diocesan Overseas Council. The Council promotes the Diocesan interest in, support for and engagement with mission work of the churches of the Anglican Communion in co-operation with the Church of England's Partnership for World Mission accredited mission agencies and partners. It raises funds mainly by way of the Harvest Appeal each year and in reaction to world mission appeals and projects.
Diocesan Pastoral	<p>The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:</p> <ul style="list-style-type: none">• to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees.• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese.• other purposes of the diocese or any benefice or parish in the diocese• to make grants or loans to any other diocese• to transfer funds to the diocesan stipends fund income or capital accounts.
Strategic Development Fund	The Diocese has been awarded funding from the Church Commissioners towards three parish based mission projects in the Diocese. The funds received are restricted to be used on these projects.
RME Block Grant	A restricted grant received from Ministry Division to be used to meet the costs of ordination training.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

23. DESCRIPTION OF FUNDS (continued)

Parsonage/Benefice Houses	The parsonage/benefice property fund consists of resources restricted to provision of benefice houses in the diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the CDBF is obliged to maintain them, and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the CDBF.
Elfinsward	The fund was created by the sale of a former retreat house. The income from the fund is used to support stipends, communications work and retreat grants.
Terry's Cross	The fund represents the value of a house, originally given as a gift to the diocese, to provide accommodation for retired clergy and church workers.
Training	This fund has been built up by various bequests. The income is used to support ordination training costs and for modest discretionary grants to assist ordinands in need.

24. CAPITAL COMMITMENTS

At 31 December 2020 the CDBF had capital expenditure commitments authorised but not contracted for of £NIL (2019 - £NIL) and contracted for but not yet due of £173,414 (2019 - £82,429).

25. OPERATING LEASES

Future minimum rentals payable until the end of the lease under non-cancellable operating leases are as follows:

	2020	2019
	£	£
	£'000	£'000
Other operating leases:		
Total amount payable within one year	22	29
Total amount payable in the second to fifth years inclusive	10	18
	<u>32</u>	<u>47</u>

Total lease payments recognised as an expense in the year were £34,522 (2019 £47,882).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

26. PENSIONS

The CDBF participates in four pension schemes.

- A. **Church of England Funded Pensions Scheme (CEFPS)** for stipendiary clergy administered by the Church of England Pensions Board.
- B. **Church Workers Pension Fund (CWPF)** for Lay workers administered by the Church of England Pensions Board.
- C. **Church Workers Pension Fund (CWPF) Pension Builder Classic** for Lay workers administered by the Church of England Pensions Board.
- D. **Teachers' Pension Scheme (TPS)** governed by the Teachers' Pension Scheme Regulations 2014.

A. Church of England Funded Pensions Scheme (CEFPS)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £2,455,384, 2019: £2,487,841), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £1,679,384 for 2020 (2019: £(872,159)).

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

- An average discount rate of 3.2% 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.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

26. PENSIONS (continued)

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.

	2019	2020
Deficit repair contributions	11.9%	7.1%

As at 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 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

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

	2019	2020
Balance sheet liability at 1 January	1,628,000	4,988,000
Deficit contribution paid	-741,000	-745,000
Interest cost (recognised in SoFA)	14,000	97,000
Remaining change to the balance sheet liability* (recognised in SoFA)	-49,000	-2,712,000
Balance sheet liability at 31 December	852,000	1,628,000

* 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:

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

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

26. PENSIONS (continued)

B. Church Workers Pension Fund (CWPF)

Chichester Diocesan Board of Finance (CDBF) participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

Defined Benefits Scheme

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

For funding purposes, 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.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. 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 (2020: £13,287, 2019: £13,287) 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 £7,287 for 2020 (2019: £7,287).

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

A valuation as at 31 December 2019 was under way as at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of £5,900 per year. In addition, deficit payments of £7,387 per year have been agreed for 7.00 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.


THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

26. PENSIONS (continued)

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



Balance sheet liability at 1 January	37,000	43,000
Deficit contribution paid	-7,000	-7,000
Interest cost (recognised in SoFA)	0	1,000
Remaining change to the balance sheet liability*(recognised in SoFA)	1,000	0
Balance sheet liability at 31 December	31,000	37,000

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

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



Discount rate	0.40%	1.30%	2.10%
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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 CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

26 PENSIONS (continued)

C. Church Workers Pension Fund (CWPF) Pension Builder Classic

Since 1st October 2012 the CDBF has participated in the Pension Builder Scheme section of CWPF 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.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means 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 the contributions payable (2020: £226,667, 2019: £220,350).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

26. PENSIONS (continued)

D. Teachers' Pension Scheme (TPS)

The CDBF participates in the Teachers' Pension Scheme ("the TPS") for a number of its staff. The pension charge for the year includes contributions payable to the TPS of £60,240 (2019: £38,967) and at the year-end £Nil (2019 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

27. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2019	Total Funds 2018
	General	Designated	Funds	Funds	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from						
Donations						
Parish share	13,954	-	-	-	13,954	13,556
Other donations	151	50	614	-	815	807
Charitable activities	762	-	106	-	868	987
Other activities	423	-	33	-	456	603
Investments	823	-	1,359	-	2,182	2,049
Other	29	-	152	4	185	409
	<u>16,142</u>	<u>50</u>	<u>2,264</u>	<u>4</u>	<u>18,460</u>	<u>18,411</u>
Expenditure on						
Raising Funds	73	-	385	-	458	272
Charitable activities	13,002	121	3,237	-	16,360	19,191
	<u>13,075</u>	<u>121</u>	<u>3,622</u>	<u>-</u>	<u>16,818</u>	<u>19,463</u>
Net income/(expenditure) before investment gains	<u>3,067</u>	<u>(71)</u>	<u>(1,358)</u>	<u>4</u>	<u>1,642</u>	<u>(1,052)</u>
Unrealised gains on investments	16	-	2,429	3,087	5,532	(5,151)
Realised gains on investments	321	-	91	(138)	274	902
Net gains/(losses) on investments	<u>337</u>	<u>-</u>	<u>2,520</u>	<u>2,949</u>	<u>5,806</u>	<u>(4,249)</u>
Net income/(expenditure)	<u>3,404</u>	<u>(71)</u>	<u>1,162</u>	<u>2,953</u>	<u>7,448</u>	<u>(5,301)</u>
Transfer between funds	<u>(2,557)</u>	<u>54</u>	<u>1,839</u>	<u>664</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets	-	-	-	2,223	2,223	(8,130)
Net movement in funds	<u>847</u>	<u>(17)</u>	<u>3,001</u>	<u>5,840</u>	<u>9,671</u>	<u>(13,431)</u>
Total funds brought forward	<u>4,641</u>	<u>6,359</u>	<u>19,100</u>	<u>246,178</u>	<u>276,278</u>	<u>289,709</u>
Total funds carried forward	<u>5,488</u>	<u>6,342</u>	<u>22,101</u>	<u>252,018</u>	<u>285,949</u>	<u>276,278</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

28a. PRIOR YEAR NOTES TO ACCOUNTS – 3 DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General	Designated	Funds	Funds	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	13,999	-	-	-	13,999	13,769
Current year pledges - attributable to insurance						
Transfer to Deanery reserves		-	-	-	-	-
Shortfall in contributions	(183)	-	-	-	(183)	(302)
	<u>13,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,816</u>	<u>13,467</u>
Receipts for previous year	<u>138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138</u>	<u>89</u>
Total Income	<u>13,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,954</u>	<u>13,556</u>

Current year parish share receipts represent 98.7% of the total pledges (2018 – 97.8%), or, when receipts for previous years are included, 99.7% of the total pledges (2018 – 98.4%)

Other Donations

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General	Designated	Funds	Funds	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
All Churches Trust Grant	121	50	-	-	171	170
Strategic Development Funding			170		170	165
RME Block Grant			419		419	225
Grants from other organisations	9	-	-	-	9	16
Donations	<u>21</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>46</u>	<u>231</u>
	<u>151</u>	<u>50</u>	<u>614</u>	<u>-</u>	<u>815</u>	<u>807</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

28b. PRIOR YEAR NOTES TO ACCOUNTS – 4 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2019	2018
	£'000	£'000			£'000	£'000
Statutory fees for parochial services	560	-	-	-	560	612
Church Commissioners' guaranteed annuities	-	-	13	-	13	16
Parish trust Income	-	-	93	-	93	94
Generated Income	83	-	-	-	83	130
Church Schools Training & other	119	-	-	-	119	135
	<u>762</u>	<u>-</u>	<u>106</u>	<u>-</u>	<u>868</u>	<u>987</u>

28c. PRIOR YEAR NOTES TO ACCOUNTS – 5 OTHER ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2019	2018
	£'000	£'000			£'000	£'000
Rents receivable - Properties	423	-	33	-	456	603
	<u>423</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>456</u>	<u>603</u>

28d. PRIOR YEAR NOTES TO ACCOUNTS – 6 INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2019	2018
	£'000	£'000			£'000	£'000
Dividends receivable & interest receivable	823	-	1,102	-	1,925	1,765
Rents receivable - Glebe	-	-	257	-	257	284
	<u>823</u>	<u>-</u>	<u>1,359</u>	<u>-</u>	<u>2,182</u>	<u>2,049</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

28e. PRIOR YEAR NOTES TO ACCOUNTS – 7 OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2019	2018
	£'000	£'000			£'000	£'000
Other income	2	-	152	-	154	7
Gain/ (Loss) on sale of property	27	-	-	4	31	402
	<u>29</u>	<u>-</u>	<u>152</u>	<u>4</u>	<u>185</u>	<u>409</u>

28f. PRIOR YEAR NOTES TO ACCOUNTS – 8 FUND RAISING COSTS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2019	2018
	£'000	£'000			£'000	£'000
Investment Manager fees	73	-	74	-	147	133
Glebe repairs & improvements	-	-	311	-	311	139
	<u>73</u>	<u>-</u>	<u>385</u>	<u>-</u>	<u>458</u>	<u>272</u>

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	
	General	Designated			2019	2018
	£'000	£'000			£'000	£'000
Contributions to Archbishops' Council						
Training for Ministry National Church	632	-	-	-	632	615
Responsibilities	502	-	-	-	502	490
Grants and Provisions	54	-	-	-	54	53
Mission agency pension costs	7	-	-	-	7	6
Retired clergy housing costs	216	-	-	-	216	207
Pooling of ordinands maintenance grants	38	-	-	-	38	29
	<u>1,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,449</u>	<u>1,400</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General £'000	Designated £'000	Funds £'000	Funds £'000	2019 £'000	2018 £'000
Resourcing Ministry and Mission - Parish Ministry						
Stipends and national Insurance	6,736	-	838	-	7,574	7,457
Pension contributions	1,736	-	-	-	1,736	1,695
Defined benefit pension scheme movement	(2,614)	-	-	-	(2,614)	64
Housing costs	1,570	-	1,447	-	3,017	2,876
Mission Fund grants	-	121	-	-	121	258
Removal, resettlement & grants	231	-	-	-	231	546
Clergy welfare	23	-	163	-	186	270
Ministry Support	229	-	1	-	230	-
	<u>7,911</u>	<u>121</u>	<u>2,449</u>	<u>-</u>	<u>10,481</u>	<u>13,166</u>
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	693	-	495	-	1,188	1,044
Adult Education	112	-	8	-	120	128
Children and youth work	162	-	10	-	172	166
Apostolic Life	257	-	-	-	257	370
Common Good	33	-	-	-	33	53
Safeguarding	229	-	-	-	229	223
Diocesan Advisory Committee	81	-	-	-	81	58
Pastoral and Redundant Churches uses	45	-	-	-	45	37
Redundant churches	104	-	-	-	104	93
Communications	108	-	-	-	108	97
Chaplains	-	-	-	-	-	3
Mission projects (SDF)	-	-	117	-	117	222
Chancellor & Registrar	69	-	-	-	69	54
Grants	88	-	135	-	223	121
	<u>1,981</u>	<u>-</u>	<u>765</u>	<u>-</u>	<u>2,746</u>	<u>2,669</u>
Support and Governance for parish ministry	812	-	-	-	812	1,018
	<u>2,793</u>	<u>-</u>	<u>765</u>	<u>-</u>	<u>3,558</u>	<u>3,687</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General	Designated	Funds	Funds	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and Mission - Church Schools						
Church Schools department	781	-	23	-	804	844
Support and Governance for Church Schools (note 10)	68	-	-	-	68	94
	<u>849</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>872</u>	<u>938</u>
Total Charitable activities	<u>13,002</u>	<u>121</u>	<u>3,237</u>	<u>-</u>	<u>16,360</u>	<u>19,191</u>

28h. PRIOR YEAR NOTES TO ACCOUNTS – 10 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission		Education	
	Support for Ministry	Church Schools	Total Funds	Total Funds
	£'000	£'000	2019	2018
			£'000	£'000
Support				
Central services department	161	20	181	211
General office department	275	-	275	278
Finance department	188	24	212	284
IT department	140	18	158	307
Depreciation	31	4	35	10
	<u>795</u>	<u>66</u>	<u>861</u>	<u>1,090</u>
Governance				
External Audit	17	2	19	22
	<u>812</u>	<u>68</u>	<u>880</u>	<u>1,112</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

28i. PRIOR YEAR NOTES TO ACCOUNTS – 11 ANALYSIS OF GRANTS MADE

			Total Funds	Total Funds
	Number	Individuals £'000	2019 £'000	2018 £'000
		Institutions £'000		
From unrestricted funds for national Church responsibilities:				
Contributions to Archbishops' Council	6	-	1,449	1,400
From unrestricted				
The Chichester Diocesan Association for				
Family Support Work	1	-	36	36
Together in Sussex	1	-	10	10
St Bartz Trust - Youth work	1	-	19	18
Clergy Training	58	12	12	
Clergy Moves	45	231	231	
Other organisations	4		11	
	110	243	319	64
From designated				
PCCs for Mission projects	14	-	121	258
From restricted				
PCCs for Mission projects	6	-	158	29
Clergy and families for Welfare	86	75	75	102
Overseas mission agencies	7	-	13	13
Ordinands in training	51	553	-	281
AD Care of Churches	2	-	4	7
Other organisations	4		26	
	156	628	201	432
Totals	286	871	2,718	2,154

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

29. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

The COVID-19 pandemic is continuing to have a huge impact across the world. Volatility caused by the crisis is likely to continue to have an impact on the value of investment assets, along with property values and Pension Fund deficits. While the ultimate extent of this activity is currently still unknown, there have been no event or series of events since the year end which have had a material impact on values at the balance sheet date.

The crisis also continues to have an impact on the operations of CDBF. The ability to hold a number of events remains in question and Diocesan Officers have prepared budgets with expenditure plans based on income levels which continue to be under pressure. Most employees have, however, been able to work effectively from home and every effort is being made to continue to provide as many of our services as possible.

Trustees will continue to monitor the changing operational landscape and impact on assets and related income.

30. RELATED PARTY TRANSACTIONS

The Mother Agnes Trust is an unincorporated charity of which The Right Revd Dr M Warner, the Ven E Dowler, Mrs S Stonor and Gabrielle Higgins, Diocesan Secretary of the CDBF, are trustees. Between 2004 and 2017 Chichester DBF paid the running expenses of the Magnet Centre in Hastings on behalf of the Mother Agnes Trust. The Magnet Centre transferred into new ownership in 2017. The total amount expended by CDBF on behalf of the Mother Agnes Trust as at 31 December 2020 in respect of the Magnet Centre is £375,841. In addition, the DBF paid the salary of the Clerk to the Trustees of the Mother Agnes Trust on behalf of the Trust until 31 January 2019. As at 31 December 2020 the amount expended by Chichester DBF in respect of staff costs was £35,304. Chichester DBF has invoiced these sums but will not pursue payment until the sale of land by the Mother Agnes Trust.

The only related corporate party with whom the DBF has transacted is the Diocese of Chichester Academy Trust ('DCAT') which manages eleven Church of England Schools in the Diocese. DCAT is accountable to the Diocese Board of Education ('DBE') and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust ('DoCET') via members for its operation. The Director of Education, one of the DBF's key management personnel, is a trustee of DCAT, and the Archdeacon of Chichester is its Chair. During the year the DBF provided office facilities free of charge to DCAT as well as performing due diligence on schools intending to convert or join the Trust.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

31. FUNDS HELD AS CUSTODIAN TRUSTEE

The CDBF 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 CDBF does not control them. The financial assets held in this way may be summarised as follows:

	2020	2019
	£'000	£'000
CBF Church of England Investment Fund income shares	14,530	13,717
CBF Church of England Investment Fund accumulation shares	225	204
CBF Church of England Fixed Interest Securities Fund shares	1,829	1,794
CBF Church of England Property Fund shares	246	259
CBF Church of England UK Equity Shares	11	11
CBF Church of England Global Equity Shares	162	145
Other common investment fund holdings	1,368	1,861
Direct holdings in UK equities	238	363
CBF Church of England Deposit Fund	2,584	1,742
Cash at bank	134	143
Total assets held as custodian trustee	<u>21,327</u>	<u>20,239</u>

