

**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](mailto: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 CO<sub>2</sub> 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%)
	<b>41,697</b>	<b>100.0%</b>	<b>3.55%</b>	<b>(9.46%)</b>

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

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

---

	<b>Total 2022 £'000</b>	<b>Total 2021 £'000</b>
<b>Total incoming resources</b>	19,706	17,819
<b>Resources expended</b>	<u>( 19,098)</u>	<u>( 17,799)</u>
<b>Operating surplus/(deficit) for the year</b>	608	20
Net gains on investments	<u>( 2,079)</u>	<u>2,275</u>
<b>Net gain/(loss) for the year</b>	( 1,471)	2,295
 <b>Other comprehensive income :</b>		
Revaluation of fixed assets	<u>274</u>	<u>630</u>
<b>Total comprehensive gain/(loss)</b>	<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
<b>FIXED ASSETS</b>					
Tangible assets	14		261,929		252,692
Investments	15		47,441		49,804
			309,370		302,496
<b>CURRENT ASSETS</b>					
Debtors	16	1,471		2,389	
Cash on deposit		6,963		7,004	
Cash at bank and in hand		9,397		8,093	
		17,831		17,486	
<b>CREDITORS: amounts falling due</b>					
within one year	17	( 6,380)		( 6,246)	
<b>NET CURRENT ASSETS</b>			11,451		11,240
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			320,821		313,736
<b>CREDITORS: amounts falling due</b>					
after more than one year	18				
Pension scheme liabilities			( 8)		( 8)
Other creditors			-		-
<b>NET ASSETS</b>			320,813		313,728
<b>FUNDS</b>					
<b>Endowment funds</b>			286,960		278,497
<b>Restricted income funds</b>			20,289		22,023
<b>Unrestricted income funds</b>					
General funds			5,984		5,932
Designated funds			7,580		7,276
<b>TOTAL FUNDS</b>	<b>19/20</b>		320,813		313,728

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:

*to Martin Warner*

**The Right Revd Dr Martin Warner**  
President of the CDBF

*Lesley Lynn*

**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
<b>Net cash outflow from operating activities (see below)</b>		( 859)		( 1,324)
<b>Cash flows from investing activities</b>				
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)	
<b>Net Cash provided by investing activities</b>		2,069		3,273
<b>Cash flows from financing activities</b>				
Loans (repaid)	53		( 297)	
<b>Net cash used in financing activities</b>		53		( 297)
<b>Change in cash and cash equivalents in the reporting period</b>		1,263		1,652
<b>Cash and cash equivalents at 1 January</b>		15,097		13,445
<b>Cash and cash equivalents at 31 December</b>		16,360		15,097
<b>Analysis of Cash and Cash equivalents</b>				
Cash in Hand		9,397		8,093
Notice deposits (less than 3 months)		6,963		7,004
		16,360		15,097
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
<b>Net expenditure before investment gains</b>		608		( 56)
<b>Adjustments for</b>				
(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)	
<b>Net Cash used in operating activities</b>		( 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 1<sup>st</sup> 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	
	General £'000	Designated £'000			2022 £'000	2021 £'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	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	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	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	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	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Parsonages	742	-	15	-	757	696
	742	-	15	-	757	696

### 6. INVESTMENT INCOME

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	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
	920	-	1,241	-	2,161	1,928

### 7. OTHER INCOMING RESOURCES

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

### 8. FUNDRAISING COSTS

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

# 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	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Contributions to</b>						
<b>Archbishops' Council</b>						
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	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Resourcing Ministry and</b>						
<b>Mission - Parish Ministry</b>						
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	Endowment Funds	Total Funds 2022	Total Funds 2021
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
<b>Resourcing Ministry and Mission - support for Parish Ministry</b>						
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
<b>Pastoral and Redundant</b>						
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
	1,503	-	1,746	-	3,249	2,954
<b>Support and Governance for parish ministry (note 10)</b>						
	714	-	-	-	714	625
	2,217	-	1,746	-	3,963	3,579
<b>Resourcing Ministry and Mission - Church Schools</b>						
Church Schools department	728	-	70	-	798	706
Support and Governance for Church Schools (note 10)	91	-	-	-	91	81
	819	-	70	-	889	787
<b>Total Charitable activities</b>	<b>15,878</b>	<b>148</b>	<b>2,908</b>	<b>-</b>	<b>18,934</b>	<b>17,742</b>

# 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
<b>Support</b>				
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>
<b>Governance</b>				
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 2022

### 11. ANALYSIS OF GRANTS MADE

				Total Funds	Total Funds
	Number	Individuals £'000	Institutions £'000	2022 £'000	2021 £'000
<b>From unrestricted funds for national church responsibilities:</b>					
Contributions to Archbishops' Council	1	-	1,289	1,289	1,266
<b>From unrestricted</b>					
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	-
	506	514	42	556	361
<b>From designated</b>					
PCCs for Mission projects	7	-	41	41	67
	7	0	41	41	67
<b>From restricted</b>					
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
	522	488	441	929	868
<b>Totals</b>	<b>1,036</b>	<b>1,002</b>	<b>1,813</b>	<b>2,815</b>	<b>2,562</b>

# 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
<b>Employee costs during the year were as follows:</b>		
Wages and salaries	1,994	1,930
National insurance contributions	212	193
Pension costs	312	295
	<u>2,518</u>	<u>2,418</u>
<b>The average number of persons employed by the group during the year:</b>	<b>2022 Number</b>	<b>2021 Number</b>
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>
<b>The average number of persons employed by the group during the year: based on full-time equivalents:</b>	<b>2022 Number</b>	<b>2021 Number</b>
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>
<b>The numbers of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:</b>	<b>2022 Number</b>	<b>2021 Number</b>
£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
	<u>9,189</u>	<u>9,223</u>

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	-	-
	<u>( 233)</u>	<u>150</u>	<u>( 98)</u>	<u>181</u>

**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
<b>Cost or valuation</b>				
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>
<b>Depreciation</b>				
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>
<b>Net Book Value</b>				
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
<b>Unrestricted Funds</b>						
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>
<b>Restricted Funds</b>						
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>
<b>Endowment Funds</b>						
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>
<b>Total</b>	<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>
<b>Included within the above are debtors amounts due after more than one year as follows:</b>		
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
<b>Pension Scheme liabilities (see note 26)</b>		
Clergy Pension Scheme	-	-
Church Workers Pension Scheme - DBS	<u>8</u>	<u>8</u>
	<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
<b>UNRESTRICTED FUNDS</b>						
General	5,932	16,318	( 15,934)	( 233)	( 99)	5,984
<b>Designated Funds</b>						
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>
<b>Restricted Funds</b>						
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>
<b>Endowment Funds</b>						
<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>
<b>Total funds</b>	<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 Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
<b>UNRESTRICTED FUNDS</b>					
General	49	1,517	5,223	( 805)	5,984
<b>Designated Funds</b>					
Property	5,989	762	( 16)	-	6,736
Parish Mission	-	-	312	-	312
Other designated funds	-	6	526	-	532
	5,989	768	823	-	7,580
<b>Restricted Funds</b>					
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
<b>Endowment Funds</b>					
<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
<b>Total funds</b>	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
<b>UNRESTRICTED FUNDS</b>						
General	5,738	15,392	( 15,278)	68	12	5,932
<b>Designated Funds</b>						
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
<b>Restricted Funds</b>						
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
<b>Endowment Funds</b>						
<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
	250,990	53	( 129)	( 20)	27,603	278,497
<b>Total funds</b>	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 Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
<b>UNRESTRICTED FUNDS</b>					
General	65	114	6,611	( 858)	5,932
<b>Designated Funds</b>					
Property	5,765	734	( 15)	-	6,483
Parish Mission	-	-	253	-	253
Other designated funds	-	6	534	-	540
	5,765	740	772	-	7,276
<b>Restricted Funds</b>					
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
	1,279	20,811	4,890	( 4,958)	22,023
<b>Endowment Funds</b>					
<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
	245,583	28,139	5,213	( 438)	278,497
<b>Total funds</b>	252,692	49,804	17,486	( 6,254)	313,728



# 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"><li>• 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.</li><li>• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese.</li><li>• other purposes of the diocese or any benefice or parish in the diocese</li><li>• to make grants or loans to any other diocese</li><li>• to transfer funds to the diocesan stipends fund income or capital accounts.</li></ul>
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 £ £'000	2021 £ £'000
<b>Other operating leases:</b>		
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%, as 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%).

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.

**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 1<sup>st</sup> 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

		Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	Note	General	Designated	Funds	Funds	2021	2020
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from</b>							
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
		15,392	50	2,377	53	17,872	17,831
<b>Expenditure on</b>							
Raising Funds	8	87	-	99	-	186	159
Charitable activities	9	15,191	143	2,279	129	17,742	17,548
		15,278	143	2,378	129	17,928	17,707
<b>Net income/(expenditure) before investment gains/(losses)</b>							
		114	( 93)	( 1)	( 76)	( 56)	124
Unrealised gains on investments	15	12	74	2,261	2,993	5,340	( 3,417)
Realised gains on investments		-	-	( 72)	5	( 67)	- 520
<b>Net gains/(losses) on investments</b>		12	74	2,189	2,998	5,273	( 3,937)
<b>Net income/(expenditure)</b>		126	( 19)	2,188	2,922	5,217	( 3,813)
<b>Transfer between funds</b>	13	68	50	( 98)	( 20)	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets	14	-	571	59	24,605	25,235	1,140
<b>Net movement in funds</b>		194	602	2,149	27,507	30,452	( 2,673)
<b>Total funds brought forward</b>		5,738	6,674	19,874	250,990	283,276	285,949
<b>Total funds carried forward</b>	19	5,932	7,276	22,023	278,497	313,728	283,276

# 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 2021	Total Funds 2020
	General £'000	Designated £'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 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 2021	Total Funds 2020
	General £'000	Designated £'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
	282	50	1,021	-	1,353	1,575

# 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	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	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	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>

### 28d. PRIOR YEAR NOTES TO ACCOUNTS – 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>



# 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 2021	Total Funds 2020
	General £'000	Designated £'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 2021	Total Funds 2020
	General £'000	Designated £'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 2021	Total Funds 2020
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
<b>Contributions to Archbishops' Council</b>						
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	Endowment Funds	Total Funds	Total Funds
	General	Designated	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Resourcing Ministry and Mission - Parish Ministry</b>						
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>
<b>Total Charitable activities</b>	<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
<b>Support</b>				
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>
<b>Governance</b>				
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

				Total Funds	Total Funds
	Number	Individuals £'000	Institutions £'000	2021 £'000	2020 £'000
<b>From unrestricted funds for national church responsibilities:</b>					
Contributions to Archbishops' Council	6	-	1,266	1,266	1,328
<b>From unrestricted</b>					
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 organisations	0	-	-	-	-
	143	324	37	361	301
<b>From designated</b>					
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
	9	0	67	67	122
<b>From restricted</b>					
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 organisations	0	-	-	-	-
	178	375	493	868	891
<b>Totals</b>	<b>336</b>	<b>699</b>	<b>1863</b>	<b>2562</b>	<b>2642</b>

# 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 31<sup>st</sup> 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 £'000	2021 £'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	20,338	24,096