

**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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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 2023**

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.

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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%;

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- 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.

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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

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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.

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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.

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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.

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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.

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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'.

**ELY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

**ELY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 £'000	Expenditure £'000	Profit/(loss) £'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.

**ELY DIOCESAN BOARD OF FINANCE
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

TRUSTEE RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees (as directors) to prepare financial statements for each financial year. Under 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 Brian Atling (Vice Chair)
 The Revd Canon Rebecca Dyball

The Revd Canon Sarah Gower Mr Francis Burkitt
 The Ven Dr Alex Hughes The Revd Canon Simon Talbott
 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)



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

Date:.....26 September 2024.....

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.

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

FOR THE YEAR ENDED 31 DECEMBER 2023

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
		<u>7,946</u>	<u>234</u>	<u>2,561</u>	<u>187</u>	<u>10,928</u>	<u>12,418</u>
Expenditure on							
Raising Funds	7	242	-	-	368	610	355
Charitable activities	8	7,727	936	2,721	-	11,384	10,741
		<u>7,969</u>	<u>936</u>	<u>2,721</u>	<u>368</u>	<u>11,994</u>	<u>11,096</u>
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)
		<u>933</u>	<u>(703)</u>	<u>68</u>	<u>10,394</u>	<u>10,692</u>	<u>(2,359)</u>
Net income							
Transfers between funds		(504)	493	(1,810)	1,821	-	-
Gain/(loss) on revaluation of fixed assets		-	-	-	3,655	3,655	(1,645)
		<u>429</u>	<u>(210)</u>	<u>(1,742)</u>	<u>15,870</u>	<u>14,347</u>	<u>(4,004)</u>
Net movement in funds							
Reconciliation of funds							
Total funds at 1 January 2023		6,192	15,384	20,032	139,398	181,006	185,010
		<u>6,621</u>	<u>15,174</u>	<u>18,290</u>	<u>155,268</u>	<u>195,353</u>	<u>181,006</u>
Total funds at 31 December 2023							

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.

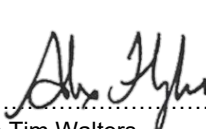
**ELY DIOCESAN BOARD OF FINANCE
BALANCE SHEETS
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Group		Charity	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed Assets					
Tangible assets	14	105,901	99,181	105,901	99,181
Investments	15	87,540	81,160	86,189	79,918
		<u>193,441</u>	<u>180,341</u>	<u>192,090</u>	<u>179,099</u>
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
		<u>7,734</u>	<u>5,291</u>	<u>7,561</u>	<u>4,738</u>
Current Liabilities					
Creditors: amounts falling due within one year	17	2,947	3,378	2,637	3,005
		<u>4,787</u>	<u>1,913</u>	<u>4,924</u>	<u>1,733</u>
Net Current Assets					
		<u>4,787</u>	<u>1,913</u>	<u>4,924</u>	<u>1,733</u>
Total assets less current liabilities		<u>198,228</u>	<u>182,254</u>	<u>197,014</u>	<u>180,832</u>
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
		<u>1,375</u>	<u>1,248</u>	<u>1,375</u>	<u>1,248</u>
Net Assets		<u>195,353</u>	<u>181,006</u>	<u>194,139</u>	<u>179,584</u>
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
		<u>21,795</u>	<u>21,576</u>	<u>21,805</u>	<u>21,273</u>
Total Funds		<u>195,353</u>	<u>181,006</u>	<u>194,139</u>	<u>179,584</u>

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

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

- 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.

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>5,771</u>	<u>5,496</u>

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
	<u>509</u>	<u>222</u>	<u>731</u>	<u>600</u>

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
	<u>91</u>	<u>225</u>	<u>316</u>	<u>687</u>

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
	<u>295</u>	<u>423</u>

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
	<u>254</u>	<u>348</u>

All income from other activities is unrestricted.

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>1,240</u>	<u>2,114</u>	<u>-</u>	<u>3,354</u>

Comparative analysis for 2022

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

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	-
	<u>20</u>	<u>-</u>	<u>187</u>	<u>207</u>	<u>1,762</u>
TOTAL INCOME	<u>8,180</u>	<u>2,561</u>	<u>187</u>	<u>10,928</u>	<u>12,418</u>

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

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>242</u>	<u>*</u>	<u>368</u>	<u>610</u>

Comparative analysis for 2022

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

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
	<u>587</u>	<u>-</u>	<u>-</u>	<u>587</u>
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
	<u>6,462</u>	<u>2,200</u>	<u>-</u>	<u>8,662</u>
Support for ministry in parishes	1,259	-	-	1,259
Retreat House	167	-	-	167
Tree works	165	-	-	165
	<u>8,053</u>	<u>2,200</u>	<u>-</u>	<u>10,253</u>
Expenditure on education				
Support for church schools	23	521	-	544
Total charitable activities	<u>8,663</u>	<u>2,721</u>	<u>-</u>	<u>11,384</u>

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
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8. Expenditure on charitable activities (continued)

<i>Comparative analysis for 2022</i>	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
	<u>586</u>	<u>-</u>	<u>-</u>	<u>586</u>
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
	<u>6,313</u>	<u>2,035</u>	<u>-</u>	<u>8,348</u>
Support for ministry in parishes	1,259	-	-	1,259
Retreat House	35	-	-	35
	<u>69</u>	<u>-</u>	<u>-</u>	<u>69</u>
	<u>7,676</u>	<u>2,035</u>	<u>-</u>	<u>9,711</u>
Expenditure on education				
Support for church schools	24	420	-	444
	<u>24</u>	<u>420</u>	<u>-</u>	<u>444</u>
I charitable activities	<u>8,286</u>	<u>2,455</u>	<u>-</u>	<u>10,741</u>

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
	<u>9,661</u>	<u>1,362</u>	<u>971</u>	<u>11,994</u>
<i>Comparative analysis for 2022</i>				
	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
	<u>9,655</u>	<u>586</u>	<u>855</u>	<u>11,096</u>

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>917</u>	<u>54</u>	<u>971</u>

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
	<u>726</u>	<u>129</u>	<u>855</u>

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
	<u>198</u>	<u>146</u>	<u>57</u>	<u>203</u>
Total	<u>203</u>	<u>146</u>	<u>629</u>	<u>775</u>

	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
	<u>205</u>	<u>156</u>	<u>60</u>	<u>216</u>
Total	<u>210</u>	<u>156</u>	<u>646</u>	<u>802</u>

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

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
	<u> </u>	<u> </u>

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
	<u> </u>	<u> </u>
	<u>2,013</u>	<u>1,800</u>

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
	<u> </u>	<u> </u>
	<u>38</u>	<u>35</u>

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

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>3,565</u>	<u>3,547</u>

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 construc- tion £'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	<u>15,836</u>	<u>3,240</u>	<u>82,056</u>	<u>269</u>	<u>282</u>	<u>4,756</u>	<u>-</u>	<u>106,439</u>
Depreciation								
At 1 January	-	-	-	269	252	-	-	521
Charge for the year	-	-	-	-	17	-	-	17
Eliminated in disposal	-	-	-	-	-	-	-	-
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>269</u>	<u>269</u>	<u>-</u>	<u>-</u>	<u>538</u>
Net book value								
At 31 December 2023	<u>15,836</u>	<u>3,240</u>	<u>82,056</u>	<u>-</u>	<u>13</u>	<u>4,756</u>	<u>-</u>	<u>105,901</u>
<i>At 31 December 2022</i>	<u>15,348</u>	<u>3,300</u>	<u>79,720</u>	<u>-</u>	<u>14</u>	<u>795</u>	<u>-</u>	<u>99,177</u>

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	<u>87,540</u>	<u>81,160</u>	<u>86,189</u>	<u>79,918</u>

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	
	2023	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	<u>87,540</u>	<u>81,160</u>	<u>86,189</u>	<u>79,918</u>

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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)
	<u>315,905</u>	<u>(6,629)</u>
(Loss)/Profit for the year	<u>315,905</u>	<u>(6,629)</u>
Fixed assets	37,214	85,833
Net current (liabilities)/assets	278,691	(92,462)
	<u>315,905</u>	<u>(6,629)</u>
Net (liabilities)/assets	<u>315,905</u>	<u>(6,629)</u>

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
	<u>1,785</u>	<u>1,923</u>	<u>2,594</u>	<u>2,670</u>

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
	<u>2,947</u>	<u>3,378</u>	<u>2,637</u>	<u>3,005</u>

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
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18. Creditors: amounts falling due after more than one year

	Group		Board	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'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	2022	2023	2022
	£'000	£'000	£'000	£'000
Parsonage housing repairs	1,340	1,214	1,340	1,214
Restructuring	35	34	35	34
	<u>1,375</u>	<u>1,248</u>	<u>1,375</u>	<u>1,248</u>

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	<u>1,375</u>	<u>1,248</u>	<u>1,375</u>	<u>1,248</u>

20. Revaluation Reserve

	Group		Board	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'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	<u>92,653</u>	<u>84,665</u>	<u>92,697</u>	<u>84,814</u>

21. Financial commitments

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

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

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

**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
	<u>15,384</u>	<u>234</u>	<u>(936)</u>	<u>(702)</u>	<u>(1)</u>	<u>493</u>	<u>15,174</u>
Retreat House	518	-	(167)	(167)	20	-	371
General funds	<u>5,371</u>	<u>8,221</u>	<u>(7,764)</u>	<u>457</u>	<u>936</u>	<u>(504)</u>	<u>6,260</u>
	<u><u>21,273</u></u>	<u><u>8,455</u></u>	<u><u>(8,867)</u></u>	<u><u>(412)</u></u>	<u><u>955</u></u>	<u><u>(11)</u></u>	<u><u>21,805</u></u>

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
	<u>15,384</u>	<u>234</u>	<u>(936)</u>	<u>(702)</u>	<u>(1)</u>	<u>493</u>	<u>15,174</u>
Retreat House	518	-	(167)	(167)	20	-	371
General funds	<u>5,674</u>	<u>7,946</u>	<u>(7,802)</u>	<u>144</u>	<u>936</u>	<u>(504)</u>	<u>6,250</u>
	<u><u>21,576</u></u>	<u><u>8,180</u></u>	<u><u>(8,905)</u></u>	<u><u>(725)</u></u>	<u><u>955</u></u>	<u><u>(11)</u></u>	<u><u>21,795</u></u>

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>11,735</u>	<u>413</u>	<u>(851)</u>	<u>(438)</u>	<u>-</u>	<u>4,087</u>	<u>15,384</u>
Retreat House	463	100	(35)	65	(10)	-	518
General funds	<u>8,805</u>	<u>9,395</u>	<u>(8,146)</u>	<u>1,249</u>	<u>83</u>	<u>(4,766)</u>	<u>5,371</u>
	<u>21,003</u>	<u>9,908</u>	<u>(9,032)</u>	<u>876</u>	<u>73</u>	<u>(679)</u>	<u>21,273</u>

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
	<u>11,735</u>	<u>413</u>	<u>(851)</u>	<u>(438)</u>	<u>-</u>	<u>4,087</u>	<u>15,384</u>
Retreat House	463	100	(35)	65	(10)	-	518
General funds	<u>8,780</u>	<u>9,149</u>	<u>(7,585)</u>	<u>1,564</u>	<u>97</u>	<u>(4,767)</u>	<u>5,674</u>
	<u>20,978</u>	<u>9,662</u>	<u>(8,471)</u>	<u>1,191</u>	<u>87</u>	<u>(680)</u>	<u>21,576</u>

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

=====	=====	=====	=====	=====	=====	=====
	=			=		

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	-	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
	<u>18,913</u>	<u>2,561</u>	<u>(2,721)</u>	<u>(160)</u>	<u>123</u>	<u>(1,810)</u>	<u>17,066</u>

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>20,032</u>	<u>2,561</u>	<u>(2,721)</u>	<u>(160)</u>	<u>228</u>	<u>(1,810)</u>	<u>18,290</u>

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
	<u>15,616</u>	<u>2,674</u>	<u>(2,517)</u>	<u>157</u>	<u>460</u>	<u>3,799</u>	<u>20,032</u>

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

**ELY DIOCESAN BOARD OF FINANCE
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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
	<u>139,398</u>	<u>187</u>	<u>(368)</u>	<u>(181)</u>	<u>14,230</u>	<u>1,821</u>	<u>155,268</u>

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
	<u>148,416</u>	<u>82</u>	<u>(108)</u>	<u>(26)</u>	<u>(5,873)</u>	<u>(3,119)</u>	<u>139,398</u>

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

**ELY DIOCESAN BOARD OF FINANCE
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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)
	<u>35,741</u>	<u>5,926</u>	<u>152,472</u>	<u>194,139</u>
Interfund borrowing	(13,936)	11,140	2,796	-
Net assets	<u><u>21,805</u></u>	<u><u>17,066</u></u>	<u><u>155,268</u></u>	<u><u>194,139</u></u>

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)
	<u>35,731</u>	<u>7,150</u>	<u>152,472</u>	<u>195,353</u>
Interfund borrowing	(13,936)	11,140	2,796	-
Net assets	<u><u>21,795</u></u>	<u><u>18,290</u></u>	<u><u>155,268</u></u>	<u><u>195,353</u></u>

**ELY DIOCESAN BOARD OF FINANCE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

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

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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.

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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%

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

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