THE ELY DIOCESAN BOARD OF FINANCE

England & Wales · Charity number 245456

Details

Status	Registered
Legal form	Charitable company
Company number	00142183
Registered	1965-11-03
Register	View on the Charity Commission register

Contact

Address	Etheldreda House 206 Wellington Road Lancaster Way Business Park Ely CAMBS.
Phone	01353652700
Website	www.elydiocese.org

Activities

Objects: TO PROMOTE AND ASSIST THE WORK AND PURPOSES OF THE CHURCH OF ENGLAND IN THE DIOCESE OF ELY, AND IN PARTICULAR TO ORGANISE AND PROVIDE FUNDS IN AID OF THE WORK OF THE CHURCH AND FOR THE ESSENTIAL DEPARTMENTS OF THE CHURCH'S WORK. (FOR FURTHER DETAILS SEE MEMORANDUM OF ASSOCIATION).

Activities: To promote, facilitate and assist with the work and purposes of the Church of England, for the advancement of the Christian faith in the Diocese of Ely and elsewhere.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Religious Activities
- **Who:** The General Public/mankind

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Geography

- **Area of benefit:** DIOCESE OF ELY
- Cambridgeshire
- Norfolk

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£11,110,000	£11,818,000	£197,806,000	41
2023-12-31	£10,928,000	£11,994,000	£195,353,000	38
2022-12-31	£12,418,000	£11,096,000	£181,006,000	35
2021-12-31	£10,569,000	£10,830,000	£185,010,000	36
2020-12-31	£10,292,000	£10,750,000	£168,076,000	44

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Trustees

Name	Role	Appointed
Canon Dr Mary Felicity Cooke		2022-01-01
Canon Francis William Miles Burkitt		2019-01-25
Canon Simon John Kershaw		
Christopher Denis Anton Falvey		2025-01-01
Christopher Jeffrey Jonathan Smith		2025-01-01
Christopher John Townsend		2022-01-01
Dr Alex Hughes		2014-09-14
Dr CHRISTOPHER ANDREW STANFORD-BEALE		2025-09-04
Dr Jonathan Paul Chaplin		2025-01-01
Elain Margaret Levitt		2019-01-01
Felicity Ann Watson		2025-01-01
Janet Rosemary Perrett		
John Pigott		2022-03-23
Lindsay Jane Davies		2022-11-23
REV DANIEL JOHN DRIVER		2025-01-01
Rev Canon Robert Mackley		2022-01-01
Rev Daniel John Driver		2025-01-01
Rev Dr Elizabeth Ruth Cope		2025-01-01
Rev NEIL JAMES BLANDFORD-BAKER		2022-01-01
Rev Natalie Janis Andrews		2025-01-01
Rev Philip Michael Howson		2025-01-01
Rev Richard Harlow		2022-09-25
Rev Sarah Catherine Gower		2022-01-01
Reverend Canon Rebecca Mary Dyball		2022-01-01
Sarah Margaret Robinson		2019-01-01
THE VERY REVEREND MARK PHILIP JOHN BONNEY		2013-10-18

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Name	Role	Appointed
The Rt. Revd Dagmar Winter		2019-09-15

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THE ELY DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 245456

Accounts

DIOCESE
of
ELY

Ely Diocesan Board of Finance

A company limited by guarantee and not having a share capital

Registered in England No: 00142183 (England & Wales) Charity No: 245456

Report & Accounts
For the year ended 31 December 2024

ELY DIOCESAN BOARD OF FINANCE

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ELY DIOCESAN BOARD OF FINANCE
MISSION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

We pray to be generous and visible people of Jesus Christ

Nurture a confident people of God
Develop healthy churches
Serve the community
Re-imagine our buildings
Target support to key areas

To **engage** fully and courageously with the needs of our communities, locally and globally.

To **grow** God's church by finding disciples and nurturing leaders.

To **deepen** our commitment to God through word, worship, and prayer.

The trustees, who are also directors for the purposes of company law, present their combined annual trustees' report and directors' report, together with the audited financial statements, for the year ended 31 December 2024.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors of Ely Diocesan Board of Finance (the Board).

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 OBJECTIVES

The objectives of the Diocese of Ely cover the geographical area of the Diocese.

The Board's principal objective is to promote, assist and advance the work of the Church of England in the Diocese of Ely by acting as the financial executive of the Ely Diocesan Synod.

The Board 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 Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the Board are established by the Diocesan Synod in communication with Deanery Synods, Parochial Church Councils, and the Bishop of Ely (in respect of their responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally; including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, taking forward the commitments arising from the Diocesan Conference including the Diocesan Budget.

STRATEGIC AIMS

The Board aims to promote, facilitate, and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Ely and elsewhere.

The Board's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

The key activities may be summarised as:

- Mission and Ministry in the Parishes (includes all clergy training, housing, stipends, pension, and all other expenditure supporting parish-based ministry);
- Safeguarding provision of advice, guidance and leadership for the care and protection of children, young people and vulnerable adults involved in Church activities;
- Education funding (includes support for schools);
- Implementation of strategic growth projects; and
- Contributions for National Church Institutions (mainly by grant support).

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

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

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

OBJECTIVES FOR THE YEAR

- To encourage more people to become directly involved in the mission of the Church of England in the Diocese of Ely;
- To support deaneries in the collection of Ministry Share;
- To engage with communities across the Diocese;
- To develop and implement strategies to grow New Worshiping Communities in areas of new housing;
- To work with our Parishes to ensure we are able to Safeguard the welfare of all members of our worshiping communities; and
- To review the support available for Church Schools across the Diocese.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Operational performance

The new offices opened to staff members from in April 2024 on a hybrid working basis and are being used regularly for internal and external meetings and training events. One of the immediate benefits of the new base has been the ability to offer training to our staff and volunteers in a wide range of disciplines. The Board has been able to increase the level of activity in the identification, recruitment and training of Lay Ministers. 2024 saw an increase of 12% in the numbers of people selected for LLM Ministry over the year 2023. Also, the year saw an increase of 62% in the number of Lay Ministers Authorised to operate within the Diocese.

The Ministry and Mission team have been able to commence work on projects to bolster the Diocese's focussed projects. 7 clergy took part in the Launchpad event and impact evaluations showed that the initiative helped to increase confidence, understanding of approaches and commitment to working with children and young people. Over 2024, 84 people attended training events focused on supporting those who work with Children and Young People in the parish context.

Plans and achievements in 2024

For 2024 the Board planned to:

- Maintain clergy stipends at the level recommended by the Archbishops' Council;
- Make provision for the training and support of both lay and ordained in parish ministry;
- Encourage parishes in their generosity in funding mission and ministry through Ministry Share;
- Maintain an effective repair and maintenance service to clergy in respect of breakages or damage to their homes; and
- Commence a number of initial projects in Phase 2 of the market towns initiative.

During 2024 the Board has:

- Engaged with deaneries and parishes to support parishes increase individual giving, leading to 7 of our deaneries achieving the payment in full of their ministry share allocations for the year;
- Worked closely with each of our deaneries to continue to make payments of parish share achieving an overall collection rate of 92.8%;
- Maintained a clergy housing maintenance programme to ensure repairs reported were carried out promptly;
- Maintained stipends at the levels recommended by the Central Stipendiary Authority.
- The Mission and Ministry Department ran/organised over 73 training events/courses, alongside offering bespoke support for parishes/benefices.

Overall performance

Overall, the DBF saw an increase in income of £182k from £10.9m to £11.1m although revenues were reduced in some areas. Ministry Share collection was up by £104k on the 2023 figure, but there was a reduction in the income received from investments of £175k during the period, which limited the extent of some operations.

Investment performance

Investments (including stipends fund) are held in both glebe and other Board funds. The value of investments (excluding short-term cash deposits) on 31 December 2024 was £86.0m (2023: £81.5m) and based on the year end value the return on investment was 3.8% (2023: 4.0%).

Global equity markets were extremely volatile throughout the year. The main factors contributing to this were the concerns about the destabilising effects of continuing war in Ukraine and the ongoing conflicts in the Middle East. This combined with a background of domestic economic concerns about levels of inflation being experienced by the UK economy. UK markets were hampered in the early part of the year by greater volatility related to the uncertainty of the timing on a general election. These concerns eased in the mid part of the year following the election in May which brought some initial stability back to the markets. However, the fiscal changes proposed by the chancellor in the autumn budget statement further weakened markets and this continued until the end of the year. During the year the Board reviewed the positioning of its investments in order to increase the levels of investment income available to it. This was successful in generating some additional income but still meant that the budget targets for the year were not reached. This process completed in spring 2024.

During the year, the Board's cash balances were reduced as funds were utilised for planned projects to complete the development of the new Diocesan Offices and Training Centre. Notwithstanding the reduction in total income from interest on cash deposits compared to 2023, the prevailing interest rates have meant that the holding of cash balances has provided additional income from interest payments. The Trustees remain of the belief that the portfolio is invested in the most appropriate asset classes for long term benefit of the Diocese.

Glebe (including stipends fund) investments

£65.5m (2023: £64.8m) of the Board's investments are in glebe and stipends endowment fund investments, primarily to generate a sustainable income to continue funding clergy stipends.

Rental income receivable from the glebe land was £381k (2023: £446k) and investment income receivable from the stipends fund was £2.1m (2023: £2.1m).

Board investments

Other investments are held on behalf of a number of endowed, restricted, and general funds. The policy with these investments is to safeguard capital and to generate income. Investment in equity, fixed interest, property, corporate bonds, and deposit funds were valued at £22.9m on 31 December 2024 (2023: £22.88m). Dividends and interest receivable amounted to £1.2m (2023: £1.2m).

External factors affecting performance

Ministry Share is contributed by the deaneries and PCCs towards the ministry and other costs of the Diocese. A large part of these costs are clergy stipends, staff salaries and building maintenance costs. In addition, at each triennial valuation the Diocese faces the possibility of having to increase contributions to the clergy and staff pension schemes.

The Diocese of Ely remains financially relatively strong compared with many other dioceses and is expected to take a proportionately larger share of National Church costs than the less well-resourced dioceses.

FUTURE PLANS

Operating budgets for phase 2 of the Changing Market Towns Project have been secured to allow the scheme to continue with designated projects into 2025. This phase of the project will focus mainly on the Towns of Huntingdon, Chatteris, Littleport and Ramsey .

Following the passing of resolutions at both General Synod and, in May, at Diocesan Synod, the Board will be seeking to identify and develop strategies to reduce the levels of Carbon released to the atmosphere from the operation of the Diocese. The central church authorities have produced a recommended strategy which will form the framework of the strategy focusing particularly of how the Board can help parishes to reduce carbon release and enhance the ecological diversity of local churchyards and other land. Also, work has commenced to review housing stock and other central diocesan operations to reduce carbon emissions from the everyday operation towards a net zero position.

Working with parishes to develop existing and establish new 'flourishing' worshipping communities that have at least 25 under 16's attending alongside exploring and enabling opportunities for parishes to engage with children and young people in their community. Funding and equipping pioneer ministers to work with new housing developers and other partners to establish new worshipping communities in large areas of new housing. Offering Reflective Pastoral Supervision to all clergy across the diocese, establishing a leadership pipeline (particularly for Multiparish benefices), increasing the number and diversity of those exploring ministry vocation and continuing to develop and deliver training for all church leaders. Implement the Cornerstone Initiative across the diocese that is designed to help benefices develop 'parish giving'.

This report is being compiled at a time when the Central Church Bodies have indicated they are intending to undertake what they see as a redistribution of funding to Dioceses within the Church of England. Initial indications are that this will reduce funds offered to Ely Diocese over the next decade. The Board intends to set annual budgets on a break-even basis. Expenditure plans are being reviewed, with the situation and its impact on cashflow being continuously monitored. The ongoing objective is to resource Diocesan needs, as determined by Diocesan Synod and informed by both the local and the National Church Institutions.

FINANCIAL REVIEW

Overall financial position

Income for the group for the year, before net gains and losses on investment and revaluation of fixed assets, totalled £11.1m (2023: £10.9m) and expenditure amounted to £12m (2023: £12m).

The Statement of Financial Activities (SOFA) for the group for the year shows net expenditure of £0.708m (2023: net expenditure £1.066m) before net gains and losses on investment and revaluation of fixed assets.

After revaluation adjustments, the net movement in funds for the group amounted to £2.5m (2023: £14.3 m). 2023 results included a £6m increase in the valuation of the glebe land arising from a review resulting in a change to the method of valuation.

During the year, total fund balances for the group increased from £195m to £198m.

There was an overall group net cash outflow of £877k (2023: outflow of £652k).

Review of the statement of financial activities

There are no significant issues to which attention needs to be drawn.

Principal Funding Sources of the Board

Around 50% of the Board's income comes from Ministry Share, 25% from Diocesan investments and the remaining 25% from other resources.

Review of the financial position

Balance Sheet values increased by the surplus of income over expenditure of £2.5m for the group (£2.6m for the board). Gains on investments were £2m (2023: gains of £12m) and revaluations of fixed assets during the year were £1.2m (2023: £3.6m) for the group. A full independent review of the valuations of all properties held by the Board was carried out in 2024 and updates have resulted in a reduction of the overall valuation of the parsonage properties but an increase in the value of the board held properties.

Financial sustainability

A major priority is to attain Ministry Share payment in full by all deaneries. Despite the difficult circumstances, 7 out of 15 deaneries paid their allocation in full for 2024 (2023: 7 of 15). The Board's investment portfolio is kept under regular review.

Going concern

After making enquiries the trustees are satisfied that the Board has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Investment policy

The Board is charged with the management of a diverse portfolio of assets belonging to the Diocese. Many of these assets have been given to support the stipends of clergy or to ensure the provision of clergy housing. The Board undertakes the management of these assets in accordance with the requirements of governing Church of England Measures. The Board strives to be a responsible investor and to follow the recommendations and guidance set down by The Ethical Investment Advisory Group of the Church of England.

Subject to the ethical constraints, the policy of the Board is to invest all its resources in such a way as to maximise a sustainable level of income and therefore the amount contributed to clergy stipends, while at the same time protecting the long-term capital value.

Financial assets: The Board retains professional investment advisers to manage investments. The performance of these managers is monitored constantly and is compared annually with that of other charity asset fund managers. Managers are required to meet regularly with Trustees to discuss and agree the implementation of strategies. The investment policy, income, and the sustainability of that income is a prime concern of the Board.

Land: the holdings are managed on a day-to-day basis by land agents retained by the Board. Most of the land is undeveloped, and thus the income from it is generally lower than from financial investment, though the potential for long-term capital appreciation is high. The Board reviews its holdings for potential development opportunities. The Board's strategy is in general not to sell its landholdings at undeveloped value, but to seek or await development potential and hence capital appreciation; the funds raised then being invested as financial assets for higher income. Planning policy thus plays an important part in the investment reviews.

The Board is sensitive to the concerns of individual parishes as regards development of landholdings in their area but is required to balance this with the normal objective and commercial approach that any arms-length investor in property would apply including, where relevant, the Board’s desire to contribute to mitigating the shortage of local housing, the global impact of climate change, reducing the nation’s carbon emissions and moving to ‘net zero’.

The Board regularly reviews its investment policy.

Reserves policy

The reserves policy is designed to reflect the underlying risks facing the Board and ensure there is an appropriate level of reserves to safeguard the position of clergy in the Diocese and to provide support services for both clergy and parishes. The Board has considerable responsibilities including the remuneration of some 120 stipendiary clergy, the upkeep of approximately 155 houses and the employment of some 40 full or part time staff.

The Board holds a number of restricted and endowment funds that help to meet some of the costs of running the Diocese in respect of clergy stipends and clergy housing costs .

Designated reserves have also been established for missional projects and planned future requirements, particularly in relation to the Market Towns, and according to strategic plans. The Diocesan Pastoral Property reserve of £21.8m represents the net book value of tangible property fixed assets in use by the Diocese to house clergy (excluding those parsonages which are included within restricted reserves).

The Diocesan reserves at 31 December 2024 can be summarised as follows:-

Endowment Funds	Restricted	£ 148.2m
Restricted Reserves	Restricted	£ 16.6m
Designated Funds	Unrestricted	£ 22.8m
General Reserves	Unrestricted	£ 10.2m
Total Reserves		£ 197.8m

The Trustees consider the minimum level of free reserves annually – i.e. excluding restricted and endowment reserves, required to support operations. Relevant factors include projected financial performance including cash flow requirements, the findings from risk management processes and an assessment of risks to income streams. The Board considered how it could continue to operate in the event of a critical loss of income as it is felt that this is where they are most at risk and therefore most vulnerable.

On that basis, the Trustees agree on a deliberately prudent approach to risk. The uncertainty of both ministry share and investment income and the turbulence of external factors mean that the Trustees feel that an operating reserve needs to provide a core service level plus the cost of an orderly wind down of operations under the most extreme circumstances. Therefore, the reserves policy is based on the scenario in which the Diocese is faced with a critical loss of income, making the continuation of the current model untenable, but in which the Trustees wish to continue to provide core clergy services and would need a minimum of six months to allow the time to adjust staffing levels appropriately and complete projects already in progress.

The Trustees have determined that the minimum required level of free reserves is £5.6m. On 31 December 2024, unrestricted reserves stood at £33m, of which £28.2m are held in tangible fixed assets (freehold properties and furniture and equipment), so the actual level of free reserves at this date was £4.8m.

While the actual reserves are slightly lower than the minimum required, the expectation is that in future, reserves will be in line with the required level. The requirement and underlying factors are considered annually, and the minimum reserves requirement is, therefore, expected to change over time.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees confirm that the major risks to which the Board is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures have been established to manage those risks. The trustees delegate to the Finance Committee the task of ensuring that risks are reviewed and managed as part of the risk management strategy. The Finance Committee has defined the risks in their areas, reported on the measures in place to manage and monitor these risks and implemented procedures and controls designed to minimise any potential impact on the Board should any of the risks materialise. A risk register has been compiled.

The Finance and Audit Committees review the risk register periodically and reports to trustees whether it is satisfied with its findings and makes recommendations as to areas for further work in subsequent years. The trustees review the risk register at least annually as part of the corporate risk management strategy. A summary of the major risks identified in the risk register are:

Ministry Share

The reliability and timing of the income received from local churches is voluntary in nature. The risk recognises the importance of Ministry Share, a voluntary income stream, which accounts for approximately 50% of the Ely Diocesan Board's overall income. It recognises the risks arising from a shortfall on Ministry Share and the need for continued generosity.

Mitigating policies are:

- The constant monitoring of financial strategies and costs; and
- The provision of individual support strategies for parishes which experience unforeseen temporary difficulties in meeting Ministry Share payments.

Potential disruption in the flow of investment income

The reliability and timing of income receivable from investments and tenants of Board land and properties; Investments are monitored closely and are held in balanced portfolios to reduce specific risk of overexposure to any single asset sectors and cashflows are reviewed regularly to highlight any potential discrepancy in the availability of funding.

Safeguarding

Safeguarding is a high priority for the Diocese. It is an area which has seen significant investment in capacity and resource in recent years. Safeguarding allegations have potential resource and reputational implications.
In response to this risk the Board has set in place policies to:

- Respond well to allegations of abuse and support survivors, including working effectively with statutory agencies;
- Keep levels of resource in the safeguarding team under review;
- Respond to national processes and seek to influence national policy guidance to avoid unintended consequences;
- Continue to deliver safeguarding training to improve awareness and responsiveness across the Diocese; and
- Learn from experience and seek to continually improve.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is organised as two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses, of which there are 41 in England.

Each diocese in England is divided into parishes. Each parish is overseen ecclesiastically by a parish priest if not an 'incumbent' (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish.

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

The Church of England is episcopally led. There are 108 bishops including diocesan, assistant, and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: The Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, today spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary

ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Pensions Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

The Cathedral

Ely Cathedral is the mother church of the Diocese and legally is constituted as a separate charity with Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Chapter Office, Ely Cathedral.
The information about General Synod, the Church Commissioners, the Archbishops' Council and Ely Cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements.

Organisational Structure

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation from across the diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan bishops and archdeacons. It comprises three houses; laity, clergy, and bishops.
Its role is to:

- Consider matters affecting the Church of England in the diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the bishop where requested;
- Deal with matters referred by General Synod; and
- provide for the financing of the diocese.

Bishop's Council (and Standing Committee of the Diocesan Synod)

Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion;
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the Diocesan Bishop on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

Deanery Synod

Deanery Synod has two houses, laity and clergy, and its role is to:

- Respond to requests from General Synod;
- Where appropriate, give effect to the decisions made by the Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

Parochial Areas

A benefice is a parish or group of parishes served by an incumbent or priest in charge in holy orders who as such is a church beneficiary and typically receives a stipend and the benefit of free occupation and use of a parsonage house at the behest of the Bishop for the purpose of carrying out spiritual duties.

A deanery is a group of parishes over which a rural dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

A diocese is then the principal pastoral and, by means of its Board of Finance, financial and administrative resource of the Church of England in the area, encompassing the various archdeaconries under the spiritual leadership of the Diocesan Bishop.

Parochial Church Council (PCC)

The PCC is the elected statutory governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church. The PCC is made up of the incumbent or priest in charge as chair, the churchwardens, and a number of elected and ex officio members. Each PCC is a corporate charity, but all those not exceeding £100,000 annual gross income are currently excepted from registration with the Charity Commission. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

Structure, governance and management

The Diocese of Ely was created in 1109 and covers an area of 1507 square miles with a population of approximately 725,000. The Diocese is arranged as two Archdeaconries: Cambridge, comprising the southern part with seven deaneries, and Huntingdon and Wisbech in the northern part with eight deaneries. In total there are 316 parishes.

Diocesan governance

The Diocese is governed by Standing Orders approved in 1994 and subsequent amendments. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of ex officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, up to five persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Standing Committee - the Bishop's Council.

Company status

The company, Ely Diocesan Board of Finance (the Board), is established to manage the financial affairs and hold legal title to the assets of the Diocese. It was incorporated on 19 November 1915 as a charitable company limited by membership guarantees (No. 142183) and its governing documents are the Memorandum and Articles of Association. The Board is registered with the Charity Commission (No. 245456).

Each member of Diocesan Synod is also a member of the Board for company law purposes and has a personal liability limited to £1 under their guarantee as a company member in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council comprise the Board of trustees of the Board – they are its directors under company law.

Decision-making structure

Within the supervisory powers of the Diocesan Synod, as listed below, certain Diocesan functions (those italicised on page 11) under the heading 'Committee structure' are undertaken by the Board in pursuit of the Board's charitable objectives:

- Planning the business of Synod including the preparation of agendas and papers
- Initiation of proposals for action by the Diocesan Synod and provision of policy advice
- Transacting the business of the Diocesan Synod when not in session
- Management of the funds and property of the Diocese

- Preparation of annual estimates of expenditure
- Advising on action needed to raise the income necessary to finance expenditure
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod
- Carrying out any other functions delegated by Diocesan Synod.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary, (who acts as Company Secretary) who is supported by a number of heads of departments and their staff.

Committee structure

Bishop's Council is the Board of trustees and company directors. It consists of eight ex officio members, including the Diocesan Bishop and the Suffragan Bishop, the two Archdeacons, the Dean of Ely, the chair of the Board of Finance, the chairs of the Houses of Clergy and Laity; six clergy elected by the House of Clergy from among their number (on an Archdeaconry basis, three per Archdeaconry) and ten lay persons elected by the members of the House of Laity representing deaneries (on an Archdeaconry basis, five per Archdeaconry); two of the seven Diocesan Representatives on General Synod and a maximum of five members nominated by the Diocesan Bishop.

Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which has delegated its authority under the Mission and Pastoral Measure 2011 to Archdeaconry Mission and Pastoral Committees.

The Board has the following sub-committees, each of which has written terms of reference:

Finance Committee, which is responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the trustees prior to submission to Diocesan Synod and monitors expenditure and income.

Audit Committee, established by the Directors / Trustees in 2016. The primary responsibility is to review the audit process the Diocese is subject to and the audited accounts produced. Its remit is wide ranging and can consider any area of the financial activities of the Diocese in an effort to identify inefficiencies, reduce costs, and otherwise achieve organizational objectives. Reporting directly to the directors / trustees, it consists of three members: one from the Finance Committee, one from Bishops Council representing deaneries and parishes and one independent member with financial expertise from outside the Board.

There are a number of Diocesan Synod statutory committees that, though not sub-committees of the Board, can influence the operations of the Board.

Ely Diocesan Education Committee (EDEC) is a statutory committee to which the legally required role and functions of the Diocesan Board of Education are delegated. The role of the committee is to oversee developments and support schools on a day-to-day basis.

Assets Committee is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocese.

Houses Committee which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining, and disposing of all parsonage houses, team vicarages and houses owned by the Board.

Diocesan Advisory Committee for the Care of Churches which advises on matters affecting churches and places of worship, such as the granting of faculties, architecture, archaeology, art, and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Ely Diocesan Board of Patronage which is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

The Churches Uses Committee which is responsible for finding appropriate alternative uses for churches which have been, or are proposed to be, declared redundant.

Appointment of trustees

The trustees of the Board are the members of the Bishop's Council. See above for details of membership.

Trustees are given induction training when first appointed and receive ongoing training, as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the Diocese and an introduction to any special areas of the Diocese with which they will be working (e.g., Board of Education, Houses Committee). Trustees are encouraged to visit Diocesan operations.

Some senior staff may have job titles incorporating the title 'Director' but they are not directors of the company (for the purposes of company law) and so they do not count as 'charity trustees'.
In preparing the financial statements the trustees are required to:

- Select the most suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Follow applicable accounting standards and the SORP, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Grant-making (beneficiary-selection) policy

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (See note 11 to the financial statements). Grants are paid to other charitable projects which appear to the Board to support the furtherance of its objectives. (See note 11 to the financial statements).

Funds held as custodian trustee for others

The Board is the custodian trustee for trust investment assets with a market value of £22.0m on 31 December 2024. Detailed certificates of holdings were sent to parishes and other managing trustees of the respective charities at that date. The Board as custodian trustee also holds PCC property. Each PCC is a separate charity. The assets are held separately from those of the Board.

Fundraising practices and performance

The Trustees are aware of the Charities (Protection and Social Investment) Act 2016 and support the aims of this legislation. The DBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The Diocese considers the origin of unsolicited donations and legacies. In 2024 the DBF did not engage with independent professional fundraisers and did not receive any complaints in relation to fundraising or raise any matter with regulators.

Related parties

General Synod, Church Commissioners and Archbishops' Council

The Board has to comply with Measures (i.e. ecclesiastical legislation with the same force as an Act of Parliament) passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the bishops are borne by the Church Commissioners and are reflected in the financial statements as costs funded by grants received from the Church Commissioners.

Parochial Church Councils (PCCs)

The Board is required by Measure to be custodian trustee in relation to PCC property (excluding ecclesiastical buildings), but the company has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Subsidiary undertakings

The Board has the following subsidiary undertakings, the turnover, expenditure, and profit / (loss) for 2024 for each of the non-charitable subsidiaries was as follows:

	Income	Expenditure	Profit/(loss)
	£'000	£'000	£'000
Ely DBF Property Limited (05957128)	-	(7)	(7)
Ely Diocesan Schools Services Limited (05037336)	17	(22)	(5)

Each subsidiary intends to gift any taxable profits to the Diocese within 9 months of the financial year end.

Pension Schemes

Clergy Pension Fund
The Board participates in the Church of England Funded Pension Scheme.

The Church of England Funded Pension Scheme is a defined benefit scheme, but the Board is unable to identify its share of the underlying assets and liabilities – each employer in that Scheme pays a common contribution rate. The latest valuation of the Scheme was carried out as of 31 December 2018.

For Schemes such as the Church of England Funded Pension Scheme, Section 28 of FRS 102 requires the Board to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Church of England Defined Benefits Scheme

The Board no longer participates in the Church of England Defined Benefits Scheme (DBS).The most recent finalised valuation of the fund was at 31 December 2022. The DBS pension scheme was in surplus at this date and during 2024 the decision was taken to close the DBS Scheme and transfer the remaining 6 employees to Churchworkers Classic Scheme.

Church of England Defined Contribution Scheme
The Board participates in the Church of England Pension Builder Classic Scheme, a defined contribution scheme known as a 'With-Profits - Deferred Annuity' pension scheme.

Further details are contained in note 26 to the financial statements.

TRUSTEE REPONSIBILITIES

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 that 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 affairs of the Board and of the surplus or deficit of the Board 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 Board and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Board 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 on the Board's website. Legislation in England and Wales governing the preparation and dissemination of the financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

As far as the trustees are aware:

- There is no relevant audit information of which the charitable company’s auditors are unaware, and
- 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 auditors are aware of that information.

ELY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

ADMINISTRATIVE DETAILS

In accordance with the companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2015) (second Edition, effective 1 January 2019), during the period from 1 January 2024 until the date of this report the Trustees and Directors were:

Bishop's Council

Bishops (ex officio)
The Rt Revd Dagmar Winter (Bishop of Huntingdon and Acting Bishop of Ely)

Ex officio
The Very Revd Mark Bonney (Dean of Ely)
The Ven. Dr Alex Hughes (Archdeacon of Cambridge)
The Ven Richard Harlow (Archdeacon of Huntingdon & Wisbech)
The Revd Canon Sarah Gower (Chair of the House of Clergy)
Canon Simon Kershaw (Chair of the House of Laity)
Canon Tim Walters (Chair of the Board of Finance and the Finance Committee)

Elected for the Archdeaconry of Cambridge
The Revd David Newton (resigned 3 January 2024)
The Revd Canon Dr Robert Mackley
The Revd Danny Driver (appointed 1 January 2025)
Revd Beth Cope (appointed 1 January 2025)
Canon Peter Maxwell (resigned 31 December 2024)
Dr Jonathan Chaplin (appointed 1 January 2025)
Mr Jon Smith (appointed 1 January 2025)
Mrs Sarah Robinson
Canon Elizabeth Taylor
Canon Dr Felicity Cooke

Elected for the Archdeaconry of Huntingdon and Wisbech
Mrs Elaine Levitt
Mr John Pigott
The Revd Canon Rebecca Dyball
The Revd Canon Jessica Martin (resigned 31 December 2024)
The Revd Natalie Andrews (appointed 1 January 2025)
The Revd Canon Philip Howson (appointed 1 January 2025)
The Revd Iain Osborne (resigned 2 January 2024)
Canon Janet Perrett
Mrs Felicity Watson (appointed 1 January 2025)
Mr Christopher Falvey (appointed 1 January 2025)

Diocesan Representatives on General Synod
Mr Christopher Townsend
The Revd Canon James Blandford-Baker

Co-opted
Canon Francis Burkitt (resigned 31 December 2024)
Mr George Lynn (Chair of the Audit Committee) (resigned 31 December 2024)
Miss Lindsay Davies (resigned 31 December 2024)
The Revd Canon Brian Atling (resigned 31 December 2024)

Nominated by the Bishop
Canon Robert Needle (resigned 31 December 2024)
Canon Francis Burkitt (appointed 1 January 2025)
Mr George Lynn (Chair of the Audit Committee) (appointed 1 January 2025)
Miss Lindsay Davies (appointed 1 January 2025)

Diocesan Secretary
Canon Paul Evans – Company Secretary (retired 31 December 2024)
Mr Jonathan Green – Interim Company Secretary (appointed 13 January 2025)

ELY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Finance Committee

Canon Tim Walters (Chair)
The Revd Canon Brian Atling (Vice Chair)
The Revd Canon Rebecca Dyball
The Revd Canon Sarah Gower
The Ven Dr Alex Hughes
The Ven Richard Harlow
Mr Francis Burkitt
The Revd Canon Simon Talbott
Mr Donald Ashmore

Registered Office

Ely Diocesan Board of Finance, Diocesan Office
Etheldreda House
206 Wellington Road
Lancaster Way Business Park
Ely
Cambridgeshire
CB6 3NX
Telephone No.: 01353 652700

Auditors

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Barclays Bank PLC
Corporate Banking
PO Box 885
Mortlock House
Vision Park
Histon
CB24 9DE

Solicitors

Lee Bolton Monier Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Investment managers - Listed investments

CCLA Investment Management Ltd (CCLA)
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Eden Tree Investment Management
24 Monument St.
London
EC3R 9AJ
Reg Office
Beaufort House
Brunswick Road
Gloucester GL1 1JZ

Rathbone Investment Management
8 Finsbury Circus
London
EC2M 7EZ
and at
Port of Liverpool Building, Pier Head
Liverpool
L3 1NW

Investment managers – Glebe Property Agents

Carter Jonas LLP
6-8 Hills Road
Cambridge
CB2 1NH

Joliffe Daking LLP
25 Broadway
Peterborough
PE1 1SQ

Maxey Grounds & Co LLP
24 Market Place
March
PE15 9JH

The Trustees' Annual Report, which incorporates the Strategic Report, was approved by Order of the Board:

.....
Canon Tim Walters
(Chair of the Board of Finance)

Date:.....17 May 2025.....

.....
The Rt Revd Dr Dagmar Winter
(Bishop of Huntingdon)

Date:.....17 May 2025.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELY DIOCESAN BOARD OF FINANCE

FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of the Ely Diocesan Board of Finance for the year ended 31 December 2024 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated 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 group and of the parent charitable company's affairs as at 31 December 2024 and of the group and parent 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group'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 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 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 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 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 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 parent charitable company; or
- the parent 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 13, 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 group and parent 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 group or parent 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.
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.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), 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, the Charities Act 2011 and Church of England Measures.
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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.

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 HaysMac LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 10 June 2025

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted General Funds 2024 £'000	Unrestricted Designated Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Income and endowments from:							
Donations	2						
Ministry Share		5,875	-	-	-	5,875	5,771
Archbishops' Council		272	384	26	-	682	731
Other donations		107	-	238	-	345	316
Charitable activities	3	258	-	-	-	258	295
Other Activities	4	317	-	-	-	317	254
Investments	5	1,139	-	2,040	-	3,179	3,354
Other	6	-	-	454	-	454	207
		7,968	384	2,758	-	11,110	10,928
Expenditure on							
Raising Funds	7	316	-	-	280	596	610
Charitable activities	8	7,992	704	2,526	-	11,222	11,384
		8,308	704	2,526	280	11,818	11,994
Net income/(expenditure) before investment gains		(340)	(320)	232	(280)	(708)	(1,066)
Net gains on investment		542	-	54	1,425	2,021	11,758
Net income		202	(320)	286	1,145	1,313	10,692
Transfers between funds		3,442	7,956	(2,002)	(9,396)	-	-
Gain/(loss) on revaluation of fixed assets		-	-	-	1,140	1,140	3,655
Net movement in funds		3,644	7,636	(1,716)	(7,111)	2,453	14,347
Reconciliation of funds							
Total funds at 1 January 2024		6,621	15,174	18,290	155,268	195,353	181,006
Total funds at 31 December 2024		10,265	22,810	16,574	148,157	197,806	195,353

All income and expenditure relate to continuing activities.

The notes on pages 23-48 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Total funds 2024 £'000	Total funds 2023 £'000
Total income	11,110	10,928
Total expenditure	11,818	11,994
Operating surplus/(deficit)	(708)	(1,066)
Net gains / (losses) on investment	2,021	11,758
Net income/(expenditure) for the year	1,313	10,692
Other comprehensive income:		
Gains / (losses) on revaluation of fixed assets	1,140	3,655
Net transfers from endowments	-	-
Total comprehensive income/(expenditure)	**2,453**	**14,347**

In accordance with Companies Act requirements this statement presents a summary of the movement on non-endowed funds in the financial year.

ELY DIOCESAN BOARD OF FINANCE
BALANCE SHEETS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group		Charity	
		2024	2023	**2024**	2023
		£'000	£'000	**£'000**	£'000
Fixed Assets					
Tangible assets	14	**108,911**	105,901	**108,911**	105,901
Investments	15	**88,347**	87,540	**86,964**	86,189
		197,258	193,441	**195,875**	192,090
Current Assets					
Stock		**810**	762	**-**	-
Assets held for sale		**750**	3,200	**750**	3,200
Debtors	16	**1,350**	1,785	**1,346**	2,594
Cash at bank and in hand		**1,110**	1,987	**947**	1,767
		4,020	7,734	**3,043**	7,561
Current Liabilities					
Creditors: amounts falling due within one year	17	**2,032**	2,947	**880**	2,637
Net Current Assets		**1,988**	4,787	**2,163**	4,924
Total assets less current liabilities		**199,246**	198,228	**198,038**	197,014
Creditors: amounts falling due after more than one year					
Loan	18	**-**	**1,500**	**-**	1,500
Provisions for liabilities and charges	19	**1,440**	**1,375**	**1,440**	1,375
Net Assets		**197,806**	**195,353**	**196,598**	194,139
Represented by:					
Endowment funds	24	**148,157**	155,268	**148,157**	155,268
Restricted income funds	23	**16,574**	18,290	**15,322**	17,066
Unrestricted income funds					
General funds	22	**9,901**	6,250	**9,945**	6,260
Retreat House	22	**364**	371	**364**	371
Designated funds	22	**22,810**	15,174	**22,810**	15,174
		33,075	21,795	**33,119**	21,895
Total Funds		**197,806**	195,353	**196,598**	194,139

These financial statements were approved by the Board of Trustees on 17 May 2025, and signed on its behalf by:

The Rt Revd Dr Dagmar Winter
(Bishop of Huntingdon)

Canon Tim Walters
(Chair of Finance Committee)

The notes on pages 23-48 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 **£'000**		***2023*** **£'000**
Net cash flow from operating activities (A)		(1,560)		(7,193)
Cash flows from investing activities				
Dividends, interest, and rent from investments	3,179		3,349	
Proceeds from the sale of:				
Tangible fixed assets	1,894		5,709	
Fixed asset investments	10,632		5,919	
Purchase of:				
Tangible fixed assets	(3,145)		(6,500)	
Fixed asset investments	(10,377)		(1,936)	
Net cash provided by investing activities		2,183		6,541
Cash flows from financing activities				
Loans repaid	(1,500)		-	
Net cash provided by/(used in) financing activities		(1,500)		-
Change in cash and cash equivalents in the year		(877)		(652)
Cash and cash equivalents as at 1 January 2024		1,987		2,639
Cash and cash equivalents as at 31 December 2024		1,110		1,987

A: Reconciliation of net movements in funds to net cash flow from operating activities

	2024 **£'000**	**2023** **£'000**
Net movement in funds for the year-ended 31 December	2,453	14,347
Adjustments for:		
Depreciation	14	17
Gain/(loss) on revaluation of property and investments	(2,021)	(11,963)
Gain on disposal of fixed assets	-	(5,919)
Interest and dividends receivable	(3,179)	(3,349)
(Increase)/decrease in stock	(48)	(33)
(Increase)/decrease in debtors	4	138
Increase/(decrease) in creditors	1,152	(431)
Increase in provisions	65	-
Net cash flow from operating activities	(1,560)	(7,193)

B: Analysis of cash and cash equivalents

	2024 **£**	**2023** **£**
Cash at bank and in hand	1,110	1,987
Central Board of Finance for parish loans	-	-
	1,110	1,987

1. Accounting policies

Ely Diocesan Board of Finance is a company limited by guarantee (company number 142183), and a charity (number 245456) registered in England & Wales, and governed by its Memorandum and Articles of Association. Its registered office is given on the administrative details page in the Strategic Report.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ely Diocesan Board of Finance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

Review of the financial position of the Board, reserves levels, and future plans together with the expected future cash flows gives Trustees a reasonable expectation that the charity remains a going concern for the foreseeable future. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Group financial statements
The financial statements consolidate the results of the charity and its wholly owned subsidiaries Ely Diocesan Schools Services Limited and Ely DBF Property Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The surplus of the parent charity was £2,464k (2023: £8,515k).

Income recognition
All income is recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

i) **Ministry Share** is recognised as income of the year in respect of which it is receivable.
ii) **Rent receivable** is recognised as income in the period with respect to which it relates.
iii) **Interest and dividends** are recognised as income when receivable.
iv) **Parochial fees** are recognised as income of the year to which they relate
iv) **Donations** other than grants are recognised when receivable.
v) **Gains on disposal of fixed assets for the Board's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
vi) **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.

1. Accounting policies (continued)

Expenditure
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

i) **Costs of raising funds** are constrained to 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, including the Diocesan Retreat House, and expenditure on education and Church of England schools in the Diocese.
iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment but not accrued as expenditure.
iv) **Support costs** consist of central management, administration, and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
v) **Pension contributions**. The Board's staff are members of the Church Workers Pension Fund and clergy are members of the Church of England Funded Pensions Scheme (see note 30). The pension costs charged as expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the clergy pension scheme to which the Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs
Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

Investments
Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Fixed assets
Freehold and leasehold properties for the charity's own use
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 Board has a policy of regular structural inspection, repair, and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value Is not more than the recoverable amount.

1. Accounting policies (continued)

Fixed assets (continued)

Schools

The Board does not recognise the value of its reversionary interest in the assets of active schools and, in the case of closed schools, only when the ultimate proceeds of disposal have been received.

Parsonage houses

The Board has followed the requirements of FRS102 in its accounting treatment for benefice houses (personages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value, calculated by using the midpoint of the council tax banding as adjusted by a published index to reflect changes since the last valuation.

Other tangible fixed assets

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Furniture & equipment	12.5-33% per annum straight line
Leasehold improvements	life of lease
Freehold properties	Not Depreciated

A full year of depreciation is charged in the year of addition for all furniture and equipment assets.

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Cash

Cash at bank and cash in hand includes cash and 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.

Creditors

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity 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 recognised at transaction price.

Stock and work in progress

Stock and work in progress is valued at the lower of cost and estimated selling price less costs to complete and sell.

Funds

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

- Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:
    - General funds which the Board intends to use for the general purposes of the Board; and
    - Designated funds set aside out of unrestricted funds by the Board for a purpose specified by the trustees.

- Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed
- Endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.

"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 Board acts merely as custodian trustee with no control over the management of the funds, are not included in the financial statements but are summarised in the notes to the financial statements.

Pension scheme
The Diocese participates in two defined benefit pension schemes to provide pension benefits based on final pensionable pay, namely the Church of England Funded Pensions Scheme (clergy), and the Church of England Defined Benefits Scheme part of the Church Workers Pension Fund. The Diocese also participates in the Church of England Pension Builder Scheme (formerly known as Defined Contributions Scheme) part of the Church Workers Pension Fund. Details of the schemes are set out in note 26.

The pension costs charged as expenditure represent the Diocese's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Diocese participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Judgements and estimates
In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements

Valuation of Freehold properties and parsonage houses:

All team vicarages and parsonage houses are revalued to their fair value annually using valuations calculated using indexed council tax bandings.

Valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes:

These liabilities are revalued at each year end using discount rates which are reassessed annually.

Residual values of Freehold properties:

The Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

Sources of estimation uncertainty

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. Income from donations

	Total 2024 £'000	Total 2023 £'000
Ministry share		
Current year's allocation net of discounts and rebates	5,875	5,709
Arrears for previous years	-	62
	5,875	5,771

Total ministry share receipts represent 92.8% (2023: 94.9%) of the allocation.

All ministry share income is unrestricted.

	Unrestricted 2024 £'000	Restricted 2024 £'000	Total 2024 £'000	Total 2023 £'000
Archbishops' Council				
Chancellor and Registrar	54	-	54	52
Market Towns funding (SDF)	255	-	255	134
Curates Funding (SMF)	217	-	217	223
Barnwell innovation funding (SIF)	130	-	130	100
RME grant	-	26	26	*222*
	656	26	682	731

In 2023, Archbishops Council income of £222k was restricted.

	Unrestricted 2024 £'000	Restricted 2024 £'000	Total 2024 £'000	Total 2023 £'000
Other donations				
Benefact Trust grant	107	-	107	90
Furlough Grants	-	-	-	-
Donations	-	238	238	226
	107	238	345	316

In 2023, £91k of other donations income was unrestricted, £225k was restricted.

3. Income from charitable activities

	Total 2024 £'000	Total 2023 £'000
Assigned fees	258	295
Unassigned fees	-	-
Retreat House	-	-
	258	295

All income from charitable activities was unrestricted in both the current and prior year.

4. Income from other activities

	Total 2024 £'000	Total 2023 £'000
Rental income from vacant parsonages	317	254
	317	254

All income from other activities is unrestricted.

5. Income from investments

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000
Investment income	712	2,035	-	2,747
Glebe rents receivable	381	-	-	381
Interest received	46	5	-	51
	1,139	2,040	-	3,179

Comparative analysis for 2023

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000
Investment income	731	2,114	-	2,845
Glebe rents receivable	446	-	-	446
Interest received	63	-	-	63
	1,240	2,114	-	3,354

6. Other income

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Gain/(losses) on sale of properties	-	-	-	-	-
Other income	-	-	-	-	12
Sundry income	-	454	-	454	195
	-	454	-	454	207
TOTAL INCOME	**8,352**	**2,758**	**-**	**11,110**	**10,928**

7. Expenditure on raising funds

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000
Let houses expenses	66	-	-	66
Glebe management costs	141	-	115	256
Investment managers costs	109	-	165	274
	316	*	280	596

Comparative analysis for 2023

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000
Let houses expenses	41	-	-	41
Glebe management costs	115	-	151	266
Investment managers costs	86	-	217	303
	242	-	368	610

8. Expenditure on charitable activities

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000
Contributions to Archbishops' Council				
Training for the Ministry	280	-	-	280
National Church Responsibilities	196	-	-	196
Church's Housing Assistance for Retired Ministry	116	-	-	116
Mission agency pension contributions	9	-	-	9
	601	-	-	601
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance & pensions	3,377	1,883	-	5,260
Housing costs	1,124	-	-	1,124
Ministry selection and training	636	-	-	636
Clergy support	698	14	-	712
Other expenses	92	104	-	196
	5,927	2,001	-	7,928
Support for ministry in parishes	2,110	-	-	2,110
Retreat House	5	-	-	5
Tree works	53	-	-	53
	8,095	2,001	-	10,096
Expenditure on education				
Support for church schools	-	525	-	525
Total charitable activities	**9,012**	**2,526**	**280**	**11,818**

8. Expenditure on charitable activities (continued)

Comparative analysis for 2023	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000
Contributions to Archbishops' Council				
Training for the Ministry	277	-	-	277
National Church Responsibilities	191	-	-	191
Church's Housing Assistance for Retired Ministry	110	-	-	110
Mission agency pension contributions	9	-	-	9
	587	-	-	587
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance & pensions	2,532	1,848	-	4,380
Housing costs	1,795	131	-	1,926
Ministry selection and training	1,490	-	-	1,490
Clergy support	582	18	-	600
Other expenses	63	203	-	266
	6,462	2,200	-	8,662
Support for ministry in parishes	1,259	-	-	1,259
Retreat House	167	-	-	167
	165	-	-	165
	8,053	2,200	-	10,253
Expenditure on education				
Support for church schools	23	521	-	544
Total charitable activities	8,663	2,721	-	11,384

9. Analysis of expenditure including allocation of support costs

	Activities undertaken directly 2024 £'000	Grant funding of activities 2024 £'000	Support costs 2024 £'000	Total Funds 2024 £'000
Raising funds	346	-	-	346
Charitable activities				
Contributions to Archbishops' Council	-	592	-	592
Resourcing parish ministry	9,137	264	699	10,100
Education	476	-	49	525
Retreat House	5	-	-	5
	9,964	856	748	11,568

Comparative analysis for 2023	*Activities undertaken Directly* 2023 £'000	*Grant funding of activities* 2023 £'000	*Support Costs* 2023 £'000	*Total Board Funds* 2023 £'000
Raising funds	610	-	-	610
Charitable activities				
Contributions to Archbishops' Council	-	587	-	587
Resourcing Parish Ministry	8,400	775	919	10,094
Education	469	-	52	521
Retreat House	182	-	-	182
	9,661	1,362	971	11,994

10. Analysis of support costs

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000
Central administration	456	-	456
Support for School		49	49
Governance:			
External audit	54	-	54
Registrar and Chancellor	178	-	178
Synodical costs	11	-	11
	699	49	748

Comparative analysis for 2023	*Unrestricted Funds 2023 £'000*	*Restricted Funds 2023 £'000*	*Total Funds 2023 £'000*
Central administration	642	-	642
Support for School	-	52	52
Governance:			
External audit	71	2	73
Registrar and Chancellor	189	-	189
Synodical costs	15	-	15
	917	54	971

11. Analysis of grants made

	Number of grants	Individuals 2024 £'000	Institutions 2024 £'000	Total 2024 £'000
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	580	580
From unrestricted funds:				
PCCs for Church inspection fees	78	-	55	55
Ordinands in training	12	128	-	128
PCCs for Faculty fees	109	-	18	18
Continuing ministerial training	29	8	-	8
	228	136	73	209
Total	233	136	653	789

	Number of grants	*Individuals* 2023 £'000	*Institutions* 2023 £'000	*Total* 2023 £'000
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	572	572
From unrestricted funds:				
PCCs for Church inspection fees	56	-	41	41
Ordinands in training	11	135	-	135
PCCs for Faculty fees	82	-	10	10
Continuing ministerial training	30	11	-	11
	198	146	57	203
Total	203	146	629	775

12. Net income for the year

	Total 2024 £'000	Total 2023 £'000
Net income for the year is stated after charging:		
Depreciation	14	17
Auditors' remuneration	50	40

13. Staff Costs

	Total 2024 £'000	Total 2023 £'000
The aggregate costs of staff were:		
Wages and salaries	1,763	1,603
Social security costs	187	175
Redundancy and termination	158	69
Pension contributions	176	189
	2,284	2,036

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

	2024	*2023*
Resourcing ministry and mission	36	34
Ely Diocesan Education Cttee	5	4
	41	38

There were 7 members of staff whose emoluments (excluding pension contributions) amounted to between £60,001 and £70,000, 2 between £70,001 and £80,000 and 1 between £180,001 and £190,000. (2023 - there were 4 members of staff whose emoluments (excluding pension contributions) amounted to between £60,001 and £70,000, 1 between £80,001 and £90,000 and 1 between £180,001 and £190,000). Pension payments of £74,575 (2023 - £79,120) were made for these employees.

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing, and controlling the activities of the Diocese. During 2024 they included:

Diocesan Secretary	Mr Paul Evans
Financial Controller	Mrs Lorraine Orbell
Diocesan Safeguarding Advisor	Mrs R Boswell
Head of Church Buildings and Pastoral	Mr Geoffrey Hunter
Diocesan Director of Education	Mr Jon Young
Director of Mission and Ministry	The Revd Peter Leech

Remuneration, termination payments and pensions for these 6 employees amounted to £586,051 (2023: 6 employees £681,294).

Trustees' emoluments

No trustee received any remuneration for services as trustee. Two trustees received travelling and out of pocket expenses, totalling £5,503 (2023 - £5,555 in respect of Bishop's Council duties.

13. Staff costs (continued)

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

	Stipend	Housing
The Ven Dr Alex Hughes	Yes	Yes
The Ven Richard Harlow	Yes	Yes
The Revd Sarah Gower	Yes	Yes
The Revd Rebecca Dyball	Yes	Yes
The Revd Canon James Blandford-Baker	Yes	Yes
The Revd Canon Dr Robert Mackley	Yes	Yes
The Revd Danny Driver	Yes	Yes
The Revd Beth Cope	Yes	Yes
The Revd Natalie Andrews	Yes	Yes
The Revd Canon Philip Howson	Yes	Yes

The EDBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. The EDBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Suffragan Bishop but excluding the Diocesan Bishop and cathedral staff.

The EDBF paid an average of 116 (2023: 114) stipendiary clergy (excluding curates) as officeholders holding parochial or Diocesan appointments in the Diocese and the costs were as follows:

	2024 £'000	2023 £'000
Stipends	3,737	3,357
National Insurance contributions	314	285
Pension costs	820	816
Other costs	9	7
	4,880	4,465

The stipends of the two Bishops were paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and the Suffragan Bishop are funded by the Church Commissioners. The annual rate of stipend, funded by the EDBF, paid to Archdeacons in 2024 was in the range £39,058 - £41,792 (2023 range £37,198 - £40,565) and other clergy who were trustees were paid in the range £28,634 - £30,638 (2023 range £27,270 - £28,634).

The Diocese of Ely has estimated the value to the occupant, gross of income tax and national insurance, of church-provided housing for 2024/25 at £11,000 and for 2023/24 at £10,500.

14. Tangible Fixed Assets (Board and Consolidated)

	Board assets: Freehold properties £'000	Team Vicarages £'000	Parsonage Houses £'000	Leasehold property improve-ments £'000	Furniture & equip-ment £'000	Assets under constr-uction £'000	Retreat House £'000	Total £'000
Cost								
At 1 January	15,837	3,240	82,056	269	299	4,757	-	106,458
Additions	1,426	-	671	-	17	1,031	-	3,145
Disposals	(738)	-	-	-	(238)	(176)	-	(1,152)
Revaluation	-	163	977	-	-	-	-	1,140
Transfers	11,260	(1,438)	(5,819)	-	387	(4,390)	-	-
Transfers to current assets	-	-	(350)	-	-	-	-	(350)
At 31 December	27,785	1,965	77,535	269	465	1,222	-	109,241
Depreciation								
At 1 January	-	-	-	269	286	-	-	555
Charge for the year	-	-	-	-	13	-	-	13
Eliminated in disposal	-	-	-	-	(238)	-	-	(238)
At 31 December	-	-	-	269	61	-	-	330
Net book value								
At 31 December 2024	**27,785**	**1,965**	**77,535**	**-**	**404**	**1,222**	**-**	**108,911**
At 31 December 2023	15,836	3,240	82,056	-	13	4,756	-	105,901

14. Tangible Fixed Assets (continued)

Use of Fixed Assets
All of the Board's tangible fixed assets are used for direct charitable purposes with the exception of the investment glebe land, the leasehold property and some of the furniture and equipment which is used for management and administration.

Parsonages
Benefice houses are legally vested in incumbents as freeholders but the proceeds of any sale following a pastoral reorganisation belong to the Diocesan Pastoral Account. The Diocese is responsible for all upkeep and maintenance. As at 31 December 2024 the Diocese was responsible for 99 parsonage properties. Minor capital works of £132,451 (2023 £130,778) were not capitalised but charged against the Pastoral Account. The deemed cost of the parsonages is £27.2m.

Team Vicarages
Together with subsequent purchases less sales, there are now vested in the Board 4 team vicarages. All sale proceeds must be placed to the credit of the Diocesan Stipends Fund Capital Account. The deemed cost of the team vicarages is £890k.

15. Investments	Group		Board	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 January 2024	87,540	81,160	86,192	79,918
Additions	10,377	*1,936*	10,377	1,932
Disposals	(10,632)	(5,919)	(10,632)	(5,919)
Gains and losses	1,070	*10,372*	1,037	10,267
Exchange differences	(8)	(9)	(10)	(9)
Carried forward	88,347	87,540	86,964	86,189

Investment assets include both Glebe land and Ely Diocesan Education Committee properties, which are held for investment purposes.

Invested in:	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Central Board of Finance (CCLA):				
Investment fund	31,167	30,469	31,167	30,469
Property fund	3,784	3,734	3,784	3,764
Global markets fund	10,738	10,106	10,738	10,106
Deposits	1,483	2,640	1,483	2,540
Edentree				
Investment Fund	10,459	9,624	10,459	9,624
Rathbones investments				
Investment funds	19,752	18,835	19,752	18,835
Deposits	33	357	33	357
Investment property				
Glebe	8,833	10,050	8,833	10,050
Ely Diocesan Education Cttee	437	437	436	437
Other	131	37	-	-
Other investments	279	7	279	7
Subsidiary trusts	1,251	1,224	-	-
Total investments	88,347	87,540	86,964	86,189

15. Investments (continued)

Subsidiary Trusts
Trusts where the Board is both the custodian and the beneficiary.

Glebe Land
Under the provisions of the Endowments and Glebe Measure 1976, the ownership of glebe land was transferred to the Board from 1 April 1978. Together with subsequent purchases less sales, there are now vested in the Board 5,099 acres of glebe land. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. It is not possible to calculate the cost of the Glebe land.

Subsidiary companies
The Board owns 100% of the issued share capital of Ely Diocesan Schools Services Limited (Company Number: 05037336) and Ely DBF Property Limited (Company Number: 05957128), companies incorporated in England, whose principal activities are those of providing project management services to schools and construction, and property development, respectively. Both entities have the same registered office as the parent charity. The cost of these investments is £2.

The results for the year for the trading subsidiaries are as follows:

	Ely DBF Property Limited £	Ely Diocesan Schools Services Limited £
Income	-	10,453
Expenditure	(17,392)	(24,570)
(Loss)/Profit for the year	(17,392)	(14,117)
Fixed assets	37,214	94,513
Net current (liabilities)/assets	(54,606)	(108,630)
Net (liabilities)/assets	(17,392)	(14,117)

16. Debtors

	Group		Board	
	2024 £'000	***2023 £'000***	**2024 £'000**	***2023 £'000***
Ministry share	257	*507*	2577	507
Other debtors	1,028	1,105	1,028	1,100
Prepayments and accrued income	61	*173*	61	180
Loans to parishes	-	-	-	-
Due from subsidiary companies:				
Ely Diocesan School Services Limited	4	-	-	27
Ely DBF Property Limited	-	-	-	780
	1,350	1,785	1,346	2,594

Loans to parishes do not include any debtors due after more than one year.

17. Creditors: amounts falling due within one year

	Group		Board	
	2024 £'000	***2023 £'000***	**2024 £'000**	***2023 £'000***
Central Board of Finance for parish loans	-	-	-	-
Other creditors	1,079	1,451	(51)	1,164
School governing bodies	444	*550*	444	*550*
Accruals and deferred income	509	*946*	487	*923*
	2,032	*2,947*	880	*2,637*

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

	Group		Board	
	2024 £'000	***2023 £'000***	**2024 £'000**	***2023 £'000***
Loans	-	*1,500*	-	*1,500*

The loan taken out in the previous year with Rathbones Investment Management Ltd was repaid in 2024. It attracted interest at base rate + 2.5% and was secured on the charity's listed investments.

19. Provisions for liabilities and charges

	Group		Board	
	2024	***2023***	**2024**	***2023***
	£'000	***£'000***	**£'000**	***£'000***
Parsonage housing repairs	1,405	1,340	1,405	1,340
Restructuring	35	35	35	35
	1,440	1,375	1,440	1,375
The movement on provisions is as follows:				
Balance at 1 January 2024	1,375	1,248	1,375	*1,248*
Provision used during the year				
Parsonage housing repair				
Restructuring	(347)	(241)	(347)	(241)
New provision in year –surveyors	412	368	412	368
Balance at 31 December 2024	1,440	1,375	1,440	1,375

20. Revaluation Reserve

	Group		Board	
	2024	***2023***	**2024**	***2023***
	£'000	***£'000***	**£'000**	***£'000***
Balance at 1 January	92,653	*84,665*	92,697	84,814
Revaluation of fixed assets	1,140	*3,655*	1,140	3,655
Revaluation of investment assets	2,324	*4,333*	2,297	4,228
Balance at 31 December	96,117	*92,653*	96,134	92,697

21. Financial commitments

Total commitments under non-cancellable operating leases are as follows:

	Group and Board	
	2024	***2023***
	£'000	***£'000***
Office equipment with payments falling due:		
Due within one year	-	-
Due in between one and five years	-	-
	-	-

22. Unrestricted funds

Board

	At 1 January 2024 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2024 £'000
Designated funds							
Pastoral property reserve	13,835	-	-	-	-	7,957	21,792
Long term parsonage repair reserve	103	-	8	8	-	-	111
Tree Risk Management	16	-	(53)	(53)	-	-	(37)
Ely Church Buildings Partnership	200	-	(18)	(18)	-	-	182
Ely 2025 growth fund	39	-	(13)	(13)	-	-	26
Murrow Church	19	-	-	-	-	-	19
Hampton Church	113	-	-	-	-	-	113
Market Towns	847	255	(520)	(265)	-	-	582
Barnwell	2	130	(112)	18	-	-	20
	15,174	385	(708)	(323)	-	7,957	22,808
Retreat House	371	-	(5)	(5)	-	-	366
General funds	6,260	7,716	(8,015)	(299)	542	3,442	9,945
	21,805	8,101	(8,728)	(627)	542	11,399	33,119

Group

	At 1 January 2024 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2024 £'000
Designated funds							
Pastoral property reserve	13,835	-	-	-	-	7,957	21,792
Long term parsonage repair reserve	103	-	8	8	-	-	111
Tree Risk Management	16	-	(53)	(53)	-	-	(37)
Ely Churches Building Partnership	200	-	(18)	(18)		-	182
Ely 2025 growth fund	39	-	(13)	(13)	-	-	26
Murrow Church	19	-	-	-	-	-	22
Hampton Church	111	-	-	-	-	-	111
Market Towns	849	255	(520)	(265)	-	-	584
Barnwell	2	129	(112)	17	-	-	19
	15,174	384	(708)	(324)	-	7,957	22,811
Retreat House	371		(5)	(5)	-	-	366
General funds	6,250	7,726	(8,058)	(332)	542	3,442	9,898
	21,795	8,110	(8,771)	(661)	542	11,399	33,075

22. Unrestricted funds (continued)

2023 comparatives: Board

	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2023 £'000
Designated funds							
Pastoral property reserve	13,342	-	-	-	-	493	13,835
Long term parsonage repair reserve	166	-	(63)	(63)	-	-	103
Tree Risk Management	181	-	(165)	(165)	-	-	16
Ely Churches Building Partnership	200	-	-	-	-	-	200
Ely 2025 growth fund	52	-	(13)	(13)	-	-	39
Murrow Church	20	-	-	-	(1)	-	19
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,295	134	(580)	(446)	-	-	849
Barnwell	17	100	(115)	(15)	-	-	2
	15,384	234	(936)	(702)	(1)	493	15,174
Retreat House	518	-	(167)	(!67)	20	-	371
General funds	5,371	8,221	(7,764)	457	936	(504)	6,260
	21,273	8,455	(8,867)	(412)	955	(11)	21,805

2023 comparatives: Group

	At 1 January 2023 £'000	Income £'000	Expenditur e £'000	Net income (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2023 £'000
Designated funds							
Pastoral property reserve	13,342	-	-	-	-	493	13,835
Long term parsonage repair reserve	166	-	(63)	(63)	-	-	103
Tree Risk Management	181		(165)	(165)	-	-	16
Ely Churches Building Partnership	200	-	-	-	-	-	200
Ely 2025 growth fund	52	-	(13)	(13)	-	-	39
Murrow Church	20	-	-	-	(1)	-	19
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,295	134	(580)	(446)	-	-	849
Barnwell	17	100	(115)	(15)	-	-	2
	15,384	234	(936)	(702)	(1)	493	15,174
Retreat House	518	-	(167)	(167)	20	-	371
General funds	5,674	7,946	(7,802)	144	936	(504)	6,250
	21,576	8,180	(8,905)	(725)	955	(11)	21,795

Pastoral Property Reserve
The Pastoral Property Reserve represents the amount invested in pastoral property.

Murrow Church
Funds held by the Board arising from the sale of the Chapel of Ease for the benefit of Murrow Church fabric.

Ely 2025 Growth Fund
This fund was consolidated to promote mission and ministry in accordance with the Diocese of Ely Strategy to 2025.

Hampton Church
Accumulated interest on the inter-group loans in relation to the Hampton Church build costs.

Market Towns
The aim of this project is to make real in the Diocese of Ely's market towns, the Church of England's commitment to be a Christian presence everywhere. It seeks by grace to transform that presence from one which is declining and diminishing to one which is fit to engage fully and courageously with these communities in times of challenge and change.

Barnwell
The aim of this innovative project is for a church plant on an urban estate to effectively minister to young people through the delivery of sports ministry – delivered by trained sports ministers.

Ely Church Buildings Partnership
It seeks not only to offer an alternative for churches which would otherwise have to close, but also to support open churches where management and maintenance are being neglected due to lack of capacity in the Parochial Church Council.

Tree Risk Management
There needed to be active management of trees on Diocesan property in terms of inspection and then working on or removing trees that could potentially pose a danger to life or property or third-party property.

23. Restricted funds

Board	At 1 January 2024 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 Decembe r 2024 £'000
Diocesan Pastoral Account	16,750	65	(132)	(67)	24	(1,925)	14,782
Diocesan Stipends Fund Income Account	-	1,778	(1,778)	-	-	--	-
New Churches Fund	61	-	-	-	--	-	61
Clergy Well-being fund	136	4	(14)	(10)	2	-	128
RME Fund	68	26	(75)	(49)	-	-	19
EDEC	51	445	(525)	(80)	-	25	(4)
Pension Fund Reserve	-	440	-	440	-	(104)	336
	17,066	2,758	(2,524)	234	26	(2,004)	15,322

Group	At 1 January 2024 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 Decembe r 2024 £'000
Diocesan Pastoral Account	16,750	65	(132)	(67)	24	(1,925)	14,782
Diocesan Stipends Fund Income Account	-	1,778	(1,778)	-	-	-	-
New Churches Fund	61	--	-	-	-	-	61
Clergy Well-being fund	136	4	(14)	(10)	2	-	128
RME Fund	68	26	(75)	(49)	-	-	19
EDEC	51	445	(525)	(80)	-	25	(4)
Pension Fund Reserve	-	440	-	440	-	(104)	336
Subsidiary trusts	1,224	-	-	-	28	-	1,252
	18,290	2,758	(2,524)	(233)	54	(2,004)	16,574

23. Restricted funds (continued)

2023 comparatives

Group	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2023 £'000
Diocesan Pastoral Account	18,586	105	(130)	(25)	115	(1,926)	16,750
Diocesan Stipends Fund Income Account	-	1,848	(1,848)	-	-	-	-
New Churches Fund	61	-	-	-	-	-	61
Clergy Well-being fund	141	5	(18)	(13)	8	-	136
RME Fund	49	222	(203)	19	-	-	68
Ely Diocesan Education Cttee	76	381	(522)	(141)	-	116	51
Subsidiary trusts	1,119	-	-	-	105	-	1,224
	20,032	2,561	(2,721)	(160)	228	(1,810)	18,290

Diocesan Pastoral Account

The purposes are laid down in the Mission and Pastoral Measure 2011 and mainly relate to:

- Costs incurred for the purposes of the Measure, or any scheme or order made under the Measure, except for salaries of regular Diocesan employees;
- Costs of disposing of or maintaining houses or churches vested in the Board or Commissioners;
- Costs incurred for the benefit of another diocese(s); and
- Transfers to the Diocesan Stipend Fund Capital or Income Accounts.

Where monies are not required for the above, they may be considered for other purposes of the Diocese. Board properties are funded from the Diocesan Pastoral Account (DPA). When such properties are sold, the proportion of proceeds equal to the sums used to purchase the property are transferred to the DPA. Any surplus realised from the sale of the property is, at the Board's discretion, transferred into the DPA, or transferred to an existing or new designated fund of the Board.

Diocesan Stipends Fund Income Account

Subject to any charges imposed by scheme or order the Fund shall be applied to:

- Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese;
- Meet expenses incurred in repairing and maintaining parsonage houses;
- Pay secondary Class 1 contributions in respect of ministers not employed under a contract of service; and
- Defray sequestrators' expenses.

New Churches Fund

This fund is used to fund the establishment of new church buildings

Anthony Edward Brookes Fund for the Well-being of the Clergy (Clergy Well-Being Fund)

This fund is for the benefit of the well-being of clergy as determined by the Bishop and the Archdeacons.

RME Fund

Upon receipt of the Block Grant from the Archbishops' Council, the Diocese must pay it into the Resourcing for Ministerial Education (RME) Fund for ministerial education training for the ordinands they sponsor. The Block Grant can only be spent on Initial Ministerial Education pathways, which have been approved by Ministry Division at accredited Theological Education Institutions (TEIs).

24. Endowments

Board and Group

	At 1 January 2024 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2024 £'000
Permanent endowments:							
Stipends Fund							
Capital Account	51,530	-	(164)	(164)	2,411	11	53,788
Glebe Fund	10,051	-	(116)	(116)	(1,090)	(11)	8,834
Team Vicarage Fund	3,241	-	-	-	164	(1,439)	1,966
	64,822	-	(280)	(280)	1,485	(1,439)	64,588
Expendable endowments:							
Parsonage Houses Fund	85,254	-	-	-	977	(7,948)	78,283
Ely Diocesan Education Cttee	5,192	-	-	-	103	(9)	5,286
	155,268	-	(280)	(280)	2,565	(9,396)	148,157

2023 Comparatives

	At 1 January 2023 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2023 £'000
Permanent endowments:							
Stipends Fund							
Capital Account	47,587	-	(217)	(217)	4,208	(48)	51,530
Glebe Fund	4,167	-	(151)	(151)	5,987	48	10,051
Team Vicarage Fund	3,301	-	-	-	(382)	322	3,241
	55,055	-	(368)	(368)	9,813	322	64,822
Expendable endowments:							
Parsonage Houses Fund	79,718	-	-	-	4,037	1,499	85,254
Ely Diocesan Education Cttee	4,625	187	-	187	380	-	5,192
	139,398	187	(368)	(181)	14,230	1,821	155,268

Stipends Capital Fund, Glebe, and Team Vicarage Fund

These are capital funds held under the terms of the Endowments and Glebe Measure 1976 and the Miscellaneous Provisions Measure 1992 and principally comprise freehold properties and shares in the CBF Investment Fund, CBF Property Fund and the CBF Deposit Fund. Together they form the Diocesan Stipends Fund. Receipts arise mainly from the sale of glebe properties, grants of easement, and variations of restricted covenants.

Parsonage Houses Fund

This Fund represents the stock of parsonage houses, i.e. houses held as benefice property for occupation by incumbents. A parsonage house is required for each benefice and the funding of improvements and new and replacement parsonage houses is the responsibility of the Board.

Ely Diocesan Education Committee (EDEC)

The income of these funds primarily represents income investments and donations. The fund balance is made up of the proceeds from closed schools and donations and is used primarily towards improvement costs at church voluntary aided schools.

25. Analysis of net assets between funds

Funds at 31 December 2024 are represented by:

Board

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	28,189	115	80,607	108,911
Investments	19,555	1,920	65,489	86,964
Net current assets / (liabilities)	1,361	(636)	744	1,469
Non-current liabilities	-	-	(209)	(209)
Provisions	(1,440)	-	-	(1,440)
	47,664	1,399	146,631	195,695
Interfund borrowing	(14,002)	13,177	1,729	903
Net assets	33,662	14,576	148,360	196,598

Group

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	28,189	116	80,607	108,911
Investments	19,687	3,171	65,489	88,347
Net current assets / (liabilities)	2,091	(636)	744	2,199
Non-current liabilities	-	-	(209)	(209)
Provisions	(1,440)	-	-	(1,440)
	48,526	2,651	146,631	197,808
Interfund borrowing	(14,908)	13,177	1,729	(3)
Net assets	33,618	15,828	148,360	197,806

Funds (Group) at 31 December 2023 are represented by:

	Unrestricted Funds £'000	*Restricted Funds £'000*	*Endowment Funds £'000*	*Total £'000*
Fixed assets	*15,849*	*4,136*	*85,916*	*105,901*
Investments	19,744	3,021	64,775	87,540
Net current assets / (liabilities)	*1,513*	*(7)*	*3,281*	*4,787*
Non-current liabilities	*-*	*-*	*(1,500)*	*(1,500)*
Provisions	*(1,375)*	*-*	*-*	(1,375)
	35,731	*7,150*	*152,472*	*195,353*
Interfund borrowing	*(13,936)*	*11,140*	*2,796*	*-*
	21,795	*18,290*	*155,268*	*195,353*

26. Pensions

Church of England Funded Pension Scheme

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

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multiemployer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £882,690 in 2024 (2023: £892,830), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £0 (2023: £0).

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

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

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

% of pensionable stipends	
31 December 2022	Nil
31 December 2023	Nil
31 December 2024	Nil

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

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

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

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

* Comprises change in agreed deficit recovery plan, and change in discount rate and inflation 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 2024	December 2023	December 2022
Discount rate	n/a	n/a	n/a
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	n/a

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

Churchworkers Pension Fund

Ely Diocesan Board of Finance participates in the Defined Benefits Scheme 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.

CWPF has two sections:

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

Defined Benefits Scheme

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

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

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

Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. . It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2024: £29,842, 2023: £52,005), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total charge of £29,842 for 2024 (2023: £52,005).

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 having taken advice from the Actuary.

A valuation of DBS is carried out once every three years. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

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

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2023 0r 31 December 2024.

The movement in the provision is set out below:

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

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

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

	December 2024	December 2023	December 2022
Discount rate	N/A	0.00%	1.50%

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.

Church Workers Pension Fund

The Board participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF 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.

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 contributions payable (2024: £175,062, 2023: £162,296).

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

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025.

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

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

27. Related Party Transactions

Ely DBF Property Limited and Ely Diocesan Schools Services Limited are both wholly owned subsidiaries of Ely Diocesan Board of Finance, whose financial statements are both publicly available.

At 31 December 2024, £849k was owed from Ely DBF Property Services Limited and £57k was owed from Ely Diocesan Schools Services Limited to the parent charity. There is no interest charged and no fixed repayment on either balance.

28. Trust funds

The Board 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 PCCs and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. The financial assets held in this way may be summarised as follows:

		2024 Valuation £'000	***2023 Valuation £'000***
Miscellaneous listed investments		2,552	2,443
Central Board of Finance:	Investment Fund shares	16,082	15,703
	Fixed interest securities fund units	291	280
	Deposits	2,255	2,168
Other assets		-	-
Cash at bank		773	397
Total assets held as custodian trustee		21,952	20,991

THE ELY DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 245456

Accounts

DIOCESE
of
ELY

Ely Diocesan Board of Finance

A company limited by guarantee and not having a share capital

Registered in England No: 00142183 (England & Wales) Charity No: 245456

Report & Accounts
For the year ended 31 December 2023

ELY DIOCESAN BOARD OF FINANCE

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ELY DIOCESAN BOARD OF FINANCE
MISSION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

We pray to be generous and visible people of Jesus Christ

Nurture a confident people of God
Develop healthy churches
Serve the community
Re-imagine our buildings
Target support to key areas

To **engage** fully and courageously with the needs of our communities, locally and globally.

To **grow** God's church by finding disciples and nurturing leaders.

To **deepen** our commitment to God through word, worship, and prayer.

The trustees, who are also directors for the purposes of company law, present their combined annual trustees' report and directors' report, together with the audited financial statements, for the year ended 31 December 2023.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors of Ely Diocesan Board of Finance (the Board).

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 OBJECTIVES

The objectives of the Diocese of Ely cover the geographical area of the Diocese.

The Board's principal objective is to promote, assist and advance the work of the Church of England in the Diocese of Ely by acting as the financial executive of the Ely Diocesan Synod.

The Board 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 Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the Board are established by the Diocesan Synod in communication with Deanery Synods, Parochial Church Councils, and the Bishop of Ely (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally; including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, taking forward the commitments arising from the Diocesan Conference including the Diocesan Budget.

STRATEGIC AIMS

The Board aims to promote, facilitate, and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Ely and elsewhere.

The Board's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

The key activities may be summarised as:

- Mission and Ministry in the Parishes (includes all clergy training, housing, stipends, pension, and all other expenditure supporting parish-based ministry);
- Education funding (includes support for schools);
- Implementation of strategic growth projects; and
- Contributions for national Church institutions (mainly by grant support).

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

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

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

OBJECTIVES FOR THE YEAR

- To encourage more people to become directly involved in the mission of the Church of England in the Diocese of Ely;
- To support deaneries in the collection of Ministry Share;
- To engage with communities across the Diocese;
- To review the allocation of funding resources to mission projects;
- To review the allocation of personnel resources to mission projects; and
- To review the support available for Church Schools across the Diocese.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Operational performance

This has been a transitional year as the world emerged from the pandemic giving an opportunity to catch up with some projects on housing maintenance and repair combined with a higher level of activity in terms of clergy movements. There has been a review of Mission and Ministry support in the Diocese and arrival of new staff in both Mission and Ministry and Schools has given time for these reviews of operation in both departments.

Following the pandemic, a review was undertaken to examine the fitness of the Board's office accommodation. The review looked at the likely requirements of operations of the Diocesan Office Team and assessed that ability of the existing office to provide the appropriate level of facilities. The result of the review was clear that the existing building did not provide the necessary facilities nor was it cost effective, or practical to try to modify the building to provide them. A decision was made to build a new office at a site just outside the city. In July, construction started on a new office and training centre. Throughout the year the Diocesan Office remained closed and while a central hub was provided to allow staff to carry out general administrative tasks, office staff continued to operate from their homes.

Our staff have continued to rely on systems that had been implemented at the time of the pandemic, meaning that they were able to continue to provide a high level of service to our clergy and parishes. At the time of writing the completion of the construction phase for the provision of a new suite of offices with a number of training suites has been achieved. The new offices opened to staff members from in April 2024 on a hybrid working basis and are being used regularly for internal and external meetings.

Plans and achievements in 2023

For 2023 the Board planned to:

- Maintain clergy stipends at the level recommended by the Archbishops' Council;
- Make provision for the training and support of both lay and ordained in parish ministry;
- Encourage parishes in their generosity in funding mission and ministry through Ministry Share; and
- Maintain an effective repair and maintenance service to clergy in respect of breakages or damage to their homes; and
- Commence a number of initial projects in Phase 2 of the initiative.

During 2023 the Board has:

- Engaged with deaneries and parishes to support parishes increase individual giving, leading to 7 of our deaneries achieving the payment in full of their ministry share allocations for the year;
- Worked closely with each of our deaneries to continue to make payments of parish share achieving an overall collection rate of 94.9%;

- Maintained a clergy housing maintenance programme to ensure repairs reported were carried out promptly;
- Maintained stipends at the levels recommended by the Central Stipendiary Authority.
- Budgets for the Changing Market Towns projects have been recalibrated to allow the continued operation of some of the phase 1 projects throughout the year 2023, and into 2024, while a number of projects in Phase 2 of the project were started.

Overall, despite the difficulties, the DBF achieved an increase in income to £10.569m. Although Ministry Share collection was marginally up on the 2022 figure, the reduction in income received from investments during the period limited the extent of some operations.

Investment performance

Overall performance

Investments (including stipends fund) are held in both glebe and other Board funds. The value of investments (excluding short-term cash deposits) on 31 December 2023 was £81.5m (2022: £81.2m) and based on the year end value the return on investment was 4.1% (2022: 3.8%). This includes a £6m increase in the valuation of the glebe land arising from a review resulting in a change to the method of valuation.

Global equity markets were extremely volatile throughout the year. The main factors contributing to this were the concerns about the destabilising effects of continuing war in Ukraine and, in October, the outbreak of hostilities in Gaza following the attacks on Israel by Hamas. This combined with a background of domestic economic concerns about levels of inflation being experienced by the UK economy. Somewhat surprisingly, in the final quarter of 2023, all major equity markets experienced an upturn in value, meaning they closed the year slightly higher than the 1 January value. Following the decision to disinvest from Fossil Fuel sectors the Board's Investment Managers were able to identify alternate sources of revenue, while it was clear that the movement has impacted on the income receipts of the Board the balanced budget position at the end of the year will be important in underpinning stability in the delivery of projects planned in 2023. The second element review saw the Board amend its management of investments, agreeing to a process to reduce the number of investment managers instructed from four to three. This process completed in spring 2023. During the year, the Board's cash balances have been maintained been maintained by capital receipts from the sale of a number of parcels of glebe land. The prevailing interest rates have meant that the holding of slightly higher cash balances has provided additional income from interest payments. The Trustees remain of the belief that the portfolio is invested in the most appropriate asset classes for long term benefit of the Diocese.

Glebe (including stipends fund) investments

£55.5m (2022: £55.2m) of the Board's investments are in glebe and stipends fund investments, primarily to generate a sustainable income to continue funding clergy stipends.

Rental income receivable from the glebe land was £446k (2022: £442k) and investment income receivable from the stipends fund was £1.8m (2022: £1.68m).

Board investments

Other investments are held on behalf of a number of endowed, restricted, and general funds. The policy with these investments is to safeguard capital and to generate income. Investment in equity, fixed interest, property, corporate bonds, and deposit funds were valued at £26m on 31 December 2023 (2022 £26m). Dividends and interest receivable amounted to £1.2m (2022: £0.99m) – a yield of 4.1% (2022: 3.8%).

External factors affecting performance

Ministry Share is contributed by the deaneries and PCCs towards the ministry and other costs of the Diocese. A large part of these costs are clergy stipends, staff salaries and building maintenance costs. In addition, at each triennial valuation the Diocese faces the possibility of having to increase contributions to the clergy and staff pension schemes.

The Diocese of Ely remains financially relatively strong compared with many other dioceses and is expected to take a proportionately larger share of National Church costs than the less well-resourced dioceses.

FUTURE PLANS

Operating budgets for phase 2 of the Changing Market Towns Project have been secured to allow the scheme to continue with designated projects into 2025. This phase of the project will focus mainly on the Towns of Huntingdon and St Neots but includes other smaller projects across the Diocese. Projects are in place covering the next 12-18 months.

Following the passing of resolutions at both General Synod and, in May, at Diocesan Synod, the Board will be seeking to identify and develop strategies to reduce the levels of Carbon released to the atmosphere from the operation of the Diocese. The central church authorities have produced a recommended strategy which will form the framework of the strategy focusing particularly of how the Board can help parishes to reduce carbon release and enhance the ecological diversity of local churchyards and other land. Also, work has commenced to review housing stock and other central diocesan operations to reduce carbon emissions from the everyday operation towards a net zero position.

This report is being compiled at a time when there are still some significant inflationary issues affecting the global economy. These factors represent significant challenges to the Board and parishes of the Diocese seeking to generate funds to maintain delivery of services. The Board intends to set annual budgets on a break-even basis. Expenditure plans are being reviewed, with the situation and its impact on cashflow being continuously monitored. The ongoing objective is to resource Diocesan needs, as determined by Diocesan Synod and informed by both the local and the national Church institutions.

FINANCIAL REVIEW

Overall financial position

Income for the group for the year, before net gains and losses on investment and revaluation of fixed assets, totalled £10.9m (2022: £12.4m) and expenditure amounted to £12m (2022: £11m).

The Statement of Financial Activities (SOFA) for the group for the year shows net expenditure of £1.066m (2022: net Income £1.3m) before net gains and losses on investment and revaluation of fixed assets.

After revaluation adjustments, the net movement in funds for the group amounted to £14.3m (2022: deficit of £4m).

During the year, total fund balances for the group increased from £181m to £195m.

There was an overall group net cash inflow of £652k (2022: outflow of £953k).

Review of the statement of financial activities

There are no significant issues to which attention needs to be drawn.

Principal Funding Sources of the Board

Around 50% of the Board's income comes from Ministry Share, 25% from Diocesan investments and the remaining 25% from other resources.

Review of the financial position

Balance Sheet values increased by the surplus of income over expenditure of £14m for the group (£15m for the board). Unrealised gains on investments were £15.4m (2022: deficit of £5.8m) and revaluations of fixed assets during the year were £3.6m (2022: £1.6m) for the group. A full independent review of the value of all properties held by the Board was carried out in 2023 and the update for 2023 has resulted in the reduction of the overall valuation of the parsonage properties.

Financial sustainability

A major priority is to attain Ministry Share payment in full by all deaneries. Despite the difficult circumstances, 7 out of 15 deaneries paid their allocation in full for 2023 (2022: 7 of 15). The Board's investment portfolio is kept under regular review.

Going concern

After making enquiries the trustees are satisfied that the Board has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Investment policy

The Board is charged with the management of a diverse portfolio of assets belonging to the Diocese. Many of these assets have been given to support the stipends of clergy or to ensure the provision of clergy housing. The Board undertakes the management of these assets in accordance with the requirements of governing Church of England Measures. The Board strives to be a responsible investor and to follow the recommendations and guidance set down by The Ethical Investment Advisory Group of the Church of England.

Subject to the ethical constraints, the policy of the Board is to invest all its resources in such a way as to maximise a sustainable level of income and therefore the amount contributed to clergy stipends, while at the same time protecting the long-term capital value.

Financial assets: The Board retains professional investment advisers to manage investments. The performance of these managers is monitored constantly and is compared annually with that of other charity asset fund managers. Managers are required to meet regularly with Trustees to discuss and agree the implementation of strategies. The investment policy, income, and the sustainability of that income is a prime concern of the Board.

Land: the holdings are managed on a day-to-day basis by land agents retained by the Board. Most of the land is undeveloped, and thus the income from it is generally lower than from financial investment, though the potential for long-term capital appreciation is high. The Board reviews its holdings for potential development opportunities. The Board's strategy is in general not to sell its landholdings at undeveloped value, but to seek or await development potential and hence capital appreciation; the funds raised then being invested as financial assets for higher income. Planning policy thus plays an important part in the investment reviews.

The Board is sensitive to the concerns of individual parishes as regards development of landholdings in their area but is required to balance this with the normal objective and commercial approach that any arms-length investor in property would apply including, where relevant, the Board’s desire to contribute to mitigating the shortage of local housing, the global impact of climate change, reducing the nation’s carbon emissions and moving to ‘net zero’.

The Board regularly reviews its investment policy.

Reserves policy

The reserves policy is designed to reflect the underlying risks facing the Board and ensure there is an appropriate level of reserves to safeguard the position of clergy in the Diocese and to provide support services for both clergy and parishes. The Board has considerable responsibilities including the remuneration of some 120 stipendiary clergy, the upkeep of approximately 155 houses and the employment of some 38 full or part time staff.

The Board holds a number of restricted and endowment funds that help to meet some of the costs of running the Diocese in respect of clergy stipends and clergy housing costs .

Designated reserves have also been established for missional projects and planned future requirements, particularly in relation to the Market Towns, and according to strategic plans. The Diocesan Pastoral Property reserve of £13.8m represents the net book value of tangible property fixed assets in use by the Diocese to house clergy (excluding those parsonages which are included within restricted reserves).

The Diocesan reserves at 31 December 2023 can be summarised as follows:-

Endowment Funds	Restricted	£ 155.2m
Restricted Reserves	Restricted	£ 18.3m
Designated Funds	Unrestricted	£ 15.2m
General Reserves	Unrestricted	£ 6.6m
Total Reserves		£ 189.3m

The Trustees consider the minimum level of free reserves annually – i.e. excluding restricted and designated reserves, required to support operations. Relevant factors include projected financial performance including cash flow requirements, the findings from risk management processes and an assessment of risks to income streams. The Board considered how it could continue to operate in the event of a critical loss of income as it is felt that this is where they are most at risk and therefore most vulnerable.

On that basis, the Trustees agree on a deliberately prudent approach to risk. The uncertainty of both ministry share and investment income and the turbulence of external factors mean that the Trustees feel that an operating reserve needs to provide a core service level plus the cost of an orderly wind down of operations under the most extreme circumstances. Therefore, the reserves policy is based on the scenario in which the Diocese is faced with a critical loss of income, making the continuation of the current model untenable, but in which the Trustees wish to continue to provide core clergy services and would need a minimum of six months to allow the time to adjust staffing levels appropriately and complete projects already in progress.

The Trustees have determined that the minimum required level of free reserves is £6.25m. On 31 December 2023, unrestricted reserves stood at £21.8m, of which £15.8m are held in tangible fixed assets, so the actual level of free reserves at this date was £6.0m.

While the actual reserves are slightly lower than the minimum required, the expectation is that in future, reserves will be in line with the required level. The requirement and underlying factors are considered annually, and the minimum reserves requirement is, therefore, expected to change over time.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees confirm that the major risks to which the Board is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures have been established to manage those risks. The trustees delegate to the Finance Committee the task of ensuring that risks are reviewed and managed as part of the risk management strategy. The Finance Committee has defined the risks in their areas, reported on the measures in place to manage and monitor these risks and implemented procedures and controls designed to minimise any potential impact on the Board should any of the risks materialise. A risk register has been compiled.

The Finance and Audit Committees review the risk register periodically and reports to trustees whether it is satisfied with its findings and makes recommendations as to areas for further work in subsequent years. The trustees review the risk register at least annually as part of the corporate risk management strategy. A summary of the major risks identified in the risk register are:

Ministry Share

The reliability and timing of the income received from local churches is voluntary in nature. The risk recognises the importance of Ministry Share, a voluntary income stream, which accounts for approximately 50% of the Ely Diocesan Board's overall income. It recognises the risks arising from a shortfall on Ministry Share and the need for continued generosity.

Mitigating policies are:

- The constant monitoring of financial strategies and costs; and
- The provision of individual support strategies for parishes which experience unforeseen temporary difficulties in meeting Ministry Share payments.

Potential disruption in the flow of investment income

The reliability and timing of income receivable from investments and tenants of Board land and properties; Investments are monitored closely and are held in balanced portfolios to reduce specific risk of overexposure to any single asset sectors and cashflows are reviewed regularly to highlight any potential discrepancy in the availability of funding.

Safeguarding

Safeguarding is a high priority for the Diocese. It is an area which has seen significant investment in capacity and resource in recent years. Safeguarding allegations have potential resource and reputational implications.

In response to this risk the Board has set in place policies to:

- Respond well to allegations of abuse and survivors including working effectively with statutory agencies;
- Keep levels of resource in the safeguarding team under review;
- Respond to national processes and seek to influence national policy guidance to avoid unintended consequences;
- Continue to deliver safeguarding training to improve awareness and responsiveness across the Diocese; and
- Learn from experience and seek to continually improve.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is organised as two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses, of which there are 41 in England.

Each diocese in England is divided into parishes. Each parish is overseen ecclesiastically by a parish priest if not an 'incumbent' (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish.

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

The Church of England is episcopally led. There are 108 bishops including diocesan, assistant, and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: The Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, today spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Pensions Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

The Cathedral

Ely Cathedral is the mother church of the Diocese and legally is constituted as a separate charity with Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Chapter Office, Ely Cathedral.

The information about General Synod, the Church Commissioners, the Archbishops' Council and Ely Cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements.

Organisational Structure

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation from across the diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan bishops and archdeacons. It comprises three houses; laity, clergy, and bishops.
Its role is to:

- Consider matters affecting the Church of England in the diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the bishop where requested;
- Deal with matters referred by General Synod; and
- provide for the financing of the diocese.

Bishop's Council (and Standing Committee of the Diocesan Synod)

Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion;
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the Diocesan Bishop on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

Deanery Synod

Deanery Synod has two houses, laity and clergy, and its role is to:

- Respond to requests from General Synod;
- Where appropriate, give effect to the decisions made by the Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

Parochial Areas

A benefice is a parish or group of parishes served by an incumbent or priest in charge in holy orders who as such is a church beneficiary and typically receives a stipend and the benefit of free occupation and use of a parsonage house at the behest of the Bishop for the purpose of carrying out spiritual duties.

A deanery is a group of parishes over which a rural dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

A diocese is then the principal pastoral and, by means of its Board of Finance, financial and administrative resource of the Church of England in the area, encompassing the various archdeaconries under the spiritual leadership of the Diocesan Bishop.

Parochial Church Council (PCC)

The PCC is the elected statutory governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church. The PCC is made up of the incumbent or priest in charge as chair, the churchwardens, and a number of elected and ex officio members. Each PCC is a corporate charity, but all those not exceeding £100,000 annual gross income are currently excepted from registration with the Charity Commission. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

Structure, governance and management

The Diocese of Ely was created in 1109 and covers an area of 1507 square miles with a population of approximately 725,000.

The Diocese is arranged as two Archdeaconries: Cambridge, comprising the southern part with seven deaneries, and Huntingdon and Wisbech in the northern part with eight deaneries. In total there are 316 parishes.

Diocesan governance

The Diocese is governed by Standing Orders approved in 1994 and subsequent amendments. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of ex officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, up to five persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Standing Committee - the Bishop's Council.

Company status

The company, Ely Diocesan Board of Finance (the Board), is established to manage the financial affairs and hold legal title to the assets of the Diocese. It was incorporated on 19 November 1915 as a charitable company limited by membership guarantees (No. 142183) and its governing documents are the Memorandum and Articles of Association. The Board is registered with the Charity Commission (No. 245456).

Each member of Diocesan Synod is also a member of the Board for company law purposes and has a personal liability limited to £1 under their guarantee as a company member in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council comprise the Board of trustees of the Board – they are its directors under company law.

Decision-making structure

Within the supervisory powers of the Diocesan Synod, as listed below, certain Diocesan functions (those italicised on page 11) under the heading 'Committee structure' are undertaken by the Board in pursuit of the Board's charitable objectives:

- Planning the business of Synod including the preparation of agendas and papers
- Initiation of proposals for action by the Diocesan Synod and provision of policy advice
- Transacting the business of the Diocesan Synod when not in session
- Management of the funds and property of the Diocese
- Preparation of annual estimates of expenditure
- Advising on action needed to raise the income necessary to finance expenditure
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod
- Carrying out any other functions delegated by Diocesan Synod.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary, (who acts as Company Secretary) who is supported by a number of heads of departments and their staff.

Committee structure

Bishop's Council is the Board of trustees and company directors. It consists of ten ex officio members, including the Diocesan Bishop and the Suffragan Bishop, the two Archdeacons, the Dean of Ely and the chair of the Finance Committee; six clergy elected by the house of clergy from among their number (on an Archdeaconry basis, three per Archdeaconry) and ten lay persons elected by the members of the house of laity representing deaneries (on an Archdeaconry basis, five per Archdeaconry); two of the seven Diocesan Representatives on General Synod and a maximum of five members nominated by the Diocesan Bishop.

Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which has delegated its authority under the Mission and Pastoral Measure 2011 to Archdeaconry Mission and Pastoral Committees.

The Board has the following sub-committees, each of which has written terms of reference:

Finance Committee, which is responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the trustees prior to submission to Diocesan Synod and monitors expenditure and income.

Audit Committee, established by the Directors / Trustees in 2016. The primary responsibility is to review the audit process the Diocese is subject to and the audited accounts produced. Its remit is wide ranging and can consider any area of the financial activities of the Diocese in an effort to identify inefficiencies, reduce costs, and otherwise achieve organizational objectives. The committee is also involved in risk management for the Diocese. Reporting directly to the directors / trustees, it consists of three members: one from the Finance Committee, one from the Deanery Liaison Group representing deaneries and parishes and one independent member with financial expertise from outside the Board.

The Audit Committee is also responsible for assisting the trustees in the discharge of their responsibilities for accounting policies, risk management, internal control, and financial reporting, including liaison with the auditors.

Assets Committee is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocese.

There are a number of Diocesan Synod statutory committees that, though not sub-committees of the Board, can influence the operations of the Board.

Houses Committee which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining, and disposing of all parsonage houses, team vicarages and houses owned by the Board.

Diocesan Advisory Committee for the Care of Churches which advises on matters affecting churches and places of worship, such as the granting of faculties, architecture, archaeology, art, and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Ely Diocesan Board of Patronage which is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

The Churches Uses Committee which is responsible for finding appropriate alternative uses for churches which have been, or are proposed to be, declared redundant.

Appointment of trustees

The trustees of the Board are the members of the Bishop's Council. See above for details of membership.

Trustees are given induction training when first appointed and receive ongoing training, as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the Diocese and an introduction to any special areas of the Diocese with which they will be working (e.g., Board of Education, Houses Committee). Trustees are encouraged to visit Diocesan operations.

Some senior staff may have job titles incorporating the title 'Director' but they are not directors of the company (for the purposes of company law) and so they do not count as 'charity trustees'.

In preparing the financial statements the trustees are required to:

- Select the most suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Follow applicable accounting standards and the SORP, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Grant-making (beneficiary-selection) policy

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (See note 11 to the financial statements). Grants are paid to other charitable projects which appear to the Board to support the furtherance of its objectives. (See note 11 to the financial statements).

Funds held as custodian trustee for others

The Board is the custodian trustee for trust investment assets with a market value of £20.9m on 31 December 2023. Detailed certificates of holdings were sent to parishes and other managing trustees of the respective charities at that date. The Board as custodian trustee also holds PCC property. Each PCC is a separate charity. The assets are held separately from those of the Board.

Fundraising practices and performance

The Trustees are aware of the Charities (Protection and Social Investment) Act 2016 and support the aims of this legislation. The DBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The Diocese considers the origin of unsolicited donations and legacies. In 2023 the DBF did not engage with independent professional fundraisers and did not receive any complaints in relation to fundraising or raise any matter with regulators.

Related parties

General Synod, church Commissioners and Archbishops' Council

The Board has to comply with Measures (i.e. ecclesiastical legislation with the same force as an Act of Parliament) passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the bishops are borne by the Church Commissioners and are reflected in the financial statements as costs funded by grants received from the Church Commissioners.

Parochial Church Councils (PCCs)

The Board is required by Measure to be custodian trustee in relation to PCC property (excluding ecclesiastical buildings), but the company has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Subsidiary undertakings

The Board has the following subsidiary undertakings, the turnover, expenditure, and profit / (loss) for 2023 for each of the non-charitable subsidiaries was as follows:

	Income	Expenditure	Profit/(loss)
	£'000	£'000	£'000
Ely DBF Property Limited (05957128)	-	(7)	(7)
Ely Diocesan Schools Services Limited (05037336)	17	(22)	(5)

Each subsidiary intends to gift any taxable profits to the Diocese within 9 months of the financial year end.

Pension Schemes

Clergy Pension Fund
The Board participates in the Church of England Funded Pension Scheme.

The Church of England Funded Pension Scheme is a defined benefit scheme, but the Board is unable to identify its share of the underlying assets and liabilities – each employer in that Scheme pays a common contribution rate. The latest valuation of the Scheme was carried out as of 31 December 2018.

For Schemes such as the Church of England Funded Pension Scheme, Section 28 of FRS 102 requires the Board to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Church of England Defined Benefits Scheme
The Board participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers' Pensions Fund.

The Board is unable to identify its share of the underlying assets and liabilities – each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The most recent finalised valuation of the fund was at 31 December 2022. The DBS pension scheme was in surplus at this date and since the year end a decision has been taken to close the DBS Scheme and transfer the remaining 6 employees to Churchworkers Classic Scheme.

Church of England Defined Contribution Scheme
The Board participates in the Church of England Pension Builder Classic Scheme, a defined contribution scheme known as a 'With-Profits - Deferred Annuity' pension scheme.

Further details are contained in note 26 to the financial statements.

TRUSTEE REPONSIBILITIES

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 that 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 affairs of the Board and of the surplus or deficit of the Board 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 Board and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Board 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 on the Board's website. Legislation in England and Wales governing the preparation and dissemination of the financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

As far as the trustees are aware:

- There is no relevant audit information of which the charitable company’s auditors are unaware, and
- 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 auditors are aware of that information.

ADMINISTRATIVE DETAILS

In accordance with the companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2015) (second Edition, effective 1 January 2019), during the period from 1 January 2023 until the date of this report the Trustees and Directors were:

Bishop's Council

Bishops (ex officio)
The Rt Revd Stephen Conway (Bishop of Ely) (resigned 20 July 2023)
The Rt Revd Dagmar Winter (Bishop of Huntingdon)

Ex officio
The Very Revd Mark Bonney (Dean of Ely)
The Ven. Dr Alex Hughes (Archdeacon of Cambridge)
The Ven Richard Harlow (Archdeacon of Huntingdon & Wisbech)
The Revd Canon Sarah Gower (Chair of the House of Clergy)
Canon Simon Kershaw (Chair of the House of Laity)
Canon Tim Walters (Chair of the Board of Finance and the Finance Committee)

Elected for the Archdeaconry of Cambridge
The Revd Canon Anna Matthews (deceased 8 March 2023)
The Revd David Newton (resigned 3 January 2024)
The Revd Canon Dr Robert Mackley
Canon Peter Maxwell
Mr Steve Mashford (resigned 10 March 2023)
Mrs Sarah Robinson
Canon Elizabeth Taylor
Canon Dr Felicity Cooke

Elected for the Archdeaconry of Huntingdon and Wisbech
Mrs Elaine Levitt
Mr John Pigott
The Revd Canon Rebecca Dyball
The Revd Canon Jessica Martin
The Revd Iain Osborne (appointed 17 March 2023 and resigned 2 January 2024)
Canon Janet Perrett

Diocesan Representatives on General Synod
Mr Christopher Townsend
The Revd Canon James Blandford-Baker

Co-opted
Mr Francis Burkitt
Mr George Lynn (Chair of the Audit Committee)
Miss Lindsay Davies
The Revd Canon Brian Atling (appointed 2 January 2023)

Nominated by the Bishop
Canon Robert Needle

Diocesan Secretary
Canon Paul Evans – Company Secretary

Finance Committee

Canon Tim Walters (Chair)	The Revd Canon Sarah Gower	Mr Francis Burkitt
The Revd Canon Brian Atling (Vice Chair)	The Ven Dr Alex Hughes	The Revd Canon Simon Talbott
The Revd Canon Rebecca Dyball	The Ven Richard Harlow	Mr Donald Ashmore

Registered Office

Ely Diocesan Board of Finance, Diocesan Office
Etheldreda House
206 Wellington Road
Lancaster Way Business Park
Ely
Cambridgeshire
CB6 3NX
Telephone No.: 01353 652700

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Barclays Bank PLC
Corporate Banking
PO Box 885
Mortlock House
Vision Park
Histon
CB24 9DE

Solicitors

Lee Bolton Monier Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Investment managers - Listed investments

CCLA Investment Management Ltd (CCLA)
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Eden Tree Investment Management
24 Monument St.
London
EC3R 9AJ
Reg Office
Beaufort House
Brunswick Road
Gloucester GL1 1JZ

Rathbone Investment Management
8 Finsbury Circus
London
EC2M 7EZ
and at
Port of Liverpool Building, Pier Head
Liverpool
L3 1NW

Investment managers – Glebe Property Agents

Carter Jonas LLP
6-8 Hills Road
Cambridge
CB2 1NH

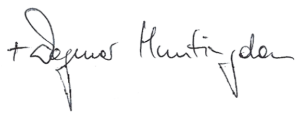
Joliffe Daking LLP
25 Broadway
Peterborough
PE1 1SQ

Maxey Grounds & Co LLP
24 Market Place
March
PE15 9JH

The Trustees' Annual Report, which incorporates the Strategic Report, was approved by Order of the Board:

……..
The Revd Canon Brian Atling
(Diocesan Secretary)

Date:……26 September 2024…….



……
The Rt Revd Dr Dagmar Winter
(Bishop of Huntingdon)

Date:……26 September 2024……

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELY DIOCESAN BOARD OF FINANCE

FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of the Ely Diocesan Board of Finance for the year ended 31 December 2023 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated 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 group and of the parent charitable company's affairs as at 31 December 2023 and of the group and parent 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group'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 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 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 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 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 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 parent charitable company; or
- the parent 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 13, 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 group and parent 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 group or parent 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.
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.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), 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, the Charities Act 2011 and Church of England Measures.
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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.

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: 27 September 2024

10 Queen Street Place
London
EC4R 1AG

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted General Funds 2023 £'000	Unrestricted Designated Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income and endowments from:							
Donations	2						
Ministry Share		5,771	-	-	-	5,771	5,496
Archbishops' Council		275	234	222	-	731	600
Other donations		91	-	225	-	316	687
Charitable activities	3	295	-	-	-	295	423
Other Activities	4	254	-	-	-	254	348
Investments	5	1,240	-	2,114	-	3,354	3,102
Other	6	20	-	-	187	207	1,762
		7,946	234	2,561	187	10,928	12,418
Expenditure on							
Raising Funds	7	242	-	-	368	610	355
Charitable activities	8	7,727	936	2,721	-	11,384	10,741
		7,969	936	2,721	368	11,994	11,096
Net income/(expenditure) before investment gains		(23)	(702)	(160)	(181)	(1,066)	1,322
Net gains on investment		956	(1)	228	10,575	11,758	(3,681)
Net income		933	(703)	68	10,394	10,692	(2,359)
Transfers between funds		(504)	493	(1,810)	1,821	-	-
Gain/(loss) on revaluation of fixed assets		-	-	-	3,655	3,655	(1,645)
Net movement in funds		429	(210)	(1,742)	15,870	14,347	(4,004)
Reconciliation of funds							
Total funds at 1 January 2023		6,192	15,384	20,032	139,398	181,006	185,010
Total funds at 31 December 2023		6,621	15,174	18,290	155,268	195,353	181,006

All income and expenditure relate to continuing activities.

The notes on pages 23-47 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

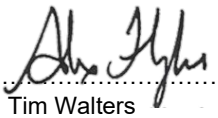
	Total funds 2023 £'000	Total funds 2022 £'000
Total income	10,928	12,418
Total expenditure	11,994	11,096
Operating surplus/(deficit)	(1,066)	1,322
Net gains / (losses) on investment	11,758	(3,681)
Net income/(expenditure) for the year	10,692	(2,359)
Other comprehensive income:		
Gains / (losses) on revaluation of fixed assets	3,655	(1,645)
Net transfers from endowments	-	-
Total comprehensive income/(expenditure)	**14,347**	**(4,004)**

In accordance with Companies Act requirements this statement presents a summary of the movement on non-endowed funds in the financial year.

ELY DIOCESAN BOARD OF FINANCE
BALANCE SHEETS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Charity	
		2023	2022	**2023**	2022
		£'000	£'000	**£'000**	£'000
Fixed Assets					
Tangible assets	14	**105,901**	99,181	**105,901**	99,181
Investments	15	**87,540**	81,160	**86,189**	79,918
		193,441	180,341	**192,090**	179,099
Current Assets					
Stock		**762**	729	**-**	-
Assets held for sale		**3,200**	-	**3,200**	-
Debtors	16	**1,785**	1,923	**2,594**	2,670
Cash at bank and in hand		**1,987**	2,639	**1,767**	2,068
		7,734	5,291	**7,561**	4,738
Current Liabilities					
Creditors: amounts falling due within one year	17	**2,947**	3,378	**2,637**	3,005
Net Current Assets		**4,787**	1,913	**4,924**	1,733
Total assets less current liabilities		**198,228**	182,254	**197,014**	180,832
Creditors: amounts falling due after more than one year					
Loan	18	**1,500**	**-**	**1,500**	-
Provisions for liabilities and charges	19	**1,375**	**1,248**	**1,375**	1,248
Net Assets		**195,353**	**181,006**	**194,139**	179,584
Represented by:					
Endowment funds	24	**155,268**	139,398	**155,268**	139,398
Restricted income funds	23	**18,290**	20,032	**17,066**	18,913
Unrestricted income funds					
General funds	22	**6,250**	5,674	**6,260**	5,371
Retreat House	22	**371**	518	**371**	518
Designated funds	22	**15,174**	15,384	**15,174**	15,384
		21,795	21,576	**21,805**	21,273
Total Funds		**195,353**	181,006	**194,139**	179,584

These financial statements were approved by the Board of Trustees on 26 September 2024, and signed on its behalf by:



…… ……

The Revd Canon Brian Atling (Diocesan Secretary)

Canon Tim Walters (Chair of Finance Committee)

The notes on pages 23-47 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £'000		*2022* £'000	
Net cash flow from operating activities (A)		(7,193)		1,424
Cash flows from investing activities				
Dividends, interest, and rent from investments	3,349		2,659	
Proceeds from the sale of:				
Tangible fixed assets	5,709		4,918	
Fixed asset investments	5,919		4,921	
Assets held for resale	-		-	
Purchase of:				
Tangible fixed assets	(6,500)		(3,245)	
Fixed asset investments	(1,936)		(9,724)	
Net cash provided by investing activities		6,541		(471)
Cash flows from financing activities				
Loans repaid	-		-	
Net cash provided by/(used in) financing activities		-		-
Change in cash and cash equivalents in the year		(652)		953
Cash and cash equivalents as at 1 January 2023		2,639		1,686
Cash and cash equivalents as at 31 December 2023		1,987		2,639

A: Reconciliation of net movements in funds to net cash flow from operating activities

	2023 £'000	2022 £'000
Net movement in funds for the year-ended 31 December	14,347	(4,004)
Adjustments for:		
Depreciation	17	18
Gain/(loss) on revaluation of property and investments	(11,963)	9,834
Gain on disposal of fixed assets	(5,919)	(1,522)
Interest and dividends receivable	(3,349)	(2,659)
Repayment of loans advanced	-	-
(Increase)/decrease in stock	(33)	10
(Increase)/decrease in debtors	138	(137)
Increase/(decrease) in creditors	(431)	(230)
Decrease in pension fund liability	-	(23)
Increase in provisions	-	137
Net cash flow from operating activities	(7,193)	1,424

B: Analysis of cash and cash equivalents

	2023 £	*2022* £
Cash at bank and in hand	1,987	2,639
Central Board of Finance for parish loans	-	-
	1,987	2,639

1. Accounting policies

Ely Diocesan Board of Finance is a company limited by guarantee (company number 142183), and a charity (number 245456) registered in England & Wales, and governed by its Memorandum and Articles of Association. Its registered office is given on the administrative details page in the Strategic Report.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ely Diocesan Board of Finance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

Review of the financial position of the Board, reserves levels, and future plans together with the expected future cash flows gives Trustees a reasonable expectation that the charity remains a going concern for the foreseeable future. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Group financial statements
The financial statements consolidate the results of the charity and its wholly owned subsidiaries Ely Diocesan Schools Services Limited and Ely DBF Property Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The surplus of the parent charity was £8,515k (2022: £4,179k).

Income recognition
All income is recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

i) **Ministry Share** is recognised as income of the year in respect of which it is receivable.
ii) **Rent receivable** is recognised as income in the period with respect to which it relates.
iii) **Interest and dividends** are recognised as income when receivable.
iv) **Parochial fees** are recognised as income of the year to which they relate
iv) **Donations** other than grants are recognised when receivable.
v) **Gains on disposal of fixed assets for the Board's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
vi) **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.

1. Accounting policies (continued)

Expenditure
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

i) **Costs of raising funds** are constrained to 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, including the Diocesan Retreat House, and expenditure on education and Church of England schools in the Diocese.
iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
iv) **Support costs** consist of central management, administration, and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
v) **Pension contributions**. The Board's staff are members of the Church Workers Pension Fund and clergy are members of the Church of England Funded Pensions Scheme (see note 30). The pension costs charged as expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the clergy pension scheme to which the Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs
Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

Investments
Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Fixed assets
Freehold and leasehold properties for the charity's own use
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 Board has a policy of regular structural inspection, repair, and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value Is not more than the recoverable amount. These properties are included at cost.

1. Accounting policies (continued)

Fixed assets (continued)

Schools

The Board does not recognise the value of its reversionary interest in the assets of active schools and, in the case of closed schools, only when the ultimate proceeds of disposal have been received.

Parsonage houses

The Board has followed the requirements of FRS102 in its accounting treatment for benefice houses (personages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value, calculated by using the midpoint of the council tax banding as adjusted by a published index to reflect changes since the last valuation.

Other tangible fixed assets

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Furniture & equipment	12.5-33% per annum straight line
Leasehold improvements	life of lease
Freehold properties	Not Depreciated

A full year of depreciation is charged in the year of addition for all furniture and equipment assets.

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Cash

Cash at bank and cash in hand includes cash and 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.

Creditors

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity 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 recognised at transaction price.

Stock and work in progress

Stock and work in progress is valued at the lower of cost and estimated selling price less costs to complete and sell.

Funds

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

- Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:
  - General funds which the Board intends to use for the general purposes of the Board; and
  - Designated funds set aside out of unrestricted funds by the Board for a purpose specified by the trustees.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

- Endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.

"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 Board acts merely as custodian trustee with no control over the management of the funds, are not included in the financial statements but are summarised in the notes to the financial statements.

Pension scheme
The Diocese participates in two defined benefit pension schemes to provide pension benefits based on final pensionable pay, namely the Church of England Funded Pensions Scheme (clergy) and the Church of England Defined Benefits Scheme part of the Church Workers Pension Fund. The Diocese also participates in the Church of England Pension Builder Scheme (formerly known as Defined Contributions Scheme) part of the Church Workers Pension Fund. Details of the schemes are set out in note 26.

The pension costs charged as expenditure represent the Diocese's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Diocese participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Judgements and estimates
In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements

Valuation of Freehold properties and parsonage houses:

All team vicarages and parsonage houses are revalued to their fair value annually using valuations calculated using indexed council tax bandings.

Valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes:

These liabilities are revalued at each year end using discount rates which are reassessed annually.

Residual values of Freehold properties:

The Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

Sources of estimation uncertainty

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. Income from donations

	Total 2023 £'000	Total 2022 £'000
Ministry share		
Current year's allocation net of discounts and rebates	5,709	5,492
Arrears for previous years	62	4
	5,771	5,496

Total ministry share receipts represent 94.9% (2022: 95.1%) of the allocation.

All ministry share income is unrestricted.

	Unrestricted 2023 £'000	Restricted 2023 £'000	Total 2023 £'000	Total 2022 £'000
Archbishops' Council				
Chancellor and Registrar	52	-	52	47
Market Towns funding (SDF)	134	-	134	-
Curates Funding (SMF)	223	-	223	138
Barnwell innovation funding (SIF)	100	-	100	-
RME grant	-	222	222	415
	509	222	731	600

In 2022, all income was unrestricted.

	Unrestricted 2023 £'000	Restricted 2023 £'000	Total 2023 £'000	Total 2022 £'000
Other donations				
Benefact Trust grant	90	-	90	103
Furlough Grants	-	-	-	-
Donations	1	225	226	584
	91	225	316	687

In 2022, £516k of income was unrestricted, £171k was restricted.

3. Income from charitable activities

	Total 2023 £'000	Total 2022 £'000
Assigned fees	295	323
Unassigned fees	-	-
Retreat House	-	100
	295	423

All income from charitable activities was unrestricted in both the current and prior year.

4. Income from other activities

	Total 2023 £'000	Total 2022 £'000
Rental income from vacant parsonages	254	348
	254	348

All income from other activities is unrestricted.

5. Income from investments

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000
Investment income	731	2,114	-	2,845
Glebe rents receivable	446	-	-	446
Interest received	63	-	-	63
	1,240	2,114	-	3,354

Comparative analysis for 2022

	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Funds 2022 £'000	Total Funds 2022 £'000
Investment income	697	1,946	-	2,643
Glebe rents receivable	443	-	-	443
Interest received	16	-	-	16
	1,156	1,946	-	3,102

6. Other income

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Gain/(losses) on sale of properties	-	-	-	-	1,522
Other income	12	-	-	12	240
Sundry income	8	-	187	195	-
	20	-	187	207	1,762
TOTAL INCOME	**8,180**	**2,561**	**187**	**10,928**	**12,418**

In 2022, £1,538k of other income was unrestricted, £124k was restricted and £82 was endowed

7. Expenditure on raising funds

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000
Let houses expenses	41	-	-	41
Glebe management costs	115	-	151	266
Investment managers costs	86	-	217	303
	242	*	368	610

Comparative analysis for 2022

	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Funds 2022 £'000	Total Funds 2022 £'000
Let houses expenses	76	-	-	76
Glebe management costs	109	-	7	116
Investment managers costs	-	62	101	163
	185	62	108	355

8. Expenditure on charitable activities

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000
Contributions to Archbishops' Council				
Training for the Ministry	277	-	-	277
National Church Responsibilities	191	-	-	191
Church's Housing Assistance for Retired Ministry	110	-	-	110
Mission agency pension contributions	9	-	-	9
	587	-	-	587
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance & pensions	2,532	1,848	-	4,380
Housing costs	1,795	131	-	1,926
Ministry selection and training	1,490	-	-	1,490
Clergy support	582	18	-	600
Other expenses	55	203	-	266
	6,462	2,200	-	8,662
Support for ministry in parishes	1,259	-	-	1,259
Retreat House	167	-	-	167
Tree works	165	-	-	165
	8,053	2,200	-	10,253
Expenditure on education				
Support for church schools	23	521	-	544
Total charitable activities	**8,663**	**2,721**	**-**	**11,384**

8. Expenditure on charitable activities (continued)

Comparative analysis for 2022	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Funds 2022 £'000	Total Funds 2022 £'000
Contributions to Archbishops' Council				
Training for the Ministry	277	-	-	277
National Church Responsibilities	193	-	-	193
Church's Housing Assistance for Retired Ministry	104	-	-	104
Mission agency pension contributions	12	-	-	12
	586	-	-	586
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance & pensions	2,762	1,619	-	4,381
Housing costs	1,587	-	-	1.587
Ministry selection and training	1,429	412	-	1,841
Clergy support	506	-	-	506
Other expenses	29	4	-	33
	6,313	2,035	-	8,348
Support for ministry in parishes	1,259	-	-	1,259
Retreat House	35	-	-	35
	69	-	-	69
	7,676	2,035	-	9,711
Expenditure on education				
Support for church schools	24	420	-	444
I charitable activities	8,286	2,455	-	10,741

9. Analysis of expenditure including allocation of support costs

	Activities undertaken directly 2023 £'000	Grant funding of activities 2023 £'000	Support costs 2023 £'000	Total Funds 2023 £'000
Raising funds	610	-	-	610
Charitable activities				
Contributions to Archbishops' Council	-	587	-	587
Resourcing parish ministry	8,400	775	919	10,094
Education	469	-	52	521
Retreat House	182	-	-	182
	9,661	1,362	971	11,994

Comparative analysis for 2022	*Activities undertaken Directly* 2022 £'000	*Grant funding of activities* 2022 £'000	*Support Costs* 2022 £'000	*Total Board Funds* 2022 £'000
Raising funds	355	-	-	355
Charitable activities				
Contributions to Archbishops' Council	-	586	-	586
Resourcing Parish Ministry	8,821	-	855	9,676
Education	444	-	-	444
Retreat House	35	-	-	35
	9,655	586	855	11,096

10. Analysis of support costs

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Total Funds 2023 £'000
Central administration	642	-	642
Support for School		52	52
Governance:			
External audit	71	2	73
Registrar and Chancellor	189	-	189
Synodical costs	15	-	15
	917	54	971

Comparative analysis for 2022	*Unrestricted Funds 2022 £'000*	*Restricted Funds 2022 £'000*	*Total Funds 2022 £'000*
Central administration	576	-	576
Support for School	-	129	129
Governance:			
External audit	29	-	29
Registrar and Chancellor	121	-	121
	726	129	855

11. Analysis of grants made

	Number of grants	Individuals 2023 £'000	Institutions 2023 £'000	Total 2023 £'000
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	572	572
From unrestricted funds:				
PCCs for Church inspection fees	56	-	41	41
Ordinands in training	11	135	-	135
PCCs for Faculty fees	101	-	16	16
Continuing ministerial training	30	11	-	11
	198	146	57	203
Total	203	146	629	775

	Number of grants	*Individuals* 2022 £'000	*Institutions* 2022 £'000	*Total* 2022 £'000
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	586	586
From unrestricted funds:				
PCCs for Church inspection fees	76		50	50
Ordinands in training	16	149	-	149
PCCs for Faculty fees	82	-	10	10
Diocese Mission Projects	-	-	-	-
Continuing ministerial training	31	7	-	7
	205	156	60	216
Total	210	156	646	802

12. Net income for the year

	Total 2023 £'000	*Total 2022 £'000*
Net income for the year is stated after charging:		
Depreciation	17	18
Auditors' remuneration	40	*37*

13. Staff Costs

	Total 2023 £'000	*Total 2022 £'000*
The aggregate costs of staff were:		
Wages and salaries	1,673	1,469
Social security costs	175	161
Pension contributions	165	170
	2,013	1,800

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

	2023	*2022*
Resourcing ministry and mission	34	31
Schools fund	4	4
	38	35

There were 4 members of staff whose emoluments (excluding pension contributions) amounted to between £60,001 and £70,000, 1 between £80,001 and £90,000 and 1 between £180,001 and £190,000. (2022 - there were 2 members of staff whose emoluments (excluding pension contributions) amounted to between £60,001 and £70,000, 1 between £70,001 and £80,000 and 1 between £120,001 and £130,000). Pension payments of £79,120 (2022 - £40,424) were made for these employees.

Remuneration of key management personnel
Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing, and controlling the activities of the Diocese. During 2023 they were:

Diocesan Secretary	Mr Paul Evans
Financial Controller	Mrs Lorraine Orbell
Head of Church Buildings and Pastoral	Mr Geoffrey Hunter
Deputy Director of Education	Mrs Sarah Conant
Deputy Director of Mission and Ministry	The Revd Peter Leech
Director of Education, Mission & Ministry	Mr Andrew Read

Remuneration, termination payments and pensions for these 6 employees amounted to £618,447 including termination payments of £50,000 (2022: 4 employees £365,796).

Trustees' emoluments
No trustee received any remuneration for services as trustee. Two trustees received travelling and out of pocket expenses, totalling £5,555 (2022 - £6,438 in respect of Bishop's Council duties.

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

	Stipend	Housing
The Ven Dr Alex Hughes	Yes	Yes
The Ven Richard Harlow	Yes	Yes
The Revd Sarah Gower	Yes	Yes
The Revd David Newton	Yes	Yes
The Revd Rebecca Dyball	Yes	Yes
The Revd Canon James Blandford-Baker	Yes	Yes
The Revd Iain Osborne	Yes	Yes
The Revd Canon Dr Robert Mackley	Yes	Yes

13. Staff costs (continued)

The EDBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. The EDBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Suffragan Bishop but excluding the Diocesan Bishop and cathedral staff.

The EDBF paid an average of 98 (2022: 100) stipendiary clergy (excluding curates) as office-holders holding parochial or Diocesan appointments in the Diocese and the costs were as follows:

	2023 £'000	***2022 £'000***
Stipends	2,688	2,532
National Insurance contributions	227	202
Pension costs – current year	643	870
Pension costs – deficit reduction	0	(127)
Other costs	7	70
	3,565	3,547

The stipends of the two Bishops were paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and the Suffragan Bishop are funded by the Church Commissioners and are in the range £38,050- £48,972 (2022 range £37,670 - £46,640). The annual rate of stipend, funded by the EDBF, paid to Archdeacons in 2023 was in the range £37,198 - £40,565 (2022 range £36.830 - £38,633) and other clergy who were trustees were paid in the range £27,270 - £28,634 (2022 range £26,900 - £27,270).

The Diocese of Ely has estimated the value to the occupant, gross of income tax and national insurance, of church-provided housing for 2023/24 at £10,500 and for 2022/23 at £10,000.

14. Tangible Fixed Assets (Board and Consolidated)

	Board assets: Freehold properties £'000	**Team Vicarages £'000**	**Parsonage Houses £'000**	**Leasehold property improve-ments £'000**	**Furniture & equip-ment £'000**	**Assets under constr-uction £'000**	**Retreat House £'000**	**Total £'000**
Cost								
At 1 January	15,348	3,300	79,720	269	266	795	-	99,698
Additions	488	-	1,499	-	16	4,497	-	6,500
Disposals	-	-	-	-	-	(214)	-	(214)
Revaluation	-	(382)	4,037	-	-	-	-	3,655
Transfers	-	322	-	-	-	(322)	-	-
Transfers to current assets	-	-	(3,200)	-	-	-	-	(3,200)
At 31 December	15,836	3,240	82,056	269	282	4,756	-	106,439
Depreciation								
At 1 January	-	-	-	269	252	-	-	521
Charge for the year	-	-	-	-	17	-	-	17
Eliminated in disposal	-	-	-	-	-	-	-	-
At 31 December	-	-	-	269	269	-	-	538
Net book value								
At 31 December 2023	**15,836**	**3,240**	**82,056**	**-**	**13**	**4,756**	**-**	**105,901**
At 31 December 2022	15,348	3,300	79,720	-	14	795	-	99,177

14. Tangible Fixed Assets (continued)

Use of Fixed Assets
All of the Board's tangible fixed assets are used for direct charitable purposes with the exception of the investment glebe land, the leasehold property and some of the furniture and equipment which is used for management and administration.

Subsidiary Companies
Fixed assets represent an investment property held by Ely DBF Property Ltd.

Parsonages
Benefice houses are legally vested in incumbents as freeholders but the proceeds of any sale following a pastoral reorganisation belong to the Diocesan Pastoral Account. The Diocese is responsible for all upkeep and maintenance. As at 31 December 2022 the Diocese was responsible for 118 parsonage properties. Minor capital works of £130,778 (2022 £12,058) were not capitalised but charged against the Pastoral Account. The deemed cost of the parsonages is £28.68m. .

Team Vicarages
Together with subsequent purchases less sales, there are now vested in the Board 5 team vicarages. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. The deemed cost of the team vicarages is £728k.

15. Investments	**Group**		**Board**	
	2023	***2022***	**2023**	**2022**
	£'000	***£'000***	**£'000**	**£'000**
At 1 January 2023	81,160	84,543	79,918	83,238
Additions	1,936	9,724	1,932	9,638
Disposals	(5,919)	(4,921)	(5,919)	(4,921)
Gains and losses	10,372	(8,186)	10,267	(8,037)
Exchange differences	(9)	-	(9)	-
Carried forward	87,540	81,160	86,189	79,918

Investment assets include both Glebe land and Schools Fund investment properties, which had been classified as Fixed Assets in previous financial statements however are held for investment purposes.

Invested in:	**Group**		**Charity**	
	20223	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Central Board of Finance (CCLA):				
Investment fund	30,469	27,352	30,469	27,352
Property fund	3,764	4,011	3,764	4,011
Global markets fund	10,106	8,794	10,106	8,794
Deposits	2,630	7,296	2,540	7,210
N W Brown Investment Managers				
Investment fund	-	8,816	-	8,816
Deposits	-	220	-	220
Edentree				
Investment Fund	9,624	8,862	9,624	8,862
Rathbones investments				
Investment funds	18,835	9,018	18,835	9,018
Deposits	357	1,023	357	1,023
Investment property				
Glebe	10,050	4,166	10,050	4,166
Schools Fund	437	437	437	437
Other	37	37	-	-
Other investments	7	9	7	9
Subsidiary trusts	1,224	1,119	-	-
Total investments	87,540	81,160	86,189	79,918

15. Investments (continued)

Subsidiary Trusts
Trusts where the Board is both the custodian and the beneficiary.

Glebe Land
Under the provisions of the Endowments and Glebe Measure 1976, the ownership of glebe land was transferred to the Board from 1 April 1978. Together with subsequent purchases less sales, there are now vested in the Board 5,099 acres of glebe land. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. It is not possible to calculate the cost of the Glebe land.

Subsidiary companies
The Board owns 100% of the issued share capital of Ely Diocesan Schools Services Limited (Company Number: 05037336) and Ely DBF Property Limited (Company Number: 05957128), companies incorporated in England, whose principal activities are those of providing project management services to schools and construction, and property development, respectively. Both entities have the same registered office as the parent charity. The cost of these investments is £2.

The results for the year for the trading subsidiaries are as follows:

	Ely DBF Property Limited £	Ely Diocesan Schools Services Limited £
Income	1,521,605	17,110
Expenditure	(1,205,700)	(23,739)
(Loss)/Profit for the year	315,905	(6,629)
Fixed assets	37,214	85,833
Net current (liabilities)/assets	278,691	(92,462)
Net (liabilities)/assets	315,905	(6,629)

16. Debtors

	Group		Board	
	2023 £'000	***2022 £'000***	**2023 £'000**	***2022 £'000***
Ministry share	507	728	507	728
Other debtors	1,105	1,136	1,100	1,129
Prepayments and accrued income	173	59	180	46
Loans to parishes	-	-	-	-
Due from subsidiary companies:				
Ely Diocesan School Services Limited	-	-	27	27
Ely DBF Property Limited	-	-	780	740
	1,785	1,923	2,594	2,670

Loans to parishes do not include any debtors due after more than one year.

17. Creditors: amounts falling due within one year

	Group		Board	
	2023 £'000	***2022 £'000***	**2023 £'000**	***2022 £'000***
Central Board of Finance for parish loans	-	-	-	-
Other creditors	1,451	1,563	1,164	1,219
School governing bodies	550	748	550	748
Accruals and deferred income	946	1,067	923	1,038
	2,947	3,378	2,637	3,005

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

	Group		Board	
	2023 £'000	*2022 £'000*	2023 £'000	*2022 £'000*
Loans	1,500	-	1,500	-

The loan taken out in the year with Rathbones Investment Management Ltd, is repayable in 2028 and attracts interest at base rate + 2.5%. It is secured on the charity's listed investments.

19. Provisions for liabilities and charges

	Group		Board	
	2023 £'000	*2022 £'000*	2023 £'000	*2022 £'000*
Parsonage housing repairs	1,340	1,214	1,340	1,214
Restructuring	35	34	35	34
	1,375	1,248	1,375	1,248
The movement on provisions is as follows:				
Balance at 1 January 2023	1,248	1,111	1,248	*1,111*
Provision used during the year				
Parsonage housing repair				
Restructuring	(241)	(443)	(241)	(443)
New provision in year –surveyors	368	580	368	580
Balance at 31 December 2023	1,375	1,248	1,375	1,248

20. Revaluation Reserve

	Group		Board	
	2023 £'000	*2022 £'000*	2023 £'000	*2022 £'000*
Balance at 1 January	84,665	94,931	84,814	94,931
Revaluation of fixed assets	3,655	(1,645)	3,655	(1,645)
Revaluation of investment assets	4,333	(8,621)	4,228	(8,472)
Balance at 31 December	92,653	84,665	92,697	84,814

21. Financial commitments

Total commitments under non-cancellable operating leases are as follows:

	Group and Board	
	2023 £'000	*2022 £'000*
Office equipment with payments falling due:		
Due within one year	-	1
Due in between one and five years	-	-
	-	1

22. Unrestricted funds

Board

	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2023 £'000
Designated funds							
Pastoral property reserve	13,342	-	-	-	-	493	13,835
Long term parsonage repair reserve	166	-	(63)	(63)	-	-	103
Tree Risk Management	181	-	(165)	(165)	-	-	16
Ely Church Buildings Partnership	200	-	-	-	-	-	200
Ely 2025 growth fund	52	-	(13)	(13)	-	-	39
Murrow Church	20	-	-	-	(1)	-	19
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,295	134	(580)	(446)	-	-	849
Barnwell	17	100	(115)	(15)	-	-	2
	15,384	234	(936)	(702)	(1)	493	15,174
Retreat House	518	-	(167)	(167)	20	-	371
General funds	5,371	8,221	(7,764)	457	936	(504)	6,260
	21,273	8,455	(8,867)	(412)	955	(11)	21,805

Group

	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2023 £'000
Designated funds							
Pastoral property reserve	13,342	-	-	-	-	493	13,835
Long term parsonage repair reserve	166	-	(63)	(63)	-	-	103
Tree Risk Management	181	-	(165)	(165)	-	-	16
Ely Churches Building Partnership	200	-	-	-		-	200
Ely 2025 growth fund	52	-	(13)	(13)	-	-	39
Murrow Church	20	-	-	-	(1)	-	19
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,295	134	(580)	(446)	-	-	849
Barnwell	17	100	(115)	(15)	-	-	2
	15,384	234	(936)	(702)	(1)	493	15,174
Retreat House	518		(167)	(167)	20	-	371
General funds	5,674	7,946	(7,802)	144	936	(504)	6,250
	21,576	8,180	(8,905)	(725)	955	(11)	21,795

22. Unrestricted funds (continued)

2022 comparatives: Board

	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2022 £'000
Designated funds							
Pastoral property reserve	10,371	-	-	-	-	2,971	13,342
Long term parsonage repair reserve	-	-	-	-	-	166	166
Tree Risk Management			(69)	(69)	-	250	181
Ely Churches Building Partnership				-		200	200
Ely 2025 growth fund	59	-	(7)	(7)	-	-	52
Murrow Church	20	-	-	-	-	-	20
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,179	295	(679)	(384)	-	500	1,295
Barnwell	(5)	118	(96)	22	-	-	17
	11,735	413	(851)	(438)	-	4,087	15,384
Retreat House	463	100	(35)	65	(10)	-	518
General funds	8,805	9,395	(8,146)	1,249	83	(4,766)	5,371
	21,003	9,908	(9,032)	876	73	(679)	21,273

2022 comparatives: Group

	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2022 £'000
Designated funds							
Pastoral property reserve	10,371	-	-	-	-	2,971	13,342
Long term parsonage repair reserve	-	-	-	-	-	166	166
Tree Risk Management			(69)	(69)	-	250	181
Ely Churches Building Partnership				-		200	200
Ely 2025 growth fund	59	-	(7)	(7)	-	-	52
Murrow Church	20	-	-	-	-	-	20
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,179	295	(679)	(384)	-	500	1,295
Barnwell	(5)	118	(96)	22	-	-	17
	11,735	413	(851)	(438)	-	4,087	15,384
Retreat House	463	100	(35)	65	(10)	-	518
General funds	8,780	9,149	(7,585)	1,564	97	(4,767)	5,674
	20,978	9,662	(8,471)	1,191	87	(680)	21,576

Pastoral Property Reserve
The Pastoral Property Reserve represents the amount invested in pastoral property.

Murrow Church
Funds held by the Board arising from the sale of the Chapel of Ease for the benefit of Murrow Church fabric.

Ely 2025 Growth Fund
This fund was consolidated to promote mission and ministry in accordance with the Diocese of Ely Strategy to 2025.

Hampton Church
Accumulated interest on the inter-group loans in relation to the Hampton Church build costs.

Market Towns
The aim of this project is to make real in the Diocese of Ely's market towns, the Church of England's commitment to be a Christian presence everywhere. It seeks by grace to transform that presence from one which is declining and diminishing to one which is fit to engage fully and courageously with these communities in times of challenge and change.

Barnwell
The aim of this innovative project is for a church plant on an urban estate to effectively minister to young people through the delivery of sports ministry – delivered by trained sports ministers.

Ely Church Buildings Partnership
It seeks not only to offer an alternative for churches which would otherwise have to close, but also to support open churches where management and maintenance are being neglected due to lack of capacity in the Parochial Church Council.

Tree Risk Management
There needed to be active management of trees on Diocesan property in terms of inspection and then working on or removing trees that could potentially pose a danger to life or property or third-party property.

23. Restricted funds

Board	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2023 £'000
Diocesan Pastoral Account	18,586	105	(130)	(25)	115	(1,926)	16,750
Diocesan Stipends Fund Income Account	-	1,848	(1,848)	-	-	--	-
New Churches Fund	61	-	-	-	--	-	61
Clergy Well-being fund	141	5	(18)	(13)	8	-	136
RME Fund	49	222	(203)	19	-	-	68
Schools fund	76	381	(522)	(141)	-	116	51
	18,913	2,561	(2,721)	(160)	123	(1,810)	17,066

Group	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2023 £'000
Diocesan Pastoral Account	18,586	105	(130)	(25)	115	(1,926)	16,750
Diocesan Stipends Fund Income Account	-	1,848	(1,848)	-	-	-	-
New Churches Fund	61	--	-	-	-	-	61
Clergy Well-being fund	141	5	(18)	(13)	8	-	136
RME Fund	49	222	(203)	19	-	-	68
Schools fund	76	381	(522)	(141)	-	116	51
Subsidiary trusts	1,119	-	-	-	105	-	1,224
	20,032	2,561	(2,721)	(160)	228	(1,810)	18,290

23. Restricted funds (continued)

2022 comparatives

Group	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2022 £'000
Diocesan Pastoral Account	13,971	230	(19)	211	622	3,782	18,586
Diocesan Stipends Fund Income Account	-	1,619	(1,619)	-	-	-	-
New Churches Fund	61	-	-	-	--		61
Clergy Well-being fund	150	3	-	3	(12)	-	141
RME Fund	34	415	(400)	15	-		49
Schools fund	132	346	(419)	(73)	-	17	76
Subsidiary trusts	1,268	61	(60)	1	(150)	-	1,119
	15,616	2,674	(2,517)	157	460	3,799	20,032

Diocesan Pastoral Account

The purposes are laid down in the Mission and Pastoral Measure 2011 and mainly relate to:

- Costs incurred for the purposes of the Measure, or any scheme or order made under the Measure, except for salaries of regular Diocesan employees;
- Costs of disposing of or maintaining houses or churches vested in the Board or Commissioners;
- Costs incurred for the benefit of another diocese(s); and
- Transfers to the Diocesan Stipend Fund Capital or Income Accounts.

Where monies are not required for the above, they may be considered for other purposes of the Diocese. Board properties are funded from the Diocesan Pastoral Account (DPA). When such properties are sold, the proportion of proceeds equal to the sums used to purchase the property are transferred to the DPA. Any surplus realised from the sale of the property is, at the Board's discretion, transferred into the DPA, or transferred to an existing or new designated fund of the Board.

Diocesan Stipends Fund Income Account

Subject to any charges imposed by scheme or order the Fund shall be applied to:

- Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese;
- Meet expenses incurred in repairing and maintaining parsonage houses;
- Pay secondary Class 1 contributions in respect of ministers not employed under a contract of service; and
- Defray sequestrators' expenses.

New Churches Fund

This fund is used to fund the establishment of new church buildings

Anthony Edward Brookes Fund for the Well-being of the Clergy (Clergy Well-Being Fund)

This fund is for the benefit of the well-being of clergy.

RME Fund

Upon receipt of the Block Grant from the Archbishops' Council, the Diocese must pay it into the Resourcing for Ministerial Education (RME) Fund for ministerial education training for the ordinands they sponsor. The Block Grant can only be spent on Initial Ministerial Education pathways, which have been approved by Ministry Division at accredited Theological Education Institutions (TEIs).

24. Expendable Endowments

Board and Group

	At 1 January 2023 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2023 £'000
Stipends Capital Fund	47,587	-	(217)	(217)	4,208	(48)	51,530
Glebe	4,167	-	(151)	(151)	5,987	48	10,051
Team Vicarage Fund	3,301	-	-	-	(382)	322	3,241
Parsonage Houses Fund	79,718	-	-	-	4,037	1,499	85,254
Schools Fund	4,625	187	-	187	380	-	5,192
	139,398	187	(368)	(181)	14,230	1,821	155,268

2022 Comparatives

	At 1 January 2022 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2022 £'000
Stipends Capital Fund	51,257	82	(102)	(20)	(3,769)	119	47,587
Glebe	4,319	-	(6)	(6)	(27)	(119)	4,167
Team Vicarage Fund	3,182	-	-	-	119	-	3,301
Parsonage Houses Fund	84,601	-	-	-	(1,764)	(3,119)	79,718
Schools Fund	5,057	--	-	-	(432)	-	4,625
	148,416	82	(108)	(26)	(5,873)	(3,119)	139,398

Stipends Capital Fund, Glebe, and Team Vicarage Fund

These are capital funds held under the terms of the Endowments and Glebe Measure 1976 and the Miscellaneous Provisions Measure 1992 and principally comprise freehold properties and shares in the CBF

Investment Fund, CBF Property Fund and the CBF Deposit Fund. Together they form the Diocesan Stipends Fund. Receipts arise mainly from the sale of glebe properties, grants of easement, and variations of restricted covenants.

Parsonage Houses Fund

This Fund represents the stock of parsonage houses, i.e. houses held as benefice property for occupation by incumbents. A parsonage house is required for each benefice and the funding of improvements and new and replacement parsonage houses is the responsibility of the Board.

Schools Fund

The income of these funds primarily represents income investments and donations. The fund balance is made up of the proceeds from closed schools and donations and is used primarily towards improvement costs at church voluntary aided schools.

During the year, the Schools Fund expended £74,539 on projects as agent for the schools' governing bodies.

25. Analysis of net assets between funds

Funds at 31 December 2023 are represented by:

Board

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	15,849	4,136	85,916	105,901
Investments	19,617	1,797	64,775	86,189
Net current assets / (liabilities)	1,650	(7)	3,281	4,924
Non-current liabilities	-	-	(1,500)	(1,500)
Provisions	(1,375)	-	-	(1,375)
	35,741	5,926	152,472	194,139
Interfund borrowing	(13,936)	11,140	2,796	-
Net assets	21,805	17,066	155,268	194,139

Group

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	15,849	4,136	85,916	105,901
Investments	19,744	3,021	64,775	87,540
Net current assets / (liabilities)	1,513	(7)	3,281	4,787
Non-current liabilities	-	-	(1,500)	(1,500)
Provisions	(1,375)	-	-	(1,375)
	35,731	7,150	152,472	195,353
Interfund borrowing	(13,936)	11,140	2,796	-
Net assets	21,795	18,290	155,268	195,353

Funds (Group) at 31 December 2022 are represented by:

	Unrestricted Funds £'000	*Restricted Funds £'000*	*Endowment Funds £'000*	*Total £'000*
Fixed assets	*15,364*	*129*	*83,688*	*99,181*
Investments	19,320	6,202	55,638	81,160
Net current assets / (liabilities)	*2,375*	*(14)*	*(448)*	*1,913*
Non-current liabilities				
Provisions	*(1,248)*	-	-	(1,248)
	35,811	*6,317*	*138,878*	*181,006*
Interfund borrowing	*(14,235)*	*13,715*	*520*	-
	21,576	*20,032*	*139,398*	*181,006*

26. Pensions

Church of England Funded Pension Scheme

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

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multiemployer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £892,830 in 2023 (2022: £1,010,717), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £127,000).

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 from 2013 in line with the CMI2020 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

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

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

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

31 December 2023	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022 and remained in place until December 2022.
For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

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

	2023	2022
Balance sheet liability at 1 January	0	209,000
Deficit contribution paid	0	127,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	82,000
Balance sheet liability at 31 December	0	0

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

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

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

Churchworkers Pension Fund

Ely Diocesan Board of Finance participates in the Defined Benefits Scheme 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.

CWPF has two sections:

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

Defined Benefits Scheme

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. . It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2023: £52,005, 2022: £60,952), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total charge of £52,005 for 2023 (2022: £32,952).

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 having taken advice from the Actuary.

A valuation of DBS is carried out once every three years. The most recently finalised valuation 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 calculations for this are under way.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 23.6% of pensionable salary and expenses of £6,500 per year. In addition, deficit payments of £5,692 per year were agreed for 7.00 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool.

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.

The movement in the provision is set out below:

	2023	2022
Balance sheet liability at 1 January	0	34,000
Deficit contribution paid	0	(6,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	0	(28,000)
Balance sheet liability at 31 December	0	0

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

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

	December 2023	December 2022	December 2021
Discount rate	N/A	0.00%	1.50%

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.

Church Workers Pension Fund

The Board participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF 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.

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 contributions payable (2023: £192,296, 2022: £158,958).

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

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

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

27. Related Party Transactions

Ely DBF Property Limited and Ely Diocesan Schools Services Limited are both wholly-owned subsidiaries of Ely Diocesan Board of Finance, whose financial statements are both publicly available.

At 31 December 2022, £740k was owed from Ely DBF Property Services Limited and £27k was owed from Ely Diocesan Schools Services Limited to the parent charity. There is no interest charged and no fixed repayment on either balance.

28. Post Balance Sheet Events and Contingent Liabilities

Rising inflation will become a significant issue for the Diocese during 2023 and beyond with the potential impact on charitable giving to churches by parishioners, and the effect that may have on the ability of parishes to meet their Ministry Share requests. Diocesan Officers are modelling the impact of various scenarios for 2024 involving reductions in income streams and the possibility of cancelling or postponing areas of expenditure.

This represents a significant challenge both to the Board and the parishes of the Diocese to generate funds to maintain delivery of services. The Board intends to set annual budgets on a break-even basis.

Regarding any potential impact on property values, as stated in Note 14, the intention is to hold most of the property for the long term, with no plans currently to sell any more than 2 houses in the next year. For investment assets, as stated in Note 15, portfolios had decreased in value at the year end. The DBF is a long-term investor and currently has no plans to realise investments. No adjustment has been made in these financial statements to the values at 31st December 2022.

The Covid-19 crisis had an impact on the operations of the Board and face to face events continue to be held online or in a hybrid manner. Most employees are, however, continuing to work effectively from home and to provide support services as normal. The Board has taken the opportunity to review the Diocesan Operations from the current offices in Barton Road, Ely and it has been building a new central office close to the city which will be better designed to meet the needs of the Board in the future. This process was well under way at the year end, and the construction was completed by April 2024. Funding was identified and ring fenced to ensure that the project will be completed without needing financial input from parishes.

29. Trust funds

The Board 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 PCCs and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. The financial assets held in this way may be summarised as follows:

		2023 Valuation £'000	***2022 Valuation £'000***
Miscellaneous listed investments		2,443	2,318
Central Board of Finance:	Investment Fund shares	15,703	14,372
	Fixed interest securities fund units	280	355
	Deposits	2,168	2,108
Other assets		-	-
Cash at bank		397	314
Total assets held as custodian trustee		20,991	19,467

THE ELY DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 245456

Accounts

DIOCESE
of
ELY

Ely Diocesan Board of Finance

A company limited by guarantee and not having a share capital

Registered in England No: 00142183 (England & Wales) Charity No: 245456

Report & Accounts
For the year ended 31 December 2022

ELY DIOCESAN BOARD OF FINANCE

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We pray to be generous and visible people of Jesus Christ

Nurture a confident people of God
Develop healthy churches
Serve the community
Re-imagine our buildings
Target support to key areas

To **engage** fully and courageously with the needs of our communities, locally and globally.

To **grow** God's church by finding disciples and nurturing leaders.

To **deepen** our commitment to God through word, worship, and prayer.

The trustees, who are also directors for the purposes of company law, present their combined annual trustees' report and directors' 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 of Ely Diocesan Board of Finance (the Board).

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 OBJECTIVES

The objectives of the Diocese of Ely cover the geographical area of the Diocese.

The Board's principal objective is to promote, assist and advance the work of the Church of England in the Diocese of Ely by acting as the financial executive of the Ely Diocesan Synod.

The Board has the following statutory responsibilities:

i. the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;
ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
iii. the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 2021;
iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the Board are established by the Diocesan Synod in communication with Deanery Synods, Parochial Church Councils, and the Bishop of Ely (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally; including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, taking forward the commitments arising from the Diocesan Conference including the Diocesan Budget.

STRATEGIC AIMS

The Board aims to promote, facilitate, and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Ely and elsewhere.

The Board's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

The key activities may be summarised as:

- Mission and Ministry in the Parishes (includes all clergy training, housing, stipends, pension and all other expenditure supporting parish-based ministry);
- Education funding (includes support for schools);
- Implementation of strategic growth projects; and
- Contributions for national Church institutions (mainly by grant support).

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

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

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

OBJECTIVES FOR THE YEAR

- To encourage more people to become directly involved in the mission of the Church of England in the Diocese of Ely;
- To support deaneries in the collection of Ministry Share;
- To engage with communities across the Diocese;
- To review the allocation of funding resources to mission projects;
- To review the allocation of personnel resources to mission projects; and
- To review the support available for Church Schools across the Diocese.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Operational performance

This has been a transitional year as the world emerged from the pandemic giving an opportunity to catch up with some projects on housing maintenance and repair combined with a higher level of activity in terms of clergy movements. There has been a review of Mission and Ministry support in the Diocese and arrival of new staff in both Mission and Ministry and Schools has given time for these reviews of operation in both departments.

The Diocesan Office remained closed throughout the year and Office staff continued to operate from their homes. Our staff were able to continue to rely on systems that had been implemented in the previously, meaning that they were able to continue to provide a high level of service to our clergy and parishes. At the time of writing the offices are open to staff offering a central facility though use is restricted to internal communication only. Diocesan staff continue to operate principally from home.

Plans and achievements in 2022

For 2022 the Board planned to:

- Maintain clergy stipends at the level recommended by the Archbishops' Council;
- Make provision for the training and support of both lay and ordained in parish ministry;
- Encourage parishes in their generosity in funding mission and ministry through Ministry Share; and
- Maintain an effective repair and maintenance service to clergy in respect of breakages or damage to their homes; and
- Continue Stage 1 of the "Changing Market Towns" Initiative.
- Commence a number of initial projects in Phase 2 of the initiative.

During 2022 the Board has:

- Engaged with deaneries and parishes to support parishes increase individual giving, leading to 7 of our deaneries achieving the payment in full of their ministry share allocations for the year;
- Worked closely with each of our deaneries to continue to make payments of parish share achieving an overall collection rate of 95%;
- Maintained a clergy housing maintenance programme to ensure repairs reported were carried out promptly;
- Reviewed with the central church authorities the financial structure to the first stage of the "Changing Market Towns". Budgets have recalibrated to secure the continued operation of some of the phase 1 projects into 2023/4.
- Commenced a number of projects in Phase 2 of the changing market towns project.

Overall, despite the difficulties, the DBF achieved an increase in income to £10.569m. Although Ministry Share collection was marginally up on the 2021 figure, the reduction in income received from investments during the period limited the extent of some operations.

Investment performance

Overall performance

Investments (including stipends fund) are held in both glebe and other Board funds. The value of investments (excluding short-term cash deposits) on 31 December 2022 was £81.2m (2021: £84m) and based on the year end value the return on investment was 3.8% (2021: 3.7%).

Global equity markets were extremely volatile throughout the year. The main factors contributing to this were the continuing war in Ukraine and the varying effects that had on the world supply of products and materials normally sourced from both Russia and Ukraine. The spike in the price of Gas internationally and the affect this sudden rise had on global production costs. At the end of December 2022, all major equity markets closed lower than the 1 January value. Global concerns about rising levels of inflation, in part accelerated by the rises in fuel costs levied on companies, forced many leading central banks to launch traditional counter inflationary measures seeing interest rates to rise to the highest levels seen for over 10 years. The Board has taken the opportunity to restructure part of its investment portfolio during the year. Part of this restructuring has seen the disinvestment from fossil fuels and mining sectors. Traditionally these sectors of the market provide a significant level of dividend funding. While our managers do strive the identify alternate sources of revenue, it is clear that the movement has impacted on the income receipts of the Board. The second element review saw the Board amend its management of investments, agreeing to a process to reduce the number of investment managers instructed from four to three. This process completed in spring 2023. In falling markets the value of investments has been maintained by capital receipts from the sale of a number of parcels of glebe land. The Trustees remain of the belief that the portfolio is invested in the most appropriate asset classes for long term benefit of the Diocese.

Glebe (including stipends fund) investments

£55.2m (2021: £56.6m) of the Board's investments are in glebe and stipends fund investments, primarily to generate a sustainable income to continue funding clergy stipends.

Rental income receivable from the glebe land was £443k (2021: £451k) and investment income receivable from the stipends fund was £1.68m (2021: £1.67m).

Board investments

Other investments are held on behalf of a number of endowed, restricted, and general funds. The policy with these investments is to safeguard capital and to generate income. Investment in equity, fixed interest, property, corporate bonds, and deposit funds were valued at £26.0m on 31 December 2022 (2021 £28m). Dividends and interest receivable amounted to £0.99m (2021: £1.03m) – a yield of 3.8% (2021: 3.7%).

External factors affecting performance

Ministry Share is contributed by the deaneries and PCCs towards the ministry and other costs of the Diocese. A large part of these costs are clergy stipends, staff salaries and building maintenance costs. In addition, at each triennial valuation the Diocese faces the possibility of having to increase contributions to the clergy and staff pension schemes.

The Diocese of Ely remains financially relatively strong compared with many other dioceses and is expected to take a proportionately larger share of National Church costs than the less well-resourced dioceses.

FUTURE PLANS

Operating budgets for phase 1 of the Changing Market Towns Project have been secured to allow the scheme to continue with designated projects into 2024. In tandem, the Board has commenced with the second phase of the Changing Market Towns initiative in the final quarter of the year. This phase of the project will focus mainly on the Towns of Huntingdon and St Neots but includes other smaller projects across the Diocese. Projects are in place covering the next 18-24 months.

Following the passing of resolutions at both General Synod and, in May, at Diocesan Synod, the Board will be seeking to identify and develop strategies to reduce the levels of Carbon released to the atmosphere from the operation of the Diocese. The central church authorities have produced a recommended strategy which will form the framework of the strategy focusing particularly of how the Board can help parishes to reduce carbon release and enhance the ecological diversity of local churchyards and other land. Also, work has commenced to review housing stock and other central diocesan operations to reduce carbon emissions from the everyday operation towards a net zero position.

Work continues in the project to provide a new central Diocesan Office. The project is likely to be concluded in the coming 12 -18 months.

This report is being compiled at a time when there are some significant inflationary issues affecting the global economy. These factors represent significant challenges to the Board and parishes of the Diocese seeking to generate funds to maintain delivery of services. The Board intends to set annual budgets on a break-even basis. Expenditure plans are being reviewed, with the situation and its impact on cashflow being continuously monitored. The ongoing objective is to resource Diocesan needs, as determined by Diocesan Synod and informed by both the local and the national Church institutions.

FINANCIAL REVIEW

Overall financial position

Income for the group for the year, before net gains and losses on investment and revaluation of fixed assets, totalled £12.4m (2021: £10.57m) and expenditure amounted to £11.1m (2021: £10.83m).

The Statement of Financial Activities (SOFA) for the group for the year shows net income of £1.3m (2021: net expenditure £0.26m) before net gains and losses on investment and revaluation of fixed assets.

After revaluation adjustments, the net movement in funds for the group amounted to £(4m) (2021: £16.9m).

During the year, total fund balances for the group decreased from £185m to £181m.

There was an overall group net cash inflow of £953k (2021: outflow of £208k).

Review of the statement of financial activities

There are no significant issues to which attention needs to be drawn.

Principal Funding Sources of the Board

Around 50% of the Board's income comes from Ministry Share, 25% from Diocesan investments and the remaining 25% from other resources.

Review of the financial position

Balance Sheet values fell by the deficits of income over expenditure of £4m for the group (£4m for the board). Losses on investments were £3.6m (2021: gains of £9.9m) and revaluations of fixed assets during the year were £(1.6m) (2021: £7.3m) for the group. A full independent review of the value of all properties held by the Board was carried out in 2022 and the update for 2022 has resulted in the reduction of the overall valuation of the parsonage properties.

Financial sustainability

A major priority is to attain Ministry Share payment in full by all deaneries. Despite the difficult circumstances, 6 out of 15 deaneries paid their allocation in full for 2022 (2021: 6 of 15). The Board's investment portfolio is kept under regular review.

Going concern

After making enquiries the trustees are satisfied that the Board has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Investment policy

The Board is charged with the management of a diverse portfolio of assets belonging to the Diocese. Many of these assets have been given to support the stipends of clergy or to ensure the provision of clergy housing. The Board undertakes the management of these assets in accordance with the requirements of governing Church of England Measures. The Board strives to be a responsible investor and to follow the recommendations and guidance set down by The Ethical Investment Advisory Group of the Church of England.

Subject to the ethical constraints, the policy of the Board is to invest all its resources in such a way as to maximise a sustainable level of income and therefore the amount contributed to clergy stipends, while at the same time protecting the long-term capital value.

Financial assets: The Board retains professional investment advisers to manage investments. The performance of these managers is monitored constantly and is compared annually with that of other charity asset fund managers. Managers are required to meet regularly with Trustees to discuss and agree the implementation of strategies. The investment policy, income, and the sustainability of that income is a prime concern of the Board.

Land: the holdings are managed on a day-to-day basis by land agents retained by the Board. Most of the land is undeveloped, and thus the income from it is generally lower than from financial investment, though the potential for long-term capital appreciation is high. The Board reviews its holdings for potential development opportunities. The Board's strategy is in general not to sell its landholdings at undeveloped value, but to seek or await development potential and hence capital appreciation; the funds raised then being invested as financial assets for higher income. Planning policy thus plays an important part in the investment reviews.

The Board is sensitive to the concerns of individual parishes as regards development of landholdings in their area but is required to balance this with the normal objective and commercial approach that any arms-length investor in property would apply including, where relevant, the Board's desire to contribute to mitigating the shortage of local housing, the global impact of climate change, reducing the nation's carbon emissions and moving to 'net zero'.

The Board regularly reviews its investment policy.

Reserves policy

The Board has considerable responsibilities including the remuneration of some 120 stipendiary clergy, the upkeep of approximately 155 houses and the employment of some 37 full or part time staff. The target for free reserves (net of tangible fixed assets and investments) is currently set at an amount equivalent to three months' gross expenditure from unrestricted funds estimated at £2.07m.

On 31 December 2022 free reserves were £5,670k. The unrestricted fund comprises net assets amounting to £21,576k of which £99k is tied up in tangible fixed assets.

The Trustees are aware, particularly in the light of the COVID-19 pandemic, that levels of parish contributions may reduce in future years and that there could be a deficit against the policy level of free reserves. The ultimate impact of the COVID-19 crisis on asset values, income levels and ultimately on free reserves is, as yet, unclear.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees confirm that the major risks to which the Board is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures have been established to manage those risks. The trustees delegate to the Finance Committee the task of ensuring that risks are reviewed and managed as part of the risk management strategy. The Finance Committee has defined the risks in their areas, reported on the measures in place to manage and monitor these risks and implemented procedures and controls designed to minimise any potential impact on the Board should any of the risks materialise. A risk register has been compiled.

The Finance Committee reviews the risk register periodically and reports to trustees whether it is satisfied with its findings and makes recommendations as to areas for further work in subsequent years. The trustees review the risk register at least annually as part of the corporate risk management strategy. A summary of the major risks identified in the risk register are:

Ministry Share

The reliability and timing of the income received from local churches is voluntary in nature. The risk recognises the importance of Ministry Share, a voluntary income stream, which accounts for approximately 50% of the Ely Diocesan Board's overall income. It recognises the risks arising from a shortfall on Ministry Share and the need for continued generosity.

Mitigating policies are:

- The constant monitoring of financial strategies and costs; and
- The provision of individual support strategies for parishes which experience unforeseen temporary difficulties in meeting Ministry Share payments.

Potential disruption in the flow of investment income

The reliability and timing of income receivable from investments and tenants of Board land and properties; Investments are monitored closely and are held in balanced portfolios to reduce specific risk of overexposure to any single asset sectors and cashflows are reviewed regularly to highlight any potential discrepancy in the availability of funding.

Safeguarding

Safeguarding is a high priority for the Diocese. It is an area which has seen significant investment in capacity and resource in recent years. Safeguarding allegations have potential resource and reputational implications.

In response to this risk the Board has set in place policies to:

- Respond well to allegations of abuse and survivors including working effectively with statutory agencies;
- Keep levels of resource in the safeguarding team under review;
- Respond to national processes and seek to influence national policy guidance to avoid unintended consequences;
- Continue to deliver safeguarding training to improve awareness and responsiveness across the Diocese; and
- Learn from experience and seek to continually improve.

Trustees and Diocesan Officers are assessing the risks and uncertainties brought about by the COVID-19 pandemic. Cashflow is continuously monitored, along with the impact of the crisis on income levels. A number of scenarios are being modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is organised as two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses, of which there are 41 in England.

Each diocese in England is divided into parishes. Each parish is overseen ecclesiastically by a parish priest if not an 'incumbent' (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish.

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

The Church of England is episcopally led. There are 108 bishops including diocesan, assistant, and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: The Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, today spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Pensions Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

The Cathedral

Ely Cathedral is the mother church of the Diocese and legally is constituted as a separate charity with Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Chapter Office, Ely Cathedral.

The information about General Synod, the Church Commissioners, the Archbishops' Council and Ely Cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements.

Organisational Structure

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation from across the diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan bishops and archdeacons. It comprises three houses; laity, clergy and bishops.
Its role is to:

- Consider matters affecting the Church of England in the diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the bishop where requested;
- Deal with matters referred by General Synod; and
- provide for the financing of the diocese.

Bishop's Council (and Standing Committee of the Diocesan Synod)

Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion;
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the Diocesan Bishop on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

Deanery Synod

Deanery Synod has two houses, laity and clergy, and its role is to:

- Respond to requests from General Synod;
- Where appropriate, give effect to the decisions made by the Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

Parishes

A benefice is a parish or group of parishes served by an incumbent or priest in charge in holy orders who as such is a church beneficiary and typically receives a stipend and the benefit of free occupation and use of a parsonage house at the behest of the Bishop for the purpose of carrying out spiritual duties.

A deanery is a group of parishes over which a rural dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

A diocese is then the principal pastoral and, by means of its Board of Finance, financial and administrative resource of the Church of England in the area, encompassing the various archdeaconries under the spiritual leadership of the Diocesan Bishop.

Parochial Church Council (PCC)

The PCC is the elected statutory governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church. The PCC is made up of the incumbent or priest in charge as chair, the churchwardens, and a number of elected and ex officio members. Each PCC is a corporate charity, but all those not exceeding £100,000 annual gross income are currently excepted from registration with the Charity Commission. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

Structure, governance and management

The Diocese of Ely was created in 1109 and covers an area of 1507 square miles with a population of approximately 725,000.

The Diocese is arranged as two Archdeaconries: Cambridge, comprising the southern part with seven deaneries, and Huntingdon and Wisbech in the northern part with eight deaneries. In total there are 316 parishes.

Diocesan governance

The Diocese is governed by Standing Orders approved in 1994 and subsequent amendments. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of ex officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, up to five persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Standing Committee - the Bishop's Council.

Company status

The company, Ely Diocesan Board of Finance (the Board), is established to manage the financial affairs and hold legal title to the assets of the Diocese. It was incorporated on 19 November 1915 as a charitable company limited by membership guarantees (No. 142183) and its governing documents are the Memorandum and Articles of Association. The Board is registered with the Charity Commission (No. 245456).

Each member of Diocesan Synod is also a member of the Board for company law purposes and has a personal liability limited to £1 under their guarantee as a company member in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council comprise the Board of trustees of the Board – they are its directors under company law.

Decision-making structure

Within the supervisory powers of the Diocesan Synod, as listed below, certain Diocesan functions (those italicised on page 11) under the heading 'Committee structure' are undertaken by the Board in pursuit of the Board's charitable objectives:

- Planning the business of Synod including the preparation of agendas and papers
- Initiation of proposals for action by the Diocesan Synod and provision of policy advice
- Transacting the business of the Diocesan Synod when not in session
- Management of the funds and property of the Diocese
- Preparation of annual estimates of expenditure
- Advising on action needed to raise the income necessary to finance expenditure
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod
- Carrying out any other functions delegated by Diocesan Synod.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary, (who acts as Company Secretary) who is supported by a number of heads of departments and their staff.

Committee structure

Bishop's Council is the Board of trustees and company directors. It consists of ten ex officio members, including the Diocesan Bishop and the Suffragan Bishop, the two Archdeacons, the Dean of Ely and the chair of the Finance Committee, six clergy elected by the house of clergy from among their number (on an Archdeaconry basis, three per Archdeaconry) and ten lay persons elected by the members of the house of laity representing deaneries (on an Archdeaconry basis, five per Archdeaconry) and a maximum of five members nominated by the Diocesan Bishop.

Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which has delegated its authority under the Mission and Pastoral Measure 2011 to Archdeaconry Mission and Pastoral Committees.

The Board has the following sub-committees, each of which has written terms of reference:

Finance Committee, which is responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the trustees prior to submission to Diocesan Synod and monitors expenditure and income.

Audit Committee, established by the Directors / Trustees in 2016. The primary responsibility is to review the audit process the Diocese is subject to and the audited accounts produced. Its remit is wide ranging and can consider any area of the financial activities of the Diocese in an effort to identify inefficiencies, reduce costs, and otherwise achieve organizational objectives. The committee is also involved in risk management for the Diocese. Reporting directly to the directors / trustees, it consists of three members: one from the Finance Committee, one from the Deanery Liaison Group representing deaneries and parishes and one independent member with financial expertise from outside the Board.

The Audit Committee is also responsible for assisting the trustees in the discharge of their responsibilities for accounting policies, risk management, internal control, and financial reporting, including liaison with the auditors.

Assets Committee is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocese.

There are a number of Diocesan Synod statutory committees that, though not sub-committees of the Board, can influence the operations of the Board.

Houses Committee which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining, and disposing of all parsonage houses, team vicarages and houses owned by the Board.

Diocesan Advisory Committee for the Care of Churches which advises on matters affecting churches and places of worship, such as the granting of faculties, architecture, archaeology, art, and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Ely Diocesan Board of Patronage which is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

The Churches Uses Committee which is responsible for finding appropriate alternative uses for churches which have been, or are proposed to be, declared redundant.

Appointment of trustees

The trustees of the Board are the members of the Bishop's Council. See above for details of membership.

Trustees are given induction training when first appointed and receive ongoing training, as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the Diocese and an introduction to any special areas of the Diocese with which they will be working (e.g., Board of Education, Houses Committee). Trustees are encouraged to visit Diocesan operations.

Some senior staff may have job titles incorporating the title 'Director' but they are not necessarily directors of the company (for the purposes of company law) and so they do not count as 'charity trustees'.

In preparing the financial statements the trustees are required to:

- Select the most suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Follow applicable accounting standards and the SORP, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Grant-making (beneficiary-selection) policy

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (See note 11 to the financial statements). Grants are paid to other charitable projects which appear to the Board to support the furtherance of its objectives. (See note 11 to the financial statements).

Funds held as custodian trustee for others

The Board is the custodian trustee for trust investment assets with a market value of £20.8m on 31 December 2021. Detailed certificates of holdings were sent to parishes and other managing trustees of the respective charities at that date. The Board as custodian trustee also holds PCC property. Each PCC is a separate charity. The assets are held separately from those of the Board.

Fundraising practices and performance

The Trustees are aware of the Charities (Protection and Social Investment) Act 2016 and support the aims of this legislation. The DBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The Diocese considers the origin of unsolicited donations and legacies. In 2021 the DBF did not engage with independent professional fundraisers and did not receive any complaints in relation to fundraising or raise any matter with regulators.

Related parties

General Synod, church Commissioners and Archbishops' Council

The Board has to comply with Measures (i.e. ecclesiastical legislation with the same force as an Act of Parliament) passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the bishops are borne by the Church Commissioners and are reflected in the financial statements as costs funded by grants received from the Church Commissioners.

Parochial Church Councils (PCCs)

The Board is required by Measure to be custodian trustee in relation to PCC property (excluding ecclesiastical buildings), but the company has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Subsidiary undertakings

The Board has the following subsidiary undertakings, the turnover, expenditure, and profit / (loss) for 2021 for each of the non-charitable subsidiaries was as follows:

	Income	Expenditure	Profit/(loss)
	£'000	£'000	£'000
Ely DBF Property Limited (05957128)	-	(7)	(7)
Ely Diocesan Schools Services Limited (05037336)	2	(20)	(18)

Each subsidiary intends to gift any taxable profits to the Diocese within 9 months of the financial year end.

Pension Schemes

Clergy Pension Fund
The Board participates in the Church of England Funded Pension Scheme.

The Church of England Funded Pension Scheme is a defined benefit scheme, but the Board is unable to identify its share of the underlying assets and liabilities – each employer in that Scheme pays a common contribution rate. The latest valuation of the Scheme was carried out as of 31 December 2018.

For Schemes such as the Church of England Funded Pension Scheme, Section 28 of FRS 102 requires the Board to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Church of England Defined Benefits Scheme
The Board participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers' Pensions Fund.

The Board is unable to identify its share of the underlying assets and liabilities – each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The most recent finalised valuation of the fund was at 31 December 2019 with the next triennial valuation due at 31 December 2022.

Church of England Defined Contribution Scheme
The Board participates in the Church of England Pension Builder Scheme, a defined contribution scheme.

Further details are contained in note 26 to the financial statements.

TRUSTEE REPONSIBILITIES STATEMENT

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 that 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 affairs of the Board and of the surplus or deficit of the Board 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 Board and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Board 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 on the Board's website. Legislation in England and Wales governing the preparation and dissemination of the financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

As far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and
- 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 auditors are aware of that information.

ADMINISTRATIVE DETAILS

In accordance with the companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2015) (second Edition, effective 1 January 2019), the trustees (for the purposes of charity law) and directors (for the purposes of company law), during the period from 1 January 2022 until the date of this report were:

Bishop's Council

Bishops (ex officio)
The Rt Revd Stephen Conway (Bishop of Ely)
The Rt Revd Dagmar Winter (Bishop of Huntingdon)

Ex officio
The Very Revd Mark Bonney (Dean of Ely)
The Ven. Dr Alex Hughes (Archdeacon of Cambridge)
The Ven. Hugh McCurdy (Archdeacon of Huntingdon and Wisbech and Diocesan Clergy Representative on General Synod) (resigned 18 April 2022)
The Ven Richard Harlow (Archdeacon of Huntingdon & Wisbech) (appointed 27 Sept 2022)
The Revd Canon Sarah Gower (Chair of the House of Clergy) (appointed 2 January 2022)
Canon Simon Kershaw (Chair of the House of Laity)
The Revd Canon Brian Atling (Chairman of the Board of Finance and the Finance Committee) (resigned 31 December 2022).
Canon Tim Walters (Chairman of the Board of Finance and the Finance Committee) (appointed 1 January 2022)
The Revd Canon Simon Talbott (Chair of the House of Clergy) (resigned 1 January 2022)

Elected for the Archdeaconry of Cambridge
The Revd Canon Anna Matthews (deceased 8 April 2023)
The Revd David Newton (appointed 1 January 2022)
The Revd James Blandford-Baker (appointed 1 January 2022)
Canon Peter Maxwell
Mr Steve Mashford (resigned 10 March 2023)
Mrs Sarah Robinson
Ms Elizabeth Taylor
Canon Dr Felicity Cooke (appointed 1 January 2022)

Elected for the Archdeaconry of Huntingdon and Wisbech
Mrs Elaine Levitt
Mr John Pigott (appointed 23 March 2022)
The Revd Canon Rebecca Dyball (appointed 1 January 2022)
The Revd Canon Jessica Martin (appointed 1 January 2022)
The Revd Iain Osbourne (appointed 17 March 2023)
Canon Janet Perrett

Diocesan Lay Representative on General Synod)
Mr Christopher Townsend (appointed 1 January 2022)

Co-opted
Mr Francis Burkitt
Mr George Lynn (Chair of the Audit Committee)
Miss Lindsay Davies (appointed 23 November 2022)

Nominated by the Bishop
Mr Robert Needle
The Revd Canon Adrian Daffern (resigned 31 August 2022)

Diocesan Secretary
Canon Paul Evans – Company Secretary

Finance Committee

Canon Tim Walters (Chairman)
The Revd Canon Brian Atling (Vice Chairman)
Mr Donald Ashmore
The Revd Canon Sarah Gower
The Ven Dr Alex Hughes
The Ven Richard Harlow
Mr Francis Burkitt
The Revd Canon Simon Talbott
The Revd Canon R Dyball

Registered Office

Ely Diocesan Board of Finance, Diocesan Office
Bishop Woodford House
Barton Road
Ely
Cambridgeshire
CB7 4DX
Telephone No.: 01353 652700

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Barclays Bank PLC
Corporate Banking
PO Box 885
Mortlock House
Vision Park
Histon
CB24 9DE

Solicitors

Lee Bolton Monier Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Investment managers - Listed investments

CCLA Investment Management Ltd (CCLA)
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Brown Shipley Investment Management
16-20 Regent Street
Cambridge
CB2 1NH

Eden Tree Investment Management
24 Monument St.
London
EC3R 9AJ
Reg Office
Beaufort House
Brunswick Road
Gloucester GL1 1JZ

Rathbone Investment Management
8 Finsbury Circus
London
EC2M 7EZ
and at
Port of Liverpool Building, Pier Head
Liverpool
L3 1NW

Investment managers – Glebe Property Agents

Carter Jonas LLP
6-8 Hills Road
Cambridge
CB2 1NH

Joliffe Daking LLP
25 Broadway
Peterborough
PE1 1SQ

Maxey Grounds & Co LLP
24 Market Place
March
PE15 9JH

The Trustees' Annual Report, which incorporates the Strategic Report, was approved by Order of the Board.

P L Evans

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Canon Paul Evans (Diocesan Secretary)

Date:.....20 May 2023.....

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The Rt Revd Stephen Conway (Bishop of Ely)

Date: .....20 May 2023.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELY DIOCESAN BOARD OF FINANCE

FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of the Ely Diocesan Board of Finance for the year ended 31 December 2022 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated 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 group and of the parent charitable company's affairs as at 31 December 2022 and of the group and parent 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group'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 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 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 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 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 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 parent charitable company; or
- the parent 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 13, 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 group and parent 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 group or parent 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.
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.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), 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, the Charities Act 2011 and Church of England Measures.
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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.

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: 09 August 2023

10 Queen Street Place
London
EC4R 1AG

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Fund 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total Funds 2022 £'000	Total funds 2021 £'000
Income and endowments from:						
Donations	2					
Ministry Share		5,496	-	-	5,496	5,554
Archbishops' Council		185	415	-	600	847
Other donations		516	171	-	687	307
Charitable activities	3	423	-	-	423	406
Other Activities	4	348	-	-	348	298
Investments	5	1,156	1,946	-	3,102	3,156
Other	6	1,538	142	82	1,762	1
		9,662	2,674	82	12,418	10,569
Expenditure on						
Raising Funds	7	185	62	108	355	1,942
Charitable activities	8	8,286	2,455	-	10,741	8,888
		8,471	2,517	108	11,096	10,830
Net income/(expenditure) before investment gains		1,191	157	(26)	1,322	(261)
Net gains on investment		87	460	(4,228)	(3,681)	9,893
Net income		1,278	617	(4,254)	(2,359)	9,632
Transfers between funds		(680)	3,799	(3,119)	-	-
(Loss)/gains on revaluation of fixed assets		-	-	(1,645)	(1,645)	7,302
Net movement in funds		598	4,416	(9,018)	(4,004)	16,934
Reconciliation of funds						
Total funds at 1 January 2022		20,978	15,616	148,416	185,010	168,078
Total funds at 31 December 2022		21,576	20,032	139,398	181,006	185,010

All income and expenditure relate to continuing activities.

The notes on pages 23-47 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Total funds 2022 £'000	Total funds 2021 £'000
Total income	12,418	10,569
Total expenditure	11,096	10,754
Operating surplus/(deficit)	1,322	(185)
Net gains / (losses) on investment	(5,326)	2,329
Net income/(expenditure) for the year	(4,004)	2,144
Other comprehensive income:		
Gains / (losses) on revaluation of fixed assets	-	-
Net transfers from endowments	3,119	1,135
Total comprehensive (expenditure)/income	(885)	**3,279**

In accordance with Companies Act requirements this statement presents a summary of the movement on non-endowed funds in the financial year.

ELY DIOCESAN BOARD OF FINANCE
BALANCE SHEETS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Fixed Assets					
Tangible assets	14	**99,181**	100,996	**99,181**	100,996
Investments	15	**81,160**	84,543	**79,918**	83,238
		180,341	185,539	**179,099**	184,234
Current Assets					
Stock		**729**	739	**-**	-
Assets held for sale		**-**	-	**-**	-
Debtors	16	**1,923**	1,788	**2,670**	2,587
Cash at bank and in hand		**2,639**	1,686	**2,068**	1,533
		5,291	4,213	**4,738**	4,120
Current Liabilities					
Creditors: amounts falling due within one year	17	**3,378**	3,608	**3,005**	3,453
Net Current Assets		**1,913**	605	**1,733**	667
Total assets less current liabilities		**182,254**	186,144	**180,832**	184,901
Creditors: amounts falling due after more than one year					
Pension scheme liabilities	18	**-**	23	**-**	23
Other creditors	18	**-**	-	**-**	-
Provisions for liabilities and charges	19	**1,248**	1,111	**1,248**	1,111
Net Assets		**181,006**	185,010	**179,584**	183,767
Represented by:					
Endowment funds	24	**139,398**	148,416	**139,398**	148,416
Restricted income funds	23	**20,032**	15,616	**18,913**	14,348
Unrestricted income funds					
General funds	22	**5,670**	8,780	**5,367**	8,805
Retreat House	22	**518**	463	**518**	463
Other Designated funds	22	**15,388**	11,735	**15,388**	11,735
		21,576	20,978	**21,273**	*21,003*
Total Funds		**181,006**	185,010	**179,584**	183,767

These financial statements were approved by the Board of Trustees on 20 May 2023, and signed on its behalf by:

The Rt Revd Stephen Conway (Bishop of Ely)

Canon Tim Walters (Chair of Board of Finance)

The notes on pages 23-47 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £'000		2021 £'000	
Net cash flow from operating activities (A)		1,424		972
Cash flows from investing activities				
Dividends, interest, and rent from investments	2,659		2,705	
Proceeds from the sale of:				
Tangible fixed assets	4,918		-	
Fixed asset investments	4,921		5,302	
Assets held for resale	-		3,455	
Purchase of:				
Tangible fixed assets	(3,245)		(2,449)	
Fixed asset investments	(9,724)		(10,193)	
Net cash provided by investing activities		(471)		*(1,180)*
Cash flows from financing activities				
Loans repaid	-		-	
Net cash provided by/(used in) financing activities		-		-
Change in cash and cash equivalents in the year		953		(208)
Cash and cash equivalents as at 1 January 2022		1,686		1,894
Cash and cash equivalents as at 31 December 2022		2,639		1,686

A: Reconciliation of net movements in funds to net cash flow from operating activities

	2022 £'000	2021 £'000
Net movement in funds for the year-ended 31 December	(4,004)	16,934
Adjustments for:		
Depreciation	18	44
Gain on revaluation of property and investments	9,834	(13,704)
Loss on disposal of fixed assets	(1,522)	69
Interest and dividends receivable	(2,659)	(2,705)
Repayment of loans advanced	-	-
(Increase)/decrease in stock	10	(5)
(Increase)/decrease in debtors	(137)	(171)
Increase in creditors	(230)	212
Decrease in pension fund liability	(23)	
Increase in provisions	137	298
Net cash flow from operating activities	1,424	972

B: Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	2,639	1,686
Central Board of Finance for parish loans	-	-
	2,639	1,686

1. Accounting policies

Ely Diocesan Board of Finance is a company limited by guarantee (company number 142183), and a charity (number 245456) registered in England & Wales, and governed by its Memorandum and Articles of Association. Its registered office is given on the administrative details page in the Strategic Report.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ely Diocesan Board of Finance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis
Having considered future budgets, cash flows and reserves, the Trustees confirm that they have no material doubts about the Charity's ability to meet its debts as they fall due. There are no material uncertainties that would impact on the Charity's ability to continue in operational existence for the foreseeable future. The accounts therefore continue to be prepared on a going concern basis.

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Group financial statements
The financial statements consolidate the results of the charity and its wholly owned subsidiaries Ely Diocesan Schools Services Limited and Ely DBF Property Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The deficit of the parent charity was £4,183k (2021: surplus of £16,959k).

Income recognition
All income is recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

i) **Ministry Share** is recognised as income of the year in respect of which it is receivable.
ii) **Rent receivable** is recognised as income in the period with respect to which it relates.
iii) **Interest and dividends** are recognised as income when receivable.
iv) **Parochial fees** are recognised as income of the year to which they relate
iv) **Donations** other than grants are recognised when receivable.
v) **Gains on disposal of fixed assets for the Board's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
vi) **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.

1. Accounting policies (continued)

Expenditure
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

i) **Costs of raising funds** are constrained to 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, including the Diocesan Retreat House, and expenditure on education and Church of England schools in the Diocese.
iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
iv) **Support costs** consist of central management, administration and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
v) **Pension contributions.** The Board's staff are members of the Church Workers Pension Fund and clergy are members of the Church of England Funded Pensions Scheme (see note 30). The pension costs charged as expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the clergy pension scheme to which the Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs
Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

Investments
Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Fixed assets
Freehold and leasehold properties for the charity's own use
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 Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount. These properties are included at cost.

1. Accounting policies (continued)

Fixed assets (continued)

Schools

The Board does not recognise the value of its reversionary interest in the assets of active schools and, in the case of closed schools, only when the ultimate proceeds of disposal have been received.

Parsonage houses

The Board has followed the requirements of FRS102 in its accounting treatment for benefice houses (personages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value, calculated by using the midpoint of the council tax banding as adjusted by a published index to reflect changes since the last valuation.

Other tangible fixed assets

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Furniture & equipment	12.5-33% per annum straight line
Leasehold improvements	life of lease
Freehold properties	Not Depreciated

A full year of depreciation is charged in the year of addition for all furniture and equipment assets.

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Cash

Cash at bank and cash in hand includes cash and 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.

Creditors

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity 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 recognised at transaction price.

Stock and work in progress

Stock and work in progress is valued at the lower of cost and estimated selling price less costs to complete and sell.

Funds

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

- Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:
  - General funds which the Board intends to use for the general purposes of the Board; and
  - Designated funds set aside out of unrestricted funds by the Board for a purpose specified by the trustees.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

- Endowment funds represent money that must be permanently held as capital, and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.

"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 Board acts merely as custodian trustee with no control over the management of the funds, are not included in the financial statements but are summarised in the notes to the financial statements.

Pension scheme
The Diocese participates in two defined benefit pension schemes to provide pension benefits based on final pensionable pay, namely the Church of England Funded Pensions Scheme (clergy) and the Church of England Defined Benefits Scheme part of the Church Workers Pension Fund. The Diocese also participates in the Church of England Pension Builder Scheme (formerly known as Defined Contributions Scheme) part of the Church Workers Pension Fund. Details of the schemes are set out in note 26.

The pension costs charged as expenditure represent the Diocese's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Diocese participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Judgements and estimates
In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements

Valuation of Freehold properties and parsonage houses:

All team vicarages and parsonage houses are revalued to their fair value annually using valuations calculated using indexed council tax bandings.

Valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes:

These liabilities are revalued at each year end using discount rates which are reassessed annually.

Residual values of Freehold properties:

The Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

Sources of estimation uncertainty

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. Income from donations

	Total 2022 £'000	Total 2021 £'000
Ministry share		
Current year's allocation net of discounts and rebates	5,492	5,537
Arrears for previous years	4	17
	5,496	5,554

Total ministry share receipts represent 95.1% (2021: 94.2%) of the allocation.

All ministry share income is unrestricted.

	Unrestricted 2022 £'000	Restricted 2022 £'000	Total 2022 £'000	Total 2021 £'000
Archbishops' Council				
Chancellor and Registrar	47	-	47	49
Market Towns funding (SDF)	-	-	-	291
Curates Funding (SMF)	138	-	138	53
Barnwell innovation funding (SIF)	-	-	-	35
RME grant	415	-	415	419
	600	-	600	847

In 2021, £428k of income was unrestricted and £419k was restricted.

	Unrestricted 2022 £'000	Restricted 2022 £'000	Total 2022 £'000	Total 2021 £'000
Other donations				
AllChurches Trust grant	103	--	103	106
Furlough Grants	-		-	-
Donations	413	171	584	201
	516	171	687	307

In 2021, £126k of income was unrestricted, £181k was restricted.

3. Income from charitable activities

	Total 2022 £'000	Total 2021 £'000
Assigned fees	323	296
Unassigned fees	-	8
Retreat House	100	102
	423	406

All income from charitable activities was unrestricted in both the current and prior year.

4. Income from other activities

	Total 2022 £'000	Total 2021 £'000
Rental income from vacant parsonages	348	298
	348	298

All income from other activities is unrestricted.

5. Income from investments

	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Funds 2022 £'000	Total Funds 2022 £'000
Investment income	697	1,946	-	2,643
Glebe rents receivable	443	-	-	443
Interest received	16	-	-	16
	1,156	1,946	-	3,102

Comparative analysis for 2021

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Funds 2021 £'000	Total Funds 2021 £'000
Investment income	782	1,922	-	2,704
Glebe rents receivable	451	-	-	451
Interest received	1	-	-	1
	1,234	1,922	-	3,156

6. Other income

	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Funds 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Gain/(losses) on sale of properties	1,522	-	-	1,522	-
Other income	16	142	82	240	1
	1,538	142	82	1,762	1
TOTAL INCOME	**9,662**	**2,674**	**82**	**12,418**	10,569

All other income in 2021 was unrestricted

7. Expenditure on raising funds

	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Funds 2022 £'000	Total Funds 2022 £'000
Let houses expenses	76	-	-	76
Glebe management costs	109	-	7	116
Investment managers costs	-	62	101	163
	185	62	108	355

Comparative analysis for 2021

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Funds 2021 £'000	Total Funds 2021 £'000
Let houses expenses	64	-	-	64
Glebe management costs	101	-	13	114
Investment managers costs	-	1,701	63	1,764
	165	1,701	76	1,942

8. Expenditure on charitable activities

	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Funds 2022 £'000	Total Funds 2022 £'000
Contributions to Archbishops' Council				
Training for the Ministry	277	-	-	277
National Church Responsibilities	193	-	-	193
Church's Housing Assistance for Retired Ministry	104	-	-	104
Mission agency pension contributions	12	-	-	12
	586	-	-	586
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance & pensions	2,762	1,619	-	4,381
Housing costs	1,587	-	-	1,587
Ministry selection and training	1,429	412	-	1,841
Clergy support	506	-	-	506
Other expenses	29	4	-	33
	6,313	2,035	-	8,348
Support for ministry in parishes	1,259	-	-	1,259
Retreat House	35	-	-	35
Tree works	69	-	-	69
	7,676	2,035	-	9,711
Expenditure on education				
Support for church schools	24	420	-	444
Total charitable activities	**8,286**	**2,455**	**-**	**10,741**

8. Expenditure on charitable activities (continued)

Comparative analysis for 2021	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Funds 2021 £'000	Total Funds 2021 £'000
Contributions to Archbishops' Council				
Training for the Ministry	277	-	-	277
National Church Responsibilities	218	-	-	218
Church's Housing Assistance for Retired Ministry	102	-	-	102
Mission agency pension contributions	12	-	-	12
	609	-	-	609
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance & pensions	2,730	-	-	2,730
Housing costs	1,367	-	-	1,367
Ministry selection and training	1,637	426	-	2,063
Clergy support	479	3	-	482
Other expenses	30	4	-	34
	6,243	433	-	6,676
Support for ministry in parishes	1,187	-	-	1,187
Retreat House	94	-	-	94
	7,524	433	-	7,957
Expenditure on education				
Support for church schools	20	302	-	322
Total charitable activities	**8,153**	**735**	**76**	**8,888**

9. Analysis of expenditure including allocation of support costs

	Activities undertaken directly 2022 £'000	Grant funding of activities 2022 £'000	Support costs 2022 £'000	Total Funds 2022 £'000
Raising funds	355	-	-	355
Charitable activities				
Contributions to Archbishops' Council	-	586	-	586
Resourcing parish ministry	8,821	-	855	9,676
Education	444	-	-	444
Retreat House	35	-	-	35
	9,655	586	855	11,096

Comparative analysis for 2021	*Activities undertaken Directly 2021 £'000*	*Grant funding of activities 2021 £'000*	*Support Costs 2021 £'000*	*Total Board Funds 2021 £'000*
Raising funds	1,942	-	-	1,942
Charitable activities				
Contributions to Archbishops' Council	-	609	-	609
Resourcing Parish Ministry	6,814	298	751	7,863
Education	191	-	131	322
Retreat House	94	-	-	94
	9,041	907	882	10,830

10. Analysis of support costs

	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Total Funds 2022 £'000
Central administration	576	-	576
Support for School	-	129	129
Governance:			
External audit	29	-	29
Registrar and Chancellor	121	-	121
	726	129	855

Comparative analysis for 2021	*Unrestricted Funds 2021 £'000*	*Restricted Funds 2021 £'000*	*Total Funds 2021 £'000*
Central administration	631	-	631
Support for School	-	111	111
Governance:			
External audit	30	-	30
Registrar and Chancellor	110	-	110
	771	111	882

11. Analysis of grants made

	Number of grants	Individuals 2022 £'000	Institutions 2022 £'000	Total 2022 £'000
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	586	586
From unrestricted funds:				
PCCs for Church inspection fees	76		50	50
Ordinands in training	16	149	-	149
PCCs for Faculty fees	82	-	10	10
Diocese Mission Projects	-	-	-	-
Continuing ministerial training	31	7	-	7
	205	156	60	216
Total	210	156	646	802

	Number of grants	*Individuals 2021 £'000*	*Institutions 2021 £'000*	*Total 2021 £'000*
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	609	609
From unrestricted funds:				
PCCs for Church inspection fees	47	-	33	33
Ordinands in training	19	159	-	159
PCCs for Faculty fees	170	-	22	22
Diocese Mission Projects	-	-	-	-
Continuing ministerial training	16	4	-	4
	252	163	55	218
Total	257	163	664	827

12. Net income for the year

	Total 2022 £'000	*Total 2021 £'000*
Net income for the year is stated after charging:		
Depreciation	18	113
Auditors' remuneration	29	30

13. Staff Costs

	Total 2022 £'000	*Total 2021 £'000*
The aggregate costs of staff were:		
Wages and salaries	1,469	1,378
Social security costs	161	141
Pension contributions	170	162
	1,800	1,681

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

	2022	*2021*
Resourcing ministry and mission	31	33
Schools fund	4	3
	35	36

There was 1 member of staff whose emoluments (including benefits but excluding pension contributions) amounted to between £120,001 and £130,000 and 1 between £70,001 and £80,000. (2021 - there was one member of staff whose emoluments (including benefits but excluding pension contributions) amounted to between £110,001 and £120,000 and one between £70,001 and £80,000). Pension payments of £19,989 (2021 - £19,588) were made for these employees.

Remuneration of key management personnel
Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. During 2021 they were:

Diocesan Secretary	Mr Paul Evans
Director of Education	Mr Andrew Read

Remuneration, pensions and expenses for these two employees amounted to £221,178 (2021: £240,057).

Trustees' emoluments
No trustee received any remuneration for services as trustee. Two trustees received travelling and out of pocket expenses, totalling £6,438 (2021 - £1,289) in respect of Bishop's Council duties.

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

	Stipend	Housing
The Revd Canon Adrian Daffern	Yes	Yes
The Ven Dr Alex Hughes	Yes	Yes
The Revd Anna Matthews	Yes	Yes
The Ven Hugh McCurdy	Yes	Yes
The Revd Simon Talbott	Yes	Yes
The Revd Sarah Gower	Yes	Yes
The Revd Dr Robert Mackley	Yes	Yes
The Revd David Newton	Yes	Yes
The Revd Becky Dyball	Yes	Yes
The Revd canon James Blandford-Baker	Yes	Yes

13. Staff costs (continued)

The Board is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. The Board is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Suffragan Bishop but excluding the Diocesan Bishop and cathedral staff.

The EDBF paid an average of 120 (2021: 122) stipendiary clergy as office-holders holding parochial or Diocesan appointments in the Diocese and the costs were as follows:

	2022 £'000	*2021 £'000*
Stipends	2,532	*2,653*
National Insurance contributions	202	*198*
Pension costs – current year	870	*949*
Pension costs – deficit reduction	(127)	*(232)*
Other costs	70	*26*
	3,547	*3,594*

The stipends of the two Bishops were paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and the Suffragan Bishop are funded by the Church Commissioners and are in the range £37,670 - £46,640 (2021 range £37,670-£46,650). The annual rate of stipend, funded by the EDBF, paid to Archdeacons in 2022 was in the range £36.830 - £38,633 (2021 range £36,830-£38,250) and other clergy who were trustees were paid in the range £26,900 - £27,270 (2021 range £26,900-£27,000).

The Diocese of Ely has estimated the value to the occupant, gross of income tax and national insurance, of church-provided housing for 2022/23 at £10,000 and for 2021/22 at £9,600.

14. Tangible Fixed Assets (Board and Consolidated)

	Board assets: Freehold properties £'000	Team Vicarages £'000	Parsonage Houses £'000	Leasehold property improve-ments £'000	Furniture & equip-ment £'000	Assets under constr-uction £'000	Retreat House £'000	Total £'000
Cost								
At 1 January	12,377	3,182	84,603	269	276	808	-	101,515
Additions	3,086	-	18	-	7	133	-	3,244
Disposals	(114)	-	(3,317)	-	-	(145)	-	(3,396)
Revaluation	-	119	(1,764)	-	-	-	-	(1,645)
At 31 December	15,349	3,301	79,720	269	283	796	-	99,718
Depreciation								
At 1 January	-	-	-	269	250	-	-	519
Charge for the year	-	-	-	-	18	-	-	18
Eliminated in disposal					-		-	-
At 31 December	-	-	-	269	268	-	-	537
Net book value								
At 31 December 2022	15,349	3,301	79,720	-	15	796	-	99,181
At 31 December 2021	12,377	3,182	84,603	-	26	808	-	100,996

14. Tangible Fixed Assets (continued)

Use of Fixed Assets
All of the Board's tangible fixed assets are used for direct charitable purposes with the exception of the investment glebe land, the leasehold property and some of the furniture and equipment which is used for management and administration.

Subsidiary Companies
Fixed assets represents an investment property held by Ely DBF Property Ltd.

Parsonages
Benefice houses are legally vested in incumbents as freeholders but the proceeds of any sale following a pastoral reorganisation belong to the Diocesan Pastoral Account. The Diocese is responsible for all upkeep and maintenance. As at 31 December 2022 the Diocese was responsible for 118 parsonage properties. Minor capital works of £12,058 (2021: £31,343) were not capitalised but charged against the Pastoral Account. The deemed cost of the parsonages is £29.639m.

Team Vicarages
Together with subsequent purchases less sales, there are now vested in the Board 5 team vicarages. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. The deemed cost of the team vicarages is £728k.

15. Investments

	Group		Board	
	2022 £'000	*2021 £'000*	2022 £'000	2021 £'000
At 1 January 2022	84,543	72,138	83,238	70,986
Additions	9,724	*4,114*	9,638	*4,119*
Disposals	(4,921)	(199)	(4,921)	(199)
Revaluation	(8,186)	*8,490*	(8,037)	*8,332*
Carried forward	81,160	84,543	79,918	83,238

Investment assets include both Glebe land and Schools Fund investment properties, which had been classified as Fixed Assets in previous financial statements however are held for investment purposes.

Invested in:	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Central Board of Finance (CCLA):				
Investment fund	27,352	29,081	27,352	29,081
Property fund	4,011	7,060	4,011	*7,060*
Global markets fund	8,794	10,230	8,794	*10,230*
Deposits	7,296	5,964	7,212	*5,964*
N W Brown Investment Managers				
Investment fund	8,816	11,255	8,816	*11,255*
Deposits	220	111	220	111
Edentree				
Investment Fund	8,862	3,753	8,862	3,753
Rathbones investments				
Investment funds	9,018	10,945	9,018	*10,945*
Deposits	1,023	74	1,023	74
Investment property				
Glebe	4,166	4,319	4,166	4,319
Schools Fund	437	437	437	437
Other	37	-	-	-
Other investments	9	12	9	*12*
Subsidiary trusts	1,119	1,302	-	-
Total investments	81,160	84,543	79,920	*83,241*

15. Investments (continued)

Subsidiary Trusts
Trusts where the Board is both the custodian and the beneficiary.

Glebe Land
Under the provisions of the Endowments and Glebe Measure 1976, the ownership of glebe land was transferred to the Board from 1 April 1978. Together with subsequent purchases less sales, there are now vested in the Board 5,099 acres of glebe land. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. It is not possible to calculate the cost of the Glebe land.

Subsidiary companies
The Board owns 100% of the issued share capital of Ely Diocesan Schools Services Limited (Company Number: 05037336) and Ely DBF Property Limited (Company Number: 05957128), companies incorporated in England, whose principal activities are those of providing project management services to schools and construction, and property development respectively. Both entities have the same registered office as the parent charity. The cost of these investments is £2.

The results for the year for the trading subsidiaries are as follows:

	Ely DBF Property Limited £	Ely Diocesan Schools Services Limited £
Income	1,521,605	17,110
Expenditure	(5,675)	(7,228)
(Loss)/Profit for the year	1,515,930	9,882
Fixed assets	37,214	-
Net current (liabilities)/assets	264,102	(1,976)
Net (liabilities)/assets	301,316	(1,976)

16. Debtors

	Group		Board	
	2022 £'000	*2021 £'000*	2022 £'000	*2021 £'000*
Ministry share	728	545	728	545
Other debtors	1,136	1,148	1,129	1,146
Prepayments and accrued income	59	95	46	95
Loans to parishes	-	-	-	-
Due from subsidiary companies:				
Ely Diocesan School Services Limited	-	-	27	27
Ely DBF Property Limited	-	-	740	774
	1,923	1,788	2,670	2,587

Loans to parishes do not include any debtors due after more than one year.

17. Creditors: amounts falling due within one year

	Group		Board	
	2022 £'000	*2021 £'000*	2022 £'000	*2021 £'000*
Central Board of Finance for parish loans	-	-	-	-
Other creditors	1,563	1,141	1,219	1,007
School governing bodies	748	1,221	748	1,221
Accruals and deferred income	1,067	*1,031*	1,038	*1,010*
Clergy Pension scheme	-	*215*	-	*215*
Loans	-	-	-	-
	3,378	3,608	3,005	3,453

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

	Group		Board	
	2022 £'000	*2021 £'000*	2022 £'000	*2021 £'000*
Pension scheme liabilities				
Clergy pension scheme	-	23	-	23

19. Provisions for liabilities and charges

	Group		Board	
	2022 £'000	*2021 £'000*	2022 £'000	*2021 £'000*
Parsonage housing repairs	1,214	1,076	1,214	1,076
Restructuring	34	35	34	35
	1,248	1,111	1,248	1,111
The movement on provisions is as follows:				
Balance at 1 January 2022	1,111	813	1,111	813
Provision used during the year				
Parsonage housing repair	(443)	(36)	(443)	(36)
Restructuring	-	-	-	-
New provision in year –surveyors	580	334	580	334
Balance at 31 December 2022	1,248	1,111	1,248	*1,111*

20. Revaluation Reserve

	Group		Board	
	2022 £'000	*2021 £'000*	2022 £'000	*2021 £'000*
Balance at 1 January	94,931	80,065	94,931	80,065
Revaluation of fixed assets	(1,645)	7,302	(1,645)	7,302
Revaluation of investment assets	(8,621)	7,564	(8,472)	7,564
Balance at 31 December	84,665	94,931	84,814	94,931

21. Financial commitments

Total commitments under non-cancellable operating leases are as follows:

	Group and Board 2022 £'000	*2021 £'000*
Office equipment with payments falling due:		
Due within one year	1	1
Due in between one and five years	-	1
	1	2

22. Unrestricted funds

Board

	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2022 £'000
Designated funds							
Pastoral property reserve	10,371	-	-	-	-	2,971	13,342
Long term parsonage repair reserve	-	-	-	-	-	166	166
Tree Risk Management			(69)	(69)	-	250	181
Ely Church Buildings Partnership	-	-	-	-	-	200	200
Ely 2025 growth fund	59	-	(7)	(7)	-	-	52
Murrow Church	20	-	-	-	-	-	20
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,179	295	(679)	(384)	-	500	1,295
Barnwell	(5)	118	(96)	22	-	-	17
	11,735	413	(851)	(438)	-	4,087	15,384
Retreat House	463	100	(35)	65	(10)	-	518
General funds	8,805	9,395	(8,146)	1,249	83	(4,766)	5,371
	21,003	9,908	(9,032)	876	73	(679)	21,273

Group

	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2022 £'000
Designated funds							
Pastoral property reserve	10,371	-	-	-	-	2,971	13,342
Long term parsonage repair reserve	-	-	-	-	-	166	166
Tree Risk Management			(69)	(69)	-	250	181
Ely Churches Building Partnership				-		200	200
Ely 2025 growth fund	59	-	(7)	(7)	-	-	52
Murrow Church	20	-	-	-	-	-	20
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,179	295	(679)	(384)	-	500	1,295
Barnwell	(5)	118	(96)	22	-	-	17
	11,735	413	(851)	(438)	-	4,087	15,384
Retreat House	463	100	(35)	65	(10)	-	518
General funds	8,805	9,149	(7,585)	1,564	97	(4,767)	5,674
	20,978	9,662	(8,471)	1,191	87	(680)	21,576

22. Unrestricted funds (continued)

2021 comparatives: Board

	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2021 £'000
Designated funds							
Pastoral property reserve	10,827	-	-	-	-	(456)	10,371
Long term parsonage repair reserve	7	-	(7)	(7)	-	-	-
Ely 2025 growth fund	118	-	(59)	(59)	-	-	59
Murrow Church	15	-	-	-	-	5	20
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,062	291	(755)	(464)	-	581	1,179
Barnwell	-	53	(58)	(5)	-	-	(5)
	12,140	344	(879)	(535)	-	130	11,735
Retreat House	429	103	(94)	8	26	-	463
General funds	6,536	7,599	(7,311)	288	2,046	(65)	8,805
	19,105	8,045	(8,284)	(239)	2,072	65	21,003

2021 comparatives: Group

	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfer s £'000	At 31 December 2021 £'000
Designated funds							
Pastoral property reserve	10,827	-	-	-	-	(456)	10,371
Long term parsonage repair reserve	7	-	(7)	(7)	-	-	-
Ely 2025 growth fund	118	-	((59)	(59)	-	-	59
Murrow Church	15	-	-	-	-	5	20
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,062	291	(755)	(464)	-	581	1,179
Barnwell	-	53	(58)	(5)	-	-	(5)
	12,140	344	(879)	(535)	-	130	11,735
Retreat House	429	102	(94)	8	26	-	463
General funds	6,543	7,601	(7,345)	256	2,046	(65)	8,780
	19,112	8,047	(8,318)	(271)	2,072	65	20,978

Pastoral Property Reserve
The Pastoral Property Reserve represents the amount invested in pastoral property.

Murrow Church
Funds held by the Board arising from the sale of the Chapel of Ease for the benefit of Murrow Church fabric.

Ely 2025 Growth Fund
This fund was consolidated to promote mission and ministry in accordance with the Diocese of Ely Strategy to 2025.

Hampton Church
Accumulated interest on the inter-group loans in relation to the Hampton Church build costs.

Market Towns
The aim of this project is to make real in the Diocese of Ely's market towns, the Church of England's commitment to be a Christian presence everywhere. It seeks by grace to transform that presence from one which is declining and diminishing to one which is fit to engage fully and courageously with these communities in times of challenge and change.

Barnwell
The aim of this innovative project is for a church plant on an urban estate to effectively minister to young people through the delivery of sports ministry – delivered by trained sports ministers.

Ely Church Buildings Partnership
It seeks not only to offer an alternative for churches which would otherwise have to close, but also to support open churches where management and maintenance are being neglected due to lack of capacity in the Parochial Church Council.

Tree Risk Management
There needed to be active management of trees on Diocesan property in terms of inspection and then working on or removing trees that could potentially pose a danger to life or property or third party property.

23. Restricted funds

Board	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2022 £'000
Diocesan Pastoral Account	13,971	230	(19)	211	622	3,782	18,586
Diocesan Stipends Fund Income Account	-	1,619	(1,619)	-	-	-	-
New Churches Fund	61	-	-	-	--		61
Clergy Well-being fund	150	3	-	3	(12)	-	141
RME Fund	34	415	(400)	15	-		49
Schools fund	132	346	(419)	(73)	-	17	76
	14,348	2,613	(2,457)	156	610	3,799	18,913

Group	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2022 £'000
Diocesan Pastoral Account	13,971	230	(19)	211	622	3,782	18,586
Diocesan Stipends Fund Income Account	-	1,619	(1,619)	-	-	-	-
New Churches Fund	61	-	-	-	--		61
Clergy Well-being fund	150	3	-	3	(12)	-	141
RME Fund	34	415	(400)	15	-		49
Schools fund	132	346	(419)	(73)	-	17	76
Subsidiary trusts	1,268	61	(60)	1	(150)	-	1,119
	15,616	2,674	(2,517)	157	460	3,799	20,032

23. Restricted funds (continued)

2021 comparatives

Group	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2021 £'000
Diocesan Pastoral Account	12,790	100	(40)	60	86	1,035	13,971
Diocesan Stipends Fund Income Account	-	1,696	(1,696)	-	-	-	-
New Churches Fund	61	-	-	-	-	-	61
Clergy Well-being fund	137	3	(3)	-	13	-	150
RME Fund	10	419	(395)	24	-	-	34
Schools fund	95	304	(302)	2	-	35	132
Subsidiary trusts	1,110	-	-	-	158	-	1,268
	14,023	2,522	2,436	86	257	1,070	15,616

Diocesan Pastoral Account

The purposes are laid down in the Mission and Pastoral Measure 2011 and mainly relate to:

- Costs incurred for the purposes of the Measure, or any scheme or order made under the Measure, except for salaries of regular Diocesan employees;
- Costs of disposing of or maintaining houses or churches vested in the Board or Commissioners;
- Costs incurred for the benefit of another diocese(s); and
- Transfers to the Diocesan Stipend Fund Capital or Income Accounts.

Where monies are not required for the above they may be considered for other purposes of the Diocese. Board properties are funded from the Diocesan Pastoral Account (DPA). When such properties are sold, the proportion of proceeds equal to the sums used to purchase the property are transferred to the DPA. Any surplus realised from the sale of the property is, at the Board's discretion, transferred into the DPA, or transferred to an existing or new designated fund of the Board.

Diocesan Stipends Fund Income Account

Subject to any charges imposed by scheme or order the Fund shall be applied to:

- Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese;
- Meet expenses incurred in repairing and maintaining parsonage houses;
- Pay secondary Class 1 contributions in respect of ministers not employed under a contract of service; and
- Defray sequestrators' expenses.

New Churches Fund

This fund is used to fund the establishment of new church buildings

Anthony Edward Brookes Fund for the Well-being of the Clergy (Clergy Well-Being Fund)

This fund is for the benefit of the well-being of clergy.

RME Fund

Upon receipt of the Block Grant from the Archbishops' Council, the Diocese must pay it into the Resourcing for Ministerial Education (RME) Fund for ministerial education training for the ordinands they sponsor. The Block Grant can only be spent on Initial Ministerial Education pathways, which have been approved by Ministry Division at accredited Theological Education Institutions (TEIs).

24. Expendable Endowments

Board and Group

	At 1 January 2022 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2022 £'000
Stipends Capital Fund	51,257	82	(102)	(20)	(3,769)	119	47,587
Glebe	4,319	-	(6)	(6)	(27)	(119)	4,167
Team Vicarage Fund	3,182	-	-	-	119	-	3,301
Parsonage Houses Fund	84,601	-	-	-	(1,764)	(3,119)	79,718
Schools Fund	5,057	--	-	-	(432)	-	4,625
	148,416	82	(108)	(26)	(5,873)	(3,119)	139,398

2021 Comparatives

	At 1 January 2021 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2021 £'000
Stipends Capital Fund	44,821	-	(63)	(63)	6,906	133	51,257
Glebe	4,322	-	(13)	(13)	143	(133)	4,319
Team Vicarage Fund	2,901	-	-	-	281	-	3,182
Parsonage Houses Fund	78,715	-	-	-	7,021	-	84,601
Schools Fund	4,542	-	-	-	515	(1,135)	5,057
	134,761	-	(76)	(76)	14,866	(1,135)	148,416

Stipends Capital Fund, Glebe and Team Vicarage Fund

These are capital funds held under the terms of the Endowments and Glebe Measure 1976 and the Miscellaneous Provisions Measure 1992 and principally comprise freehold properties and shares in the CBF Investment Fund, CBF Property Fund and the CBF Deposit Fund. Together they form the Diocesan Stipends Fund. Receipts arise mainly from the sale of glebe properties, grants of easement, and variations of restricted covenants.

Parsonage Houses Fund

This Fund represents the stock of parsonage houses, i.e. houses held as benefice property for occupation by incumbents. A parsonage house is required for each benefice and the funding of improvements and new and replacement parsonage houses is the responsibility of the Board.

Schools Fund

The income of these funds primarily represents income investments and donations. The fund balance is made up of the proceeds from closed schools and donations and is used primarily towards improvement costs at church voluntary aided schools.

During the year the Schools Fund expended £74,539 on projects as agent for the schools' governing bodies.

25. Analysis of net assets between funds

Funds at 31 December 2022 are represented by:

Board

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	15,364	129	83,688	99,181
Investments	19,197	5,083	55,638	79,918
Net current assets / (liabilities)	2,209	(14)	(462)	1,733
Non-current liabilities	-	-	-	-
Provisions	(1,248)	-	-	(1,248)
	35,522	5,198	138,864	179,584
Interfund borrowing	(14,249)	13,715	534	-
Net assets	21,273	18,913	139,398	179,584

Group

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	15,364	129	83,688	99,181
Investments	19,320	6,202	55,638	81,160
Net current assets / (liabilities)	2,375	(14)	(448)	1,913
Non-current liabilities	-	-	-	-
Provisions	(1,248	-	-	(1,248)
	35,810	6,317	138,878	181,006
Interfund borrowing	(14,234)	13,715	519	-
Net assets	21,576	20,032	139,398	181,006

Funds (Group) at 31 December 2021 are represented by:

	Unrestricted Funds £'000	*Restricted Funds £'000*	*Endowment Funds £'000*	*Total £'000*
Fixed assets	12,403	301	88,292	100,996
Investments	18,348	5,690	60,505	84,543
Net current assets / (liabilities)	*1,490*	(56)	(829)	605
Non-current liabilities	-	-	-	-
Provisions	*(1,134)*	-	-	(1,134)
	31,107	*5,935*	*147,968*	*185,010*
Interfund borrowing	*(10,129)*	*9,681*	*448*	-
	20,978	*15,616*	*148,416*	*185,010*

26. Pensions

Church of England Funded Pension Scheme

The Board participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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 a 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: £1,010,719, 2021: £1,070,147), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total charge of £1,137,717 for 2022 (2021: £1,302,147).

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

- An average discount rate of 3.2% pa;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below:

	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below:

	2022 £'000	*2021* *£'000*
Balance sheet liability at 1 January	209	459
Deficit contribution paid	(127)	(232)
Interest cost (recognised in SoFA)	-	*1*
Remaining change to the balance sheet liability* (recognised in SofA)	(82)	(19)
Balance sheet liability at 31 December	-	209

26. Pensions (continued)

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

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

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5% pa	1.6% pa

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

Church Workers Pension Fund

The Board participates in the Pension Builder Scheme section of CWPF for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the employer and the other participating employers.

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

Pension builder scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. 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 that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This 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 contributions payable (2021: £121,838, 2020: £124,326).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent 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, Ely Diocesan Board of Finance could become responsible for paying a share of that employer's pension liabilities.

26. Pensions (continued)

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: £60,592, 2021: £55,579) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £32,952 for 2022 (2021: £55,579).

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

A valuation of DBS is carried out once every three years. The most recent 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.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 23.6% of pensionable salary and expenses of £6,500 per year. In addition deficit payments of £5,692 per year have been agreed for 7.00 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

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

	2022 £'000	*2021* *£'000*
Balance sheet liability at 1 January	34	-
Deficit contribution paid	(6)	(4)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SofA)	(28)	38
Balance sheet liability at 31 December	-	34

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

26. Pensions (continued)

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%	1.5%	0.0% pa

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

The next valuation of the scheme is being carried out as at December 2023.

27. Related Party Transactions

Ely DBF Property Limited and Ely Diocesan Schools Services Limited are both wholly-owned subsidiaries of Ely Diocesan Board of Finance, whose financial statements are both publicly available.

At 31 December 2022, £740 k was owed from Ely DBF Property Services Limited and £27k was owed from Ely Diocesan Schools Services Limited to the parent charity. There is no interest charged and no fixed repayment on either balance.

28. Post Balance Sheet Events and Contingent Liabilities

Rising inflation will become a significant issue for the Diocese during 2023 and beyond with the potential impact on charitable giving to churches by parishioners, and the effect that may have on the ability of parishes to meet their Ministry Share requests. Diocesan Officers are modelling the impact of various scenarios for 2024 involving reductions in income streams and the possibility of cancelling or postponing areas of expenditure.

This represents a significant challenge both to the Board and the parishes of the Diocese to generate funds to maintain delivery of services. The Board intends to set annual budgets on a break-even basis.

Regarding any potential impact on property values, as stated in Note 14, the intention is to hold most of the property for the long term, with no plans currently to sell any more than 2 houses in the next year. For investment assets, as stated in Note 15, portfolios had decreased in value at the year end. The DBF is a long-term investor and currently has no plans to realise investments. No adjustment has been made in these financial statements to the values at 31st December 2022.

The Covid-19 crisis had an impact on the operations of the Board and face to face events continue to be held online or in a hybrid manner. Most employees are, however, continuing to work effectively from home and to provide support services as normal. The Board has taken the opportunity to review the Diocesan Operations from the current offices in Barton Road, Ely and it has been agreed to build a new central office close to the city which will be better designed to meet the needs of the Board in the future. This process is well under way, and it will take approximately 12-18 months for the construction to be completed. Funding was identified and ring fenced to ensure that the project will be completed without needing financial input from parishes.

29. Trust funds

The Board 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 PCCs and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. The financial assets held in this way may be summarised as follows:

		2022 Valuation £'000	*2021 Valuation £'000*
Miscellaneous listed investments		2,318	3,033
Central Board of Finance:	Investment Fund shares	14,372	14,943
	Fixed interest securities fund units	355	408
	Deposits	2,108	2,057
Other assets		-	(70)
Cash at bank		314	373
Total assets held as custodian trustee		19,467	20,743

THE ELY DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 245456

Accounts

DIOCESE
of
ELY

Ely Diocesan Board of Finance

A company limited by guarantee and not having a share capital

Registered in England No: 00142183 (England & Wales) Charity No: 245456

Report & Accounts
For the year ended 31 December 2021

ELY DIOCESAN BOARD OF FINANCE

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ELY DIOCESAN BOARD OF FINANCE
MISSION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

We pray to be generous and visible people of Jesus Christ

Nurture a confident people of God
Develop healthy churches
Serve the community
Re-imagine our buildings
Target support to key areas

To **engage** fully and courageously with the needs of our communities, locally and globally.

To **grow** God's church by finding disciples and nurturing leaders.

To **deepen** our commitment to God through word, worship and prayer.

ELY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also directors for the purposes of company law, present their combined annual trustees' report and directors' report, together with the audited financial statements, for the year ended 31 December 2021.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors of Ely Diocesan Board of Finance (the Board).

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 OBJECTIVES

The objectives of the Diocese of Ely cover the geographical area of the Diocese.

The Board's principal objective is to promote, assist and advance the work of the Church of England in the Diocese of Ely by acting as the financial executive of the Ely Diocesan Synod.

The Board has the following statutory responsibilities:

i. the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;
ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
iii. the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 2021;
iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the Board are established by the Diocesan Synod in communication with Deanery Synods, Parochial Church Councils, and the Bishop of Ely (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally; including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, taking forward the commitments arising from the Diocesan Conference including the Diocesan Budget.

STRATEGIC AIMS

The Board aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Ely and elsewhere.

The Board's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

The key activities may be summarised as:

- Mission and Ministry in the Parishes (includes all clergy training, housing, stipends, pension and all other expenditure supporting parish-based ministry);
- Education funding (includes support for schools);
- Implementation of strategic growth projects; and
- Contributions for national Church institutions (mainly by grant support).

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

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

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

OBJECTIVES FOR THE YEAR

- To encourage more people to become directly involved in the mission of the Church of England in the Diocese of Ely;
- To support deaneries in the collection of Ministry Share;
- To engage with communities across the Diocese;
- To review the allocation of funding resources to mission projects;
- To review the allocation of personnel resources to mission projects; and
- To review the support available for Church Schools across the Diocese.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Operational performance

Throughout the year much of the world has continued to struggle in the midst of the continuing global pandemic. The beginning of the year saw the UK population in a further lockdown which lasted until spring. It was not until Easter 2021 that many churches reopened their doors for the first time since the start of the pandemic. An effective vaccination programme has allowed people to resume varying levels of activity that formed part of their previous lifestyle. Although, in general, levels of community activity have been characterised by a stop / start air of uncertainty. Within this environment the DBF has again been proud of the church communities across the Diocese. It remains a source of great pride throughout the DBF at the number of innovative ways of keeping the service provision at a high level across the whole of the faith community, along with the design and implementation of new programmes of support for people affected by the crisis.

The Diocesan Office remained closed throughout the year and Office staff continued to operate from their homes. Fortunately, the staff were able to continue to rely on the system that had been implemented in the previous year, meaning that they were able to continue to provide a high level of service to our clergy and parishes. At the time of writing the offices are open to staff offering a central facility though use is restricted to internal communication only. Diocesan staff continue to operate principally from home. Over the last 2 years in particular the DBF has seen a change in some of the needs of the clergy and people in our parishes and the Board is working quickly to review and reassess the mode and delivery of many of the services it provides.

Plans and achievements in 2021

For 2021 the Board planned to:

- Maintain clergy stipends at the level recommended by the Archbishops' Council;
- Make provision for the training and support of both lay and ordained in parish ministry
- Encourage parishes in their generosity in funding mission and ministry through Ministry Share; and
- Maintain an effective repair and maintenance service to clergy in respect of breakages or damage to their homes; and
- Continue Stage 1 of the "Changing Market Towns" Initiative and to commence a number of initial projects in Phase 2 of the initiative.

During 2021 the Board has:

- Engaged with deaneries and parishes to modernise and support individual giving;
- Worked closely with each of our deaneries to continue to make payments of parish share achieving an overall collection rate of 94%;
- Maintained a clergy housing maintenance programme to ensure repairs reported were carried out promptly;

- In the first quarter of the year, utilised assistance from the furlough schemes implemented by the government to defray some of the salary costs of a number of the central Diocesan Office Staff. All the central Diocesan Office staff were returned to full operation at the end of the first lockdown. Since then, the full complement of our staff has been directly serving our parishes.
- As a consequence of the covid crisis reduced our headcount to the minimum operational level and significantly reduced our other operating costs;
- Continued working very closely with schools and local education authorities to support schools through a tumultuous period of upheaval to ensure that our children had education resources available to them whether they were based in the classroom or for the periods when they were at home.

Overall, despite the difficulties, the DBF achieved an increase in income to £10.569m. Although Ministry Share collection was down on 2020, additional income received from investments was more than sufficient to cover this reduction.

Investment performance

Overall performance

Investments (including stipends fund) are held in both glebe and other Board funds. The value of investments (excluding short-term cash deposits) on 31 December 2021 was £84m (2020: £72.1m) and based on the year end value the return on investment was 3.7% (2020: 3.6%).

Global equity markets have been volatile throughout the year. Initial, positive reactions to the worldwide commencement of national vaccination policies saw markets rise. Positivity was tempered mid-way through the year as it became clear that the effect on global supply chains had been significant and the ability to transport raw materials or finished goods, was slow, logistically problematic and subject to significant delay and increased cost. During the second half of the year many companies were able to announce higher levels of dividend than had been anticipated, leading to an increase in the general confidence of investors. This upturn in market sentiment meant that capital values ended the year higher than those of 2020.

Glebe (including stipends fund) investments

£56.5m (2020: £47.0m) of the Board's investments are in glebe and stipends fund investments, primarily to generate a sustainable income to continue funding clergy stipends.

Rental income receivable from the glebe land was £451k (2020: £463k) and investment income receivable from the stipends fund was £1.67m (2020: £1.40m).

Board investments

Other investments are held on behalf of a number of endowed, restricted and general funds. The policy with these investments is to safeguard capital and to generate income. Investment in equity, fixed interest, property, corporate bonds and deposit funds were valued at £28.0m on 31 December 2021 (2020 £25.2m). Dividends and interest receivable amounted to £1.03m (2020: £1.2m) – a yield of 3.7% (2020: 4.7%).

External factors affecting performance

Ministry Share is contributed by the deaneries and PCCs towards the ministry and other costs of the Diocese. A large part of these costs are clergy stipends, staff salaries and building maintenance costs. In addition, at each triennial valuation the Diocese faces the possibility of having to increase contributions to the clergy and staff pension schemes.

The Diocese of Ely remains financially relatively strong compared with many other dioceses and is expected to take a proportionately larger share of National Church costs than the less well-resourced dioceses.

FUTURE PLANS

Any future plans are still subject to the further impact and consequences of the Covid-19 pandemic. After a lockdown which lasted the first quarter of 2021, the country began to "reopen", and people began to resume their normal lives and business. The government has published a plan for living with Covid-19 in the future. It is very

much hoped that the vision anticipated in the document will be accurate and there will not be any future need to curtail the operation of society because of the virus again. The challenges posed to us surrounding our continued operation and delivery of services and support to our parishes have caused a review of the Board's operations. One major aspect has been the review of the Diocesan Operations from the current offices in Barton Road. The prolonged closure of the building and the increased demand for the delivery of services multiple channels of communication has encouraged questions about how effectively the Diocese can deliver support to parishes. It has become clear that the existing office building is not capable of providing the flexible accommodation and facilities to allow the DBF to give our clergy and parishes the support they need. Accordingly, after a review of available options it has been agreed to build a new central office close to the city which will be better designed to meet the needs of the DBF in the future. This process will take approximately 18 months and funding has been identified and ring fenced to ensure that the project will be completed without financial input from parishes.

The first phase of the Changing Market Towns project will continue throughout 2022. This is the final year of the structured project which is delivering positive developments in many of the smaller market towns across the diocese. In tandem, the Board commenced the second stage of the Changing Market Towns initiative in the final quarter of the year. This phase of the project will focus mainly on the Towns of Huntingdon and St Neots, but includes other smaller projects across the Diocese. Projects are in place covering the next 18-24 months.

This report is being compiled at a time when there are some significant inflationary issues affecting the global economy, coupled with constricting pressures on incomes caused by fiscal measures introduced by the government. These factors represent significant challenges to the Board and parishes of the Diocese to generate funds to maintain delivery of services. The Board intends to set annual budgets on a break-even basis. Expenditure plans are being reviewed, with the situation and its impact on cashflow being continuously monitored. The ongoing objective is to resource Diocesan needs, as determined by Diocesan Synod and informed by both the local and the national Church institutions.

FINANCIAL REVIEW

Overall financial position

Income for the group for the year, before net gains and losses on investment and revaluation of fixed assets, totalled £10.57m (2020: £10.29m) and expenditure amounted to £10.83m (2020: £10.12).

The Statement of Financial Activities (SOFA) for the group for the year shows net expenditure of £0.26m (2020: net income £0.17m) before net gains and losses on investment and revaluation of fixed assets.

After revaluation adjustments, the net movement in funds for the group amounted to £16.9m (2020: £8.5m).

During the year, total fund balances for the group increased from £168.0m to £185.0m.

There was an overall group net cash outflow of £208k (2020: inflow of £156k).

Review of the statement of financial activities

There are no significant issues to which attention needs to be drawn.

Principal Funding Sources of the Board

Around 50% of the Board's income comes from Ministry Share, 25% from Diocesan investments and the remaining 25% from other resources.

Review of the financial position

Balance Sheet values rose by the surplus of income over expenditure of £16.9m for the group (£16.8m for the board). Unrealised gains on investments were £9.9m (2020: £1.0m) and revaluations of fixed assets during the year were £7.3m (2020: £7.3m) for the group. A full independent review of the value of all properties held by the Board was carried out in 2020 and an update for 2021 has resulted in the significant increase on the overall valuation of the parsonage properties.

Financial sustainability

A major priority is to attain Ministry Share payment in full by all deaneries. Despite the difficult circumstances, 6 out of 15 deaneries paid their allocation in full for 2021 (2020: 7 of 15). The Board's investment portfolio is kept under regular review.

Going concern

After making enquiries the trustees are satisfied that the Board has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Investment policy

The Board is charged with the management of a diverse portfolio of assets belonging to the Diocese. Many of these assets have been given to support the stipends of clergy or to ensure the provision of clergy housing. The Board undertakes the management of these assets in accordance with the requirements of governing Church of England Measures. The Board strives to be a responsible investor and to follow the recommendations and guidance set down by The Ethical Investment Advisory Group of the Church of England.

Subject to the ethical constraints, the policy of the Board is to invest all its resources in such a way as to maximise a sustainable level of income and therefore the amount contributed to clergy stipends, while at the same time protecting the long-term capital value.

Financial assets: The Board retains professional investment advisers to manage investments. The performance of these managers is monitored constantly and is compared annually with that of other charity asset fund managers. Managers are required to meet regularly with Trustees to discuss and agree the implementation of strategies. The investment policy, income, and the sustainability of that income is a prime concern of the Board.

Land: the holdings are managed on a day-to-day basis by land agents retained by the Board. Most of the land is undeveloped, and thus the income from it is generally lower than from financial investment, though the potential for long-term capital appreciation is high. The Board reviews its holdings for potential development opportunities. The Board's strategy is in general not to sell its landholdings at undeveloped value, but to seek or await development potential and hence capital appreciation; the funds raised then being invested as financial assets for higher income. Planning policy thus plays an important part in the investment reviews.

The Board is sensitive to the concerns of individual parishes as regards development of landholdings in their area, but is required to balance this with the normal objective and commercial approach that any arms-length investor in property would apply.

The Board regularly reviews its investment policy.

Reserves policy

The Board has considerable responsibilities including the remuneration of some 120 stipendiary clergy, the upkeep of approximately 155 houses and the employment of some 37 full or part time staff. The target for free reserves (net of tangible fixed assets and investments) is currently set at an amount equivalent to three months' gross expenditure from unrestricted funds estimated at £2.07m.

On 31 December 2021 free reserves were £7.2m. The unrestricted fund comprises net assets amounting to £21.0m of which £12.4m is tied up in tangible fixed assets.

The Trustees are aware, particularly in the light of the COVID-19 pandemic, that levels of parish contributions may reduce in future years and that there could be a deficit against the policy level of free reserves. The ultimate impact of the COVID-19 crisis on asset values, income levels and ultimately on free reserves is, as yet, unclear.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees confirm that the major risks to which the Board is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures have been established to manage those risks. The trustees delegate to the Finance Committee the task of ensuring that risks are reviewed and managed as part of the risk

management strategy. The Finance Committee has defined the risks in their areas, reported on the measures in place to manage and monitor these risks and implemented procedures and controls designed to minimise any potential impact on the Board should any of the risks materialise. A risk register has been compiled.

The Finance Committee reviews the risk register periodically and reports to trustees whether it is satisfied with its findings and makes recommendations as to areas for further work in subsequent years. The trustees review the risk register at least annually as part of the corporate risk management strategy. A summary of the major risks identified in the risk register are:

Ministry Share

The reliability and timing of the income received from local churches is voluntary in nature. The risk recognises the importance of Ministry Share, a voluntary income stream, which accounts for approximately 50% of the Ely Diocesan Board's overall income. It recognises the risks arising from a shortfall on Ministry Share and the need for continued generosity.

Mitigating policies are:

- The constant monitoring of financial strategies and costs; and
- The provision of individual support strategies for parishes which experience unforeseen temporary difficulties in meeting Ministry Share payments.

Potential disruption in the flow of investment income

The reliability and timing of income receivable from investments and tenants of Board land and properties; Investments are monitored closely and are held in balanced portfolios to reduce specific risk of overexposure to any single asset sectors and cashflows are reviewed regularly to highlight any potential discrepancy in the availability of funding.

Safeguarding

Safeguarding is a high priority for the Diocese. It is an area which has seen significant investment in capacity and resource in recent years. Safeguarding allegations have potential resource and reputational implications.

In response to this risk the Board has set in place policies to:

- Respond well to allegations of abuse and survivors including working effectively with statutory agencies;
- Keep levels of resource in the safeguarding team under review;
- Respond to national processes and seek to influence national policy guidance to avoid unintended consequences;
- Continue to deliver safeguarding training to improve awareness and responsiveness across the Diocese; and
- Learn from experience and seek to continually improve.

Trustees and Diocesan Officers are assessing the risks and uncertainties brought about by the COVID-19 pandemic. Cashflow is continuously monitored, along with the impact of the crisis on income levels. A number of scenarios are being modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is organised as two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses, of which there are 41 in England.

Each diocese in England is divided into parishes. Each parish is overseen ecclesiastically by a parish priest if not an 'incumbent' (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish.

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

The Church of England is episcopally-led. There are 108 bishops including diocesan, assistant and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: The Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, today spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Pensions Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

The Cathedral

Ely Cathedral is the mother church of the Diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Chapter Office, Ely Cathedral.

The information about General Synod, the Church Commissioners, the Archbishops' Council and Ely Cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements.

Organisational Structure

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation from across the diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan bishops and archdeacons. It comprises three houses; laity, clergy and bishops.
Its role is to:

- Consider matters affecting the Church of England in the diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the bishop where requested;
- Deal with matters referred by General Synod; and
- provide for the financing of the diocese.

Bishop's Council (and Standing Committee of the Diocesan Synod)

Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion;
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the Diocesan Bishop on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

Deanery Synod

Deanery Synod has two houses, laity and clergy, and its role is to:

- Respond to requests from General Synod;
- Where appropriate, give effect to the decisions made by the Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

Parishes

A benefice is a parish or group of parishes served by an incumbent or priest in charge in holy orders who as such is a church beneficiary and typically receives a stipend and the benefit of free occupation and use of a parsonage house at the behest of the Bishop for the purpose of carrying out spiritual duties.

A deanery is a group of parishes over which a rural dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

A diocese is then the principal pastoral and, by means of its Board of Finance, financial and administrative resource of the Church of England in the area, encompassing the various archdeaconries under the spiritual leadership of the Diocesan Bishop.

Parochial Church Council (PCC)

The PCC is the elected statutory governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church. The PCC is made up of the incumbent or priest in charge as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a corporate charity, but all those not exceeding £100,000 annual gross income are currently excepted from registration with the Charity Commission. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

Structure, governance and management

The Diocese of Ely was created in 1109 and covers an area of 1507 square miles with a population of approximately 725,000.

The Diocese is arranged as two Archdeaconries: Cambridge, comprising the southern part with seven deaneries, and Huntingdon and Wisbech in the northern part with eight deaneries. In total there are 316 parishes.

Diocesan governance

The Diocese is governed by Standing Orders approved in 1994 and subsequent amendments. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of ex officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, up to five persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Standing Committee - the Bishop's Council.

Company status

The company, Ely Diocesan Board of Finance (the Board), is established to manage the financial affairs and hold legal title to the assets of the Diocese. It was incorporated on 19 November 1915 as a charitable company limited by membership guarantees (No. 142183) and its governing documents are the Memorandum and Articles of Association. The Board is registered with the Charity Commission (No. 245456).

Each member of Diocesan Synod is also a member of the Board for company law purposes and has a personal liability limited to £1 under their guarantee as a company member in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council comprise the Board of trustees of the Board – they are its directors under company law.

Decision-making structure

Within the supervisory powers of the Diocesan Synod, as listed below, certain Diocesan functions (those italicised below) under the heading 'Committee structure' are undertaken by the Board in pursuit of the Board's charitable objectives:

- Planning the business of Synod including the preparation of agendas and papers
- Initiation of proposals for action by the Diocesan Synod and provision of policy advice
- Transacting the business of the Diocesan Synod when not in session
- Management of the funds and property of the Diocese
- Preparation of annual estimates of expenditure
- Advising on action needed to raise the income necessary to finance expenditure
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod
- Carrying out any other functions delegated by Diocesan Synod.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary, (who acts as Company Secretary) who is supported by a number of heads of departments and their staff.

Committee structure

Bishop's Council is the Board of trustees and company directors. It consists of ten ex officio members, including the Diocesan Bishop and the Suffragan Bishop, the two Archdeacons, the Dean of Ely and the chair of the Finance Committee, six clergy elected by the house of clergy from among their number (on an Archdeaconry basis, three per Archdeaconry) and ten lay persons elected by the members of the house of laity representing deaneries (on an Archdeaconry basis, five per Archdeaconry) and a maximum of five members nominated by the Diocesan Bishop.

Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which has delegated its authority under the Mission and Pastoral Measure 2011 to Archdeaconry Mission and Pastoral Committees.

The Board has the following sub-committees, each of which has written terms of reference:

Finance Committee, which is responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the trustees prior to submission to Diocesan Synod and monitors expenditure and income.

Audit Committee, established by the Directors / Trustees in 2016. The primary responsibility is to review the audit process the Diocese is subject to and the audited accounts produced. Its remit is wide ranging and can consider any area of the financial activities of the Diocese in an effort to identify inefficiencies, reduce costs, and otherwise achieve organizational objectives. The committee is also involved in risk management for the Diocese. Reporting directly to the directors / trustees, it consists of three members: one from the Finance Committee, one from the Deanery Liaison Group representing deaneries and parishes and one independent member with financial expertise from outside the Board.

The Audit Committee is also responsible for assisting the trustees in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

Assets Committee is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocese.

There are a number of Diocesan Synod statutory committees that, though not sub-committees of the Board, can influence the operations of the Board.

Houses Committee which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board.

Diocesan Advisory Committee for the Care of Churches which advises on matters affecting churches and places of worship, such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Ely Diocesan Board of Patronage which is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

The Churches Uses Committee which is responsible for finding appropriate alternative uses for churches which have been, or are proposed to be, declared redundant.

Appointment of trustees

The trustees of the Board are the members of the Bishop's Council. See above for details of membership.

Trustees are given induction training when first appointed and receive ongoing training, as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the Diocese and an introduction to any special areas of the Diocese with which they will be working (e.g. Board of Education, Houses Committee). Trustees are encouraged to visit Diocesan operations.

Some senior staff may have job titles incorporating the title 'Director' but they are not necessarily directors of the company (for the purposes of company law) and so they do not count as 'charity trustees'.

In preparing the financial statements the trustees are required to:

- Select the most suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Follow applicable accounting standards and the SORP, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Grant-making (beneficiary-selection) policy

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (See note 11 to the financial statements). Grants are paid to other charitable projects which appear to the Board to support the furtherance of its objectives. (See note 11 to the financial statements).

Funds held as custodian trustee for others

The Board is the custodian trustee for trust investment assets with a market value of £20.8m on 31 December 2021. Detailed certificates of holdings were sent to parishes and other managing trustees of the respective charities at that date. The Board as custodian trustee also holds PCC property. Each PCC is a separate charity. The assets are held separately from those of the Board.

Fundraising practices and performance

The Trustees are aware of the Charities (Protection and Social Investment) Act 2016 and support the aims of this legislation. The DBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The Diocese considers the origin of unsolicited donations and legacies. In 2021 the DBF did not engage with independent professional fundraisers and did not receive any complaints in relation to fundraising or raise any matter with regulators.

Related parties

General Synod, church Commissioners and Archbishops' Council

The Board has to comply with Measures (i.e. ecclesiastical legislation with the same force as an Act of Parliament) passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the bishops are borne by the Church Commissioners and are reflected in the financial statements as costs funded by grants received from the Church Commissioners.

Parochial Church Councils (PCCs)

The Board is required by Measure to be custodian trustee in relation to PCC property (excluding ecclesiastical buildings), but the company has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Subsidiary undertakings

The Board has the following subsidiary undertakings, the turnover, expenditure and profit / (loss) for 2021 for each of the non-charitable subsidiaries was as follows:

	Income £'000	Expenditure £'000	Profit/(loss) £'000
Ely DBF Property Limited (05957128)	-	(7)	(7)
Ely Diocesan Schools Services Limited (05037336)	2	(20)	(18)

Each subsidiary intends to gift any taxable profits to the Diocese within 9 months of the financial year end.

Pension Schemes

Clergy Pension Fund
The Board participates in the Church of England Funded Pension Scheme.

The Church of England Funded Pension Scheme is a defined benefit scheme, but the Board is unable to identify its share of the underlying assets and liabilities – each employer in that Scheme pays a common contribution rate. The latest valuation of the Scheme was carried out as of 31 December 2018.

For Schemes such as the Church of England Funded Pension Scheme, Section 28 of FRS 102 requires the Board to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Church of England Defined Benefits Scheme
The Board participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers' Pensions Fund.

The Board is unable to identify its share of the underlying assets and liabilities – each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The most recent finalised valuation of the fund was at 31 December 2019 with the next triennial valuation due at 31 December 2022.

Church of England Defined Contribution Scheme
The Board participates in the Church of England Pension Builder Scheme, a defined contribution scheme.

Further details are contained in note 26 to the financial statements.

TRUSTEE REPONSIBILITIES

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 that 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 affairs of the Board and of the surplus or deficit of the Board 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 Board and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Board 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 on the Board's website. Legislation in England and Wales governing the preparation and dissemination of the financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

As far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and
- 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 auditors are aware of that information.

ADMINISTRATIVE DETAILS

In accordance with the companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in January 2015 (SORP 2015), the trustees (for the purposes of charity law) and directors) for the purposes of company law) during the period from 1 January 2021 until the date of this report were:

Bishop's Council

Bishops (ex officio)
The Rt Revd Stephen Conway (Bishop of Ely)
The Rt Revd Dagmar Winter (Bishop of Huntingdon)

Ex officio
The Very Revd Mark Bonney (Dean of Ely)
The Ven. Dr Alex Hughes (Archdeacon of Cambridge)
The Ven. Hugh McCurdy (Archdeacon of Huntingdon and Wisbech and Diocesan Clergy Representative on General Synod) (resigned 18 April 2022)
The Revd Canon Alison Myers (Chair of the House of Clergy) (resigned 5 October 2021)
The Revd Canon Sarah Gower (Chair of the House of Clergy)
Canon Simon Kershaw (Chair of the House of Laity)
The Revd Canon Brian Atling (Chair of the Board of Finance and the Finance Committee)

Elected for the Archdeaconry of Cambridge
The Revd Canon Nick Moir (resigned 31 December 2021)
The Revd Canon Anna Matthews
The Revd David Newton (appointed 1 January 2022)
The Revd Canon James Blandford-Baker (appointed 1 January 2022)(Proctor in Convocation)
Canon Peter Maxwell
Dr Arvan Pritchard (resigned 31 December 2021)
Mr Steve Mashford
Mrs Sarah Robinson
Ms Elizabeth Taylor
Dr Felicity Cooke (appointed 1 January 2022)
Mr Christopher Townsend (appointed 1 January 2022) (Diocesan Lay Representative on General Synod)

Elected for the Archdeaconry of Huntingdon and Wisbech
The Revd Martin Dale (resigned 31 December 2021)
The Revd Rebecca Dyball (appointed 1 January 2022)
Mr Donald Ashmore (resigned 31 December 2021)
Mrs Elaine Levitt
Mrs Diana Lucas (resigned 31 December 2021)
The Revd Canon Dr Jessica Martin (appointed 1 January 2022)
Canon Janet Perrett
Mr Stephen Tooke (resigned 31 December 2021)

The Revd Canon Simon Talbott (resigned 1 January 2022)

Co-opted
Mr Francis Burkitt (Chair of the Assets Sub-Committee)
Mr George Lynn (Chair of the Audit Committee)
Mrs Sue Freestone (resigned 31 December 2021)
Canon Tim Walters (Vice Chair of the Finance Committee)

Nominated by the Bishop
Canon Robert Needle
Mr Martin Macfarlane (resigned 31 December 2021)
The Revd Carol Nicholas-Letch (resigned 31 December 2021)
The Revd Canon Adrian Daffern

Diocesan Secretary
Canon Paul Evans – Company Secretary

Finance Committee

The Revd Canon Brian Atling (Chairman)
Canon Tim Walters (Vice Chairman)
Mr Donald Ashmore
the Revd Sarah Gower
The Ven Dr Alex Hughes
The Ven Hugh McCurdy
Mr Francis Burkitt
The Revd Canon Simon Talbott
The Revd R Dyball

Registered Office

Ely Diocesan Board of Finance, Diocesan Office
Bishop Woodford House
Barton Road
Ely
Cambridgeshire
CB7 4DX
Telephone No.: 01353 652700

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Barclays Bank PLC
Corporate Banking
PO Box 885
Mortlock House
Vision Park
Histon
CB24 9DE

Solicitors

Lee Bolton Monier Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Investment managers - Listed investments

CCLA Investment Management Ltd (CCLA)
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Eden Tree Investment Management
24 Monument St.
London
EC3R 9AJ
Reg Office
Beaufort House
Brunswick Road
Gloucester GL1 1JZ

NW Brown Investment Management
16-20 Regent Street
Cambridge
CB2 1NH

Rathbone Investment Management
8 Finsbury Circus
London
EC2M 7EZ
and at
Port of Liverpool Building, Pier Head
Liverpool
L3 1NW

Investment managers – Glebe Property Agents

Carter Jonas LLP
6-8 Hills Road
Cambridge
CB2 1NH

Joliffe Daking LLP
25 Broadway
Peterborough
PE1 1SQ

Maxey Grounds & Co LLP
24 Market Place
March
PE15 9JH

The Trustees' Annual Report, which incorporates the Strategic Report, was approved by Order of the Board:

.....
Canon Paul Evans (Diocesan Secretary)

Date:.....21 May 2022.....

.....
The Rt Revd Stephen Conway (Bishop of Ely)

Date:.....21 May 2022.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELY DIOCESAN BOARD OF FINANCE

FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of the Ely Diocesan Board of Finance for the year ended 31 December 2021 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated 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 group and of the parent charitable company's affairs as at 31 December 2021 and of the group and parent 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group'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 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 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 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 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 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 parent charitable company; or
- the parent 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 13, 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 group and parent 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 group or parent 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.

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.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), 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, the Charities Act 2011 and Church of England Measures.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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]~~ 21 May 2022

10 Queen Street Place
London
EC4R 1AG

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Fund 2021 £'000	Restricted funds 2021 £'000	Endowment funds 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
Income and endowments from:						
Donations	2					
Ministry Share		5,554	-	-	5,554	5,603
Archbishops' Council		428	419	-	847	1,020
Other donations		126	181	-	307	417
Charitable activities	3	406	-	-	406	394
Other Activities	4	298	-	-	298	273
Investments	5	1,234	1,922	-	3,156	2,585
Other	6	1	-	-	1	-
		8,047	2,522	-	10,569	10,292
Expenditure on						
Raising Funds	7	165	1,701	76	1,942	(361)
Charitable activities	8	8,153	735	-	8,888	10,481
		8,318	2,436	76	10,830	10,120
Net income/(expenditure) before investment gains		(271)	86	(76)	(261)	172
Net gains on investment		2,072	257	7,564	9,893	1,007
Net income		1,801	343	7,488	9,632	1,179
Transfers between funds		65	1,070	(1,135)	-	-
Gains on revaluation of fixed assets		-	-	7,302	7,302	7,275
Net movement in funds		1,866	1,413	13,655	16,934	8,454
Reconciliation of funds						
Total funds at 1 January 2021		19,112	14,203	134,761	168,076	159,622
Total funds at 31 December 2021		20,978	15,616	148,416	185,010	168,076

All income and expenditure relate to continuing activities.

The notes on pages 23-44 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Total funds 2021 £'000	Total funds 2020 £'000
Total income	10,569	10,292
Total expenditure	10,754	10,750
Operating (deficit)	(186)	(458)
Net gains / (losses) on investment	2,329	(785)
Net income/(expenditure) for the year	2,144	(1,243)
Other comprehensive income: Gains / (losses) on revaluation of fixed assets	-	-
Net transfers from endowments	1,135	3,526
Total comprehensive income	**3,279**	**2,283**

In accordance with Companies Act requirements this statement presents a summary of the movement on non-endowed funds in the financial year.

ELY DIOCESAN BOARD OF FINANCE
BALANCE SHEETS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group		Charity	
		2021	2020	**2021**	2020
		£'000	£'000	**£'000**	£'000
Fixed Assets					
Tangible assets	14	**100,996**	92,480	**100,996**	92,480
Investments	15	**84,543**	72,138	**83,238**	70,986
		185,539	164,618	**184,234**	163,466
Current Assets					
Stock		**739**	734	**-**	4
Assets held for sale		**-**	3,455	**-**	3,455
Debtors	16	**1,788**	1,617	**2,587**	2,374
Cash at bank and in hand		**1,686**	1,944	**1,533**	1,779
		4,213	7,750	**4,120**	7,612
Current Liabilities					
Creditors: amounts falling due within one year	17	**3,608**	3,419	**3,453**	3,246
Net Current Assets		**605**	4,331	**667**	4,366
Total assets less current liabilities		**186,144**	168,949	**184,901**	167,832
Creditors: amounts falling due after more than one year					
Pension scheme liabilities	18	23	60	**23**	60
Other creditors	18	**-**	-	**-**	-
Provisions for liabilities and charges	19	**1,111**	813	**1,111**	813
Net Assets		**185,010**	168,076	**183,767**	166,959
Represented by:					
Endowment funds	24	**148,416**	134,761	**148,416**	134,761
Restricted income funds	23	**15,616**	14,203	**14,348**	13,093
Unrestricted income funds					
General funds	22	**8,780**	6,543	**8,805**	6,536
Retreat House	22	**463**	429	**463**	429
Other Designated funds	22	**11,735**	12,140	**11,735**	12,140
		20,978	19,112	**21,003**	19,105
Total Funds		**185,010**	168,076	**183,767**	166,959

These financial statements were approved by the Board of Trustees on .....21 May 2022....., and signed on its behalf by:

.....
The Rt Revd Stephen Conway (Bishop of Ely)

.....
The Revd Canon Brian Atling (Chair of Finance Committee)

The notes on pages 23-48 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £'000		2020 £'000	
Net cash flow from operating activities (A)		972		(2,656)
Cash flows from investing activities				
Dividends, interest, and rent from investments	2,705		2,122	
Proceeds from the sale of:				
Tangible fixed assets	-		7,976	
Fixed asset investments	5,302		1,645	
Assets held for resale	3,455		-	
Purchase of:				
Tangible fixed assets	(2,449)		(872)	
Fixed asset investments	(10,193)		(8,109)	
Net cash provided by investing activities		(1,180)		2,762
Cash flows from financing activities				
Loans repaid	-		50	
Net cash provided by/(used in) financing activities		-		50
Change in cash and cash equivalents in the year		(208)		156
Cash and cash equivalents as at 1 January 2021		1,894		1,738
Cash and cash equivalents as at 31 December 2021		1,686		1,894

A: Reconciliation of net movements in funds to net cash flow from operating activities

	2021 £'000	2020 £'000
Net movement in funds for the year-ended 31 December	16,934	8,454
Adjustments for:		
Depreciation	44	23
Gain on revaluation of property and investments	(13,704)	(8,419)
Loss on disposal of fixed assets	69	-
Interest and dividends receivable	(2,705)	(2,122)
Repayment of loans advanced	-	(50)
(Increase)/decrease in stock	(5)	(10)
(Increase)/decrease in debtors	(171)	710
Increase in creditors	212	(740)
Increase in provisions	298	101
Increase in current asset investments	-	(603)
Net cash flow from operating activities	972	(2,656)

B: Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,686	1,944
Central Board of Finance for parish loans	-	(50)
	1,686	1,894

1. Accounting policies

Ely Diocesan Board of Finance is a company limited by guarantee (company number 142183), and a charity (number 245456) registered in England & Wales, and governed by its Memorandum and Articles of Association. Its registered office is given on the administrative details page in the Strategic Report.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ely Diocesan Board of Finance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis
The financial statements are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The ultimate impact of the COVID 19 pandemic is still unclear, but Diocesan Officers are modelling scenarios should there be a material effect on income, especially considering the temporary closure of places of worship. Expenditure plans are being reviewed as a result of this.

However, the review of our financial position, reserves levels, and future plans together with the expected future cash flows gives Trustees a reasonable expectation that the charity remains a going concern for the foreseeable future. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Group financial statements
The financial statements consolidate the results of the charity and its wholly owned subsidiaries Ely Diocesan Schools Services Limited and Ely DBF Property Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The surplus of the parent charity was £16,959k (2020: £8,375k).

Income recognition
All income is recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

i) **Ministry Share** is recognised as income of the year in respect of which it is receivable.
ii) **Rent receivable** is recognised as income in the period with respect to which it relates.
iii) **Interest and dividends** are recognised as income when receivable.
iv) **Parochial fees** are recognised as income of the year to which they relate
iv) **Donations** other than grants are recognised when receivable.
v) **Gains on disposal of fixed assets for the Board's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
vi) **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.

1. Accounting policies (continued)

Expenditure
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

i) **Costs of raising funds** are constrained to 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, including the Diocesan Retreat House, and expenditure on education and Church of England schools in the Diocese.
iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
iv) **Support costs** consist of central management, administration and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
v) **Pension contributions**. The Board's staff are members of the Church Workers Pension Fund and clergy are members of the Church of England Funded Pensions Scheme (see note 30). The pension costs charged as expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the clergy pension scheme to which the Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs
Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

Investments
Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1. Accounting policies (continued)

Fixed assets

Freehold and leasehold properties for the charity's own use
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 Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value Is not more than the recoverable amount. These properties are included at cost.

Schools
The Board does not recognise the value of its reversionary interest in the assets of active schools and, in the case of closed schools, only when the ultimate proceeds of disposal have been received.

Parsonage houses
The Board has followed the requirements of FRS102 in its accounting treatment for benefice houses (personages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value, calculated by using the midpoint of the council tax banding as adjusted by a published index to reflect changes since the last valuation.

Other tangible fixed assets
Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Furniture & equipment	12.5-33% per annum straight line
Leasehold improvements	life of lease
Freehold properties	Not Depreciated

A full year of depreciation is charged in the year of addition for all furniture and equipment assets.

Financial Instruments
The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Cash
Cash at bank and cash in hand includes cash and 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.

Creditors
Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity 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 recognised at transaction price.

Stock and work in progress
Stock and work in progress is valued at the lower of cost and estimated selling price less costs to complete and sell.

1. Accounting policies (continued)

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

- Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:
  - General funds which the Board intends to use for the general purposes of the Board; and
  - Designated funds set aside out of unrestricted funds by the Board for a purpose specified by the trustees.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.
- Endowment funds represent money that must be permanently held as capital, and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.

"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 Board acts merely as custodian trustee with no control over the management of the funds, are not included in the financial statements but are summarised in the notes to the financial statements.

Pension scheme

The Diocese participates in two defined benefit pension schemes to provide pension benefits based on final pensionable pay, namely the Church of England Funded Pensions Scheme (clergy) and the Church of England Defined Benefits Scheme part of the Church Workers Pension Fund. The Diocese also participates in the Church of England Pension Builder Scheme (formerly known as Defined Contributions Scheme) part of the Church Workers Pension Fund. Details of the schemes are set out in note 26.

The pension costs charged as expenditure represent the Diocese's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Diocese participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Judgements and estimates
In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements

Valuation of Freehold properties and parsonage houses:

All team vicarages and parsonage houses are revalued to their fair value annually using valuations calculated using indexed council tax bandings.

Valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes:

These liabilities are revalued at each year end using discount rates which are reassessed annually.

Residual values of Freehold properties:

The Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

1. Accounting policies (continued)

Sources of estimation uncertainty

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. Income from donations

	Total 2021 £'000	Total 2020 £'000
Ministry share		
Current year's allocation net of discounts and rebates	5,537	5,603
Arrears for previous years	17	-
	5,554	5,603

Total ministry share receipts represent % (2020: 94.1%) of the allocation.

All ministry share income is unrestricted.

	Unrestricted 2021 £'000	Restricted 2021 £'000	Total 2021 £'000	Total 2020 £'000
Archbishops' Council				
Chancellor and Registrar	49	-	49	48
Market Towns funding (SDF)	291	-	291	548
Curates Funding (SMF)	53	-	53	-
Barnwell innovation funding (SIF)	35	-	35	-
RME grant	-	419	419	424
	428	419	847	1,020

In 2020, £596k of income was unrestricted and £424k was restricted.

	Unrestricted 2021 £'000	Restricted 2021 £'000	Total 2021 £'000	Total 2020 £'000
Other donations				
AllChurches Trust grant	106	--	106	102
Furlough Grants	-		-	-
Donations	20	181	201	288
	126	181	307	417

In 2020, £266k of income was unrestricted, £151k was restricted.

3. Income from charitable activities

	Total 2021 £'000	Total 2020 £'000
Assigned fees	296	274
Unassigned fees	8	18
Retreat House	102	102
	406	394

All income from charitable activities was unrestricted in both the current and prior year.

4. Income from other activities

	Total 2021 £'000	Total 2020 £'000
Rental income from vacant parsonages	298	258
	298	258

All income from other activities is unrestricted.

5. Income from investments

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Funds 2021 £'000	Total Funds 2021 £'000
Investment income	782	1,922	-	2,704
Glebe rents receivable	451	-	-	451
Interest received	1	-	-	1
	1,234	1,922	-	3,156

Comparative analysis for 2020

	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000
Investment income	533	1,586	-	2,119
Glebe rents receivable	463	-	-	463
Interest received	3	-	-	3
	999	1,586	-	2,585

6. Other income

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Gain/(losses) on sale of properties	-	-	-	-	-
Other income	1	-	-	1	-
	1	-	-	1	-
TOTAL INCOME	**8,047**	**2,522**	**-**	**10,569**	10,292

All other income in 2020 was restricted

7. Expenditure on raising funds

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Funds 2021 £'000	Total Funds 2021 £'000
Let houses expenses	64	-	-	64
Glebe management costs	101	-	13	114
Investment managers costs	-	1,701	63	1,764
	165	1,701	76	1,942

Comparative analysis for 2020

	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000
Let houses expenses	49	-	-	49
Glebe management costs	83	-	26	109
Investment managers costs	-	102	83	185
Loss on sale of fixed assets	-	35	(739)	(704)
	132	137	(630)	(361)

8. Expenditure on charitable activities

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Funds 2021 £'000	Total Funds 2021 £'000
Contributions to Archbishops' Council				
Training for the Ministry	277	-	-	277
National Church Responsibilities	218	-	-	218
Church's Housing Assistance for Retired Ministry	102	-	-	102
Mission agency pension contributions	12	-	-	12
	609	-	-	609
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance & pensions	2,730	-	-	2,730
Housing costs	1,367	-	-	1,367
Ministry selection and training	1,637	426	-	2,063
Clergy support	479	3	-	482
Other expenses	30	4	-	34
	6,243	433	-	6,676
Support for ministry in parishes	1,187	-	-	1,187
Retreat House	94	-	-	94
	7,524	433	-	7,957
Expenditure on education				
Support for church schools	20	302	-	322
Total charitable activities	**8,153**	**735**	**76**	**8,888**

8. Expenditure on charitable activities (continued)

Comparative analysis for 2020	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000
Contributions to Archbishops' Council				
Training for the Ministry	277	-	-	277
National Church Responsibilities	231	-	-	231
Church's Housing Assistance for Retired Ministry	99	-	-	99
Mission agency pension contributions	10	-	-	10
	617	-	-	617
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance & pensions	3,028	1,303	-	4,331
Housing costs	1,235	-	-	1,235
Ministry selection and training	1,641	427	-	2,068
Clergy support	443	-	-	443
Other expenses	20	4	-	24
	6,367	1,734	-	8,101
Support for ministry in parishes	1,223	-	-	1,223
Retreat House	193	-	-	193
	7,783	1,734	-	9,517
Expenditure on education				
Support for church schools	-	340	-	340
Total charitable activities	**8,532**	**2,211**	**(630)**	**10,113**

9. Analysis of expenditure including allocation of support costs

	Activities undertaken directly 2021 £'000	Grant funding of activities 2021 £'000	Support costs 2021 £'000	Total Funds 2021 £'000
Raising funds	1,942	-	-	1,942
Charitable activities				
Contributions to Archbishops' Council	-	609	-	609
Resourcing parish ministry	6,814	298	751	7,863
Education	191	-	131	322
Retreat House	94	-	-	94
	9,041	907	882	10,830

Comparative analysis for 2020	*Activities undertaken Directly 2020 £'000*	*Grant funding of activities 2020 £'000*	*Support Costs 2020 £'000*	*Total Board Funds 2020 £'000*
Raising funds	(361)	-	-	(361)
Charitable activities				
Contributions to Archbishops' Council	-	617	-	617
Resourcing Parish Ministry	8,316	235	773	9,324
Education	224	-	116	340
Retreat House	193	-	-	193
	8,372	852	889	10,113

10. Analysis of support costs

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Total Funds 2021 £'000
Central administration	631	-	631
Support for School	-	111	111
Governance:			
External audit	30	-	30
Registrar and Chancellor	110	-	110
	771	111	882

Comparative analysis for 2020	*Unrestricted Funds 2020 £'000*	*Restricted Funds 2020 £'000*	*Total Funds 2020 £'000*
Central administration	645	-	645
Support for School	-	116	116
Governance:			
External audit	20	-	20
Registrar and Chancellor	108	-	108
	773	116	889

11. Analysis of grants made

	Number of grants	Individuals 2021 £'000	Institutions 2021 £'000	Total 2021 £'000
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	609	609
From unrestricted funds:				
PCCs for Church inspection fees	47		33	33
Ordinands in training	19	159	-	159
PCCs for Faculty fees	170	-	22	22
Diocese Mission Projects	-	-	-	-
Continuing ministerial training	16	4	-	4
	252	163	55	218
Total	257	163	664	827

	Number of grants	*Individuals 2020 £'000*	*Institutions 2020 £'000*	*Total 2020 £'000*
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	618	618
From unrestricted funds:				
PCCs for Church inspection fees	46	-	33	33
Ordinands in training	19	136	-	136
PCCs for Faculty fees	252	-	22	22
Diocese Mission Projects	-	-	-	-
Continuing ministerial training	16	4	-	4
	333	140	55	195
Total	338	140	673	813

12. Net income for the year

	Total 2021 £'000	*Total 2020 £'000*
Net income for the year is stated after charging:		
Depreciation	113	23
Auditors' remuneration	30	20

13. Staff Costs

	Total 2021 £'000	*Total 2020 £'000*
The aggregate costs of staff were:		
Wages and salaries	1,378	1,562
Social security costs	141	155
Pension contributions	162	165
	1,680	1,881

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

	2021	*2020*
Resourcing ministry and mission	33	37
Schools fund	3	2
Retreat House	-	4
	36	43

There was 1 member of staff whose emoluments (including benefits but excluding pension contributions) amounted to between £130,000 and £140,000 and 1 between £80,000 and £90,000. (2020 - there was one member of staff whose emoluments (including benefits but excluding pension contributions) amounted to between £120,001 and £130,000 and one between £70,001 and £80,000). Pension payments of £19,588 (2020 - £19,635) were made for these employees.

Remuneration of key management personnel
Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. During 2021 they were:

Diocesan Secretary	Canon Paul Evans
Director of Education	Mr Andrew Read

Remuneration, pensions and expenses for these two employees amounted to £240,057 (2020: £240,672).

Trustees' emoluments
No trustee received any remuneration for services as trustee. Two trustees received travelling and out of pocket expenses, totalling £1,289 (2020 - £856) in respect of Bishop's Council duties.

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

	Stipend	Housing
The Revd Martin Dale	Yes	Yes
The Revd Canon Adrian Daffern	Yes	Yes
The Ven Dr Alex Hughes	Yes	Yes
The Revd Anna Matthews	Yes	Yes
The Ven Hugh McCurdy	Yes	Yes
The Revd Alison Myers	Yes	Yes
The Revd Canon Nick Moir	Yes	Yes
The Revd Simon Talbott	Yes	Yes
The Revd Sarah Gower	Yes	Yes
The Revd Dr Robert Mackley	Yes	Yes
The Revd David Newton	Yes	Yes
The Revd Becky Dyball	Yes	Yes
The Revd canon James Blandford-Baker	Yes	Yes

13. Staff costs (continued)

The Board is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. The Board is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Suffragan Bishop but excluding the Diocesan Bishop and cathedral staff.

The Board paid an average of 118 (2020: 122) stipendiary clergy as office-holders holding parochial or Diocesan appointments in the Diocese and the costs were as follows:

	2021 £'000	***2020 £'000***
Stipends	2,653	2,798
National Insurance contributions	198	204
Pension costs – current year	949	962
Pension costs – deficit reduction	(232)	(382)
Other costs	26	27
	3,594	3,609

The stipends of the two Bishops were paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and the Suffragan Bishop are funded by the Church Commissioners and are in the range £37,670 - £46,650 (2020 range £37,670-£46,650). The annual rate of stipend, funded by the EDBF, paid to Archdeacons in 2021 was in the range £36.830 - £38,250 (2020 range £36,830-£38,250) and other clergy who were trustees were paid in the range £26,900 - £27,000 (2020 range £26,900-£27,000).

The Board has estimated the value to the occupant, gross of income tax and national insurance, of church-provided housing for 2022/20 at £8,600 and for 2021/20 at £19,600.

14. Tangible Fixed Assets (Board and Consolidated)

	Board assets: Freehold properties £'000	**Team Vicarages £'000**	**Parsonage Houses £'000**	**Leasehold property improve-ments £'000**	**Furniture & equip-ment £'000**	**Assets under constr-uction £'000**	**Retreat House £'000**	**Total £'000**
Cost								
At 1 January	11,913	2,901	75,918	269	263	500	328	92,092
Additions	464	-	1,664	-	13	308	-	2,449
Disposals	-	-	-	-	-	-	(328)	(328)
Revaluation	-	281	7,021	-	-	-	-	7,302
Transfers	-	-	-	-	-	-	-	-
At 31 December	12,377	3,182	84,603	269	276	808	-	101,515
Depreciation								
At 1 January	-	-	-	269	222	-	243	734
Charge for the year	-	-	-	-	28	-	16	44
Eliminated in disposal					-		(259)	(259)
At 31 December	-	-	-	269	250	-	-	519
Net book value								
At 31 December 2021	**12,377**	**3,182**	**84,603**	**-**	**26**	**808**	**-**	**100,996**
At 31 December 2020	11,913	2,901	75,918	-	13	500	81	91,326

14. Tangible Fixed Assets (continued)

Use of Fixed Assets
All of the Board's tangible fixed assets are used for direct charitable purposes with the exception of the investment glebe land, the leasehold property and some of the furniture and equipment which is used for management and administration.

Subsidiary Companies
Fixed assets represents an investment property held by Ely DBF Property Ltd.

Parsonages
Benefice houses are legally vested in incumbents as freeholders but the proceeds of any sale following a pastoral reorganisation belong to the Diocesan Pastoral Account. The Diocese is responsible for all upkeep and maintenance. As at 31 December 2021 the Diocese was responsible for 118 parsonage properties. Minor capital works of £31,343 (2020: £21,256) were not capitalised but charged against the Pastoral Account. The deemed cost of the parsonages is £29.639m.

Team Vicarages
Together with subsequent purchases less sales, there are now vested in the Board 5 team vicarages. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. The deemed cost of the team vicarages is £728k.

COVID-19
Trustees are aware of the potential impact of the COVID-19 pandemic may have on property values. The intention is to hold most of the property for the long term, with plans currently to sell 4 houses and purchase 2 new houses. No adjustment has therefore been made to valuations as a result of the crisis.

15. Investments

	Group		Board	
	2021 £'000	*2020 £'000*	2021 £'000	2020 £'000
At 1 January 2021	72,138	64,659	70,986	63,578
Additions	4,114	8,109	4,120	8,109
Disposals	(199)	(1,645)	(199)	(1,645)
Revaluation	8,490	1,015	8,332	944
Transferred to Assets held for sale	-	-	-	-
Carried forward	84,543	72,138	83,238	70,896

Investment assets include both Glebe land and Schools Fund investment properties, which had been classified as Fixed Assets in previous financial statements however are held for investment purposes.

Invested in:	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Central Board of Finance (CCLA):				
Investment fund	29,081	24,983	29,081	24,983
Property fund	7,060	6,177	7,060	6,177
Global markets fund	10,230	8,805	10,230	8,805
Deposits	5,964	3,086	5,964	3,086
N W Brown Investment Managers				
Investment fund	11,255	9,610	11,255	9,610
Deposits	111	116	111	116
Edentree				
Investment Fund	3,753	3,522	3,753	3,522
Rathbones investments				
Investment funds	10,945	9,849	10,945	9,849
Deposits	74	71	74	71
Investment property				
Glebe	4,319	4,322	4,319	4,322
Schools Fund	437	437	437	437
Other	-	37	-	-
Other investments	12	8	12	8
Subsidiary trusts	1,302	1,110	-	-
Total investments	84,543	72,133	83,241	70,986

15. Investments (continued)

Subsidiary Trusts
Trusts where the Board is both the custodian and the beneficiary.

Glebe Land
Under the provisions of the Endowments and Glebe Measure 1976, the ownership of glebe land was transferred to the Board from 1 April 1978. Together with subsequent purchases less sales, there are now vested in the Board 5,099 acres of glebe land. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. It is not possible to calculate the cost of the Glebe land.

COVID-19
Trustees are aware of the potential impact of the COVID-19 pandemic on the value of investment assets, with some portfolios having decreased in value by in excess of 30% in the previous year but regained their value in 2021. The DBF is a long-term investor and currently has no plans to realise investments. No adjustment has been made in these financial statements to the values at 31st December 2021.

Subsidiary companies
The Board owns 100% of the issued share capital of Ely Diocesan Schools Services Limited (Company Number: 05037336) and Ely DBF Property Limited (Company Number: 05957128), companies incorporated in England, whose principal activities are those of providing project management services to schools and construction, and property development respectively. Both entities have the same registered office as the parent charity. The cost of these investments is £2.

The results for the year for the trading subsidiaries are as follows:

	Ely DBF Property Limited £	Ely Diocesan Schools Services Limited £
Income	432	2,178
Expenditure	(6,845)	(20,123)
(Loss)/Profit for the year	(6,413)	(17,945)
Fixed assets	37,214	-
Net current (liabilities)/assets	(51,803)	(4,576)
Net (liabilities)/assets	(14,589)	(4,576)

16. Debtors

	Group		Board	
	2021 £'000	*2020 £'000*	2021 £'000	*2020 £'000*
Ministry share	545	111	545	111
Other debtors	1,148	1,223	1,146	1,213
Prepayments and accrued income	95	233	95	233
Loans to parishes	-	50	-	50
Due from subsidiary companies:				
Ely Diocesan School Services Limited	-	-	27	7
Ely DBF Property Limited	-	-	774	760
	1,788	1,617	2,587	2,374

Loans to parishes do not include any debtors due after more than one year.

17. Creditors: amounts falling due within one year

	Group		Board	
	2021 £'000	*2020 £'000*	2021 £'000	*2020 £'000*
Central Board of Finance for parish loans	-	50	-	50
Other creditors	1,141	1,706	1,007	1,553
School governing bodies	1,221	708	1,221	708
Accruals and deferred income	1,031	556	1,010	536
Clergy Pension scheme	215	399	215	339
Loans	-	-	-	-
	3,608	3,419	3,453	3,246

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

	Group		Board	
	2021 £'000	*2020 £'000*	2021 £'000	*2020 £'000*
Pension scheme liabilities				
Clergy pension scheme	23	60	23	60

19. Provisions for liabilities and charges

	Group		Board	
	2021 £'000	*2020 £'000*	2021 £'000	*2020 £'000*
Parsonage housing repairs	1,076	778	1,076	778
Restructuring	35	35	35	35
	1,111	813	1,111	813
The movement on provisions is as follows:				
Balance at 1 January 2021	813	712	813	712
Provision used during the year				
Parsonage housing repair	(36)	(252)	(36)	(252)
Restructuring	-	-	-	-
New provision in year – parsonage housing repairs	334	353	334	353
Balance at 31 December 2021	1,111	813	1,111	*813*

20. Revaluation Reserve

	Group		Board	
	2021 £'000	*2020 £'000*	2021 £'000	*2020 £'000*
Balance at 1 January	80,065	71,775	80,065	70,840
Revaluation of fixed assets	7,302	7,275	7,302	7,275
Revaluation of investment assets	7,564	1,015	7,564	944
Balance at 31 December	94,931	80,065	94,931	79,059

21. Financial commitments

Total commitments under non-cancellable operating leases are as follows:

	Group and Board 2021 £'000	*2020 £'000*
Office equipment with payments falling due:		
Due within one year	1	1
Due in between one and five years	1	2
	2	3

22. Unrestricted funds

Board

	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2021 £'000
Designated funds							
Pastoral property reserve	10,827	-	-	-	-	(456)	10,371
Long term parsonage repair reserve	7	-	(7)	(7)	-	-	-
Ely 2025 growth fund	118	-	(59)	(59)	-	-	59
Murrow Church	15	-	-	-	-	5	20
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,062	291	(755)	(464)	-	581	1,179
Barnwell	-	53	(58)	(5)	-	-	(5)
	12,140	344	(879)	(535)	-	130	11,735
Retreat House	429	102	(94)	8	26	-	463
General funds	6,536	7,599	(7,311)	288	2,046	(65)	8,805
	19,105	8,045	(8,284)	(239)	2,072	65	21,003

Group

	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2021 £'000
Designated funds							
Pastoral property reserve	10,827	-	-	-	-	(456)	10,371
Long term parsonage repair reserve	7	-	(7)	(7)	-	-	-
Ely 2025 growth fund	118	-	(59)	(59)	-	-	59
Murrow Church	15	-	-	-	-	5	20
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,062	291	(755)	(464)	-	581	1,179
Barnwell		53	(58)	(5)	-	-	(5)
	12,140	344	(879)	(535)	-	130	11,735
Retreat House	429	102	(94)	8	26	-	463
General funds	6,543	7,601	(7,345)	256	2,046	(65)	8,780
	19,112	8,047	(8,318)	(271)	2,072	65	20,978

22. Unrestricted funds (continued)

2020 comparatives: Board

	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2020 £'000
Designated funds							
Pastoral property reserve	10,618	-	-	-	-	209	10,827
Long term parsonage repair reserve	7	-	-	-	-	-	7
Ely 2025 growth fund	444	-	(149)	**(149)**	-	(177)	118
Murrow Church	13	2	-	**2**	-	-	15
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,267	594	(799)	**(205)**	-	-	1,062
	12,460	596	(948)	**(352)**	-	32	12,140
Retreat House	463	145	(193)	**(48)**	14	-	429
General funds	6,060	7,375	(7,391)	**(16)**	(640)	1,132	6,536
	18,983	8,116	(8,532)	**(416)**	(626)	1,164	19,105

2020 comparatives: Group

	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2020 £'000
Designated funds							
Pastoral property reserve	10,618	-	-	-	-	209	10,827
Long term parsonage repair reserve	7	-	-	-	-	-	7
Ely 2025 growth fund	444	-	(149)	**(149)**	-	(177)	118
Murrow Church	13	2	-	**2**	-	-	15
Hampton Church	111	-	-	-	-	-	111
Market Towns	1,267	594	(799)	**(205)**	-	-	1,062
	12,460	596	(948)	**(352)**	-	32	12,140
Retreat House	463	145	(193)	**(48)**	14	-	429
General funds	6,059	7,390	(7,398)	**(8)**	(640)	1,132	6,543
	18,982	8,131	(8,539)	**(408)**	(626)	1,164	19,112

Pastoral Property Reserve
The Pastoral Property Reserve represents the amount invested in pastoral property.

Murrow Church
Funds held by the Board arising from the sale of the Chapel of Ease for the benefit of Murrow Church fabric.

Ely 2025 Growth Fund
This fund has been consolidated to promote mission and ministry in accordance with the Diocese of Ely Strategy to 2025. An additional £200k has been designated towards the Fund in the financial year.

Hampton Church
Accumulated interest on the inter-group loans in relation to the Hampton Church build costs.

Market Towns
The aim of this project is to make real in the Diocese of Ely's market towns, the Church of England's commitment to be a Christian presence everywhere. It seeks by grace to transform that presence from one which is declining and diminishing to one which is fit to engage fully and courageously with these communities in times of challenge and change.

Barnwell
The aim of this innovative project is for a church plant on an urban estate to effectively minister to young people through the delivery of sports ministry – delivered by trained sports ministers.

23. Restricted funds

Board

	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2021 £'000
Diocesan Pastoral Account	12,790	100	(40)	60	86	1,035	13,971
Diocesan Stipends Fund Income Account	-	1,696	(1,696)	-	-	-	-
New Churches Fund	61	-	-	-	--		61
Clergy Well-being fund	137	3	(3)	-	13	-	150
RME Fund	10	419	(395)	24	-		34
Schools fund	95	304	(302)	2	-	35	132
	13,093	2,522	2,436	86	99	1,070	14,348

Group

	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2021 £'000
Diocesan Pastoral Account	12,790	100	(40)	60	86	1,035	13,971
Diocesan Stipends Fund Income Account	-	1,696	(1,696)	-	-	-	-
New Churches Fund	61	-	-	-	--		61
Clergy Well-being fund	137	3	(3)	-	13	-	150
RME Fund	10	419	(395)	24	-		34
Schools fund	95	304	(302)	2	-	35	132
Subsidiary trusts	1,110	-	-	-	158	-	1,268
	14,203	2,522	2,436	86	257	1,070	15,616

23. Restricted funds (continued)

2020 comparatives

Group	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2020 £'000
Diocesan Pastoral Account	10,705	54	(66)	**(12)**	(230)	2,327	12,790
Diocesan Stipends Fund Income Account	-	1,399	(1,399)	**-**	-	-	-
New Churches Fund	61	-	-	-	-	-	61
Clergy Well-being fund	149	(20)	8	**(12)**	-	-	137
RME Fund	-	424	(414)	**10**	-	-	10
Schools fund	96	304	(340)	**(36)**	-	35	95
Subsidiary trusts	1,039	-	-	-	71	-	1,110
	12,050	2,161	(2,211)	**(50)**	(159)	2,362	14,023

Diocesan Pastoral Account

The purposes are laid down in the Mission and Pastoral Measure 2011 and mainly relate to:

- Costs incurred for the purposes of the Measure, or any scheme or order made under the Measure, except for salaries of regular Diocesan employees;
- Costs of disposing of or maintaining houses or churches vested in the Board or Commissioners;
- Costs incurred for the benefit of another diocese(s); and
- Transfers to the Diocesan Stipend Fund Capital or Income Accounts.

Where monies are not required for the above they may be considered for other purposes of the Diocese. Board properties are funded from the Diocesan Pastoral Account (DPA). When such properties are sold, the proportion of proceeds equal to the sums used to purchase the property are transferred to the DPA. Any surplus realised from the sale of the property is, at the Board's discretion, transferred into the DPA, or transferred to an existing or new designated fund of the Board.

Diocesan Stipends Fund Income Account

Subject to any charges imposed by scheme or order the Fund shall be applied to:

- Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese;
- Meet expenses incurred in repairing and maintaining parsonage houses;
- Pay secondary Class 1 contributions in respect of ministers not employed under a contract of service; and
- Defray sequestrators' expenses.

New Churches Fund

This fund is used to fund the establishment of new church buildings

Anthony Edward Brookes Fund for the Well-being of the Clergy (Clergy Well-Being Fund)

This fund is for the benefit of the well-being of clergy.

RME Fund

Upon receipt of the Block Grant from the Archbishops' Council, the Diocese must pay it into the Resourcing for Ministerial Education (RME) Fund for ministerial education training for the ordinands they sponsor. The Block Grant can only be spent on Initial Ministerial Education pathways, which have been approved by Ministry Division at accredited Theological Education Institutions (TEIs).

24. Expendable Endowments

Board and Group

	At 1 January 2021 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2021 £'000
Stipends Capital Fund	44,821	-	(63)	(63)	6,906	133	51,257
Glebe	4,322	-	(13)	(13)	143	(133)	4,319
Team Vicarage Fund	2,901	-	-	-	281	-	3,182
Parsonage Houses Fund	78,715	-	-	-	7,021	-	84,601
Schools Fund	4,542	--	-	-	515	(1,135)	5,057
	134,761	-	(76)	(76)	14,866	(1,135)	148,416

2020 Comparatives

	At 1 January 2020 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2020 £'000
Stipends Capital Fund	42,710	-	656	**656**	1,570	(655)	44,821
Glebe	4,341	-	(26)	**(26)**	50	(43)	4,322
Team Vicarage Fund	3,493	-	-	**-**	229	(821)	2,901
Parsonage Houses Fund	73,685	-	-	**-**	7,037	(2,007)	78,715
Schools Fund	4,361	-	-	**-**	181	-	4,542
	128,590	-	630	**630**	9,067	(3,526)	134,761

Stipends Capital Fund, Glebe and Team Vicarage Fund

These are capital funds held under the terms of the Endowments and Glebe Measure 1976 and the Miscellaneous Provisions Measure 1992 and principally comprise freehold properties and shares in the CBF Investment Fund, CBF Property Fund and the CBF Deposit Fund. Together they form the Diocesan Stipends Fund. Receipts arise mainly from the sale of glebe properties, grants of easement, and variations of restricted covenants.

Parsonage Houses Fund

This Fund represents the stock of parsonage houses, i.e. houses held as benefice property for occupation by incumbents. A parsonage house is required for each benefice and the funding of improvements and new and replacement parsonage houses is the responsibility of the Board.

Schools Fund

The income of these funds primarily represents income investments and donations. The fund balance is made up of the proceeds from closed schools and donations and is used primarily towards improvement costs at church voluntary aided schools.

During the year the Schools Fund expended £74,539 on projects as agent for the schools' governing bodies.

25. Analysis of net assets between funds

Funds at 31 December 2021 are represented by:

Board

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	12,403	301	88,292	100,996
Investments	18,311	4,422	60,505	83,238
Net current assets / (liabilities)	1,529	(56)	(829)	667
Non-current liabilities	-	-	-	-
Provisions	(1,111)	-	-	(1,134)
	31,132	4,667	147,968	183,767
Interfund borrowing	(10,129)	9,681	448	-
Net assets	21,003	14,348	148,416	183,767

Group

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	12,403	301	88,292	100,996
Investments	18,348	5,690	60,505	84,543
Net current assets / (liabilities)	1,490	(56)	(829)	605
Non-current liabilities	-	-	-	-
Provisions	(1,134)	-	-	(1,134)
	31,107	5,935	147,968	185,010
Interfund borrowing	(10,129)	9,681	448	-
Net assets	20,978	15,616	148,416	185,010

Funds (Group) at 31 December 2020 are represented by:

	Unrestricted Funds £'000	*Restricted Funds £'000*	*Endowment Funds £'000*	*Total £'000*
Fixed assets	12,742	278	79,460	92,480
Investments	16,071	3,780		72,133
Net current assets / (liabilities)	2,245	81	2,166	4,492
Non-current liabilities	-	-	(60)	(60)
Provisions	*(813)*	-	-	(813)
	30,245	*4,139*	*133,848*	*168,232*
Interfund borrowing	*(10,973)*	*10,059*	*914*	-
	19,272	*14,198*	*134,762*	*168,232*

26. Pensions

Church of England Funded Pension Scheme

The Board participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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 a specific Responsible Body, and this means contributions are accounted for as if the scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2021: £1,070,147, 2020: £901,881), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total charge of £1,302,147 for 2021 (2020: £1,336,881).

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

- An average discount rate of 3.2% pa;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below:

	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below:

	2021 £'000	***2020 £'000***
Balance sheet liability at 1 January	459	894
Deficit contribution paid	(232)	(399)
Interest cost (recognised in SoFA)	1	8
Remaining change to the balance sheet liability* (recognised in SofA)	(19)	(44)
Balance sheet liability at 31 December	209	459

26. Pensions (continued)

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

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

	December 2021	December 2020	December 2019
Discount rate	0.0 pa	0.2% pa	1.1% pa
Price inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable payroll	-1.5% pa	1.6% pa	1.3% pa

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

Church Workers Pension Fund

The Board participates in the Pension Builder Scheme section of CWPF for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the employer and the other participating employers.

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

Pension builder scheme
The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. 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 that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This 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 contributions payable (2021: £121,838, 2020: £124,326).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent 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, Ely Diocesan Board of Finance could become responsible for paying a share of that employer's pension liabilities.

26. Pensions (continued)

Defined Benefits Scheme

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2021: £55,579, 2020: £49,514) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £55,579 for 2021 (2020: £83,014).

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

A valuation of DBS is carried out once every three years. The most recent 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.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 23.6% of pensionable salary and expenses of £6,500 per year. In addition deficit payments of £5,692 per year have been agreed for 7.00 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

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

	2021 £'000	*2020 £'000*
Balance sheet liability at 1 January	34	-
Deficit contribution paid	(5)	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SofA)	-	34
Balance sheet liability at 31 December	29	34

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

26. Pensions (continued)

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

	December 2021	December 2020	December 2019
Discount rate	1.5%	0.0% pa	0.0% pa

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

The next valuation of the scheme is being carried out as at December 2022.

27. Related Party Transactions

Ely DBF Property Limited and Ely Diocesan Schools Services Limited are both wholly-owned subsidiaries of Ely Diocesan Board of Finance, whose financial statements are both publicly available.

At 31 December 2021, £774 k was owed from Ely DBF Property Services Limited and £27k was owed from Ely Diocesan Schools Services Limited to the parent charity. There is no interest charged and no fixed repayment on either balance.

28. Post Balance Sheet Events and Contingent Liabilities

Since the year end, the COVID-19 pandemic has continued to have an impact across the world but there are now positive influences resulting from vaccination programmes and countries opening up after being placed in lockdown and UK financial markets have improved as a result.

Regarding any potential impact on property values, as stated in Note 14, the intention is to hold most of the property for the long term, with no plans currently to sell any more than 4 houses in the next year. For investment assets, as stated in Note 15, portfolios had increased in value at the year end. The DBF is a long-term investor and currently has no plans to realise investments. No adjustment has been made in these financial statements to the values at 31st December 2021.

The crisis has had an impact on the operations of the Board and face to face events continue to be cancelled or held online. Most employees are, however, working effectively from home and continue to provide support services as normal. The Board has taken the opportunity to review the Diocesan Operations from the current offices in Barton Road, Ely and it has been agreed to build a new central office close to the city which will be better designed to meet the needs of the Board in the future. This process will take approximately 18 months and funding has been identified and ring fenced to ensure that the project will be completed without needing financial input from parishes.

Rising inflation will become a significant issue for the Diocese during 2022 and 2023 with the potential impact on charitable giving to churches by parishioners, and the effect that may have on the ability of parishes to meet their Ministry Share requests. Diocesan Officers are modelling the impact of various scenarios for 2023 involving reductions in income streams and the possibility of cancelling or postponing areas of expenditure. These factors represent significant challenges to the Board and parishes of the Diocese to generate funds to maintain delivery of services. The Board intends to set annual budgets on a break-even basis.

29. Trust funds

The Board 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 PCCs and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. The financial assets held in this way may be summarised as follows:

		2021 Valuation £'000	*2020 Valuation £'000*
Miscellaneous listed investments		3,033	2,938
Central Board of Finance:	Investment Fund shares	14,943	13,174
	Fixed interest securities fund units	408	434
	Deposits	2,057	1,994
Other assets		(70)	300
Cash at bank		373	191
Total assets held as custodian trustee		20,743	19,030

THE ELY DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 245456

Accounts

DIOCESE
of
ELY

Ely Diocesan Board of Finance

A company limited by guarantee and not having a share capital

Registered in England No: 00142183 (England & Wales) Charity No: 245456

Report & Accounts
For the year ended 31 December 2020

ELY DIOCESAN BOARD OF FINANCE

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ELY DIOCESAN BOARD OF FINANCE
MISSION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

We pray to be generous and visible people of Jesus Christ

Nurture a confident people of God
Develop healthy churches
Serve the community
Re-imagine our buildings
Target support to key areas

To **engage** fully and courageously with the needs of our communities, locally and globally.

To **grow** God's church by finding disciples and nurturing leaders.

To **deepen** our commitment to God through word, worship and prayer.

ELY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also directors for the purposes of company law, present their combined annual trustees' report and directors' report, together with the audited financial statements, for the year ended 31 December 2020.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors of Ely Diocesan Board of Finance (the Board).

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 OBJECTIVES

The objectives of the Diocese of Ely cover the geographical area of the Diocese.

The Board's principal objective is to promote, assist and advance the work of the Church of England in the Diocese of Ely by acting as the financial executive of the Ely Diocesan Synod.

The Board has the following statutory responsibilities:

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

The strategic priorities of the Board are established by the Diocesan Synod in communication with Deanery Synods, Parochial Church Councils, and the Bishop of Ely (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally; including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, taking forward the commitments arising from the Diocesan Conference including the Diocesan Budget.

STRATEGIC AIMS

The Board aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Ely and elsewhere.

The Board's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

The key activities may be summarised as:

- Mission and Ministry in the Parishes (includes all clergy training, housing, stipends, pension and all other expenditure supporting parish-based ministry);
- Education funding (includes support for schools);
- Implementation of strategic growth projects;
- Provision of a Diocesan Retreat House; and
- Contributions for national Church institutions (mainly by grant support).

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

The trustees believe that, by promoting the work of the Church of England in the Diocese of Ely, they help to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so they provide a benefit to the public by:

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

OBJECTIVES FOR THE YEAR

- To encourage more people to become directly involved in the mission of the Church of England in the Diocese of Ely;
- To support deaneries in the collection of Ministry Share;
- To develop a strategy to enable the Board to engage with communities across the Diocese;
- To review the allocation of funding resources to mission projects;
- To review the allocation of personnel resources to mission projects; and
- To review the support available for Church Schools across the Diocese.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Operational performance

The rapid development of the global pandemic between January and March had huge consequences for all communities including those within the church. Following the rapid closing of all places of Worship in March, many have remained closed. Many parishes have continued their regular ministry through other channels. It is a source of great pride throughout the DBF that a number of innovative ways of keeping the service provision at a high level across the whole of the faith community has been developed, along with new programmes of support for people affected by the crisis.

In response to the pandemic the British government instituted a series of civil “lockdowns”, the first, imposed in March 2020, saw the central Diocesan Offices closed and staff required to work from home. Fortunately, the staff were able to take advantage of the improvements in information technology that had been implemented in recent years, meaning that they were able to continue to provide a high level of service to our clergy and parishes. At the time of writing the offices remain closed and Diocesan staff continue to operate from home. Unfortunately, following a review of its operation, it was not possible to reopen the Retreat and Conference Centre as it could not be made Covid safe.

Plans and achievements in 2020

For 2020 the Board planned to:

- Maintain clergy stipends at the level recommended by the Archbishops' Council;
- Make provision for the training and support of both lay and ordained in parish ministry
- Encourage parishes in their generosity in funding mission and ministry through Ministry Share;
- Maintain an effective repair service to clergy in respect of breakages or damage to their homes;
- Accelerate the implementation of Stage 1 of the “Changing Market Towns” Initiative

During 2020 the Board has:

- Engaged with deaneries and parishes to modernise and support individual giving;
- Worked closely with each of our deaneries to continue to make payments of parish share achieving an overall collection rate of 94%;
- Maintained a clergy housing maintenance programme to ensure repairs reported were carried out promptly;
- Been able to utilise assistance from the furlough schemes implemented by the government to defray some of the salary costs of a number of the central Diocesan Office Staff;
- As a consequence of the covid crisis reduced our headcount to the minimum operational level and significantly reduced our other operating costs;
- Worked very closely with schools and local education authorities to support schools through a tumultuous period of upheaval to ensure that our children had education resources available to them whether they were based in the classroom or for the prolonged periods when they were at home.

The effect on income levels was significant. Overall, the Board's income fell by £1.033m (9.1%) putting increased pressure on stipend levels and payments.

Investment performance

Overall performance

Investments (including stipends fund) are held in both glebe and other Board funds. The value of investments (excluding short-term cash deposits) on 31 December 2020 was £72.1m (2019: £64.7m) and based on the year end value the return on investment was 3.6% (2019: 4.7%).

During 2020 the income generated from investments was significantly below the budgeted figure set by the trustees. Global equity markets rose strongly in the first quarter, however the impact of the Covid pandemic saw values reduced by 20% before the end of April. As governments across the globe struggled to contain the pandemic there was a significant increase in volatility in world markets particularly in the second and third quarters, the positive sentiment returned to the markets when it began to become clearer that a small number of nations had been able to approve the use of a number of vaccines demonstrating a high degree of effectiveness against the disease. This upturn in market sentiment meant that capital values ended the year higher than those of 2019.

Glebe (including stipends fund) investments

£47.0m (2019: £45.4m) of the Board's investments are in glebe and stipends fund investments, primarily to generate a sustainable income to continue funding clergy stipends.

Rental income receivable from the glebe land was £463k (2019: £464k) and investment income receivable from the stipends fund was £1.40m (2019: £1.49m).

Board investments

Other investments are held on behalf of a number of endowed, restricted and general funds. The policy with these investments is to safeguard capital and to generate income. Investment in equity, fixed interest, property, corporate bonds and deposit funds were valued at £25.2m on 31 December 2020 (2019: £23.2m). Dividends and interest receivable amounted to £1.2m (2019: £1.5m) – a yield of 4.7% (2019: 6.7%).

External factors affecting performance

Ministry Share is contributed by the deaneries and PCCs towards the ministry and other costs of the Diocese. A large part of these costs are clergy stipends, staff salaries and building maintenance costs. In addition, at each triennial valuation the Diocese faces the possibility of having to increase contributions to the clergy and staff pension schemes.

The Diocese of Ely remains financially relatively strong compared with many other dioceses and is expected to take a proportionately larger share of National Church costs than the less well-resourced dioceses.

FUTURE PLANS

Any future plans are subject to the further impact and consequences of the Covid-19 pandemic. The start of 2021 has seen a further lockdown, extending the period of restrictions throughout the entire first quarter of the year. Places of Worship have largely re-opened from Easter 2021, while the government's published "pathway" to reopening describes the landmarks to be achieved in the restarting of events including weddings; baptisms and burials; also, the gradual increase in permitted numbers attending each. If these targets are reached without further setbacks there will be opportunities for these events to be celebrated more fully in the months leading into summer, but parishes still face significant financial pressures.

Expenditure plans are being reviewed, with the situation and its impact on cashflow being continuously monitored. The Board intends to set annual budgets on a break-even basis. The ongoing objective is to resource Diocesan needs, as determined by Diocesan Synod and informed by both the local and the National Church institutions.

FINANCIAL REVIEW

Overall financial position

Income for the group for the year, before net gains and losses on investment and revaluation of fixed assets, totalled £10.29m (2019: £11.33m) and expenditure amounted to £10.12m (2019: £11.39).

The Statement of Financial Activities (SOFA) for the group for the year shows net income of £0.17m (2019: net expenditure £0.06m) before net gains and losses on investment and revaluation of fixed assets.

After revaluation adjustments, the net movement in funds for the group amounted to £8.5m (2019: £10.0m).

During the year, total fund balances for the group increased from £159.6m to £168.1m.

There was an overall group net cash inflow of £156k (2019: inflow of £473k).

Review of the statement of financial activities

There are no significant issues to which attention needs to be drawn.

Principal Funding Sources of the Board

Around 50% of the Board's income comes from Ministry Share, 25% from Diocesan investments and the remaining 25% from other resources.

Review of the financial position

Balance Sheet values rose by the surplus of income over expenditure of £8.5m for the group (£8.4m for the board). Unrealised gains on investments were £1.0m (2019: £8.6m) and revaluations of fixed assets during the year were £7.3m (2019: £1.51m) for the group. A full independent review of the value of all properties held by the Board was carried out in 2020 and has resulted in the significant increase on the overall valuation of the parsonage properties.

Financial sustainability

A major priority is to attain Ministry Share payment in full by all deaneries. Despite the difficult circumstances, 7 out of 15 deaneries paid their allocation in full for 2020 (2019: 12 of 15). The Board's investment portfolio is kept under regular review.

Going concern

After making enquiries the trustees are satisfied that the Board has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Investment policy

The Board is charged with the management of a diverse portfolio of assets belonging to the Diocese. Many of these assets have been given to support the stipends of clergy or to ensure the provision of clergy housing. The Board undertakes the management of these assets in accordance with the requirements of governing Church of England Measures. The Board strives to be a responsible investor and to follow the recommendations and guidance set down by The Ethical Investment Advisory Group of the Church of England.

Subject to the ethical constraints, the policy of the Board is to invest all its resources in such a way as to maximise a sustainable level of income and therefore the amount contributed to clergy stipends, while at the same time protecting the long-term capital value.

Financial assets: The Board retains professional investment advisers to manage investments. The performance of these managers is monitored constantly and is compared annually with that of other charity asset fund managers. Managers are required to meet regularly with Trustees to discuss and agree the implementation of strategies. The investment policy, income, and the sustainability of that income is a prime concern of the Board.

Land: the holdings are managed on a day-to-day basis by land agents retained by the Board. Most of the land is undeveloped, and thus the income from it is generally lower than from financial investment, though the potential

for long-term capital appreciation is high. The Board reviews its holdings for potential development opportunities. The Board's strategy is in general not to sell its landholdings at undeveloped value, but to seek or await development potential and hence capital appreciation; the funds raised then being invested as financial assets for higher income. Planning policy thus plays an important part in the investment reviews.

The Board is sensitive to the concerns of individual parishes as regards development of landholdings in their area, but is required to balance this with the normal objective and commercial approach that any arms-length investor in property would apply.

The Board regularly reviews its investment policy.

Reserves policy

The Board has considerable responsibilities including the remuneration of some 121 stipendiary clergy, the upkeep of approximately 160 houses and the employment of some 37 full or part time staff. The target for free reserves (net of tangible fixed assets and investments) is currently set at an amount equivalent to three months' gross expenditure from unrestricted funds estimated at £2.13m.

On 31 December 2020 free reserves were £6.4m. The unrestricted fund comprises net assets amounting to £19.1m of which £12.7m is tied up in tangible fixed assets.

The Trustees are aware, particularly in the light of the COVID-19 pandemic, that levels of parish contributions may reduce in future years and that there could be a deficit against the policy level of free reserves. The ultimate impact of the COVID-19 crisis on asset values, income levels and ultimately on free reserves is, as yet, unclear.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees confirm that the major risks to which the Board is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures have been established to manage those risks. The trustees delegate to the Finance Committee the task of ensuring that risks are reviewed and managed as part of the risk management strategy. The Finance Committee has defined the risks in their areas, reported on the measures in place to manage and monitor these risks and implemented procedures and controls designed to minimise any potential impact on the Board should any of the risks materialise. A risk register has been compiled.

The Finance Committee reviews the risk register periodically and reports to trustees whether it is satisfied with its findings and makes recommendations as to areas for further work in subsequent years. The trustees review the risk register at least annually as part of the corporate risk management strategy. A summary of the major risks identified in the risk register are:

Ministry Share

The reliability and timing of the income received from local churches is voluntary in nature. The risk recognises the importance of Ministry Share, a voluntary income stream, which accounts for approximately 50% of the Ely Diocesan Board's overall income. It recognises the risks arising from a shortfall on Ministry Share and the need for continued generosity.

Mitigating policies are:

- The constant monitoring of financial strategies and costs; and
- The provision of individual support strategies for parishes which experience unforeseen temporary difficulties in meeting Ministry Share payments.

Potential disruption in the flow of investment income

The reliability and timing of income receivable from investments and tenants of Board land and properties; Investments are monitored closely and are held in balanced portfolios to reduce specific risk of overexposure to any single asset sectors and cashflows are reviewed regularly to highlight any potential discrepancy in the availability of funding.

Safeguarding

Safeguarding is a high priority for the Diocese. It is an area which has seen significant investment in capacity and resource in recent years. Safeguarding allegations have potential resource and reputational implications.

In response to this risk the Board has set in place policies to:

- Respond well to allegations of abuse and survivors including working effectively with statutory agencies;
- Keep levels of resource in the safeguarding team under review;
- Respond to national processes and seek to influence national policy guidance to avoid unintended consequences;
- Continue to deliver safeguarding training to improve awareness and responsiveness across the Diocese; and
- Learn from experience and seek to continually improve.

Covid-19

Trustees and Diocesan Officers are assessing the risks and uncertainties brought about by the COVID-19 pandemic. Cashflow is continuously monitored, along with the impact of the crisis on income levels. A number of scenarios are being modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

The Church of England is organised as two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses, of which there are 41 in England.

Each diocese in England is divided into parishes. Each parish is overseen ecclesiastically by a parish priest if not an 'incumbent' (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish.

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

The Church of England is episcopally-led. There are 108 bishops including diocesan, assistant and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: The Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, today spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary

ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Pensions Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

The Cathedral

Ely cathedral is the mother church of the Diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Chapter Office, Ely Cathedral.

The information about General Synod, the Church Commissioners, the Archbishops' Council and Ely Cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements.

Organisational Structure

Diocesan Synod

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation from across the diocese with broadly equal numbers of clergy and lay people meeting together in Diocesan Synod with the Diocesan bishops and archdeacons. It comprises three houses; laity, clergy and bishops.
Its role is to:

- Consider matters affecting the Church of England in the diocese;
- Act as a forum for debate of Christian opinion on matters of religious or public interest;
- Advise the bishop where requested;
- Deal with matters referred by General Synod; and
- provide for the financing of the diocese.

Bishop's Council (and Standing Committee of the Diocesan Synod)

Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion;
- To initiate proposals for action by the Synod and to advise it on matters of policy;
- To advise the Diocesan Bishop on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- To carry out such functions as the Synod may delegate to it.

Deanery Synod

Deanery Synod has two houses, laity and clergy, and its role is to:

- Respond to requests from General Synod;
- Where appropriate, give effect to the decisions made by the Diocesan Synod;
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- Raise with Diocesan Synod such matters as it considers appropriate; and
- Elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

Parishes

A benefice is a parish or group of parishes served by an incumbent or priest in charge in holy orders who as such is a church beneficiary and typically receives a stipend and the benefit of free occupation and use of a parsonage house at the behest of the Bishop for the purpose of carrying out spiritual duties.

A deanery is a group of parishes over which a rural dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

A diocese is then the principal pastoral and, by means of its Board of Finance, financial and administrative resource of the Church of England in the area, encompassing the various archdeaconries under the spiritual leadership of the Diocesan Bishop.

Parochial Church Council (PCC)

The PCC is the elected statutory governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically, each parish has one parish church. The PCC is made up of the incumbent or priest in charge as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a corporate charity, but all those not exceeding £100,000 annual gross income are currently excepted from registration with the Charity Commission. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

Structure, governance and management

The Diocese of Ely was created in 1109 and covers an area of 1507 square miles with a population of approximately 725,000.

The Diocese is arranged as two Archdeaconries: Cambridge, comprising the southern part with seven deaneries, and Huntingdon and Wisbech in the northern part with eight deaneries. In total there are 316 parishes.

Diocesan governance

The Diocese is governed by Standing Orders approved in 1994 and subsequent amendments. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of ex officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, up to five persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Standing Committee - the Bishop's Council.

Company status

The company, Ely Diocesan Board of Finance (the Board), is established to manage the financial affairs and hold legal title to the assets of the Diocese. It was incorporated on 19 November 1915 as a charitable company limited by membership guarantees (No. 142183) and its governing documents are the Memorandum and Articles of Association. The Board is registered with the Charity Commission (No. 245456).

Each member of Diocesan Synod is also a member of the Board for company law purposes and has a personal liability limited to £1 under their guarantee as a company member in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council comprise the Board of trustees of the Board – they are its directors under company law.

Decision-making structure

Within the supervisory powers of the Diocesan Synod, as listed below, certain Diocesan functions (those italicised below) under the heading 'Committee structure' are undertaken by the Board in pursuit of the Board's charitable objectives:

- Planning the business of Synod including the preparation of agendas and papers
- Initiation of proposals for action by the Diocesan Synod and provision of policy advice
- Transacting the business of the Diocesan Synod when not in session
- Management of the funds and property of the Diocese
- Preparation of annual estimates of expenditure

- Advising on action needed to raise the income necessary to finance expenditure
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod
- Carrying out any other functions delegated by Diocesan Synod.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary, (who acts as Company Secretary) who is supported by a number of heads of departments and their staff.

Committee structure

Bishop's Council is the Board of trustees and company directors. It consists of ten ex officio members, including the Diocesan Bishop and the Suffragan Bishop, the two Archdeacons, the Dean of Ely and the chair of the Finance Committee, six clergy elected by the house of clergy from among their number (on an Archdeaconry basis, three per Archdeaconry) and ten lay persons elected by the members of the house of laity representing deaneries (on an Archdeaconry basis, five per Archdeaconry) and a maximum of five members nominated by the Diocesan Bishop.

Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which has delegated its authority under the Mission and Pastoral Measure 2011 to Archdeaconry Mission and Pastoral Committees.

The Board has the following sub-committees, each of which has written terms of reference:

Finance Committee, which is responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the trustees prior to submission to Diocesan Synod and monitors expenditure and income.

Audit Committee, established by the Directors / Trustees in 2016. The primary responsibility is to review the audit process the Diocese is subject to and the audited accounts produced. Its remit is wide ranging and can consider any area of the financial activities of the Diocese in an effort to identify inefficiencies, reduce costs, and otherwise achieve organizational objectives. The committee is also involved in risk management for the Diocese. Reporting directly to the directors / trustees, it consists of three members: one from the Finance Committee, one from the Deanery Liaison Group representing deaneries and parishes and one independent member with financial expertise from outside the Board.

The Audit Committee is also responsible for assisting the trustees in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

Assets Committee is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocese.

There are a number of Diocesan Synod statutory committees that, though not sub-committees of the Board, can influence the operations of the Board.

Houses Committee which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by the Board.

Diocesan Advisory Committee for the Care of Churches which advises on matters affecting churches and places of worship, such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

Ely Diocesan Board of Patronage which is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

The Churches Uses Committee which is responsible for finding appropriate alternative uses for churches which have been, or are proposed to be, declared redundant.

Appointment of trustees

The trustees of the Board are the members of the Bishop's Council. See above for details of membership.

Trustees are given induction training when first appointed and receive ongoing training, as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the Diocese and an introduction to any special areas of the Diocese with which they will be working (e.g. Board of Education, Houses Committee). Trustees are encouraged to visit Diocesan operations.

Some senior staff may have job titles incorporating the title 'Director' but they are not necessarily directors of the company (for the purposes of company law) and so they do not count as 'charity trustees'.

In preparing the financial statements the trustees are required to:

- Select the most suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Follow applicable accounting standards and the SORP, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Grant-making (beneficiary-selection) policy

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (See note 11 to the financial statements). Grants are paid to other charitable projects which appear to the Board to support the furtherance of its objectives. (See note 11 to the financial statements).

Funds held as custodian trustee for others

The Board is the custodian trustee for trust investment assets with a market value of £18.80m on 31 December 2020. Detailed certificates of holdings were sent to parishes and other managing trustees of the respective charities at that date. The Board as custodian trustee also holds PCC property. Each PCC is a separate charity. The assets are held separately from those of the Board.

Fundraising practices and performance

The Trustees are aware of the Charities (Protection and Social Investment) Act 2016 and support the aims of this legislation. The DBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The Diocese considers the origin of unsolicited donations and legacies. In 2020 the DBF did not engage with independent professional fundraisers and did not receive any complaints in relation to fundraising or raise any matter with regulators.

Related parties

<u>General Synod, Church Commissioners and Archbishops' Council</u>

The Board has to comply with Measures (i.e. ecclesiastical legislation with the same force as an Act of Parliament) passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the bishops are borne by the Church Commissioners and are reflected in the financial statements as costs funded by grants received from the Church Commissioners.

<u>Parochial Church Councils (PCCs)</u>

The Board is required by Measure to be custodian trustee in relation to PCC property (excluding ecclesiastical buildings), but the company has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Subsidiary undertakings

The Board has the following subsidiary undertakings, the turnover, expenditure and profit / (loss) for 2020 for each of the non-charitable subsidiaries was as follows:

	Income	Expenditure	Profit/(loss)
	£'000	£'000	£'000
Ely DBF Property Limited (05957128)	-	(7)	(7)
Ely Diocesan Schools Services Limited (05037336)	15	(7)	8

Each subsidiary intends to gift all its taxable profits to the Diocese within 9 months of the financial year end.

Pension Schemes

Clergy Pension Fund
The Board participates in the Church of England Funded Pension Scheme.

The Church of England Funded Pension Scheme is a defined benefit scheme, but the Board is unable to identify its share of the underlying assets and liabilities – each employer in that Scheme pays a common contribution rate. The latest valuation of the Scheme was carried out as of 31 December 2018.

For Schemes such as the Church of England Funded Pension Scheme, Section 28 of FRS 102 requires the Board to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Church of England Defined Benefits Scheme
The Board participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers' Pensions Fund.

The Board is unable to identify its share of the underlying assets and liabilities – each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the fund as of 31 December 2019 was underway as of 31 December 2020.

Church of England Defined Contribution Scheme
The Board participates in the Church of England Pension Builder Scheme, a defined contribution scheme.

Further details are contained in note 26 to the financial statements.

TRUSTEE REPONSIBILITIES

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 that 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 affairs of the Board and of the surplus or deficit of the Board 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 Board and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Board 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 on the Board's website. Legislation in England and Wales governing the preparation and dissemination of the financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the trustees are aware:

- There is no relevant audit information of which the charitable company’s auditors are unaware, and
- 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 auditors are aware of that information.

ELY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

ADMINISTRATIVE DETAILS

In accordance with the companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in January 2015 (SORP 2015), the trustees (for the purposes of charity law) and directors) for the purposes of company law) during the period from 1 January 2020 until the date of this report were:

Bishop's Council

Bishops (ex officio)
The Rt Revd Stephen Conway (Bishop of Ely)
The Rt Revd Dagmar Winter (Bishop of Huntingdon)

Ex officio
The Very Revd Mark Bonney (Dean of Ely)
The Ven. Dr Alex Hughes (Archdeacon of Cambridge)
The Ven. Hugh McCurdy (Archdeacon of Huntingdon and Wisbech and Diocesan Clergy Representative on General Synod)
The Revd Alison Myers (Chair of the House of Clergy)
Canon Simon Kershaw (Chair of the House of Laity)
The Revd Canon Brian Atling (Chairman of the Board of Finance and the Finance Committee)

Elected for the Archdeaconry of Cambridge
The Revd Canon Nick Moir
The Revd Canon Anna Matthews
Canon Peter Maxwell
Dr Arvan Pritchard
Mr Steve Mashford
Mrs Sarah Robinson
Canon Elizabeth Taylor

Elected for the Archdeaconry of Huntingdon and Wisbech
The Revd Jason Taylor (resigned 5 July 2020)
The Revd Martin Dale
Mr Donald Ashmore
Mrs Elaine Levitt
Mrs Diana Lucas
Mr Stephen Tooke

Canon Janet Perrett (Diocesan Lay Representative on General Synod)
The Revd Canon Mike Booker (Proctor in Convocation)
The Revd Canon Simon Talbott (Proctor in Convocation)

Co-opted
Mr Francis Burkitt
Mr George Lynn (Chair of the Audit Committee)
Mrs Sue Freestone
Canon Tim Walters

Nominated by the Bishop
Mr Robert Needle
Mr Martin Macfarlane
The Revd Carol Nicholas-Letch
The Revd Canon Adrian Daffern

Diocesan Secretary
Canon Paul Evans – Company Secretary

Finance Committee

The Revd Canon Brian Atling (Chairman)	Mrs Sue Freestone	Mr Francis Burkitt
Canon Tim Walters (Vice Chairman)	The Ven Dr Alex Hughes	The Revd Canon Simon Talbott
Mr Donald Ashmore	The Revd Canon Alison Myers	The Ven Hugh McCurdy

ELY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Registered Office
Ely Diocesan Board of Finance, Diocesan Office
Bishop Woodford House
Barton Road
Ely
Cambridgeshire
CB7 4DX
Telephone No.: 01353 652700

Auditors
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers
Barclays Bank PLC
Corporate Banking
PO Box 885
Mortlock House
Vision Park
Histon
CB24 9DE

Solicitors
Lee Bolton Monier Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Investment managers - Listed investments

CCLA Investment Management Ltd (CCLA)
Senator House
85 Queen Victoria Street
London
EC4V 4ET

NW Brown Investment Management
16-20 Regent Street
Cambridge
CB2 1NH

Eden Tree Investment Management
24 Monument St.
London
EC3R 9AJ
Reg Office
Beaufort House
Brunswick Road
Gloucester GL1 1JZ

Rathbone Investment Management
8 Finsbury Circus
London
EC2M 7EZ
and at
Port of Liverpool Building, Pier Head
Liverpool
L3 1NW

Investment managers – Glebe Property Agents

Carter Jonas LLP
6-8 Hills Road
Cambridge
CB2 1NH

Joliffe Daking LLP
25 Broadway
Peterborough
PE1 1SQ

Maxey Grounds & Co LLP
24 Market Place
March
PE15 9JH

The Trustees' Annual Report, which incorporates the Strategic Report, was approved by Order of the Board:

Paul Lawson Evans

+Stephen Ely

……..
Canon Paul Evans (Diocesan Secretary)

Date:……22 May 2021…….

……
The Rt Revd Stephen Conway (Bishop of Ely)

Date:……22 May 2021……

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELY DIOCESAN BOARD OF FINANCE

FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of the Ely Diocesan Board of Finance for the year ended 31 December 2020 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated 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 group and of the parent charitable company's affairs as at 31 December 2020 and of the group and parent 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group'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 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 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 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 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 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 parent charitable company; or
- the parent 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 13, 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 group and parent 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 group or parent 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.

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.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), 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, the Charities Act 2011 and Church of England Measures.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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
22 May 2021

10 Queen Street Place
London
EC4R 1AG

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Fund 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
Income and endowments from:						
Donations	2					
Ministry Share		5,603	-	-	5,603	5,692
Archbishops' Council		596	424	-	1,020	832
Other donations		266	151	-	417	390
Charitable activities	3	394	-	-	394	628
Other Activities	4	273	-	-	273	275
Investments	5	999	1,586	-	2,585	3,038
Other	6	-	-	-	-	470
		8,131	2,161	-	10,292	11,325
Expenditure on						
Raising Funds	7	132	137	(630)	(361)	446
Charitable activities	8	8,407	2,074	-	10,481	10,895
		8,539	2,211	(630)	10,120	11,388
Net income/(expenditure) before investment gains		(408)	(50)	630	172	(63)
Net gains / (losses) on investment		(626)	(159)	1,792	1,007	8,568
Net income/(expenditure)		(1,034)	(209)	2,422	1,179	8,505
Transfers between funds		1,164	2,362	(3,526)	-	-
Gains / (losses) on revaluation of fixed assets		-	-	7,275	7,275	1,510
Net movement in funds		130	2,153	6,171	8,454	10,015
Reconciliation of funds						
Total funds at 1 January 2020		18,982	12,050	128,590	159,622	149,607
Total funds at 31 December 2020		**19,112**	**14,203**	**134,761**	**168,076**	**159,622**

All income and expenditure relate to continuing activities.

The notes on pages 21-44 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Total funds 2020 £'000	Total funds 2019 £'000
Total income	10,292	11,325
Total expenditure	10,750	(11,147)
Operating surplus / (deficit)	(458)	178
Net gains / (losses) on investment	(785)	2,054
Net income/(expenditure) for the year	(1,243)	2,232
Other comprehensive income:		
Gains / (losses) on revaluation of fixed assets	-	-
Net transfers from / (to) endowments	3,526	(2,346)
Total comprehensive income	**2,283**	**(114)**

In accordance with Companies Act requirements this statement presents a summary of the movement on non-endowed funds in the financial year.

ELY DIOCESAN BOARD OF FINANCE
GROUP AND CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group		Charity	
		2020	2019	**2020**	2019
		£'000	£'000	**£'000**	£'000
Fixed Assets					
Tangible assets	14	**92,480**	87,712	**92,480**	87,712
Investments	15	**72,138**	64,659	**70,986**	63,583
		164,618	152,371	**163,466**	151,295
Current Assets					
Stock		**734**	724	**4**	4
Assets held for sale		**3,455**	7,372	**3,455**	7,372
Debtors	16	**1,617**	2,327	**2,374**	3,025
Cash at bank and in hand		**1,944**	1,759	**1,779**	1,385
		7,750	12,182	**7,612**	11,786
Current Liabilities					
Creditors: amounts falling due within one year	17	**3,419**	3,707	**3,246**	3,273
Net Current Assets / (Liabilities)		**4,331**	8,475	**4,366**	8,513
Total assets less current liabilities		**168,949**	160,846	**167,832**	159,808
Creditors: amounts falling due after more than one year					
Pension scheme liabilities	18	**60**	512	**60**	**512**
Other creditors	18	**-**	-	**-**	**-**
Provisions for liabilities and charges	19	**813**	712	**813**	**712**
Net Assets		**168,076**	159,622	**166,959**	**159,584**
Represented by:					
Endowment funds	24	**134,761**	128,590	**134,761**	**128,590**
Restricted income funds	23	**14,203**	12,050	**13,093**	**11,011**
Unrestricted income funds					
General funds	22	**6,543**	6,059	**6,536**	**6,060**
Retreat House	22	**429**	463	**429**	**463**
Other Designated funds	22	**12,140**	12,460	**12,140**	**12,460**
		19,112	18,982	**19,105**	**19,983**
Total Funds		**168,076**	159,622	**166,959**	**158,584**

These financial statements were approved by the Board of Trustees on 22 May 2021, and signed on its behalf by:

…… ……

The Rt Revd Stephen Conway (Bishop of Ely) The Revd Canon Brian Atling (Chair of Finance Committee)

The notes on pages 21-44 form part of these financial statements.

ELY DIOCESAN BOARD OF FINANCE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		***2019***	
	£'000		**£'000**	
Net cash flow from operating activities (A)		(2,656)		(2,440)
Cash flows from investing activities				
Dividends, interest, and rent from investments	2,122		2,574	
Proceeds from the sale of:				
Tangible fixed assets	7,976		2,181	
Fixed asset investments	1,645		5,242	
Purchase of:				
Tangible fixed assets	(872)		(2,857)	
Fixed asset investments	(8,109)		(4,222)	
Net cash provided by investing activities		2,762		2,918
Cash flows from financing activities				
Loans repaid	50		(5)	
Net cash provided by/(used in) financing activities		50		(5)
Change in cash and cash equivalents in the year		156		473
Cash and cash equivalents as at 1 January 2020		1,738		1,265
Cash and cash equivalents as at 31 December 2020		1,894		1,738

A: Reconciliation of net movements in funds to net cash flow from operating activities

	2020	**2019**
	£'000	**£'000**
Net movement in funds for the year-ended 31 December	164	1,559
Adjustments for:		
Depreciation	23	40
Gain on sale of properties	(704)	(294)
Interest and dividends receivable	(2,122)	(2,574)
Repayment of loans advanced	(50)	5
(Increase)/decrease in stock	(10)	(12)
(Increase)/decrease in debtors	710	(221)
Increase/(decrease) in creditors	(768)	(1,048)
Increase/(decrease) in provisions	101	105
Net cash flow from operating activities	(2,656)	(2,440)

B: Analysis of Net Debt and cash and cash equivalents

	2020	***2019***
	£	***£***
Cash at bank and in hand	1,944	1,759
Central Board of Finance for parish loans	(50)	(21)
	1,894	1,738

1. Accounting policies

Ely Diocesan Board of Finance is a company limited by guarantee (company number 142183), and a charity (number 245456) registered in England & Wales, and governed by its Memorandum and Articles of Association. Its registered office is given on the administrative details page in the Strategic Report.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ely Diocesan Board of Finance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis
The financial statements are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The ultimate impact of the COVID 19 pandemic is still unclear, but Diocesan Officers are modelling scenarios should there be a material effect on income, especially considering the temporary closure of places of worship. Expenditure plans are being reviewed as a result of this.

However, the review of our financial position, reserves levels, and future plans together with the expected future cash flows gives Trustees a reasonable expectation that the charity remains a going concern for the foreseeable future. Accordingly, they believe that there are no material uncertainties over the going concern of the charity and continue to adopt the going concern basis in preparing the financial statements.

Group financial statements
The financial statements consolidate the results of the charity and its wholly owned subsidiaries Ely Diocesan Schools Services Limited and Ely DBF Property Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The surplus of the parent charity was £8,375k (2019: £9,904k).

Income recognition
All income is recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

i) **Ministry Share** is recognised as income of the year in respect of which it is receivable.
ii) **Rent receivable** is recognised as income in the period with respect to which it relates.
iii) **Interest and dividends** are recognised as income when receivable.
iv) **Parochial fees** are recognised as income of the year to which they relate
iv) **Donations** other than grants are recognised when receivable.
v) **Gains on disposal of fixed assets for the Board's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
vi) **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.

1. Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

i) **Costs of raising funds** are constrained to 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, including the Diocesan Retreat House, and expenditure on education and Church of England schools in the Diocese.
iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
iv) **Support costs** consist of central management, administration and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
v) **Pension contributions**. The Board's staff are members of the Church Workers Pension Fund and clergy are members of the Church of England Funded Pensions Scheme (see note 30). The pension costs charged as expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the clergy pension scheme to which the Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure allocated to the particular activity where the cost relates directly to that activity.

Allocation of costs

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1. Accounting policies (continued)

Fixed assets

Freehold and leasehold properties for the charity's own use
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 Board has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value Is not more than the recoverable amount. These properties are included at cost.

Schools
The Board does not recognise the value of its reversionary interest in the assets of active schools and, in the case of closed schools, only when the ultimate proceeds of disposal have been received.

Parsonage houses
The Board has followed the requirements of FRS102 in its accounting treatment for benefice houses (personages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The Board is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value, calculated by using the midpoint of the council tax banding as adjusted by a published index to reflect changes since the last valuation.

Other tangible fixed assets
Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Furniture & equipment	12.5-33% per annum straight line
Leasehold improvements	life of lease
Freehold properties	Not Depreciated

A full year of depreciation is charged in the year of addition for all furniture and equipment assets.

Financial Instruments
The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Cash
Cash at bank and cash in hand includes cash and 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.

Creditors
Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity 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 recognised at transaction price.

Stock and work in progress
Stock and work in progress is valued at the lower of cost and estimated selling price less costs to complete and sell.

1. Accounting policies (continued)

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

- Unrestricted funds are the Board's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the Board. There are two types of unrestricted funds:
  - General funds which the Board intends to use for the general purposes of the Board; and
  - Designated funds set aside out of unrestricted funds by the Board for a purpose specified by the trustees.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.
- Endowment funds represent money that must be permanently held as capital, and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.

"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 Board acts merely as custodian trustee with no control over the management of the funds, are not included in the financial statements but are summarised in the notes to the financial statements.

Pension scheme

The Diocese participates in two defined benefit pension schemes to provide pension benefits based on final pensionable pay, namely the Church of England Funded Pensions Scheme (clergy) and the Church of England Defined Benefits Scheme part of the Church Workers Pension Fund. The Diocese also participates in the Church of England Pension Builder Scheme (formerly known as Defined Contributions Scheme) part of the Church Workers Pension Fund. Details of the schemes are set out in note 26.

The pension costs charged as expenditure represent the Diocese's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which Diocese participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

Judgements and estimates
In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements

Valuation of Freehold properties and parsonage houses:

All team vicarages and parsonage houses are revalued to their fair value annually using reliable internal and external information.

Valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes:

These liabilities are revalued at each year end using discount rates which are reassessed annually.

Residual values of Freehold properties:

The Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

1. Accounting policies (continued)

Sources of estimation uncertainty

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. Income from donations

	Total 2020 £'000	Total 2019 £'000
Ministry share		
Current year's allocation net of discounts and rebates	5,603	5,692
	5,603	5,692

Total ministry share receipts represent 94.1% (2019: 98.2%) of the allocation.

All ministry share income is unrestricted.

	Unrestricted 2020 £'000	Restricted 2020 £'000	Total 2020 £'000	Total 2019 £'000
Archbishops' Council				
Chancellor and Registrar	48	-	48	43
Market Towns funding	548	-	548	476
RME grant	-	424	424	313
	596	424	1,020	832

In 2019, £43k of income was unrestricted and £313k was restricted.

	Unrestricted 2020 £'000	Restricted 2020 £'000	Total 2020 £'000	Total 2019 £'000
Other donations				
AllChurches Trust grant	102	-	102	102
Furlough Grants	43	-	43	-
Donations	121	151	272	288
	266	151	417	390

In 2019, £209k of income was unrestricted, £181k was restricted.

3. Income from charitable activities

	Total 2020 £'000	Total 2019 £'000
Assigned fees	274	287
Unassigned fees	18	-
Retreat House	102	341
	394	628

All income from charitable activities was unrestricted in both the current and prior year.

4. Income from other activities

	Total 2020 £'000	Total 2019 £'000
Rental income from vacant parsonages	258	210
Other trading activities – Subsidiary companies	-	65
	258	275

All income from other activities is unrestricted.

5. Income from investments

	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000
Investment income	533	1,586	-	2,119
Glebe rents receivable	463	-	-	463
Interest received	3	-	-	3
	999	1,586	-	2,585

Comparative analysis for 2019

	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Endowment Funds 2019 £'000	Total Funds 2019 £'000
Investment income	827	1,741	-	2,568
Glebe rents receivable	464	-	-	464
Interest received	6	-	-	6
	1,297	1,741	-	3,038

6. Other income

	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Gain/(losses) on sale of properties	-	-	-	-	434
Other income	-	-	-	-	36
	-	-	-	-	470
TOTAL INCOME	8,116	2,161	-	10,277	**11,325**

All other income in 2019 was restricted

7. Expenditure on raising funds

	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000
Let houses expenses	49	-	-	49
Glebe management costs	83	-	26	109
Investment managers costs	-	102	83	185
Loss on sale of fixed assets	-	35	(739)	(704)
	132	137	(630)	(361)

Comparative analysis for 2019

	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Endowment Funds 2019 £'000	Total Funds 2019 £'000
Let houses expenses	46	-	-	46
Glebe management costs	81	-	10	91
Investment managers costs	-	90	126	216
Loss on sale of fixed assets	-	35	105	140
	127	125	241	493

8. Expenditure on charitable activities

	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000
Contributions to Archbishops' Council				
Training for the Ministry	277	-	-	277
National Church Responsibilities	231	-	-	231
Church's Housing Assistance for Retired Ministry	99	-	-	99
Mission agency pension contributions	10	-	-	10
	617	-	-	617
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance & pensions	3,028	1,303	-	4,331
Housing costs	1,235	-	-	1,235
Ministry selection and training	1,641	427	-	2,068
Clergy support	443	-	-	443
Other expenses	20	4	-	24
	6,367	1,734	-	8,101
Support for ministry in parishes	1,223	-	-	1,223
Retreat House	193	-	-	193
	7,783	1,734	-	9,517
Expenditure on education				
Support for church schools	-	340	-	340
Total charitable activities	**8,532**	**2,211**	**(630)**	**10,113**

8. Expenditure on charitable activities (continued)

Comparative analysis for 2019	***Unrestricted Funds 2019 £'000***	***Restricted Funds 2019 £'000***	***Endowment Funds 2019 £'000***	***Total Funds 2019 £'000***
Contributions to Archbishops' Council				
Training for the Ministry	277	-	-	277
National Church Responsibilities	243	-	-	243
Church's Housing Assistance for Retired Ministry	95	-	-	95
Mission agency pension contributions	3	-	-	3
	618	-	-	618
Resourcing Ministry and Mission				
Ministry in parishes				
Stipends, national insurance, & pensions	2,844	1,406	-	4,250
Housing costs	1,438	-	-	1,438
Ministry selection and training	1,763	338	-	2,101
Clergy support	571	-	-	571
Other expenses	57	-	-	57
	6,673	1,744	-	8,417
Support for ministry in parishes	1,204	-	-	1,204
Retreat House	308	-	-	308
	8,185	1,744	-	8,785
Expenditure on education				
Support for church schools	76	272	-	348
Total charitable activities	8,879	2,016	-	10,895

9. Analysis of expenditure including allocation of support costs

	Activities undertaken directly 2020 £'000	**Grant funding of activities 2020 £'000**	**Support costs 2020 £'000**	**Total Funds 2020 £'000**
Raising funds	(361)	-	-	(361)
Charitable activities				
Contributions to Archbishops' Council	-	617	-	617
Resourcing parish ministry	8,316	235	773	9,324
Education	224	-	116	340
Retreat House	193	-	-	193
	8,372	852	889	10,113

Comparative analysis for 2019	***Activities undertaken Directly 2019 £'000***	***Grant funding of activities 2019 £'000***	***Support Costs 2019 £'000***	***Total Board Funds 2019 £'000***
Raising funds	493	-	-	493
Charitable activities				
Contributions to Archbishops' Council	-	618	-	618
Resourcing Parish Ministry	8,591	282	711	9,621
Education	165	-	107	348
Retreat House	308	-	-	308
	9,557	900	818	10,197

10. Analysis of support costs

	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000
Central administration	645	-	645	596
Support for School	-	116	116	107
Governance:				
External audit	20	-	20	18
Registrar and Chancellor	108	-	108	97
	773	116	889	818

Comparative analysis for 2019	*Unrestricted Funds 2019 £'000*	*Restricted Funds 2019 £'000*	*Endowment Funds 2019 £'000*	*Total Funds 2019 £'000*
Central administration	596	-	-	596
Support for School	-	107	-	107
Governance:				
External audit	18	-	-	18
Registrar and Chancellor	97	-	-	97
	711	107	-	818

11. Analysis of grants made

	Number of grants	Individuals 2020 £'000	Institutions 2020 £'000	Total 2020 £'000
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	618	618
From unrestricted funds:				
PCCs for Church inspection fees	46	-	33	33
Ordinands in training	19	136	-	136
PCCs for Faculty fees	252	-	22	22
Diocese Mission Projects	-	-	-	-
Continuing ministerial training	16	4	-	4
	333	140	55	195
Total	338	140	673	813

	Number of grants	*Individuals 2019 £'000*	*Institutions 2019 £'000*	*Total 2019 £'000*
From unrestricted funds for National Church responsibilities				
Contributions for Archbishops' Council	5	-	593	593
From unrestricted funds:				
PCCs for Church inspection fees	63	-	45	45
Ordinands in training	29	92	-	92
PCCs for Faculty fees	154	-	26	26
Diocese Mission Projects	-	-	-	-
Continuing ministerial training	58	12	-	12
	294	103	71	174
Total	299	103	664	767

12. Net income for the year

	Total 2020 £'000	*Total 2019 £'000*
Net income for the year is stated after charging:		
Depreciation	23	40
Auditors' remuneration	20	29

13. Staff Costs

	Total 2020 £'000	*Total 2019 £'000*
The aggregate costs of staff were:		
Wages and salaries	1,562	1,489
Social security costs	155	143
Pension contributions	165	160
	1,881	1,792

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

	2020	***2019***
Resourcing ministry and mission	37	37
Schools fund	2	2
Retreat House	4	7
	44	45

There was one member of staff whose emoluments (including benefits but excluding pension contributions) amounted to between £120,001 and £130,000 and one between 70,001 and £80,000 (2019 - two member of staff between £70,001 and £80,000). Pension payments of £19,635 (2019: £15,105) were made for these employees.

Remuneration of key management personnel
Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. During 2020 they were:

Diocesan Secretary	Canon Paul Evans
Director of Education	Mr Andrew Read

Remuneration, pensions and expenses for these two employees amounted to £240,672 (2019: £185,029).

Trustees' emoluments
No trustee received any remuneration for services as trustee. Two trustees received travelling and out of pocket expenses, totalling £856 (2019 - £2,456) in respect of Bishop's Council duties.

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

	Stipend	**Housing**
The Revd Martin Dale	Yes	Yes
The Revd Canon Adrian Daffern	Yes	Yes
The Ven Dr Alex Hughes	Yes	Yes
The Revd Anna Matthews	Yes	Yes
The Ven Hugh McCurdy	Yes	Yes
The Revd Alison Myers	Yes	Yes
The Revd Canon Nick Moir	Yes	Yes
The Revd Simon Talbott	Yes	Yes
The Revd Jason Taylor	Yes	Yes

13. Staff costs (continued)

The Board is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. The Board is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Suffragan Bishop but excluding the Diocesan Bishop and cathedral staff.

The Board paid an average of 122 (2019: 122) stipendiary clergy as office-holders holding parochial or Diocesan appointments in the Diocese and the costs were as follows:

	2020 £'000	***2019 £'000***
Stipends	2,798	2,634
National Insurance contributions	204	202
Pension costs – current year	962	953
Pension costs – deficit reduction	(382)	(294)
Other costs	27	119
	3,609	3,614

The stipends of the two Bishops were paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and the Suffragan Bishop are funded by the Church Commissioners and are in the range £37,670-£46,650 (2019 range £36,930-£45,640). The annual rate of stipend, funded by the EDBF, paid to Archdeacons in 2020 was in the range £36,830-£38,250 (2019 range £36,100 - £27,490) and other clergy who were trustees were paid in the range £26,900-£27,000 (2019 range £26,372-£26,470).

The Board has estimated the value to the occupant, gross of income tax and national insurance, of church-provided housing for 2020/19 at £19,600 and for 2019/18 at £9,600.

14. Tangible Fixed Assets (Board and Consolidated)

	Board assets: Freehold properties £'000	**Team Vicarages £'000**	**Parsonage Houses £'000**	**Leasehold property improve-ments £'000**	**Furniture & equip-ment £'000**	**Assets under constr-uction £'000**	**Retreat House £'000**	**Total £'000**
Cost								
At 1 January	12,423	3,493	70,273	269	249	1,388	328	88,423
Additions	273	-	-	-	16	583	-	872
Disposals	-	-	(503)	-	-	-	-	(503)
Revaluation	-	229	7,046	-	-	-	-	7,275
Transfers	447	(821)	1,423	-	-	(1,049)	-	-
Transfers to current assets	(524)	-	(2,328)	-	-	-	-	(2,852)
At 31 December	12,169	2,901	75,914	269	265	918	328	93,214
Depreciation								
At 1 January	-	-	-	269	199	-	243	711
Charge for the year	-	-	-	-	23	-	-	23
At 31 December	-	-	-	269	222	-	243	734
Net book value								
At 31 December 2020	**12,619**	**2,901**	**75,914**	**-**	**43**	**918**	**85**	**92,480**
At 31 December 2019	12,423	3,493	70,273	-	50	1,388	85	87,712

14. Tangible Fixed Assets (continued)

Use of Fixed Assets
All of the Board's tangible fixed assets are used for direct charitable purposes with the exception of the investment glebe land, the leasehold property and some of the furniture and equipment which is used for management and administration.

Subsidiary Companies
Fixed assets represents an investment property held by Ely DBF Property Ltd.

Parsonages
Benefice houses are legally vested in incumbents as freeholders but the proceeds of any sale following a pastoral reorganisation belong to the Diocesan Pastoral Account. The Diocese is responsible for all upkeep and maintenance. As at 31 December 2020 the Diocese was responsible for 118 parsonage properties. Minor capital works of £21,256 (2019: £37,571) were not capitalised but charged against the Pastoral Account. The deemed cost of the parsonages is £28,734,624.

Team Vicarages
Together with subsequent purchases less sales, there are now vested in the Board 7 team vicarages. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. The deemed cost of the team vicarages is £898,496.

15. Investments

	Group		Board	
	2020	***2019***	**2020**	**2019**
	£'000	***£'000***	**£'000**	**£'000**
At 1 January 2020	64,659	58,733	63,578	57,820
Additions	8,109	4,222	8,109	4,222
Disposals	(1,645)	(5,242)	(1,645)	(5,242)
Revaluation	1,015	6,946	944	6,783
Transferred to Assets held for sale	-	-	-	-
Carried forward	72,138	64,659	70,896	63,583

Investment assets include both Glebe land and Schools Fund investment properties, which had been classified as Fixed Assets in previous financial statements however are held for investment purposes.

Invested in:				
Central Board of Finance (CCLA):				
Investment fund	24,983	23,620	24,983	23,620
Property fund	6,177	5,613	6,177	5,613
Global markets fund	8,805	7,397	8,805	7,397
Deposits	3,086	1,301	3,086	1,301
Managed investments	-	-	-	-
N W Brown Investment Managers				
Investment fund	9,610	11,322	9,610	11,322
Deposits	116	265	116	265
Edentree				
Investment Fund	3,522	3,692	3,522	3,692
Rathbones investments				
Investment funds	9,849	9,227	9,849	9,227
Deposits	71	365	71	365
Investment property				
Glebe	4,322	333	4,322	333
Schools Fund	437	437	437	437
Other	37	37	-	-
Other investments	8	10	8	10
Subsidiary trusts	1,110	1,039	-	-
Total investments	72,133	64,658	70,986	63,583

15. Investments (continued)

Subsidiary Trusts
Trusts where the Board is both the custodian and the beneficiary.

Glebe Land
Under the provisions of the Endowments and Glebe Measure 1976, the ownership of glebe land was transferred to the Board from 1 April 1978. Together with subsequent purchases less sales, there are now vested in the Board 5,099 acres of glebe land. All sale proceeds must be placed to the credit of the Diocesan Stipends Capital Fund. It is not possible to calculate the cost of the Glebe land.

Subsidiary companies
The Board owns 100% of the issued share capital of Ely Diocesan Schools Services Limited (Company Number: 05037336) and Ely DBF Property Limited (Company Number: 05957128), companies incorporated in England, whose principal activities are those of providing project management services to schools and construction, and property development respectively. Both entities have the same registered office as the parent charity. The cost of these investments is £2.

The results for the year for the trading subsidiaries are as follows:

	Ely DBF Property Limited £	Ely Diocesan Schools Services Limited £
Income	432	15,901
Expenditure	(6,440)	(6,609)
(Loss)/Profit for the year	(6,008)	9,292
Fixed assets	37,214	-
Net current (liabilities)/assets	(45,390)	13,369
Net (liabilities)/assets	(8,176)	13,369

16. Debtors

	Group		Board	
	2020 £'000	***2019 £'000***	**2020 £'000**	***2019 £'000***
Ministry share	111	409	111	409
Other debtors	1,223	1,638	1,213	1,626
Prepayments and accrued income	233	280	233	280
Loans to parishes	50	-	50	
Due from subsidiary companies:				
Ely Diocesan School Services Limited	-	-	7	7
Ely DBF Property Limited	-	-	760	703
	1,617	2,327	2,374	3,025

Loans to parishes do not include any debtors due after more than one year.

17. Creditors: amounts falling due within one year

	Group		Board	
	2020	***2019***	**2020**	***2019***
	£'000	***£'000***	**£'000**	***£'000***
Central Board of Finance for parish loans	50	21	50	21
Other creditors	1,706	1,767	1,553	1,362
School governing bodies	708	118	708	118
Accruals and deferred income	556	919	536	890
Clergy Pension scheme	399	382	339	382
Loans	-	500	-	500
	3,419	3,707	3,246	3,273

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

	Group		Board	
	2020	***2019***	**2020**	***2019***
	£'000	***£'000***	**£'000**	***£'000***
Central Board of Finance for parish loans				
Payable within 5 years	-	-	-	-
Payable in more than 5 years	-	-	-	-
	-	-	-	-
Pension scheme liabilities				
Clergy pension scheme	60	512	60	512

19. Provisions for liabilities and charges

	Group		Board	
	2020	***2019***	**2020**	***2019***
	£'000	***£'000***	**£'000**	***£'000***
Parsonage housing repairs	778	677	778	677
Restructuring	35	35	35	35
	813	712	813	712
The movement on provisions is as follows:				
Balance at 1 January 2020	712	607	712	607
Provision used during the year				
Parsonage housing repair	(252)	(174)	(252)	(174)
Restructuring	-	(35)	-	(35)
New provision in year – parsonage housing repairs	353	314	353	314
Balance at 31 December 2020	813	712	813	712

20. Revaluation Reserve

	Group		Board	
	2020	***2019***	**2020**	***2019***
	£'000	***£'000***	**£'000**	***£'000***
Balance at 1 January	71,775	63,319	70,840	62,547
Revaluation of fixed assets	7,275	1,510	7,275	1,510
Revaluation of investment assets	1,015	6,946	944	6,783
Balance at 31 December	80,065	71,775	79,059	70,840

21. Financial commitments

Total commitments under non-cancellable operating leases are as follows:

	Group and Board	
	2020	***2019***
	£'000	***£'000***
Office equipment with payments falling due:		
Due within one year	1	1
Due in between one and five years	2	3
	3	4

22. Unrestricted funds

Board

	At 1 January 2020 £'000	**Income £'000**	**Expenditure £'000**	**Net income/ (expend-iture) £'000**	**Gains/ losses £'000**	**Transfers £'000**	**At 31 December 2020 £'000**
Designated funds							
Pastoral property reserve	10,618	-	-	**-**	-	209	10,827
Long term parsonage repair reserve	7	-	-	**-**	-	-	7
Ely 2025 growth fund	444	-	(149)	**(149)**	-	(177)	118
Murrow Church	13	2	-	**2**	-	-	15
Hampton Church	111	-	-	**-**	-	-	111
Market Towns	1,267	594	(799)	**(205)**	-	-	1,062
	12,460	596	(948)	**(352)**	-	32	12,140
Retreat House	463	145	(193)	**(48)**	14	-	429
General funds	6,060	7,375	(7,391)	**(16)**	(640)	1,132	6,536
	18,983	8,116	(8,532)	**(416)**	(626)	1,164	19,105

Group

	At 1 January 2020 £'000	**Income £'000**	**Expenditure £'000**	**Net income/ (expend-iture) £'000**	**Gains/ losses £'000**	**Transfers £'000**	**At 31 December 2020 £'000**
Designated funds							
Pastoral property reserve	10,618	-	-	**-**	-	209	10,827
Long term parsonage repair reserve	7	-	-	**-**	-	-	7
Ely 2025 growth fund	444	-	(149)	**(149)**	-	(177)	118
Murrow Church	13	2	-	**2**	-	-	15
Hampton Church	111	-	-	**-**	-	-	111
Market Towns	1,267	594	(799)	**(205)**	-	-	1,062
	12,460	596	(948)	**(352)**	-	32	12,140
Retreat House	463	145	(193)	**(48)**	14	-	429
General funds	6,059	7,390	(7,398)	**(8)**	(640)	1,132	6,543
	18,982	8,131	(8,539)	**(408)**	(626)	1,164	19,112

22. Unrestricted funds (continued)

2019 comparatives: Board

	At 1 January 2019 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2019 £'000
Designated funds							
Pastoral property reserve	10,526	-	-	**-**	-	92	10,618
Long term parsonage repair reserve	125	-	(118)	**(118)**	-	-	7
Ely 2025 growth fund	658	-	(214)	**(214)**	-	-	444
Murrow Church	13	-	-	**-**	-	-	13
Hampton Church	111	-	-	**-**	-	-	111
Market Towns	1,162	940	(835)	**105**	-	-	1,267
	12,595	940	(1,167)	**(227)**	-	92	12,025
Retreat House	386	371	(308)	**63**	14	-	463
General funds	5,164	7,698	(7,415)	**283**	1,785	(1,172)	6,060
	18,145	9,009	(8,890)	**119**	1,799	(1,080)	18,983

2019 comparatives: Group

	At 1 January 2019 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2019 £'000
Designated funds							
Pastoral property reserve	10,526	-	-	**-**	-	92	10,618
Long term parsonage repair reserve	125	-	(118)	**(118)**	-	-	7
Ely 2025 growth fund	658	-	(214)	**(214)**	-	-	444
Murrow Church	13	-	-	**-**	-	-	13
Hampton Church	111	-	-	**-**	-	-	111
Market Towns	1,162	940	(835)	**105**	-	-	1,267
	12,595	940	(1,167)	**(227)**	-	92	12,025
Retreat House	386	371	(308)	**63**	14	-	463
General funds	5,214	7,763	(7,531)	**232**	1,785	(1,172)	6,059
	18,195	9,074	(9,006)	**68**	1,799	(1,080)	18,982

Pastoral Property Reserve
The Pastoral Property Reserve represents the amount invested in pastoral property.

Murrow Church
Funds held by the Board arising from the sale of the Chapel of Ease for the benefit of Murrow Church fabric.

Ely 2025 Growth Fund
This fund has been consolidated to promote mission and ministry in accordance with the Diocese of Ely Strategy to 2025. An additional £200k has been designated towards the Fund in the financial year.

Hampton Church
Accumulated interest on the inter-group loans in relation to the Hampton Church build costs.

Market Towns

The aim of this project is to make real in the Diocese of Ely's market towns, the Church of England's commitment to be a Christian presence everywhere. It seeks by grace to transform that presence from one which is declining and diminishing to one which is fit to engage fully and courageously with these communities in times of challenge and change.

23. Restricted funds

Board

	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2020 £'000
Diocesan Pastoral Account	10,705	54	(66)	**(12)**	(230)	2,327	12,790
Diocesan Stipends Fund Income Account	-	1,399	(1,399)	**-**	-	-	-
New Churches Fund	61	-	-	-	-	-	61
Clergy Well-being fund	149	(20)	8	**(12)**	-	-	137
RME Fund	-	424	(414)	**10**	-	-	10
Schools fund	96	304	(340)	**(36)**	-	35	95
	11,011	2,161	(2,211)	**(50)**	(230)	2,362	13,093

Group

	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2020 £'000
Diocesan Pastoral Account	10,705	54	(66)	**(12)**	(230)	2,327	12,790
Diocesan Stipends Fund Income Account	-	1,399	(1,399)	**-**	-	-	-
New Churches Fund	61	-	-	-	-	-	61
Clergy Well-being fund	149	(20)	8	**(12)**	-	-	137
RME Fund	-	424	(414)	**10**	-	-	10
Schools fund	96	304	(340)	**(36)**	-	35	95
Subsidiary trusts	1,039	-	-	-	71	-	1,110
	12,050	2,161	(2,211)	**(50)**	(159)	2,362	14,023

23. Restricted funds (continued)

2019 comparatives

	At 1 January 2019 £'000	Income £'000	Expenditure £'000	Net income/ (expend-iture) £'000	Gains/ losses £'000	Transfers £'000	At 31 December 2019 £'000
Diocesan Pastoral Account	11,869	123	(78)	**45**	92	(1,301)	10,705
Diocesan Stipends Fund Income Account	1	1,490	(1,491)	**(1)**	-	-	-
New Churches Fund	61	-	-	-	-	-	61
Clergy Well-being fund	133	16	-	16	-	-	149
RME Fund	(13)	313	(300)	**13**	-	-	-
Schools fund	24	309	(272)	**37**	-	35	96
Subsidiary trusts	876	-	-	-	163	-	1,039
	12,951	2,251	(2,141)	**110**	255	(1,266)	12,050

Diocesan Pastoral Account

The purposes are laid down in the Mission and Pastoral Measure 2011 and mainly relate to:

- Costs incurred for the purposes of the Measure, or any scheme or order made under the Measure, except for salaries of regular Diocesan employees;
- Costs of disposing of or maintaining houses or churches vested in the Board or Commissioners;
- Costs incurred for the benefit of another diocese(s); and
- Transfers to the Diocesan Stipend Fund Capital or Income Accounts.

Where monies are not required for the above they may be considered for other purposes of the Diocese. Board properties are funded from the Diocesan Pastoral Account (DPA). When such properties are sold, the proportion of proceeds equal to the sums used to purchase the property are transferred to the DPA. Any surplus realised from the sale of the property is, at the Board's discretion, transferred into the DPA, or transferred to an existing or new designated fund of the Board.

Diocesan Stipends Fund Income Account

Subject to any charges imposed by scheme or order the Fund shall be applied to:

- Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese;
- Meet expenses incurred in repairing and maintaining parsonage houses;
- Pay secondary Class 1 contributions in respect of ministers not employed under a contract of service; and
- Defray sequestrators' expenses.

New Churches Fund

This fund is used to fund the establishment of new church buildings

Anthony Edward Brookes Fund for the Well-being of the Clergy (Clergy Well-Being Fund)

This fund is for the benefit of the well-being of clergy.

RME Fund

Upon receipt of the Block Grant from the Archbishops' Council, the Diocese must pay it into the Resourcing for Ministerial Education (RME) Fund for ministerial education training for the ordinands they sponsor. The Block Grant can only be spent on Initial Ministerial Education pathways, which have been approved by Ministry Division at accredited Theological Education Institutions (TEIs).

24. Expendable Endowments

Board and Group

	At 1 January 2020 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2020 £'000
Stipends Capital Fund	42,710	-	656	**656**	1,570	(655)	44,821
Glebe	4,341	-	(26)	**(26)**	50	(43)	4,322
Team Vicarage Fund	3,493	-	-	**-**	229	(821)	2,901
Parsonage Houses Fund	73,685	-	-	**-**	7,037	(2,007)	78,715
Schools Fund	4,361	-	-	**-**	181	-	4,542
	128,590	-	630	**630**	9,067	(3,526)	134,761

2019 Comparatives

	At 1 January 2019 £'000	Income £'000	Expen-diture £'000	Net income/ (expenditure) £'000	Gains & losses £'000	Transfers £'000	At 31 December 2019 £'000
Stipends Capital Fund	31,728	-	(231)	**(231)**	6,082	5,131	42,710
Glebe	8,363	-	(10)	**(10)**	(26)	(3,986)	4,341
Team Vicarage Fund	3,398	-	-	**-**	95	-	3,493
Parsonage Houses Fund	71,069	-	-	**-**	1,415	1,201	73,685
Schools Fund	3,903	-	-	**-**	458	-	4,361
	118,461	-	(241)	**(241)**	8,024	2,346	128,590

Stipends Capital Fund, Glebe and Team Vicarage Fund

These are capital funds held under the terms of the Endowments and Glebe Measure 1976 and the Miscellaneous Provisions Measure 1992 and principally comprise freehold properties and shares in the CBF Investment Fund, CBF Property Fund and the CBF Deposit Fund. Together they form the Diocesan Stipends Fund. Receipts arise mainly from the sale of glebe properties, grants of easement, and variations of restricted covenants.

Parsonage Houses Fund

This Fund represents the stock of parsonage houses, i.e. houses held as benefice property for occupation by incumbents. A parsonage house is required for each benefice and the funding of improvements and new and replacement parsonage houses is the responsibility of the Board.

Schools Fund

The income of these funds primarily represents income investments and donations. The fund balance is made up of the proceeds from closed schools and donations and is used primarily towards improvement costs at church voluntary aided schools.

During the year the Schools Fund expended £717k on projects as agent for the schools' governing bodies.

25. Analysis of net assets between funds

Funds at 31 December 2020 are represented by:

Board

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	12,742	278	79,460	92,480
Investments	16,034	2,670	52,282	70,986
Net current assets / (liabilities)	2,119	81	2,166	4,366
Non-current liabilities	-	-	(60)	(60)
Provisions	(813)	-	-	(813)
	30,082	3,029	133,848	166,959
Interfund borrowing	(10,973)	10,059	914	-
Net assets	19,109	13,088	134,762	166,959

Group

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	12,742	278	79,460	92,480
Investments	16,071	3,780	52,282	72,133
Net current assets / (liabilities)	2,245	81	2,166	4,492
Non-current liabilities	-	-	(60)	(60)
Provisions	(813)	-	-	(813)
	30,245	4,139	133,848	168,232
Interfund borrowing	(10,973)	10,059	914	-
Net assets	19,272	14,198	134,762	168,232

Funds (Group) at 31 December 2019 are represented by:

	Unrestricted Funds £'000	*Restricted Funds £'000*	*Endowment Funds £'000*	*Total £'000*
Fixed assets	*29,642*	*2,655*	*120,074*	*152,371*
Net current assets / (liabilities)	*(9,948)*	*9,395*	*9,028*	*8,475*
Non-current liabilities	*(712)*	*-*	*(512)*	*(1,224)*
	18,982	*12,050*	*128,590*	*159,622*

26. Pensions

Church of England Funded Pension Scheme

The Board participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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 a specific Responsible Body, and this means contributions are accounted for as if the scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £901,881 , 2019: £245,968), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total charge of £1,336,881 for 2020 (2019: £1,281,032).

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 2015. A valuation at 31 December 2020 is currently under way, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
  - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2020 and thereafter increasing linearly to 70% by 31 December 2030 (with the remainder in return-seeking assets); and
  - · a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- · Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- · RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- · Increase in pensionable stipends of 3.2% p.a.;
- · Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long-term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below:

	1 January 2019 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

The deficit recovery contributions under the recovery plan in force as at 31 December 2016, 31 December 2019 and 31 December 2020 were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below:

	2020 £'000	***2019 £'000***
Balance sheet liability at 1 January	894	2,421
Deficit contribution paid	(399)	(382)
Interest cost (recognised in SoFA)	8	47
Remaining change to the balance sheet liability* (recognised in SofA)	(44)	(1,192)
Balance sheet liability at 31 December	459	894

26. Pensions (continued)

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

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

	December 2020	December 2019	December 2018
Discount rate	3.2% pa	1.1% pa	2.1% pa
Price inflation	3.4% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	3.4% pa	1.3% pa	1.6% pa

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

Church Workers Pension Fund

The Board participates in the Pension Builder Scheme section of CWPF for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the employer and the other participating employers.

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

Pension builder scheme
The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. 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 that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This 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 contributions payable (2020: £124,326 , 2019: £92,509).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

26. Pensions (continued)

Defined Benefits Scheme

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2020: £49,514, 2019: £48,490) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £83,014 for 2020 (2019: £48,490).

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

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

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 18% of pensionable salary and expenses of £5,900 per year. In addition deficit payments of £52,177 per year have been agreed for 6.25 years from 1 April 2020 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

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

	2020 £'000	***2019 £'000***
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SofA)	34	-
Balance sheet liability at 31 December	34	-

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

26. Pensions (continued)

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

	December 2020	December 2019	December 2018
Discount rate	0.0% pa	0.0% pa	0.0% pa

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

The next valuation of the scheme is being carried out as at December 2020.

27. Related Party Transactions

Ely DBF Property Limited and Ely Diocesan Schools Services Limited are both wholly-owned subsidiaries of Ely Diocesan Board of Finance, whose financial statements are both publicly available.

At 31 December 2020, £760k was owed from Ely DBF Property Services Limited and £7k was owed from Ely Diocesan Schools Services Limited to the parent charity. There is no interest charged and no fixed repayment on either balance.

During the previous year, Ely Diocesan Board of Finance purchased a property from Ely DBF Property Limited for £2m.

28. Post Balance Sheet Events and Contingent Liabilities

Since the year end, the COVID-19 pandemic has continued to have a huge impact across the world but there are now positive influences resulting from the commencement of vaccination programmes and countries opening up after being placed in lockdown and UK financial markets have improved as a result

The crisis has also had an impact on the operations of the DBF. A number of events continue to be cancelled and Diocesan Officers modelled the impact of various scenarios for 2021 involving reductions in income streams and the possibility of cancelling or postponing areas of expenditure. Most employees are, however, working effectively from home and every effort is being made to continue to provide as many of our services as possible.

Trustees will continue to monitor the changing operational landscape and impact on assets and related income. Cashflow is being monitored closely and potential cost savings identified, either as a natural consequence of the crisis or by postponement of certain expenditure, to ensure that the DBF can operate within its available resources. Quinquennial works and recruitment to vacant posts that were put on hold are now underway.

29. Trust funds

The Board 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 PCCs and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. The financial assets held in this way may be summarised as follows:

		2020 Valuation £'000	***2019 Valuation £'000***
Miscellaneous listed investments		2,938	2,615
Central Board of Finance:	Investment Fund shares	13,174	10,407
	Fixed interest securities fund units	434	432
	Deposits	1,994	2,018
Other assets		300	-
Cash at bank		191	305
Total assets held as custodian trustee		19,030	18,850