

THE OXFORD DIOCESAN BOARD OF FINANCE

England & Wales · Charity number 247954

Details

Status Registered

Legal form Charitable company

Company number [00142978](#)

Registered 1966-10-20

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: TO PROMOTE AND ASSIST THE WORK AND PURPOSES OF THE CHURCH OF ENGLAND FOR THE ADVANCEMENT OF THE CHRISTIAN RELIGION IN THE DIOCESE OF OXFORD (FOR FULL DETAILS SEE MEMORANDUM OF ASSOCIATION CLAUSE 3).

Activities: In summary the charity's aims are to promote the work and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Oxford and elsewhere.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** DIOCESE OF OXFORD
- Bracknell Forest
- Buckinghamshire
- Milton Keynes
- Oxfordshire
- Reading
- Slough
- West Berkshire
- Windsor And Maidenhead
- Wokingham

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£27,968,000	£34,121,000	£522,266,000	107
2023-12-31	£28,414,000	£30,719,000	£524,858,000	105
2022-12-31	£27,355,000	£30,940,000	£520,404,000	80
2021-12-31	£25,352,000	£30,803,000	£522,785,000	80
2020-12-31	£26,065,000	£29,862,000	£479,643,000	74

Trustees

Name	Role	Appointed
Alison Kirk		2023-05-02
Anne Elizabeth Gordon Casson		2024-12-03
Canon Julie Patricia Dziegiel		2012-10-26
HUGH DAVID REES		2024-12-03
John Neil Sykes		2018-11-17
Kathryn Mary Winrow		2021-12-08
MARK NICHOLAS BURTON		2018-09-28
Maureen Elizabeth Jane Underdown		2024-12-03
Millius Palayiwa		2024-12-03
Rev Serena Parevash Tajima		2025-03-24
Richard Gavin Merrylees		2021-11-25
Rt Rev Mary Emma Gregory		2025-02-27
Sir Hector William Hepburn Sants		2022-01-01
Susan Scott		2021-10-07
THE RIGHT REVD DR STEVEN JOHN LINDSEY CROFT		2016-07-06
The Revd Canon Ainsley Laird Swift		2024-12-03
The Revd Canon Catherine Butt		2024-09-01
The Revd Canon Dr Geoffrey Brian Tudor Bayliss		2020-09-05
The Revd Canon Janet Victoria Binns		2022-01-31
The Revd James Dwyer		2024-12-03
The Revd Michael Smith		2024-12-03
The Revd Peter Wright		2024-12-03
The Rt Revd David Thomas Bull		2025-02-27
The Rt Revd Gavin Andrew Collins		2021-02-28
The Venerable David Tyler		2022-10-01
The Venerable GUY CHARLES ELSMORE		2016-07-18

Name	Role	Appointed
The Venerable Jonathan Paul Michael Chaffey		2020-05-01
The Venerable Stephen James Pullin		2020-02-29
The Very Revd Professor Sarah Rosamund Irvine Foot		2023-07-08

THE OXFORD DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 247954

Accounts



Oxford Diocesan Board of Finance

Directors' Report and Financial Statements

For the year ended 31 December 2024

Company limited by guarantee (No. 142978 England and Wales)

Registered charity (No. 247954)

Registered & Principal Office:

Church House Oxford

Langford Locks

Kidlington

Oxford OX5 1GF

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Key to abbreviations:

CBF	Central Board of Finance	LPI	Limited Price Index
CEFPS	Church of England Funded Pension Scheme	LLM	Licensed Lay Minister
CEPB	Church of England Pensions Board	MPC	Mission & Pastoral Committee
CSUST	Church Schools Uniform Statutory Trust	ODBE	Oxford Diocesan Board of Education
CMD	Continuing Ministerial Development	ODBF	Oxford Diocesan Board of Finance
CPI	Consumer Price Inflation	ODBST	Oxford Diocesan Bucks Schools Trust
CPIH	Consumer Price Inflation (Housing)	ODST	Oxford Diocesan Schools Trust
DAC	Diocesan Advisory Committee	PACT	Parents and Children Together
DT(O)L	Diocesan Trustees (Oxford) Limited	PCC	Parochial Church Council
EIG	Ecclesiastical Insurance Group	RPI	Retail Price Index
ESG	Environment, Social & Governance	SOFA	Statement of Financial Activities
FRS	Financial Reporting Standard	SORP	Statement of Recommended Practice
ICV	Initial Carrying Value		

DIRECTORS' ANNUAL REPORT

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

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the ODBF are to benefit the public by promoting and assisting the mission and other work of the Church of England in and beyond the boundaries of the Diocese of Oxford by raising, collecting and expending funds in connection with:

- (1) Training, funding and other support for ministry (both clerical and lay) within the Diocese of Oxford and in the wider Church of England, Anglican Communion, and other Christian churches with which the Church of England has ecumenical relationships or otherwise recognises as partners in its mission;
- (2) Provision for pensions for retired ministers (both clerical and lay) and support for their dependants;
- (3) Management of investments and historic assets in accordance with the Endowments and Glebe Measure 1976 and otherwise;
- (4) Support for the work of the Diocesan Board of Education and other trusts and related bodies involved with the work of schools in the Diocese of Oxford; and
- (5) Support for other charitable trusts established in connection with the work of parishes and other related bodies throughout the Diocese of Oxford.

ODBF also incorporates the functions and responsibilities of the Diocesan Parsonages Board.

The role of Diocesan Authority for parochial and other trusts is carried out by DT(O)L, a separate charitable company resourced and controlled by ODBF and whose directors are now the same as those of ODBF.

STRATEGIC REPORT - STRATEGIC AIMS AND OBJECTIVES

The Diocese promotes the work and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Oxford and elsewhere. Together, we are the Church, called and sent by God as disciples of Jesus Christ and filled with the Holy Spirit. We are a living, growing network of more than a thousand congregations, chaplaincies and schools. The strategy and approach of the Diocese is described as 'a common vision for a more Christ-like Church: contemplative, compassionate and courageous for the sake of God's world'.

To support these aims the main role of the ODBF is to identify and manage the financial aspects of the provision of mission and ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the Christian mission and strategic priorities in the Diocese.

The aims and objectives are largely achieved by providing:

- Ministry in the parishes – by the appointment of stipendiary and non-stipendiary clergy and licensed lay ministers, the payment of stipends, the provision of houses for the clergy as necessary; by involvement in the selection and training of ordinands and lay ministers including the provision of financial support to those training for the ministry; by providing continuing ministerial training for clergy and lay ministers;
- Assistance to parishes – through the provision of parish development advisors in each archdeaconry; through good communications, HR and finance support; through support for work with children and young adults; through help with Christian giving and parish fundraising; through support for parishes in the administration of trusts; through assistance to churchwardens and treasurers and assistance with matters dealt with by the Diocesan Advisory Committee (DAC) in relation to church buildings;
- Strategic leadership and support in focus areas of Common Vision such as children and young people, environmental action, new congregations, discipleship, and poverty and inequality;
- Safeguarding resources, advice and case handling; and
- Support for church schools through training and support services and the provision of assistance and advice to head teachers and school governors through the annual grant to ODBE.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

Set out below is what was planned for 2024 and what ODBF, through its staff and volunteers, achieved during the year and beyond:

- **Complete a national bid for children, young people and schools.**

After a two-year period of discernment, our bid was submitted in January 2025. Consultation took place widely across the Diocese and led to the development of local projects, so they can resource their long-term commitment to ministering to and discipling this next generation of Christians in a way that meets their local context.

Listening to the voice of children and young people themselves was a vital part of our planning. We produced a film, Amplify: from a whisper to a wave, with the aim of inspiring parishes to discern the 'one next step' which could make a difference in their context.

We submitted a £8.7M bid to transform mission and ministry for youth and children across the Diocese. The bid included funding for locally embedded children and youth ministers working in parishes, to grow outreach and discipleship in church, the community and in schools. It included a formation and training programme for volunteers, clergy and children's ministers to expand their skills and build their confidence. It would expand our existing offer of prayer spaces in schools, and our communities for young adults. Parishes across the Diocese would also have access to an increased Development Fund to realise their own vision for this area of ministry.

Sadly, we received the very unexpected and disappointing news in March 2025 that the bid has not been awarded at this time due to uncertainties around national Church funding. We will be working closely with the national Church to discern when funding will be available to us once again and in the meantime are seeking to pursue as energetically as we can our ambitious strategy for Children and Young People's Ministry notwithstanding the absence of these resources at this time.

- **Implement the recommendations of the limited review of parish share including the introduction of Deanery Financial Sustainability Plans (DFSP - initially called Deanery Recovery Plans).**

A limited review by the Finance Committee, following consultation with deanery officers, recommended the following changes to the Diocesan Parish Share scheme.

- A minor amendment to how training costs are allocated.
- Statutory parochial fees to be reimbursed through the Parish Share scheme based on actual fees returned to ODBF.
- Increase the proportion of glebe investment income that is distributed through the Community Support Allowance.
- Support will be given to those parishes where clergy have been absent for more than 6 months or are on maternity/shared parental leave.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

- The year-end deadline for receipt of Parish Share contributions is extended to 14 January each year.
- Introduction of deanery financial sustainability plans to support those deaneries that have been contributing less than 90% of their parish share allocation in the prior 2 years.

These changes have been implemented during 2024 and a leaflet created to help deaneries to share details of their bespoke, locally agreed allocation methodologies with parishioners.

- **Have a significant increase in new congregations and resourcing hubs all functioning optimally.**

Our seven resourcing hubs across the Diocese continue to resource their local deaneries and the wider Diocese, drawing on their unique strengths and individuality to contribute to the establishment of new faith communities across diverse contexts. In 2024, this work has been consolidated and distinct areas of mission identified for each hub with several changes made to outcomes and budgets in agreement with the national Church.

This work bridges a range of mission priorities including community organising, equipping parishes to advocate for their communities and nurturing these new congregations; community outreach rooted in service and community engagement; intercultural mission helping parishes in multicultural areas to foster an inclusive approach to church growth; local missional communities, serving as a model for parish renewal and congregation planting; and growing new congregations within the Hong Konger community through ecumenical partnerships and targeted outreach.

Two Diocese-backed resource hubs have strengthened their support for local church growth in their deaneries, through the learning communities network. Recent successes include a youth camp attended by more than 100 young people in Wycombe Deanery last summer and the establishment of the Estates Ministry Network which brings together those ministering to people living on estates where more than 500 of the houses can be described as social housing. However, we acknowledged during the year that aspects of the programme had not proved as successful as we hoped and reduced the level of staff resource allocated to it.

- **To implement the first year of the £10m vicarage net zero programme.**

This year has seen the £10m committed investment start to be put to work. Additional staff have been appointed to the team, and a strategy was approved by Bishop's Council in December 2023, which prioritised work that would move the 250 properties currently below an EPC C up to that level over the next five years.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

It is estimated that this work will result in a 30 per cent reduction in emissions in that period, keeping us in line for our 2035 target date. Since April 2024, the team have:

- Installed air-source heat pumps (ASHPs) to nine properties with the plan to complete 18 by the end of 2025
- Completed 11 solar panel installations
- Insulated 17 properties and replaced nine sets of windows, of which six are triple glazed
- Located new contractors to carry out air tightness testing, to ensure heat pumps are sized correctly and are therefore efficient to use.

Carbon emissions have reduced by 12.5% since the baseline in 2020/21 following the work carried out to properties this year on its retrofit programme. The team will have improved the energy efficiency of over 50 houses by the end of 2025 through measures including additional insulation. Three properties have been prepared for full deep retrofit to achieve "net zero" and Boiler Upgrade Scheme grants have been successfully claimed with a positive budget contribution of £67.5K.

- **Implement a church buildings strategy and increased capacity enabling us to be operationally and strategically up-to-date on church buildings and pastoral work.**

A Church Buildings strategy was brought to Bishop's Council and then agreed by Diocesan Synod in the second half of 2024. Part of this work necessitated the expansion of the capacity within the church buildings team. This increased provision will allow the team to transition from a reactive to a more proactive stance, as well as progress casework more swiftly.

Our strategy identifies the sustained high numbers of churches looking to install new facilities and increase community use and outreach. Alongside that is the additional work in supporting parishes to reach the diocesan net zero target of 2035.

We have been working with parishes to navigate the new faculty rules for having 'due regard' to net zero guidance, balancing this and our own diocesan 2035 net zero target, with barriers of parish finance, people resource and local infrastructure. The Diocese has successfully bid to the Buildings for Mission Minor Repairs Fund and been awarded £177,750 to provide grants for small repairs to church buildings over the 2024-6 period.

- **See strong take-up of learning and discipleship resources and CMD and an increase in lay and ordained vocations to at least pre-Covid levels**

Since launching the Learning Hub in September 2023 we have seen an excellent take up of the modules across the different-sized course options (bitesize, going deeper and study groups). Over the past year, we have published 13 modules which have been taken up by around 850 individuals. We know the true number will be much higher than this as it does not account for groups studying the courses.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

The Learning Hub has become the primary resource for LLM training alongside sessions which benefit from face-to-face tuition such as funeral services and communion by extension. Discipleship resources have been broadened with the introduction of national providers who are specialists.

The CMD team was reorganised in 2024, and a newsletter was launched. This has been very well received by clergy who are offered advance bookings for courses and take up has been high.

We are seeing some increase in ordained vocations, but not yet to the extent that we would wish and a strategy is therefore being devised in 2025 to stimulate further vocations.

- **Manage the impacts of Living in Love and Faith.**

The debate around Living in Love and Faith (LLF) has continued to divide the Church of England including within the Diocese of Oxford.

As General Synod takes time to consider its next steps on delegated episcopal ministry, same-sex marriages for clergy and pastoral reassurance around the use of Prayers of Love and Faith (PLF), the diocesan board of finance has been careful to take a neutral position. We have had bilateral discussions with those parishes that have felt the need to take direct action in response.

In response to clergy requests, the Mission and Ministry team hosted information sessions for clergy to contemplate the proposals and what that meant to them. The sessions were immensely popular and were repeated five times to meet with demand.

- **Develop enhanced data insight for the Diocese and parishes, including from the census.**

The Summer saw the launch of our parish dashboards, bringing together a range of data collected by the Diocese and nationally to give churches another tool for discerning their community needs. Our data analyst has drawn together data from the Statistics for Mission and Return of Parish Finance surveys as well as census data to create a detailed picture of the make up of each of our parishes.

This information provides clergy and PCCs with a valuable contribution to missional discernment of how God is moving and how we steward our time. The dashboards provide a point of comparison for PCCs in analysing the community around them and whether the church family reflects that. The insights gathered should inform each church's future priorities and prompt discussions with our Parish Development Advisers, Discipleship Enablers or our Racial Justice Adviser.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

- **An affirming independent safeguarding audit.**

In June of this year, independent auditors INEQE completed its audit of safeguarding at the Diocese, as part of a national programme, commissioned by the Archbishops' Council. The report concluded the Diocese had a 'solid safeguarding foundation delivered by its exceptionally well-led and blended safeguarding team'.

It went on to commend our 'safeguarding first' philosophy and congratulated our parishes for the sense of optimism it found on the frontline 'where talented Parish Safeguarding Officers (PSOs) lead by example' and 'collaboration is strong'.

We welcomed the recognition of the contribution made by PSOs in churches across the Diocese without whom this audit and our safeguarding work would not be possible. Work now continues to implement the recommendations made by the report while we continue to ensure safeguarding remains a priority for all in their day-to-day roles.

- **Agreement with Christ Church on governance reform that meets the concerns and interests of the Diocese and the Church.**

Christ Church, comprising both the Cathedral of the Diocese of Oxford and a constituent college of the University of Oxford, underwent a review of its governance structures in 2023. The review, undertaken by Dominic Grieve KC, made a recommendation to split the leadership of Christ Church into two posts, one religious and one secular. The Governing Body voted indicatively to approve this measure in 2023.

Christ Church's Governing Body is considering further changes proposed by the governance review. Implementing these will require the drafting of new statutes, which will then be subject to the approval of the University of Oxford, the Church of England, the Privy Council and Parliament.

The Diocese formed its response to Christ Church's governance review in 2023 and wrote to Christ Church in January 2024 to communicate this in writing. We expect during 2025 to be discussing these issues with Christ Church in the hope that an outcome can emerge which the Diocese finds satisfactory.

ENVIRONMENT, SOCIAL AND GOVERNANCE

Net zero carbon by 2035

The work towards achieving net zero carbon by 2035 continues amidst a challenging and complex context. This year's latest carbon emissions report offers encouragement across all parts of the Diocese, with emissions down from last year in almost every case. The respective gross emissions reductions since 2022 of 11% in churches and 21% in schools ensure that we remain firmly on track for our 2035 target.

For churches, our progress against our net zero carbon action plan of March 2023 is as follows:

- **Finance:** £155,000 was secured from the Church Commissioners to support a small cohort of churches develop their net zero carbon action plans, match-funded by the Diocese which is supporting another cohort with feasibility studies. The learning is being shared between and beyond the churches involved, and will inform future strategy at a diocesan level. A further church, St John's Newbury, has been selected as a national demonstrator church, with a grant to the value of £25,000 to develop their net zero carbon plans.
- **Capacity and training:** The Church Buildings Team have welcomed a new Church Buildings Officer, releasing capacity within the team for more focus on net zero carbon. The DAC have approved 12 applications for electric heating systems, of which seven are for under-pew heating.
- **Planning:** Over 280 subsidised energy audits have now been delivered since 2018, and data has been captured via the Articles of Enquiry which tells us that we have c.150 churches with ageing boilers. We are engaging with these churches and seeking to support them ahead of a likely need to replace their heating systems.
- **Priority churches:** Our forum for larger churches continues to meet twice a year, to share learnings, progress and challenges. This is alongside our funded churches, which have been drawn from the pool of 'high-emitting' churches, considered as priorities.
- **Engagement:** An event will be held in October 2025 with experts drawn from various sectors – including the national church, low-carbon heating consultants, architects and energy auditors. We continue to promote case studies of churches implementing measures and have an increasing number of churches (39%) taking up renewable energy tariffs.

Clergy housing

During 2024 we have seen the £10m committed investment put to work. Additional staff have been appointed to the team, following a strategy taken to Bishop's Council in December 2023, which prioritised work that would move the 250 properties currently below an EPC C up to that level over the next five years. It is estimated that this work will result in a 30 per cent reduction in emissions in that period, keeping us in line for our 2035 target date.

ENVIRONMENT, SOCIAL AND GOVERNANCE (Cont'd)**Church action for creation care**

St John and St Stephen's, Reading became our first Gold Eco Church this summer. The Eco Church community continues to grow, with nearly 30% of churches across the Diocese involved in the scheme. We celebrated the contributions of churches at a special event in the summer attended by c.70 delegates.

Since last year, we have also supported parishes by:

- Contributing two new courses on the learning hub
- Training over 20 curates and parish environment champions
- Creating a 'Wilder Churches' certificate for churches caring for wildlife in their churchyards
- Delivering a joint Creationtide service with our link Diocese in Sweden, the Diocese of Växjö, attended by c.50 delegates from across the two Dioceses
- Working alongside colleagues in the Property Department to map our Glebe land, to inform future action for biodiversity
- Commissioning 70+ church energy audits and heating surgeries to support churches develop net zero carbon pathways

Social

Well-regarded resources supported churches to engage with the General Elections in 2024, and 24 of 26 constituencies had at least one church-led or church-supported hustings event, and around 35 hustings in total. Growing involvement with local Citizens UK campaigns, included a campaign win resulting in 6-month pilot of free bus tickets for asylum seekers in Oxford which will reduce isolation and support community integration.

In relation to social housing the Diocese has devoted considerable efforts over several years to supporting the acute need for more social housing. During 2024 we conditionally agreed a sale of land which has, as an integral element, several social housing units. We expect this to complete during the first half of 2025.

Governance

We regularly assist parishes – in workshops and through individual queries – with advice on how to achieve good governance. During 2024 we ran workshops for new PCC Secretaries and for Deanery Synod Secretaries.

As regards the Diocese's own governance, we launched our triennial governance review in July 2024, which included a session led by an elected member of Bishop's Council, and a number of changes have been agreed to enhance our governance. Further steps are being taken in 2025.

ENVIRONMENT, SOCIAL AND GOVERNANCE (Cont'd)**Investment Management**

Our Investment Committee receives periodically, and discusses with our investment managers, an ESG report on our investment portfolio. It had a substantial discussion in its summer meeting, including discussing how voting is being exercised on our behalf in company AGMs on ESG matters, using the influence that we and other investors can bring to the companies in which we are invested.

FUTURE PLANS

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

1. Support and resource deaneries in the delivery of their plans to double the number of children and young people in our worshipping communities by 2030
2. Agree a strategy for Milton Keynes, including what national Church and diocesan funding might contribute to its realisation
3. Agree and implement a strategy to increase the number of ordained vocations
4. Start the implementation of diocesan strategy for Christian formation, discipleship and evangelism
5. Complete effectively a second full year of environmental work to vicarages under our £10m programme
6. Agree and launch plans for equality, diversity and inclusion under the oversight of our new EDI Committee
7. Handle effectively the increased demand, profile and attention on safeguarding as a consequence of the Makin Review
8. Induct well our two new Area Bishops and facilitate an effective transition to a new Director of Mission and Ministry
9. Appoint a Director of the Secretariat to strengthen our governance and leadership resilience
10. Agree with Christ Church on governance reform that meets the concerns and interests of the Diocese and the Church

FINANCIAL REVIEW

Financial Performance

The Statement of Financial Activities (SOFA) for the year shows net expenditure of £6.1m before investment and revaluation gains (2023: £2.3m). Investment gain, property and pension revaluation gains totalling £3.6m resulted in an overall decrease in funds of £2.6m (2023: £4.5m increase).

Glebe agricultural land increased in value after disposals by £7,000 (2023: £164,000) and glebe listed investments increased in value by £9.9m (2023: £5.9m) mainly due to market revaluation. In addition to this Amenities and other properties increased in value by £8.8m (2023: No change). This was as a result of planning permission approval of a piece of land.

There was a decrease in the value of tangible fixed asset properties in 2024 of £18.3m (No change in the value of properties in 2023). The valuations of the staff and clergy defined benefit pension schemes at the end of 2024 showed no change (no change in 2023).

ODBF continues to apply total return accounting. Withdrawals to income are matched to actual expenditure in the year (within the parameters of allocations agreed by Bishop's Council). Withdrawals to income in the year totalled £9.1m (2023: £6.8m).

Current year parish share receipts before rebates increased by £0.2m from 2023 and 93.7% of apportioned share for the year was received (2023: 94.5%). The rate of increase in parish share for 2025 was set at 3% (2024: 0%). Income from donations include a grant of £165K (2023: £192K) from the Benefact Trust. The Diocese is most grateful for this grant which supported the work of our Church Buildings Team.

2024 expenditure in the SOFA totalled £34.1m (2023: £30.7m), an increase of £3.4m. 2024 is the seventh year of expenditure on Common Vision, using the designated fund, and this totalled £4.8m, including Development Fund grants. Included in this amount is £1.5m committed expenditure on Diocesan support grants for less wealthy Dioceses which will be paid over 5 years from 2025, but is accounted for in full in 2024 under Charity SORP FRS102.

Balance Sheet

Net assets totalling £522m (2023: £525m) consist principally of tangible fixed assets valued at £339m (2023: £354m) and fixed asset investments of £181m (2023: £160m). This includes assets of £157m (2023: 141m) which are analysed in Note 16(b) and for which use of capital is restricted while the income, recognised on a total return basis, is used to pay clergy stipends and housing.

FINANCIAL REVIEW (Cont'd)**Investment performance**

The majority of ODBF's investments are in Glebe funds – the income from which (under the Endowment and Glebe Measure 1976) is required to be used towards the cost of paying clergy stipends and housing.

Agricultural, commercial, amenity and residential land and buildings were valued at £51m at 31 December 2024 (2023: £41m), see note 16b. Rents receivable amounted to £1.0m (2023: £1.1m).

Glebe listed investments are managed by Newton Investment Management. Glebe listed investment holdings were valued at £106m at 31 December 2024 (2023: £99m). Over the year for the portfolio the net return increased by 9.8%.

Investment policies

Investment policy is delegated by the directors to the Investment Committee, members of which make investment decisions after taking advice from professional investment advisers. ODBF's investment policies are based on two general key principles:

- Ethical investment - this includes ensuring that investments are held in companies that have high standards of corporate governance and behaviour and that act with openness, accountability, transparency and integrity in a responsible way towards all stakeholders and have good environmental policies; and
- Long-term consideration - the directors consider the long-term effect of their decisions very carefully.

Reserves policy**Free reserves**

ODBF has very substantial ongoing responsibilities including the remuneration of some 370 stipendiary clergy, the upkeep of some 450 houses and the employment of some 85 full time equivalent staff. It is considered that, to meet substantial outgoings, the target general reserves at 1 January each year should be equivalent to three months gross expenditure from general funds in the forthcoming year. At 31 December 2024, ODBF's free reserves of £7.26m (2023: £9.68m) were equivalent to 3.1 months (2023: 4.3 months) of gross expenditure from general funds in the forthcoming year.

Tangible fixed assets property fund

This fund represents the net book value of the ODBF's tangible fixed asset properties plus any specifically related debtors less loans drawn down to finance the purchase of those properties.

FINANCIAL REVIEW (Cont'd)**Designated funds**

The directors may designate additional unrestricted funds to be retained for an agreed purpose where this is considered to be prudent. Such designated funds are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each fund together with the intended use of the fund is set out in note 22. At 31 December 2024 total designated funds were £9m (2023: £9m).

Restricted and endowment funds

As set out in note 21, ODBF holds and administers a large number of restricted and endowment funds, including the Diocesan stipends fund and the parsonage house fund. As at 31 December 2024 restricted funds totalled £2.9m (2023: £2.4m) and endowment funds totalled £420m (2023: £421m).

Grant making 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 7). Grants are paid to other connected charities and to other projects that are in furtherance of ODBF's charitable objectives. (See note 11).

Statement on raising funds

ODBF raises funds through Parish Share and on occasions receives other donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with Parochial Church Councils (PCCs), donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on PCCs, donors and supporters. It applies best practice to protect the data of individuals and never sells data and ensures that communication preferences can be changed at any time. ODBF manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. ODBF undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, ODBF received no formal complaints about its activities for raising funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk areas and the associated mitigation strategies are:

Significant under payment of Parish Share, mitigated by:

- Close partnership and regular communication between the Diocese, Deaneries and Parishes.
- Continued finance related training for Parish Officers.
- Implementation of Deanery financial sustainability plans (DFSP) for impacted Deaneries.

Under-performance of investment markets, which leads to insufficient funds from Total Return to meet related strategic objectives, mitigated by:

- Annual review and monitoring of spend from the Common Vision Fund.
- Review of investment policy and performance via the Diocesan Investment Committee.

Continuing decrease and/or no significant growth of children and young people coming to faith, mitigated by:

- Significantly-increased profile of an increase being a strategic imperative.
- Consideration of a further bid to National Church Institutions for additional resources.
- Increased pipeline of children and youth workers.

Insufficient numbers of ordained ministers, mitigated by:

- Review of how we engage with potential, young, candidates for ordained ministry.
- Development of different models of ministry (and related training models) and increased vocations activity.
- Having a greater focus on encouraging, training and releasing lay ministry.

Safer recruitment processes not being carried out by all church bodies and people who could be a risk to others volunteering with children & vulnerable adults, and parishes not being adequately supported to implement preventative safeguarding measures, mitigated by:

- Continued suite of training interventions at Diocesan & Parish levels.
- Support for low resilience/vulnerable parishes where there is no Parish Safeguarding Officer, and/or in vacancy.

Not meeting our Climate Change/Net zero commitment within the 2035 timeframe, mitigated by:

- Ongoing monitoring by the Environment Action & Property Teams.
- Bids, including to National Church Institutions, for additional resources.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Summary Information about the structure of the Church of England

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

The National Church has a General Synod comprised of ex-officio and elected representations from each Diocese and it agrees and lays before Parliament, Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and lay workers.

Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese of Oxford is itself divided into 29 deaneries, each with its own Synod and within each parish there is a parochial church council which shares, with the parish priest, responsibility for the mission of the Church in that place.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to work in partnership with other Dioceses.

Organisational structure

Through an area scheme the Diocesan Bishop, the Bishop of Oxford, has delegated certain powers to the Bishops of Reading, Buckingham and Dorchester in relation to the archdeaconries of Berkshire, Buckinghamshire and Dorchester respectively. Each archdeaconry is subdivided into deaneries, there being a total of 29 deaneries across the Diocese, which are further subdivided into some 620 parishes.

The Diocese is governed by Standing Orders approved on 27 February 1988 and subsequent amendments, most recently in June 2024. 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 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, determines major policy matters and approves an annual budget.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Organisational structure (Cont'd)**

Its role is also to act as a forum for discussion of Christian opinion, to advise the Bishop of Oxford on matters on which he may wish to consult, to deal with items referred by the General Synod of the Church of England or deanery synods, to make appointments to committees and to make provision for the financing of the Diocese. Many of Synod's responsibilities have been delegated to the Bishop's Council and Standing Committee.

Company status

Oxford Diocesan Board of Finance (ODBF) was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 10 February 1916 as a company (No. 142978 England and Wales) limited by guarantee and its governing documents are the Memorandum and Articles of Association, which were most recently amended slightly in March 2021. ODBF is a registered charity (No. 247954).

Every member of Diocesan Synod (unless they are an ODBF employee) is a member of ODBF and has a personal liability limited to £1 under their guarantee as members in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council are ODBF's Board of Directors.

Decision-making structure

Diocesan Synod has delegated the following functions to the Board of Directors:

- Planning the business of the Diocesan 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; and
- Carrying out any other functions which may be delegated by Diocesan Synod.

The Board of Directors has delegated responsibility for the day-to-day management of ODBF to the Diocesan Secretary who is supported by a number of heads of departments and their staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Committee structure

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

Diocesan responsibilities for education are carried out by ODBE, a charitable company limited by guarantee.

Oxford 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.

Partnership in World Mission, which promotes world Christian mission, particularly through partnership with mission agencies and the Church worldwide.

Bishop's Council

The members of the Bishop's Council are the Board of Directors. In 2024 Bishop's Council consisted of 13 ex officio members, (including the Diocesan and Area Bishops and the four Archdeacons), 2 clerical and 3 lay members from each of the Berkshire, Buckingham and Dorchester archdeaconries, 2 clerical and 2 lay members from the Oxford archdeaconry, and up to 2 members nominated by the Diocesan Bishop.

The Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which is responsible for the task of approving pastoral reorganisation taking account of available clergy numbers and making use of new patterns of ministry.

The Bishop's Council as Board of Directors of ODBF has the following sub-committees:-

Buildings 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 ODBF.

Diocesan Advisory Committee, 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Committee structure (Cont'd)

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 directors prior to submission to Diocesan Synod and monitors expenditure and income.

Glebe Committee, which is responsible for determining policy and making major decisions concerning the management of glebe property for the benefit of the Diocesan Stipends Fund of the Diocese and reports to the Finance Committee.

The Investment Committee reviews the Diocesan Stipends Fund investment portfolio and reports to the Finance Committee.

Audit Committee, which is responsible for assisting the directors in the discharge of their responsibilities for accounting policies, financial reporting and internal control, including liaison with the auditors, reviewing and proposing auditors for appointment and review of risk registers.

Human Resources Panel, which is responsible for personnel issues concerning staff.

The Audit Committee also serves ODBE and DT(O)L and the Human Resources Panel and Investment Committee also serves ODBE.

Safeguarding Panel, is responsible for ensuring continuous improvement, quality assurance and ongoing best practice regarding safeguarding effectiveness.

Closed Churches Committee, oversees the process of church closure and identifies for those churches which are listed buildings or in conservation areas and which have been or are proposed to be closed, and to develop proposals for the future of these closed churches.

Common Vision Steering Group, provides strategic oversight, support and challenge for the Common Vision Programme.

Formation for Ministry Oversight Board, provides governance and oversight for the diocese's internal ordained and lay ministry training programme.

Diocesan Committee for Interfaith Concerns, which provides oversight and strategic input on interfaith matters, as required.

Appointments Committee, all new appointments for DBF committees, where vacancies arise, go to the Appointments Committee for consideration and to make recommendations on prospective new members to Bishop's Council, for their approval.

Appointment of directors

Directors were either appointed ex officio on the basis of their position or are elected as clerical or lay members from each of the four archdeaconries or nominated by the Bishop of Oxford. The ex officio

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Appointment of directors (Cont'd)**

members are the Bishops, Archdeacons, the Dean of Christ Church Cathedral, the President and Vice Presidents of the Diocesan Synod and the Chair and Vice Chair of the Board of Finance.

Directors are given induction training when first appointed and receive ongoing training, as appropriate.

Some senior staff supporting the Diocesan Secretary have job titles incorporating the title 'Director' but they are not directors of ODBF for the purpose of company law.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 company and of the net income and expenditure of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to 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.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Related parties**

- **General Synod, Church Commissioners and Archbishops' Council**
ODBF has to comply with Measures passed by the General Synod of the Church of England and makes certain annual grant payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Area Bishops are borne by the Church Commissioners and are not reflected in the attached financial statements.
- **Parochial Church Councils (PCCs) and Deaneries**

ODBF is required by Measure to be custodian trustee in relation to PCC property, and this is largely carried out by DT(O)L (whose directors are the directors of ODBF) but ODBF has no control over PCCs, which are independent charities. (See note 26)

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

The accounts of PCCs and deaneries do not form part of these financial statements.

Connected Charities

The directors consider the following to be connected charities:

- **Oxford Diocesan Board of Education (ODBE)** – a charitable company with responsibility for some 283 Church schools across the Diocese, providing pastoral and professional support to all its schools and which has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.
- **Diocesan Trustees (Oxford) Limited (DT(O)L)** - which is a charitable company controlled and resourced by ODBF and which is responsible for ensuring that parish and educational properties and trust funds are used in accordance with the terms of trust. DT(O)L is a subsidiary of ODBF but are not consolidated on the grounds that they are not material (see note 13).
- **Oxford Diocesan Schools Trust** – which is a charitable company and is a Multi Academy Trust serving church and community schools across Oxfordshire and Berkshire.
- **Oxford Diocesan Bucks Schools Trust** - which is a charitable company and a Multi Academy Trust serving church and community schools across Buckinghamshire.
- **Oxford Diocesan Council for the Deaf** - which works with deaf and hard-of-hearing people to meet their spiritual, social and general needs and to give them a voice and full participation in church and society.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Related parties (Cont'd)

- Parents and Children Together (PACT) – a charitable company supporting families through adoption, therapeutic support and community projects.

The objectives of each organisation are congruent with ODBF's objectives.

Public Benefit

The directors are aware of the Charity Commission's guidance on public benefit and have regard to that guidance in their administration of the charity.

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

- Providing 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.

Statement of Disclosure to the Auditor

So far as each director is aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) he/she has taken all the steps that ought to have been taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

ADMINISTRATIVE DETAILS**DIRECTORS**

Members of the Bishop's Council and Standing Committee of the Board of Finance are the directors of the Board. All have served throughout the year except for those who were appointed or resigned as indicated below. The following were the directors and trustees at the date of this report:

The Right Revd Dr S J Croft	Ex officio, Bishop of Oxford, President of Synod
Sir H W H Sants	Ex officio, Chair ODBF
The Revd Canon Dr G B Bayliss	Ex officio, Vice President of Synod
The Revd Canon J V Binns	Clerical member, Archdeaconry of Buckingham
The Right Revd D Bull (from 27 February 25)	Ex officio, Bishop of Buckingham
Mr M N Burton	Lay member, Archdeaconry of Berkshire
The Revd Canon C Butt (from 31 October 24)	Nominated by the Bishop of Oxford
Ms A E G Casson (from 3 December 24)	Lay member, Archdeaconry of Berkshire
The Ven J Chaffey	Ex officio, Archdeaconry of Oxford
The Right Revd G A Collins	Ex officio, Bishop of Dorchester
The Revd J Dwyer (from 3 December 24)	Clerical member, Archdeaconry of Buckingham
Canon J Dziegiel	Ex officio, Vice Chair ODBF
The Ven G C Elsmore	Ex officio, Archdeaconry of Buckingham
The Right Revd M Gregory (from 27 February 25)	Ex officio, Bishop of Reading
The Very Revd Professor S Foot	Ex officio, Dean of Christ Church Cathedral
Ms A Kirk	Lay member, Archdeaconry of Buckingham
Mr R G Merrylees	Lay member, Archdeaconry of Buckingham
The Ven S Pullin	Ex officio, Archdeaconry of Berkshire
Mr H D Rees (from 3 December 24)	Lay member, Archdeaconry of Dorchester
Mrs S F Scott	Lay member, Archdeaconry of Dorchester
The Revd Michael K J Smith (from 3 December 24)	Lay member, Archdeaconry of Berkshire
The Revd Canon A L Swift (from 3 December 24)	Clerical member, Archdeaconry of Berkshire
Mr J N Sykes	Ex officio, Vice President of Synod
The Revd S P Tajima (from 24 March 25)	Clerical member, Archdeaconry of Dorchester
The Ven D Tyler	Ex officio, Archdeaconry of Dorchester
Mrs M E J Underdown (from 3 December 24)	Lay member, Archdeaconry of Dorchester

ADMINISTRATIVE DETAILS (Cont'd)**DIRECTORS (Cont'd)**

Mrs K M Winrow	Lay member, Archdeaconry of Berkshire
The Revd P Wright (from 3 December 2024)	Clerical member, Archdeaconry of Dorchester

Directors who were not re-elected/resigned/deceased during the year or by the date of this report:

Mr P Barrett (to 3 October 24)	Lay member, Archdeaconry of Berkshire
The Revd K Charman (to 3 December 24)	Clerical member, Archdeaconry of Dorchester
The Right Revd O Graham (to 30 September 24)	Ex officio, Bishop of Reading
Ms G D Hamnett (to 3 December 24)	Lay member, Archdeaconry of Oxford
The Revd Canon R J Lamey (to 31 August 24)	Clerical member, Archdeaconry of Berkshire
Mr D M S Matovu (to 30 September 24)	Nominated by the Bishop of Oxford
The Revd D W McFarland (to 30 September 24)	Clerical member, Archdeaconry of Oxford
The Revd D J Meakin (deceased 7 August 24)	Clerical member, Archdeaconry of Buckingham
The Revd J M Mintern (to 3 December 24)	Clerical member, Archdeaconry of Berkshire
Dr S Northover (to 3 December 24)	Lay member, Archdeaconry of Dorchester
Mr M Powell (to 3 December 24)	Lay member, Archdeaconry of Dorchester
Mrs S E Scane (to 31 December 24)	Nominated by the Bishop of Oxford
The Revd S E Sharp (to 1 October 24)	Clerical member, Archdeaconry of Dorchester
The Right Revd Dr A T L Wilson (deceased 17 February 24)	Ex-officio, Bishop of Buckingham
Dr A Thomas-Betts (to 3 December 24)	Lay member, Archdeaconry of Buckingham

Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2024 comprised the Diocesan Secretary and Company Secretary, the Director of Mission & Ministry, the Director of Finance, the Director of Property, the Director of People and the Director of Communications.


None of the directors of the company received any remuneration connected with their role as key management personnel. Key management personnel employed by ODBF are remunerated at rates that are deemed appropriate for the level of skills and experience they bring to their roles and at a rate commensurate with that of similar roles in comparable organisations. Remuneration is reviewed on an annual basis and overseen by the Human Resources Panel.

ADMINISTRATIVE DETAILS (Cont'd)

Registered Office	Church House Oxford, Langford Locks, Kidlington, Oxford OX5 1GF
Bankers	NatWest Bank plc, 32 Cornmarket Street, Oxford, OX1 3EZ
Auditor	Buzzacott Audit LLP, 130 Wood Street, London, EC2V 6DL
Solicitors and Diocesan Registrar	Winckworth Sherwood LLP, 2 Chawley Park, Cumnor Hill, Oxford OX2 9GG
Investment advisers	Newton Investment Management Ltd, The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA
Glebe Agents	Carter Jonas, Anchor House, 269 Banbury Road, Oxford, OX2 7LL, Sidleys Chartered Surveyors, 6 King Edward Street, Oxford, OX1 4JL, and Bidwells, Seacourt Tower, West Way Oxford OX2 0JJ
Insurers	EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this directors' report, the directors are also approving the strategic report within their capacity as company directors.

This directors' report, incorporating the strategic report, was approved by the directors on 7 May 2025.


Sir Hector Sants
Chair

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Oxford Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)**Other information**

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 themselves. 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 directors' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 (Cont'd)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement in the directors' report, the directors 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 directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the audit partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, Church Assembly and General Synod Measures, data protection legislation, anti-bribery, employment, health and safety legislation, and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

INDEPENDENT AUDITOR'S REPORT (Cont'd)

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias;
- performed substantive testing of expenditure; and
- investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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.



Catherine Biscoe (Senior Statutory Auditor)

For and on behalf of Buzzacott Audit LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 9 May 2025

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2024

	Note	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
		General & Designated Funds	Tangible Fixed Assets Property Fund				
		£'000	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:							
Donations	2	18,831	-	550	-	19,381	19,340
Charitable activities	3	2,544	-	76	-	2,620	2,866
Investments	4	1,615	-	275	3,032	4,922	4,726
Other sources	5	154	75	461	355	1,045	1,482
Total		23,144	75	1,362	3,387	27,968	28,414
Expenditure on:							
Raising and managing funds	6	407	-	-	493	900	881
Charitable activities	7	32,083	-	846	-	32,929	29,680
Other property costs	8	-	110	-	182	292	158
Total		32,490	110	846	675	34,121	30,719
Net (expenditure)/income before investment gains/(losses):							
		(9,346)	(35)	516	2,712	(6,153)	(2,305)
Net gains on investments		1	-	49	21,532	21,582	6,757
Net (expenditure)/income		(9,345)	(35)	565	24,244	15,429	4,452
Total Return transfer	14a	9,150	-	-	(9,150)	-	-
Other transfers	14b	(2,138)	3,882	(71)	(1,673)	-	-
Net income/(expenditure) after transfers		(2,333)	3,847	494	13,421	15,429	4,452
Other recognised gains:							
(Losses) on revaluation of tangible fixed assets	15	-	(4,678)	-	(13,627)	(18,305)	-
Gain on revaluation of equity Loans	19	-	390	-	-	390	-
(Losses)/ Gains on defined benefit pension scheme	25b	(106)	-	-	-	(106)	2
Net movement in funds		(2,439)	(441)	494	(206)	(2,592)	4,454
Total funds brought forward	20	18,842	83,073	2,422	420,521	524,858	520,404
Total funds carried forward		16,403	82,632	2,916	420,315	522,266	524,858

All activities derive from continuing activities. The notes on pages 36 to 78 form part of the financial statements. The prior year comparative Statement of Financial Activities (SOFA) for 2023 is shown in Note 27 on page 78.

INCOME AND EXPENDITURE ACCOUNT For the year ended 31 December 2024

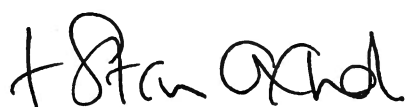
	Total 2024 £'000	<i>Total</i> <i>2023</i> <i>£'000</i>
Income	24,581	24,462
Expenditure	<u>(33,446)</u>	<u>(30,161)</u>
Operating deficit for the year	(8,865)	(5,699)
Net gains on investments	50	98
Transfers from endowment funds	9,150	6,360
Other transfers	<u>1,673</u>	<u>-</u>
Net income for the year after transfers	2,008	759
Other comprehensive income:		
Revaluation of tangible fixed assets	(4,678)	-
Revaluation of equity loans	390	-
Actuarial (losses)/ gains on defined benefit pension scheme	<u>(106)</u>	<u>2</u>
Total comprehensive (loss)/ income	<u>(2,386)</u>	<u>761</u>

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

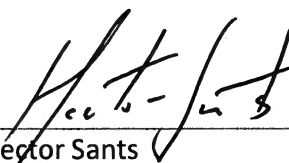
OXFORD DIOCESAN BOARD OF FINANCE Company No. 142978 (England and Wales)
BALANCE SHEET as at 31 December 2024

	Note	2024		2023	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	15		338,890		354,116
Investments	16		181,240		159,664
			<u>520,130</u>		<u>513,780</u>
CURRENT ASSETS					
Debtors due after more than one year	17	86		120	
Debtors due within one year	17	1,786		2,732	
Cash on deposit and at bank		7,336		15,074	
			<u>9,208</u>	<u>17,926</u>	
CREDITORS: amounts falling due within one year	18	<u>(4,800)</u>		<u>(4,186)</u>	
NET CURRENT ASSETS			<u>4,408</u>		<u>13,740</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>524,538</u>		<u>527,520</u>
CREDITORS: amounts falling due after more than one year					
Other creditors	19		<u>(2,272)</u>		<u>(2,662)</u>
NET ASSETS			<u>522,266</u>		<u>524,858</u>
FUNDS					
Endowment Funds					
(including asset revaluations of £226,956K (2023: £226,415K))			420,315		420,521
Restricted Income Funds					
(including asset revaluations of £390K (2023: £341K))			2,916		2,422
Unrestricted Income Funds:					
Tangible Fixed Asset Property Fund					
(including asset revaluations of £43,886K (2023: £47,272K))			82,632		83,073
Designated Funds					
General Fund					
(including asset revaluation of £198K (2023: £300K))			7,408		9,831
TOTAL FUNDS	21		<u>522,266</u>		<u>524,858</u>

The notes on pages 36 to 78 form part of these financial statements. The financial statements were approved by the Directors and authorised for issue on 7 May 2025 and signed on behalf of the Directors by:



The Right Reverend Dr. S. J. Croft
Bishop of Oxford



Sir Hector Sants
Chair

STATEMENT OF CASH FLOWS For the year ended 31 December 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Net cash used in operating activities (Below A)		(11,129)		(9,736)
Cash flows from investing activities				
Dividends, interest and rent from investments	4,922		4,639	
Interest Paid	(17)		(12)	
Proceeds from the disposal of:				
Tangible Fixed Assets	1,161		7,317	
Fixed Asset Investments	23,800		20,026	
Purchase of:				
Tangible Fixed Assets	(4,525)		(4,163)	
Fixed Asset Investments	(22,164)		(20,218)	
Net cash provided by investing activities		3,177		7,589
Cash flows from financing activities				
Loans repaid to ODBF	220		150	
New loans advanced by ODBF	(6)		(3)	
Net cash provided by financing activities		214		147
Change in cash and cash equivalents in the year		(7,738)		(2,000)
Cash and cash equivalents at 1 January		15,074		17,074
Cash and cash equivalents at 31 December (Below B)		7,336		15,074
Reconciliation of net movement in funds to net cash used in operating activities				
A. Net expenditure for the year before investment gains/(losses)		(6,153)		(2,306)
Adjustments for:				
Depreciation charges		172		147
Dividends, interest and rent from investments		(4,922)		(4,639)
Interest paid		17		12
Gains on sale of functional assets		(1,645)		(1,482)
Loss on disposal of office equipment		6		-
(Increase)/Decrease in debtors (ex loans)		968		(584)
Increase/ (Decrease) in creditors (ex loans)		534		(886)
Staff pension scheme adjustment		(106)		2
Net cash used in operating activities		(11,129)		(9,736)
B. Analysis of cash and cash equivalents				
Cash at bank and on deposit		7,336		15,074

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

The Oxford Diocesan Board of Finance (ODBF) is a company limited by guarantee (No. 142978 England and Wales) and a registered charity (No. 247954) governed by its Memorandum and Articles of Association.

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2024 with comparative information provided for the year to 31 December 2023. From 1 September 2024, DT(O)L is now treated as a subsidiary as the Directors are the same as ODBF. The accounts are not consolidated on the grounds that they are not material.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest £1,000.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the valuation of Diocesan houses
- the valuation of investment land and property
- the useful economic life of tangible fixed assets and residual values for the purpose of determining the annual depreciation charge, where required
- the underlying assumptions in the actuarial valuations of the defined benefit schemes
- the estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Going concern**

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

The directors are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient monetary assets, including short term cash deposits, which could be readily realised to meet liabilities should there be an unexpected curtailment of income.

In the year ending 31 December 2025, the most significant areas of uncertainty that may affect the carrying value of assets held by the charity are the level of investment return and the performance of the investment market and land values.

Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations and legacies, including Parish Share income, income from listed and property (Glebe) investments, income directly related to charitable activities (including grants) and the surplus on disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income is deferred only when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Expenditure**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

1. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.
2. The charitable activities comprise expenditure on the charity's primary charitable purposes as described in the directors' report i.e. promoting the work of the Church in the Diocese including payments of grants. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

Tangible Fixed Assets**Properties**

All properties, including glebe and parsonage houses, are stated at valuation, except for redundant churches that are held at a nil valuation reflecting uncertainty as to their future retention and use, and Church House Oxford which is stated at cost less accumulated depreciation. Valuations are undertaken annually as at 31 December each year by the Director of Property with reference to advice from professional agents including full valuation for a sample of properties. All properties are subject to an annual impairment review by the Director of Property; properties are written down to net realisable value where that is lower than carrying value. The overall net gain or loss for the year on revaluation, if any, is shown in the statement of financial activities.

Additions are at cost but subject to an annual valuation adjustment at the end of the financial year.

Extensions to and significant adaptations to the fabric of buildings are capitalised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

1. Principal Accounting Policies (Cont'd)

With the exception of Church House Oxford (net book value £3.4m) and the Buckingham team office in Stone (net book value £1.2m), no depreciation is provided on buildings as any charge would not be material due to the very long expected useful economic life and because their expected residual value is not materially less than their carrying value. ODBF has a policy of regular 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 suffer 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.

Depreciation is charged on Church House at an annual rate of 2.5% based on original cost with refurbishment work thereto being depreciated at 5% per annum based on cost.

Sales and purchases of properties are recognised on the date of exchange of contract.

The majority of transfers occur following pastoral reorganisation. A benefice house may be transferred to Diocesan glebe or general funds for disposal or to be held as a corporate property, as determined by the particular pastoral scheme. In the majority of such cases, houses are required as functional fixed assets for housing team vicars (in a team ministry) or other members licensed to a benefice and as such are held as corporate property under unrestricted designated funds.

Leasehold properties are all held on long leases.

Parsonage houses, also known as benefice houses, are legally vested in the incumbent. However, an incumbent is not free to dispose of the house for his/her own benefit, cannot make alterations or improvements to the property and is not responsible for maintaining the house. In spite of the complex tenure of parsonage houses, ODBF is responsible for the maintenance and insurance of the houses in the same way as for other houses and, therefore, they are recognised as tangible fixed assets of ODBF in the balance sheet.

Other tangible fixed assets

Computer and other office equipment and motor vehicles are included at cost less depreciation.

Depreciation is charged so as to write off the cost by equal instalments over their estimated useful lives.

	Rate per annum
Computers	33⅓% of cost
Other office equipment	5% to 25% of cost

Office furniture and small items of equipment costing less than £1k are written off as a revenue cost in the year of purchase.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value, these are recognised initially at transaction value and subsequently measured as described below.

Investments

Investments include agricultural holdings and commercial, residential and amenity properties, financial investments and cash deposits. Glebe investments are endowment funds and held with the intention of producing a sustainable income to help fund stipend payments whilst safeguarding capital values in the long term. The property investments are valued as at 31 December each year by the Director of Property based on valuations and advice from professional agents. Where formal planning consent has been given for the development of a site, the valuation takes the development potential of the site into account. No depreciation is applied to investment properties. ODBF currently use one of the Commercial properties as the Berkshire area office.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The Glebe permanent endowment fund comprises assets (including listed investments) which must be held as capital. From 1 January 2018, the charity has operated a total return approach to the management of the listed investment portfolio representing the Glebe permanent endowment fund. Using this approach, the charity is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return.

The charity is permitted to allocate from the unapplied total return element such sums as the directors consider appropriate provided the directors exercise their statutory duty to be even handed as between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets. The charity's objective is also to maintain the value of non-distributable funds in real terms.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. CBF deposits are highly liquid investments and are included in cash at bank and in hand.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Funds structure

The unrestricted funds include certain tangible fixed assets of the company, those assets designated or set aside by the directors for specific purposes and those assets which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The endowment funds comprise assets which normally must be held as capital (permanent) but, where permitted, may be applied towards meeting certain charitable aims (expendable). The income therefrom may be used either in accordance with the donors' wishes, if stipulated, or for general purposes.

Pensions

ODBF operates an occupational pension scheme through the Pensions Trust, which is a defined benefit scheme based on final salary and which closed to new entrants during 2006 and closed to future accrual in 2022. In 2007 ODBF began to operate a defined benefit scheme through the Church Workers Pension Fund scheme for new staff. It also operates a stakeholder scheme and contributes to personal pension schemes.

A separate pension scheme for clergy is administered by the Church of England Pensions Board (CEPB) and is a defined benefit scheme. Details of the staff and clergy schemes are set out in note 25.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)**

The financial statements take account of the annual valuation of the defined benefit schemes undertaken by the pension fund's actuaries.

For the salaried staff defined benefit scheme, the change in the value of the pension asset or liability over the year has been analysed into the following components:

- current service cost
- net interest income or expenses
- actuarial gains and losses

The current service cost, net interest income and expenses are included in the Statement of Financial Activities. Actuarial gains and losses arising from updating the latest actuarial valuation to reflect conditions at the balance sheet date are included as other recognised gains or losses. More details are included in note 25.

ODBF's contributions to the defined contribution scheme, the stakeholder scheme, personal pensions and the normal contributions to the CEPB scheme are included as expenditure when payable.

Where deficit contributions are payable in addition to normal contributions, a liability is recognised for the present value of the future agreed deficit contributions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Income from Donations

	2024			2023		
	Unrestricted Funds	Restricted Funds	Total Funds 2024	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Parish contributions	19,190	72	19,262	19,060	-	19,060
Share rebates and discounts	(657)	-	(657)	(634)	-	(634)
	<u>18,533</u>	<u>72</u>	<u>18,605</u>	<u>18,426</u>	<u>-</u>	<u>18,426</u>
Benefact Trust	165	-	165	192	-	192
Other donations	133	478	611	36	686	722
Total Income	<u>18,831</u>	<u>550</u>	<u>19,381</u>	<u>18,654</u>	<u>686</u>	<u>19,340</u>

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

2024 Parish share receipts were £19,262K which represented 93.7% of the total apportioned (2023: 94.5%). £35K out of £19,262k total receipts related to 2023 receipts accounted for in 2024 (In 2023, £18k out of £19,060k total receipts related to 2022 receipts accounted for in 2023).

3. Income from Charitable Activities

	2024			2023		
	Unrestricted Funds	Restricted Funds	Total Funds 2024	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	895	-	895	872	-	872
Training, events and similar	81	76	157	79	396	475
Housing income	1,454	-	1,454	1,404	-	1,404
School premises support	114	-	114	115	-	115
	<u>2,544</u>	<u>76</u>	<u>2,620</u>	<u>2,470</u>	<u>396</u>	<u>2,866</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Income from Investments

	2024			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2024
	£'000	£'000	£'000	£'000
Dividends receivable	1	199	2,970	3,170
Interest receivable	403	76	-	479
Rents receivable	1,052	-	-	1,052
Other investment income (e.g. solar panel)	159	-	62	221
	<u>1,615</u>	<u>275</u>	<u>3,032</u>	<u>4,922</u>
	2023			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023
	£'000	£'000	£'000	£'000
<i>Dividends receivable</i>	1	189	2,743	2,933
<i>Interest receivable</i>	541	63	-	604
<i>Rents receivable</i>	1,101	-	-	1,101
<i>Other investment income (e.g. solar panel)</i>	88	-	-	88
	<u>1,731</u>	<u>252</u>	<u>2,743</u>	<u>4,726</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. Income from Other Sources

	2024				
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	Total Funds 2024
	£'000	£'000	£'000	£'000	£'000
Surplus on disposal of properties	154	75	-	-	229
Other Income	-	-	461	355	816
	<u>154</u>	<u>75</u>	<u>461</u>	<u>355</u>	<u>1,045</u>

Included in other income is the addition of Trust funds where ODBF acts as a managing trustee.

	2023				
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	Total Funds 2023
	£'000	£'000	£'000	£'000	£'000
Surplus on disposal of properties	-	273	-	1,209	1,482
	<u>-</u>	<u>273</u>	<u>-</u>	<u>1,209</u>	<u>1,482</u>

6. Expenditure on Raising and Managing Funds

	2024			2023		
	Unrestricted Funds	Endowment Funds	Total Funds 2024	Unrestricted Funds	Endowment Funds	Total Funds 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Glebe costs	232	493	725	236	505	741
Parsonage rental costs	151	-	151	108	-	108
Other	24	-	24	32	-	32
	<u>407</u>	<u>493</u>	<u>900</u>	<u>376</u>	<u>505</u>	<u>881</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Expenditure on Charitable Activities

	2024 Unrestricted Funds £'000	2024 Restricted Funds £'000	2024 Total Funds £'000	2023 Total Funds £'000
Contributions to Archbishops' Council				
Training for Ministry	907	-	907	842
National Church Responsibilities	555	-	555	540
Mission agency pension costs	-	-	-	30
Retired clergy housing	386	-	386	366
Grants and provisions	96	-	96	95
	1,944	-	1,944	1,873
Resourcing Ministry & Mission				
Parish Ministry:				
Stipends	9,800	230	10,030	9,987
National insurance	865	4	869	824
Pension contributions	2,225	9	2,234	2,450
Apprenticeship levy	47	-	47	46
Housing costs	7,611	-	7,611	5,493
Removal, resettlement, parish & clergy grants	414	-	414	349
Other parish expenses	733	19	752	686
Apportionment of support costs	996	-	996	850
	22,691	262	22,953	20,685
Support for parish ministry & training				
Ordinand grants	616	-	616	671
Diocesan training costs	524	76	600	944
Mission in the Diocese	1,608	344	1,952	2,009
DAC, MPC & DT(O)L	352	-	352	317
Communications	292	-	292	243
Bishops, Archdeacons & Area Offices	494	-	494	452
Apportionment of support costs	1,029	-	1,029	788
	4,915	420	5,335	5,424
Expenditure on grants				
Grants to Oxford Diocesan Board of Education (ODBE)	291	-	291	275
Grants to other organisations	2,184	164	2,348	1,373
Apportionment of support costs	58	-	58	50
	2,533	164	2,697	1,698
Total charitable activities	32,083	846	32,929	29,680

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**7. Expenditure on Charitable Activities (Cont'd)**

	2023		
	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£'000	£'000	£'000
Contributions to Archbishops' Council			
Training for Ministry	842	-	842
National Church Responsibilities	540	-	540
Mission agency pension costs	30	-	30
Retired clergy housing	366	-	366
Grants and provisions	95	-	95
	1873	-	1,873
Resourcing Ministry and Mission			
<i>Parish Ministry:</i>			
Stipends	9,987	-	9,987
National insurance	824	-	824
Pension contributions	2,450	-	2,450
Apprenticeship levy	46	-	46
Housing costs	5,493	-	5,493
Removal, resettlement, parish & clergy grants	348	1	349
Other parish expenses	686	-	686
Apportionment of support costs	850	-	850
	20,684	1	20,685
Support for parish ministry and training			
Ordinand grants	671	-	671
Diocesan training costs	548	396	944
Mission in the Diocese	1,604	405	2,009
DAC, MPC & DT(O)L	317	-	317
Communications	243	-	243
Bishops, Archdeacons & Area Offices	452	-	452
Apportionment of support costs	788	-	788
	4,623	801	5,424
Expenditure on grants			
Grants to Oxford Diocesan Board of Education (ODBE)	275	-	275
Grants to other organisations	1,053	320	1,373
Apportionment of support costs	50	-	50
	1,378	320	1,698
Total charitable activities	28,558	1,122	29,680

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Other Property Costs

	2024		
	Tangible Fixed Asset Property Fund £'000	Endowment Funds £'000	Total Funds 2023 £'000
Loss on disposal of properties	-	182	182
Valuation and related costs	110	-	110
	<u>110</u>	<u>182</u>	<u>292</u>

	2023		
	Tangible Fixed Asset Property Fund £'000	Endowment Funds £'000	Total Funds 2022 £'000
Loss on disposal of properties	-	53	53
Valuation and related costs	105	-	105
	<u>105</u>	<u>53</u>	<u>158</u>

9. Analysis of Expenditure Including Allocation of Support Costs

	2024			2023		Total Costs 2023 £'000
	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	Total Costs 2024 £'000	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	
Raising and managing funds (note 6)	900	-	900	881	-	881
Charitable activities (note 7):						
Contributions to Archbishops' Council	1,944	-	1,944	1,873	-	1,873
Resourcing parish ministry	21,957	996	22,953	19,835	850	20,685
Support for parish ministry and training	4,306	1,029	5,335	4,556	868	5,424
Grant to Board of Education	291	-	291	275	-	275
Grants to other organisations	2,348	58	2,406	1,373	50	1,423
Other property related costs (Note 8)	292	-	292	158	-	158
	<u>32,038</u>	<u>2,083</u>	<u>34,121</u>	<u>28,951</u>	<u>1,768</u>	<u>30,719</u>

See notes 6 to 8 for an analysis of the costs per category

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. Analysis of Support Costs

	Unrestricted Funds	
	2024	2023
	£'000	£'000
Human resources and administration	410	300
Finance	426	333
Secretariat	248	234
ICT	305	283
Premises and other	358	324
Governance:		
External audit	71	53
Registrar and Chancellor (including faculty)	230	216
Synod costs	35	25
	<u>2,083</u>	<u>1,768</u>

Depreciation charge of £172K (2023: £147K) is split between Other property costs and Support costs. During the year the methodology for support costs was reviewed. The 2023 support costs have been reanalysed using the same approach as 2024. The Interest paid of £17K (2023: £12K) is included in Resourcing Ministry and Mission. The operating lease cost including rental of some properties amounted to £313K (2023: £346K).

11. Analysis of Grants Made

	2024	2023	2024	2023
	No.	No.	£'000	£'000
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council	1	1	1,944	1,873
	<u>1</u>	<u>1</u>	<u>1,944</u>	<u>1,873</u>
From general and restricted funds to institutions:				
Parents and Children Together (PACT)	1	1	95	95
Development Fund Grants	30	43	476	836
Ecumenical and chaplaincy grants	3	3	50	42
Grants for parish building projects	13	20	11	28
Bishops discretionary grants	4	4	21	31
Oxford Diocesan Council for the Deaf	1	1	7	20
Diocesan Mutual Support grants	6	-	1,513	-
Hardship Funds and Energy Grants	7	85	8	47
Other grants	124	84	201	274
	<u>189</u>	<u>241</u>	<u>2,382</u>	<u>1,373</u>

During 2024, grants of £34K were paid from Resourcing Mission and Ministry.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Staff Costs

	2024 £'000	2023 £'000
Staff costs during the year were as follows:		
Wages and salaries	3,805	3,401
Redundancy costs	43	26
National Insurance contributions	388	345
Pension costs	465	400
Total	4,701	4,172

	Number	Number
The average number of persons employed during the year based on headcount:		
Charitable activities	87	85
Support	20	20
Total	107	105

The average number of persons employed during the year based on full-time equivalents		
Charitable activities	70	67
Support	15	15
Total	85	82

The numbers of staff whose emoluments (including benefits in kind but excluding employer's pension contributions and National Insurance) amounting to more than £60,000 were as follows:

£60,001-£70,000	6	1
£70,001-£80,000	2	3
£90,001-£100,000	1	-
£100,001-£110,000	-	1
£110,001-£120,000	1	-

The redundancy payments related to agreed redundancy costs for 4 staff members (2023: 2 staff members).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**12. Staff Costs (Cont'd)****Remuneration of key management personnel**

Key management personnel are deemed to be those having authority and responsibility, for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2024 comprise:

Diocesan Secretary and Company Secretary	Canon Mark Humphriss
Director of Mission & Ministry	Canon Andrew Anderson-Gear
Director of Finance	Mr John Orridge/ Mr Andrew Green
Director of Property	Mrs Sophie Orme
Director of People	Mrs Charnelle Stylianides
Director of Communications	Mr Steven Buckley/ Mrs Jane Appleton

The aggregate remuneration, including employer's pensions and National Insurance contributions for these 6 posts amounted to £631K (2023: £590K).

Directors' emoluments

No remuneration has been paid to any director during the year (2023: £nil) for acting as a director or a member of key management. However, 17 (2023: 12) directors, who held ecclesiastical office during the year, were paid aggregate stipends of £476,000 (2023: £372,000). Pension contributions on those stipends amounted to £74,000 (2023: £84,000) and employer's National Insurance thereon was £34,000 (2023: £32,000). 19 Directors (2023: 12) were reimbursed for travel, subsistence and incidental costs amounting to £27,813 (2023: £23,556) for services provided to ODBF in all the capacities in which they serve. Some directors are provided with housing because of their ecclesiastical office. No director was provided with a car in 2024 (2023: One archdeacon was provided with a car with a cost of £14K until May 2023). During the year the aggregate value of donations by the Trustees to the ODBF was £1,265 (2023: £945).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**12. Staff Costs (Cont'd)**

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

	Stipend	Housing
The Revd Canon Dr G B Bayliss	Yes	Yes
The Revd Canon J V Binns	Yes	Yes
The Revd Canon C Butt (from 31 October 24)	Yes	Yes
The Right Revd G A Collins	No	Yes
The Venerable J Chaffey	Yes	No
The Revd K Charman (to 03 December 24)	Yes	Yes
The Revd J Dwyer (from 03 December 24)	Yes	Yes
The Venerable G Elsmore	Yes	Yes
The Right Revd O Graham (to 30 September 24)	No	Yes
The Revd Canon R J Lamey (to 31 August 24)	Yes	Yes
The Revd D W McFarland (to 30 September 24)	Yes	Yes
The Revd D J Meakin (deceased 07 August 24)	Yes	Yes
The Revd J M Mintern (to 03 December 24)	Yes	Yes
The Venerable S Pullin	Yes	No
The Revd S E Sharp (to 01 October 24)	Yes	Yes
The Revd M K J Smith (from 03 December 24)	Yes	Yes
The Revd Canon A L Swift	Yes	Yes
The Venerable D Tyler	Yes	Yes
The Right Revd Dr A T L Wilson (deceased 17 February 24)	No	Yes
The Revd P Wright (from 03 December 24)	Yes	Yes

The ODBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the Diocese (other than when funded by third parties), other than bishops and cathedral staff. The ODBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Area Bishops but excluding the Diocesan Bishop and cathedral staff.

The stipends of the Diocesan Bishop and Area Bishops are funded by the Church Commissioners and are in the range £48,972-£51,910 for Diocesan Bishops and £39,953-£42,350 for Area Bishops. The annual rate of stipend, funded by the ODBF, paid to Archdeacons in 2024 was £41,425 (2023: £37,507) and other stipendiary clergy who were directors were paid in the range £29,959-£33,257 (2023 range £28,243 - £29,758).

The charity has insurance to indemnify the directors and officers against the consequences of any neglect or default on their part. The insurance is provided as part of the charity's general insurance and as such there is no separate premium payable (2023: nil). The cover provided is up to £100,000 (2023: £100,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. Related Parties

The directors consider that the following are related parties:

Oxford Diocesan Board of Education	(ODBE)
Diocesan Trustees (Oxford) Limited	(DT(O)L)
Oxford Diocesan Schools Trust	(ODST)
Oxford Diocesan Buckinghamshire Schools Trust	(ODBST)
Parents and Children Together	(PACT)
Oxford Diocesan Council for the Deaf	(ODCD)

Grants are made to related parties to support their work as below. Their objects are congruent with those of ODBF.

	2024	2023
	£'000	£'000
Grants made to PACT (Note 11)	95	95
Grants made to ODCD	7	20
Grants made to ODBE	292	275

ODBF bears the entire operating costs of DT(O)L, consisting principally of accounting, secretarial and administrative services. These amounted to £45K (2023: £74K). Since September 2024 DT(O)L trustees are the same as ODBF trustees. DT(O)L is controlled by ODBF and is not consolidated. For Custodian trustee information see Note 26.

ODBF made grants of £291K to ODBE in 2024 (2023: £275K) (see Note 7). £50K was also committed to ODBE to support Common Vision projects: chaplaincy and development of church/school relationships. DBF recharged ODBE for accounting, company secretarial, human resources, ICT, premises administrative services totalling £190K in 2024 (2023: £171K). The balance due from ODBE at 31 December 2024 was £Nil (2023: £133K).

ODST partially occupied space in Church House Oxford and contributed £22K (2023: £20K) towards the running costs of the building including reception and ICT.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**14. Analysis of Transfers between Funds****a) Transfers in respect of Total Return**

	General Funds	Designated Funds	Total Unrestricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	9,150	-	9,150	(9,150)
ii) Transfer from general to designated funds for Common Vision Fund	<u>(4,845)</u>	<u>4,845</u>	<u>-</u>	<u>-</u>

i) In 2024 £9.1M (2023: £6.4M) has been transferred to general funds from the Glebe Investments Endowment Fund to fund the costs of stipendiary ministry in accordance with the Diocesan Stipends Fund (Amendment) Measure 2016.

ii) The transfer to Designated Funds, as agreed by Bishop's Council & Diocesan Synod, supports the funding of the Common Vision Fund, by applying £4.8M (2023: £2.3M) of general funds as a consequence of the opportunity created by Total Return.

As this £4.8 million cannot legally be drawn from the £9.1M, all of the £9.1 million is applied to the costs of stipendiary ministry, and the £4.8 million is drawn from other income of the diocese (of which the largest element is parish share). The net impact of these two separate transfers is to augment the amount of the Diocese's total funds being applied to support stipendiary ministry within the Diocese during the year by £4.3M (2023: £4.1M).

2023 prior year comparatives:

	General Funds	Designated Funds	Total Unrestricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	6,360	-	6,360	6,360
ii) Transfer from general to designated funds for Common Vision	<u>(2,263)</u>	<u>2,263</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14. Analysis of Transfers between Funds (Cont'd)

b) Other transfers

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(2,655)	2,655	-	-
ii) Disposal of Board properties	446	(446)	-	-
iii) Pastoral reorganisation	-	1,673	-	(1,673)
iv) Other transfers	71	-	(71)	-
	<u>(2,138)</u>	<u>3,882</u>	<u>(71)</u>	<u>(1,673)</u>

i) The purchase of Board owned properties requires an equivalent transfer from the general fund to the Board Properties Fund to finance Board properties.

ii) Disposal of Board owned properties requires a transfer from the Board Properties Fund to the general fund.

iii) This relates to two pastoral organisations which occurred during the year relating to transfer of Property to the Board Properties Fund.

iv) Income from ODBF and DT(O)L Trusts restricted funds is transferred to the general fund to support stipendiary costs.

2023 prior year comparatives:

Type of transfer	Unrestricted Funds			
	General & designate d Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(1016)	1,016	-	-
i) Disposals of Board properties	1,172	(1,172)	-	-
Other transfers	394	-	(394)	-
	<u>550</u>	<u>(156)</u>	<u>(394)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**15. Tangible Fixed Assets**

	Freehold Property	Leasehold Property	Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2024	85,668	804	1,123	233,246	34,982	355,823
Additions	2,655	-	62	987	821	4,525
Disposals	(371)	-	(837)	(897)	-	(2,105)
Transfers	1,673	-	-	(1,673)	-	-
Revaluation	(4,801)	123	-	(10,452)	(3,175)	(18,305)
At 31 December 2024	84,824	927	348	221,211	32,628	339,938
Depreciation						
At 1 January 2024	738	-	969	-	-	1,707
Disposals	-	-	(831)	-	-	(831)
Charge for the year	110	-	62	-	-	172
At 31 December 2024	848	-	200	-	-	1,048
Net Book Values						
At 31 December 2024	83,976	927	148	221,211	32,628	338,890
At 31 December 2023	84,930	804	154	233,246	34,982	354,116

Included in Freehold property is the Buckingham Team office which was converted to an office during 2024. From 01 October 2024, this building was depreciated as outlined in Note 1.

	Freehold Property	Leasehold Property	Vehicles & Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2023	85,550	804	1,085	234,342	35,714	357,495
Additions	1,016	-	38	3,109	-	4,163
Disposals	(898)	-	-	(4,205)	(732)	(5,835)
At 31 December 2023	85,668	804	1,123	233,246	34,982	355,823
Depreciation						
At 1 January 2023	632	-	928	-	-	1,560
Charge for the year	106	-	41	-	-	147
At 31 December 2023	738	-	969	-	-	1,707
Net Book Values						
At 31 December 2023	84,930	804	154	233,246	34,982	354,116
At 31 December 2022	84,918	804	157	234,342	35,714	355,935

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 a) Fixed Asset Investments**

	At 1 January 2024 £'000	Additions £'000	Disposals at book value £'000	Change in Market Value £'000	Fund Transfers £'000	At 31 December 2024 £'000
Unrestricted Funds						
Equity Mortgage	493	-	(187)	-	-	306
General fund	2,609	-	1	-	-	2,610
	3,102	-	(186)	-	-	2,916
Designated Funds						
Administered funds	29	-	-	1	-	30
Common Vision Fund	9,284	-	(1)	-	4,848	14,131
	9,313	-	(1)	1	4,848	14,161
Restricted Funds						
ODBF Trusts & other	743	402	-	49	-	1,194
	743	402	-	49	-	1,194
Endowment Funds						
Glebe (note 16b)	140,610	21,405	(20,378)	19,793	(4,848)	156,582
ODBF Trusts & other	5,896	356	-	135	-	6,387
	146,506	21,761	(20,378)	19,928	(4,848)	162,969
Total	159,664	22,163	(20,565)	19,978	-	181,240

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 a) Fixed Asset Investments (Cont'd)**

	At 1 January 2023 £'000	Additions £'000	Disposals at book value £'000	Change in Market Value £'000	Fund Transfers £'000	At 31 December 2023 £'000
Unrestricted Funds						
Equity Mortgage	493	-	-	-	-	493
General fund	-	-	-	-	2,609	2,609
	493	-	-	-	2,609	3,102
Designated Funds						
Administered funds	33	-	-	(4)	-	29
Common Vision Fund	-	-	-	-	9,284	9,284
	33	-	-	(4)	9,284	9,313
Restricted Funds						
ODBF Trusts & other	813	-	(157)	87	-	743
	813	-	(157)	87	-	743
Endowment Funds						
Glebe (note 16b)	146,628	20,216	(20,069)	6,028	(12,193)	140,610
ODBF Trusts & other	5,113	2	-	481	300	5,896
	151,741	20,218	(20,069)	6,509	(11,893)	146,506
Total	153,080	20,218	(20,226)	6,592	-	159,664

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 a) Fixed Asset Investments (Cont'd)**

Analysis of listed investments	Total 2024 £'000	Holding %	Total 2023 £'000	Holding %
Newton Investment Management Ltd (see below)	122,959	95	111,546	95
CCLA CBF – Investment Fund shares	6,548	5	5,643	5
CCLA CBF – Global Equity Fund Income shares	614	-	578	-
CCLA CBF – Property Fund shares	72	-	72	-
Other Investments	77	-	75	-
	<u>130,270</u>	<u>100</u>	<u>117,914</u>	<u>100</u>

Analysis of Newton Investments between fund	Total 2024 £'000	Total 2023 £'000
Glebe (Note 16b)	105,918	99,353
General (Note 16a)	2,610	2,609
Common Vision (Note 16a)	14,131	9,284
Glebe TV (Note 16a)	300	300
	<u>122,959</u>	<u>111,546</u>

Included in Glebe is the unapplied total return amount of £27.4M (2023: £24M). See Note 16c. All Listed Investments are held within the United Kingdom.

	Total 2024 £'000	Total 2023 £'000
Listed Investments (see above)	130,270	117,914
Property and agricultural Land (Note 16b)	50,664	41,257
Equity Mortgage (Note 16a)	306	493
Total Fixed Asset Investments	<u>181,240</u>	<u>159,664</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 b) Glebe Investments**

Glebe listed investments are managed by Newton Investment Management.

	Agricultural Land	Residential Property	Commer- cial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2024	24,032	3,046	11,261	2,918	99,353	140,610
Additions at cost	-	-	-	-	21,405	21,405
Disposals	(484)	-	-	-	(19,894)	(20,378)
Unrealised gains	7	630	459	8,795	9,902	19,793
Transfers	-	936	50	(986)	-	-
Common Vision Transfer (Note 16a)	-	-	-	-	(4,848)	(4,848)
Net Book Value						
At 31 December 2024	23,555	4,612	11,770	10,727	105,918	156,582
Cost or ICV						
At 31 December 2024	3,935	2,338	11,386	1,060	92,040	110,759
	Agricultural Land	Residential Property	Commer- cial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2023	23,868	3,046	11,261	2,918	105,535	146,628
Additions at cost	-	-	-	-	20,216	20,216
Disposals	-	-	-	-	(20,069)	(20,069)
Unrealised gains	164	-	-	-	5,864	6,028
Common Vision Transfer (Note 16a)	-	-	-	-	(12,193)	(12,193)
Net Book Value						
At 31 December 2023	24,032	3,046	11,261	2,918	99,353	140,610
Cost or ICV						
At 31 December 2023	3,780	1,544	11,444	1,796	81,955	100,519

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Listed Investments**

The investment power of total return permits ODBF to invest the permanently endowed funds of glebe investments to maximise total return and apply an appropriate portion of the unapplied total return each year to support stipendiary ministry.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. Until December 2022 7% of the value of Glebe listed investments, was transferred to general funds such that it is set against the cost of stipendiary ministry in the year, as determined by the Diocesan Stipends Fund (Amendment) Measure 2016 or incurred on investment management fees. With effect from 1 January 2023 the amount transferred was equivalent to the support specifically required in each year, as approved by Bishop's Council.

From 1 January 2018 the Oxford Diocesan Board of Finance adopted a total return approach to investments with regard to the Glebe listed investment portfolio, following consultation with the Diocesan legal advisers and auditors and in accordance with their advice.

The initial value for implementing total return for investment was determined at 31 December 2000 and valued at £14.7M. This was the amount held in listed investments at that date. The unapplied total return was calculated as at 1 January 2018 and valued at £14.9M as the increase above inflation in the value of these investments since the initial valuation, adjusted for the introduction of new investment in the portfolio following significant gains of glebe land which have taken place since 2008. Bishop's Council voted in 2020 to include 2018 & 2019 surplus on glebe land sales totalling £12.38M within the unapplied total return calculation and any development gains from 2018 onwards, to be applied with effect from 1 January 2022. It also voted to apply the CPI inflation measure (backdated to 2000), rather than RPI, further increasing unapplied total return by £5.05M from 1 January 2022. With effect from 1 January 2023, Bishop's Council voted to adjust the start date to 1 January 1997. This has resulted in a further £6.3m being added to unapplied total return. The movements during the last calendar year in the value of the unapplied total return are set out in the following table:

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Listed Investments (Cont'd)**

	Trust for investment £'000	Unapplied Total Return £'000	Total £'000
As at 1 January 2024:			
Base value of the permanent endowment	75,306	-	75,306
Unapplied total return	-	23,957	23,957
Total	75,306	23,957	99,263
Sale proceeds	-	503	503
Investment returns: dividends received	-	2,970	2,970
Investment return: realised and unrealised gains	-	11,428	11,428
Investment management fees	-	(438)	(438)
Custody and other charges	-	(20)	(20)
Unapplied total return allocated to income in the year	-	(9,150)	(9,150)
Add indexation of base level of endowment	1,883	(1,883)	-
Net movements in the year	1,883	3,410	5,293
As at 31 December 2024:			
Base value of the permanent endowment	77,189	-	77,189
Unapplied total return	-	27,367	27,367
Valuation as at 31 December 2024	77,189	27,367	104,556

Analysis of Withdrawal to income

£'000

Release to general funds to support stipends (note 14)
Investment management fees

9,150
438

Withdrawal to income

9,588

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of the power of total return to glebe investments (Cont'd)****Prior year figures for the year ended 31 December 2023**

	<i>Trust for investment</i>	<i>Unapplied Total Return</i>	<i>Total endowment</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
As at 1 January 2023:			
<i>Base value of the permanent endowment</i>	82,896	-	82,896
<i>Unapplied total return</i>	-	18,583	18,583
Total	82,896	18,583	101,479
Adjustments to opening balance			
<i>Pre-2000 UTR adjustment (see note below)</i>	(6,349)	6,349	-
<i>Withdrawal to reinvest in Glebe Commercial Property</i>	(4,137)	-	(4,137)
Adjusted opening balance	72,410	24,932	97,342
<i>Investment returns: dividends received</i>		2,743	2,743
<i>Investment return: realised and unrealised gains</i>		6,026	6,026
<i>Investment management fees</i>	-	(488)	(488)
<i>Unapplied total return allocated to income in the year</i>	-	(6,360)	(6,360)
<i>Add indexation of base level of endowment</i>	2,896	(2,896)	-
Net movements in the year	2,896	(975)	1,921
As at 31 December 2023:			
<i>Base value of the permanent endowment</i>	75,306	-	75,306
<i>Unapplied total return</i>	-	23,957	23,957
Valuation as at 31 December 2023	75,306	23,957	99,263
Analysis of Withdrawal to income		£'000	
<i>Release to general funds to support stipends (note 14)</i>		6,360	
<i>Investment management fees</i>		488	
<i>Withdrawal to income</i>		6,848	

The Pre-2000 UTR adjustment above results from moving the Trust for Investment start date from 31 December 2000 to 1 January 1997. This represents the earliest possible date based on available records to begin the mechanism.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**17. Debtors**

	2024 £'000	2023 £'000
Amounts due after more than one year		
Loans to parishes	86	120
Amounts due within one year		
Prepayments	493	466
Accrued income	477	771
Other debtors	689	1,185
Loans	48	106
Amounts due from connected charities	79	204
Total	1,786	2,732
Total debtors	1,872	2,852

18. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Creditors and accruals	4,260	3,564
Taxation and social security	96	124
Deferred income	444	498
Total creditors: amounts falling due within one year	4,800	4,186

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

	2024 £'000	2023 £'000
Loans and others	2,272	2,662
Total creditors: amounts falling due after more than one year	2,272	2,662

The above loans are all repayable after more than five years

Loans include equity mortgage loans from the Church Commissioners. Equity mortgages are secured on individual freehold properties and are repayable on disposal.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements**

	2024					Balances at 31 Dec 2024 £'000
	Balances at 1 Jan 2024 £'000	Income £'000	Expenditure £'000	Transfers (note 14) £'000	Gains/ (Losses) £'000	
UNRESTRICTED FUNDS						
General	9,831	22,999	(27,465)	2,149	(106)	7,408
Designated Funds						
Common Vision	8,197	121	(4,969)	4,848	-	8,197
Development posts and new communities fund	608	-	(38)	-	-	570
Property repair & maintenance	206	24	(18)	15	1	228
Other funds						
	9,011	145	(5,025)	4,863	1	8,995
Total General and Designated Funds	18,842	23,144	(32,490)	7,012	(105)	16,403
Tangible Fixed Assets Property Fund						
Board properties fund	83,073	75	(110)	3,882	(4,288)	82,632
RESTRICTED FUNDS						
Diocesan Pastoral Account	247	40	(14)	-	-	273
Mission grants fund	-	76	(76)	-	-	-
Sillitoe Bequest	1,019	34	-	-	40	1,093
Other funds below £250K	1,156	1,212	(756)	(71)	9	1,550
	2,422	1,362	(846)	(71)	49	2,916
ENDOWMENT FUNDS						
Glebe team vicarages	36,529	-	-	-	(3,175)	33,354
Glebe investments	140,646	3,032	(493)	(9,150)	21,398	155,433
Diocesan stipends fund	177,175	3,032	(493)	(9,150)	18,223	188,787
Parsonage house fund	237,693	-	(182)	(1,673)	(10,452)	225,386
Stipends bequest fund	2,407	-	-	239	59	2,705
Ordination candidates funds	1,758	-	-	(226)	34	1,566
Other funds	1,488	355	-	(13)	41	1,871
	420,521	3,387	(675)	(10,823)	7,905	420,315
Total funds	524,858	27,968	(34,121)	-	3,561	522,266

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements (Cont'd)**

	Balances at 1 Jan 2023	Income	2023			Balances at 31 Dec 2023
			Expenditure	Transfers	Gains/ (Losses)	
	£'000	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS						
<i>General</i>	8,807	22,815	(26,646)	4,853	2	9,831
Designated Funds						
<i>Common Vision</i>	8,128	14	(2,208)	2,263	-	8,197
<i>Development posts and new communities fund</i>	670	-	(62)	-	-	608
<i>Property repair & maintenance</i>	220	-	-	(220)	-	-
<i>Other funds</i>	181	26	(18)	14	3	206
	9,199	40	(2,288)	2,057	3	9,011
Total General and Designated Funds	18,006	22,855	(28,934)	6,910	5	18,842
Tangible Fixed Assets Property Fund						
<i>Board properties fund</i>	83,061	273	(105)	(156)	-	83,073
RESTRICTED FUNDS						
<i>Diocesan Pastoral Account</i>	255	9	(17)	-	-	247
<i>Mission grants fund</i>	110	396	(396)	(110)	-	-
<i>Sillitoe Bequest</i>	1,055	35	(165)	-	94	1,019
<i>Other funds below £250K</i>	1,089	894	(544)	(284)	1	1,156
	2,509	1,334	(1,122)	(394)	95	2,422
ENDOWMENT FUNDS						
<i>Glebe team vicarages</i>	36,504	25	-	-	-	36,529
<i>Glebe investments</i>	138,581	2,743	(504)	(6,360)	6,186	140,646
<i>Diocesan stipends fund</i>	175,085	2,768	(504)	(6,360)	6,186	177,175
<i>Parsonage house fund</i>	236,563	1,184	(54)	-	-	237,693
<i>Stipends bequest fund</i>	2,407	-	-	-	-	2,407
<i>Ordination candidates funds</i>	1,758	-	-	-	-	1,758
<i>Other funds</i>	1,015	-	-	-	473	1,488
	416,828	3,952	(558)	(6,360)	6,659	420,521
Total funds	520,404	28,414	(30,719)	-	6,759	524,858

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund**

	Tangible Fixed Assets £'000	Investments £'000	2024 Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	148	2,916	5,791	(1,447)	7,408
Designated					
Common Vision	-	14,131	(2,898)	(3,036)	8,197
Development posts and new communities fund	-	-	570	-	570
Other funds	-	30	198	-	228
	-	14,161	(2,130)	(3,036)	8,995
Total general and designated funds	148	17,077	3,661	(4,483)	16,403
Tangible fixed assets property fund					
Board properties fund	84,903	-	-	(2,271)	82,632
RESTRICTED FUNDS					
Diocesan Pastoral Account	-	-	273	-	273
Mission grants fund	-	-	52	(52)	-
Sillitoe Bequest	-	776	317	-	1,093
Other funds below £250K	-	418	1,284	(152)	1,550
	-	1,194	1,926	(204)	2,916
ENDOWMENT FUNDS					
Glebe team vicarages	32,628	300	426	-	33,354
Glebe investments	-	156,582	(1,036)	(113)	155,433
Diocesan stipends fund	32,628	156,882	(610)	(113)	188,787
Parsonage house fund	221,211	-	4,175	-	225,386
Stipends bequest fund	-	2,649	56	-	2,705
Ordination candidates funds	-	1,566	-	-	1,566
Other	-	1,872	-	(1)	1,871
	253,839	162,969	3,621	(114)	420,315
Total Funds	338,890	181,240	9,208	(7,072)	522,266

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund (Cont'd)**

	2023				
	<i>Tangible Fixed Assets £'000</i>	<i>Investments £'000</i>	<i>Current Assets £'000</i>	<i>Creditors £'000</i>	<i>Net Assets £'000</i>
UNRESTRICTED FUNDS					
<i>General</i>	154	3,102	8,428	(1,853)	9,831
Designated					
<i>Common Vision</i>	-	9,284	856	(1,943)	8,197
<i>Development posts and new communities fund</i>	-	-	608	-	608
<i>Other funds</i>	-	29	177	-	206
	-	9,313	1,641	(1,943)	9,011
Total general and designated funds	154	12,415	10,069	(3,796)	18,842
Tangible fixed assets property fund					
<i>Board properties fund</i>	85,735	-	-	(2,662)	83,073
RESTRICTED FUNDS					
<i>Diocesan Pastoral Account</i>	-	-	247	-	247
<i>Mission grants fund</i>	-	-	255	(255)	-
<i>Sillitoe Bequest</i>	-	729	290	-	1,019
<i>Other funds below £250K</i>	-	14	1,176	(34)	1,156
	-	743	1,968	(289)	2,422
ENDOWMENT FUNDS					
<i>Glebe team vicarages</i>	34,981	300	1,248	-	36,529
<i>Glebe investments</i>	-	140,610	137	(101)	140,646
<i>Diocesan stipends fund</i>	34,981	140,910	1,385	(101)	177,175
<i>Parsonage house fund</i>	233,246	-	4,447	-	237,693
<i>Stipends bequest fund</i>	-	2,407	-	-	2,407
<i>Ordination candidates funds</i>	-	1,758	-	-	1,758
<i>Other</i>	-	1,431	57	-	1,488
	268,227	146,506	5,889	(101)	420,521
Total Funds	354,116	159,664	17,926	(6,848)	524,858

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds****General fund**

The general fund is the ODBF's unrestricted undesignated fund available for any of the ODBF's purposes without restriction.

Designated funds**Common Vision Fund**

The adoption of total return accounting from 1 January 2018 generates funds to be released towards supplementing the costs of stipendiary ministry within the general fund. This, in turn, enables general funds to be transferred to a designated income fund for expenditure, other than stipendiary costs, in relation to the Common Vision strategy.

Development posts and new communities fund

In July 2014 and February 2015 Bishop's Council considered and approved the transfer of £600K to a new designated fund for development posts in new communities. In February 2016 Bishop's Council approved the transfer of an additional £800K to the fund for development posts.

Tangible Fixed Assets Property Fund**Board properties fund**

The Board properties fund is represented by tangible fixed asset properties plus any related debtors less loans drawn down to finance the purchase of those properties.

Restricted funds**Diocesan Pastoral Account**

The Diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:

- to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular Diocesan employees
- to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese
- other purposes of the Diocese or any benefice or parish in the Diocese
- to make grants or loans to any other Diocese
- to transfer funds to the Diocesan stipends fund income or capital accounts

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds (cont'd)****Sillitoe Bequest**

A bequest was received in April 1999 to establish a discretionary fund to help clergy to retire early for reasons other than ill health. The allocation of funds is agreed by the Diocesan Secretary and the Archdeacon or Bishop of an Archdeaconry as appropriate.

Endowment funds**Diocesan stipends capital fund**

The Diocesan stipends capital fund has been created from the Diocesan stipends fund capital account assets previously held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.

Parsonage house fund

The parsonage house fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses.

Although benefice houses are vested in the incumbents for the time being of the benefices concerned, ODBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the ODBF.

Stipends bequests fund

The Stipends bequest fund is made up of various legacies and bequests. All income can be used to pay stipends.

Ordination candidates funds

The Ordination candidates funds are made up of several benefactions used to help fund ordination candidates.

23. Capital Commitments

There were no capital commitments at 31 December 2024 or 2023.

The ODBF had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2024	2023
	£'000	£'000
Not later than one year	136	244
Later than one year not later than five years	8	2
	<hr/>	<hr/>
	144	246
	<hr/>	<hr/>

24. Members' liability

The Charity is constituted as a company limited by guarantee. In the event that the company is wound up, company members are required to contribute an amount not exceeding £1 each.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions****a) Stipendiary Clergy**

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to each specific Responsible Body, and this means that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2024: £2,234K, 2023: £2,450K).

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 actuarial mortality tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a and an allowance for 2020 data of 0%.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions (cont'd)

b) Salaried staff defined benefit scheme

Eligible salaried employees of ODBF were offered the opportunity to join the Oxford Diocesan Board of Finance Staff Retirement Scheme until September 2006 at which point the scheme closed to new entrants. The Scheme is a defined benefit (final salary) scheme administered by the Pensions Trust who are also the trustees

The scheme is funded by contributions by ODBF. Employees are not required to contribute towards the cost of their benefits. The Scheme is the subject of advice by professional actuaries and annual premiums are paid and charged, after offsetting any reduction in liability or charging any increase in liability, to expenditure in the SOFA each year.

The Scheme closed to future accrual of benefits with effect from 30 June 2022. Although this is one scheme, ODBE pay their share of deficit repayments and administration costs directly to TPT.

A qualified actuary has prepared the pension scheme figures quoted in this note as required under Financial Reporting Standard 102 (FRS102). The basis of FRS102 calculations is largely prescribed, although assumptions about future salary increases, inflation and investment returns rest with the directors, acting on actuarial advice. The actuary then compares the value of the benefits earned to the valuation date (the liabilities) with the value of the assets held by the scheme. Any excess of liabilities over assets represents a deficit in funding; any excess of assets over liabilities represents a surplus in funding.

The FRS102 surplus at the start of 2024, £333K, decreased by £231K during the year to £102K at 31 December 2024. The liabilities are valued on the basis of corporate bond yields at the date of calculation which this year was 5.55% (2023: 4.77%), with the assets being taken at market value. The balance sheet is therefore heavily dependent on market conditions at the date of calculation and swings from one year to the next have the potential to be very significant.

In addition, changes to corporate bond yields and mortality assumptions from one year to the next can give rise to volatility in the SOFA figures.

The FRS102 valuation determines the pension figures that must be included in the ODBF accounts. The actuary's triennial valuation, the "on-going" valuation for the Scheme, is based on different financial assumptions than those used for FRS102. The triennial valuation as at 30 September 2023 was updated to 31 December 2024 by a qualified actuary independent of the scheme's sponsoring employer and showed a deficit of £166K. As part of the valuation, it was agreed that a one-off deficit payment of £124K would be paid in 2024 (ODBF paid £116K, and ODBE paid £7K). The ongoing administration expenses would increase in total from £63,500K per annum to £69,600K from 1 December 2024. This would then increase by 3% on the 1 Oct 2025. The administration cost would be split between ODBF and ODBE. The share for ODBF in 2024 was £65K.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions (cont'd)

b) Salaried staff defined benefit scheme (cont'd)

The main financial assumptions under FRS102 are (per annum):

	2024	2023
	%	%
Discount rate	5.55	4.77
Salary increases	3.00	4.00
Inflation (RPI)	3.16	3.05
Inflation (CPI)	2.50	2.60
Allowance for pension in payment increases of RPI or 5% if less	3.04	2.95
Allowance for pension in payment increases of CPI or 5% if less	2.73	2.58

The scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employers. Their 'fair value' at 31 December 2024 was £8,854K (2023: £9,756K) as below:

	2024	2023
	£'000	£'000
Fixed Interest Bonds	2,856	2,299
Index-linked gilts	2,452	4,124
Property	865	1,237
Other	2,681	2,096
	<u>8,854</u>	<u>9,756</u>

The scheme's financial position as at 31 December (FRS102 basis) recognised in the Balance Sheet was:

	2024	2023
	£'000	£'000
Fair value of plan assets	8,854	9,756
Present value of defined benefit obligations	(8,752)	(9,423)
Unrecognised surplus	<u>(102)</u>	<u>(333)</u>
Surplus recognised	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)****b) Salaried staff defined benefit scheme (cont'd)**

Reconciliation of opening and closing balances of the fair value of plan assets:

	2024	2023
	£'000	£'000
Fair value of assets at 1 January	9,756	9,984
Interest income	461	490
Employer contributions	177	64
Employer contributions by ODBE	11	-
Benefits paid and expenses	(387)	(426)
Actuarial loss on assets	(1,164)	(356)
Fair value of assets at 31 December	<u>8,854</u>	<u>9,756</u>

Reconciliation of opening and closing balances of the defined benefit obligation:

	2024	2023
	£'000	£'000
Defined benefit obligation at 1 January	9,423	9,217
Current service cost	-	-
Interest cost	442	452
Benefit paid	(316)	(360)
Actuarial (gain)/ loss on liabilities	(797)	114
Defined benefit obligation at 31 December	<u>8,752</u>	<u>9,423</u>

Defined benefit costs recognised in the SOFA:

	2024	2023
	£'000	£'000
Expenses	71	66
Total	<u>71</u>	<u>66</u>

Defined benefit income (costs) recognised in other comprehensive income:

	2024	2023
	£'000	£'000
Return on plan assets – losses	(1,164)	(356)
Experience losses arising on plan liabilities	(33)	(51)
Effects of changes in demographic & financial assumptions underlying the present value of the plan liabilities	830	(63)
Contributions made by ODBE	11	-
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	250	472
Total amount recognised in other comprehensive income	<u>(106)</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions (cont'd)

c) Staff Church Workers Pension Fund (CWPF)

ODBF participates in the Pension Builder Scheme section of CWPF for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the 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.

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

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

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

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2024: £368K, 2023: £323K).

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)****c) Staff Church Workers Pension Fund (CWPF) (cont'd)**

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time. The next valuation is due as at 31 December 2025.

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

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

26. Custodian funds

The Charity acts as Diocesan Authority or Custodian Trustee on behalf of trusts. These trusts each have individual objects and are related to the Charity in that they are all connected with the Church of England. The Charity oversaw the investments of 255 trusts (2023: 255) with a total value of £8.2 million at the end of 2024 (2023: £8.0 million). No additional capital was accepted during 2024 or 2023. These trusts are administered separately from those for which the Charity acts as Managing Trustee and are not included in these financial statements.

In addition to this, DT(O)L (whose Directors are the same as ODBF) oversaw the investments of 376 trusts (2023: 377) with a total value of £53.2 million at the end of 2024 (2023: £52.9 million). No additional capital was accepted during 2024 or 2023.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**27. Statements of Financial Activities (Prior Year)**

For the year ended 31 December 2023

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2023
	<i>Note</i>	General & Designated Funds	Tangible Fixed Assets Property Fund			
		£'000	£'000	£'000	£'000	£'000
Income and Endowments from:						
Donations	2	18,654	-	686	-	19,340
Charitable activities	3	2,470	-	396	-	2,866
Investments	4	1,731	-	252	2,743	4,726
Other sources	5	-	273	-	1,209	1,482
Total		22,855	273	1,334	3,952	28,414
Expenditure on:						
Raising and managing funds	6	376	-	-	505	881
Charitable activities	7	28,558	-	1,122	-	29,680
Other property costs	8	-	105	-	53	158
Total		28,934	105	1,122	558	30,719
Net (expenditure)/income before investment gains:		(6,079)	168	212	3,394	(2,305)
Net gains on investments		3	-	95	6,659	6,757
Net (expenditure)/income		(6,076)	168	307	10,053	4,452
Total Return transfer	14a	6,360	-	-	(6,360)	-
Other transfers	14b	550	(156)	(394)	-	-
Net income/ (expenditure) after transfers:		834	12	(87)	3,693	4,452
Other recognised gains:						
Gains on defined benefit pension schemes	25b	2	-	-	-	2
Net movement in funds		836	12	(87)	3,693	4,454
Total funds brought forward	20	18,006	83,061	2,509	416,828	520,404
Total funds carried forward	20	18,842	83,073	2,422	420,521	524,858

THE OXFORD DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 247954

Accounts

Oxford Diocesan Board of Finance

Directors' Report and Financial Statements

For the year ended 31 December 2023

Company limited by guarantee (No. 142978 England and Wales)

Registered charity (No. 247954)

Registered & Principal Office:

Church House Oxford

Langford Locks

Kidlington

Oxford OX5 1GF

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Key to abbreviations:

CBF	Central Board of Finance	ODBE	Oxford Diocesan Board of Education
CEFPS	Church of England Funded Pension Scheme	ODBF	Oxford Diocesan Board of Finance
CEPB	Church of England Pensions Board	ODBST	Oxford Diocesan Bucks Schools Trust
CSUST	Church Schools Uniform Statutory Trust	ODST	Oxford Diocesan Schools Trust
CPI	Consumer Price Inflation	PACT	Parents and Children Together
CPIH	Consumer Price Inflation (Housing)	PCC	Parochial Church Council
DAC	Diocesan Advisory Committee	RPI	Retail Price Index
DT(O)L	Diocesan Trustees (Oxford) Limited	SOFA	Statement of Financial Activities
EIG	Ecclesiastical Insurance Group	SORP	Statement of Recommended Practice
ESG	Environment, Social & Governance	UKME	United Kingdom Minority Ethnic
FRS	Financial Reporting Standard		
ICV	Initial Carrying Value		
LPI	Limited Price Index		
MPC	Mission & Pastoral Committee		

DIRECTORS' ANNUAL REPORT

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

The directors were saddened to announce the death of the Bishop of Buckingham, the Rt Revd Dr Alan Wilson earlier this year. Bishop Alan was a dear friend and colleague to many across the diocese, having served as Bishop of Buckingham for over 20 years. He offered remarkable leadership to our work in education and church schools over more than a decade. Alan has been a friend and advocate for victims of abuse and a strong ally and supporter of the LGBTQIA+ community for many years. He was a bishop who prioritised the parishes and clergy in his care above everything else and served the people of Buckinghamshire with devotion over a long and demanding ministry.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the ODBF are to benefit the public by promoting and assisting the mission and other work of the Church of England in and beyond the boundaries of the Diocese of Oxford by raising, collecting and expending funds in connection with:

- (1) Training, funding and other support for ministry (both clerical and lay) within the Diocese of Oxford and in the wider Church of England, Anglican Communion, and other Christian churches with which the Church of England has ecumenical relationships or otherwise recognises as partners in its mission;
- (2) Provision for pensions for retired ministers (both clerical and lay) and support for their dependants;
- (3) Management of investments and historic assets in accordance with the Endowments and Glebe Measure 1976 and otherwise;
- (4) Support for the work of the Diocesan Board of Education and other trusts and related bodies involved with the work of schools in the Diocese of Oxford; and
- (5) Support for other charitable trusts established in connection with the work of parishes and other related bodies throughout the Diocese of Oxford.

ODBF also incorporates the functions and responsibilities of the Diocesan Parsonages Board.

The role of Diocesan Authority for parochial and other trusts is carried out by DT(O)L, a separate charitable company resourced by ODBF.

STRATEGIC REPORT - STRATEGIC AIMS AND OBJECTIVES

The Diocese promotes the work and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Oxford and elsewhere. Together, we are the Church, called and sent by God as disciples of Jesus Christ and filled with the Holy Spirit. We are a living, growing network of more than a thousand congregations, chaplaincies and schools. The strategy and approach of the Diocese is described as 'a common vision for a more Christ-like Church: contemplative, compassionate and courageous for the sake of God's world'.

To support these aims the main role of the ODBF is to identify and manage the financial aspects of the provision of mission and ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the Christian mission and strategic priorities in the Diocese.

The aims and objectives are largely achieved by providing:

- Ministry in the parishes – by the appointment of stipendiary and non-stipendiary clergy and licensed lay ministers, the payment of stipends, the provision of houses for the clergy as necessary; by involvement in the selection and training of ordinands and lay ministers including the provision of financial support to those training for the ministry; by providing continuing ministerial training for clergy and lay ministers;
- Assistance to parishes – through the provision of parish development advisors in each archdeaconry; through good communications, HR and finance support; through support for work with children and young adults; through help with Christian giving and parish fundraising; through support for parishes in the administration of trusts; through assistance to churchwardens and treasurers and assistance with matters dealt with by the Diocesan Advisory Committee (DAC) in relation to church buildings;
- Strategic leadership and support in focus areas of Common Vision such as environmental action, new congregations, discipleship and poverty and inequality;
- Safeguarding resources, advice and case handling, and
- Support for church schools through training and support services and the provision of assistance and advice to head teachers and school governors through the annual grant to ODBE.

ENVIRONMENT, SOCIAL AND GOVERNANCE

Delivering net zero carbon by 2035

In March 2023, Diocesan Synod endorsed a net zero carbon action plan that seeks to deliver our target of achieving net zero carbon emissions by 2035, and fulfilling – as far as possible – the milestones in the national Route map to Net Zero Carbon.

Our first carbon emissions report, released in November, demonstrates that while there is a long way to go, progress is being made in key areas. We are particularly encouraged by the 11% reduction in net emissions in our churches, and overall reductions across our travel – including a 58% reduction in staff travel.

Our Environment Team, in partnership with the Church Buildings Team, have delivered the following actions in relation to achieving our net zero carbon target:

- **Policies:** the diocese is supporting churches to fulfil the new faculty jurisdiction rules, which require all churches to demonstrate they have given due regard to net zero. We have updated diocesan staff travel and expenses policies to support sustainable and active travel choices.
- **Finance:** Funding applications have been submitted to the Church Commissioners, and pilots for different finance models are being explored.
- **Planning:** Over 235 subsidised church energy audits have now been delivered since 2018, with opportunities for churches who meet specific criteria eligible to receive a funded heating surgery. An implementation plan for our net zero investment programme into clergy housing was agreed by Bishops Council in December 2023, which will include bringing in additional resource to the team, gathering data to support prioritisation, and beginning work in early 2024. This is following the completion of a pilot retrofit on a vicarage in Bucklebury.
- **Priority churches:** a forum for larger churches has been set up, meeting to share learnings, progress and challenges. Eight churches are being identified for a potential national pilot, to test different net zero solutions.
- **Engagement:** an event was held in October 2023 to support churches to turn decarbonisation reports into deliverable action plans.

Inspiring wider cultural change

Since the diocese formally began its Environment Action Programme in 2019, Eco Church registrations have increased from 9% to over 25%.

Three Eco Church-focused events were run in June, attended by over 150 people, and we have established networks of enthusiastic, committed people - some working locally as energetic members of their church, and some taking a formal voluntary role at deanery level. We have recruited sixteen deanery leads working across fifteen different deaneries, engaging parishes in a variety of ways.

ENVIRONMENT, SOCIAL AND GOVERNANCE (Cont'd)

In the last year, we have:

- Successfully taken our Diocesan Synod motion, 'Responding to the climate emergency' to General Synod.
- Contributed to the 'Land and Nature' national Church of England working group.
- Developed our partnership with the local Wildlife Trust, running training events for parishes in churchyard management and species identification, and creating resources.
- Contributed to advocacy at a local and national level through the voices of our lead Bishops.
- Participated in events, lecture series, deanery synods and other forums, to champion creation care issues.

Social Action

We have now placed 201 Ukrainian refugees to homes in the diocese. Well-regarded resources are assisting parishes and individuals (including in other dioceses). We are actively pursuing social housing scheme and expect one to come to fruition in 2024.

Governance

We regularly assist parishes – in workshops and through individual queries – with advice on how to achieve good governance. The diocese will be conducting a governance review in 2024.

Investment Management

Our Investment Committee receives at each meeting, and discusses with our investment managers, an ESG report on our investment portfolio.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

Set out below is what was planned for 2023 and what ODBF, through its staff and volunteers, achieved during the year:

- **To complete and implement the Review of Total Return;**

The review was completed in the year and the following recommendations were adopted, following Bishop's Council approval (with effect from 1 January 2023):

- a. That the base year for determining the Trust for Investment (Unapplied Total Return (UTR)) calculation be revised from 31st December 2000 to 1st January 1997. In an attempt to consider the maximum available funds available under Total Return, 1997 represented the earliest date that auditable records were available in sufficient detail.
- b. That the UTR endowed fund and the designated Common Vision Fund be combined, for internal management purposes into one fund – the 'UTR Fund'.
- c. The historic withdrawal rate of 7% be withdrawn and simply replaced with withdrawals based on budgeted expenditure and Parish Share support.
- d. A 'UTR Fund' buffer be created (initially set at £10m). If the fund balance were to fall (actual or forecast) below the buffer, then a further review of the fund could be instigated.
- e. That Parish Share support, as a minimum, is linked to stipend increases.
- f. That a 5-year rolling projection model (which projects all ODBF Funds) is adopted and this sits alongside the current budgeting processes. This enables the Diocesan governance committees to understand the medium-term funding challenges within the existing finance structures of ODBF. The first such model was developed and reviewed during autumn 2023 and developed projections to 31st December 2028.

- **To move seamlessly to new arrangements to support enhanced numbers of new congregations across parishes of all traditions;**

Our vision and strategy for growing new congregations wherever we can across our Diocese is bold and challenging. From 1 May 2023 a new programme structure was introduced which saw Area Teams taking greater strategic oversight and responsibility for the programme supported by additional Area staff resource and a reduced central Diocesan team overseen by the Director of Mission and Ministry. We believe this will best enable the programme to develop strategically, become more embedded and have the increased momentum required as it is at Area level where the key relationships with deaneries and parishes are held alongside the archdeaconry Mission & Pastoral Committees.

This new emphasis on a parish development approach to new congregations opens opportunities to engage with parishes at key moments of transition and vision setting and builds on strong local relationships and knowledge. The 'central' team will continue to provide specialist advice and support and particularly in relation to nationally funded Resource Hubs.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

- **To establish a (primarily on-line) Learning Hub to support lay training across the diocese;**

In July we launched our online learning hub which seeks to envision, equip and encourage the whole people of God for the whole mission of God in their home, work, church and community contexts. Our aim is to significantly increase the numbers of lay people participating in their formation and learning across the Diocese. Earlier in the year we researched a high quality learning platform which could support core values for learning and formation which is accessible, diverse and simple to navigate. We are developing a range of learning opportunities either for the individual, a local small group or Diocesan wide group, across three levels which range from 'Bite-sized' to 'Going Deeper' through to in-depth 'Study Groups' over 10 sessions with online tutorials. Currently, there is no cost to the participants.

We have reshaped a Diocesan role which now brings digital learning expertise working closely with our Communications team and other colleagues within the organisation. Early responses has been very encouraging with 175 participants registering for the first small group resource 'Story of Scripture' and 58 learners engaged in the 'Mission and Evangelism' study group through the autumn.

- **To recruit a new Director of Property and enable the net carbon zero work on our vicarages to start in earnest from early 2024;**

Sophie Orme was appointed Director of Property from August 2023. This has led to the formation of the implementation programme to adapt the residential property portfolio, and also reflected the learning from a pilot project on one property. Bishop's Council agreed at its December 2023 meeting to adopt the implementation plan to bring each property to an Energy Performance Certificate ('EPC') rate of 'C' by 2028. The impact of this strategy forecasts a 30% improvement to CO2 emissions. As at 31 December 2023, there were 247 properties requiring such work. Actions to be taken on these properties will focus on the easier wins of cavity wall and roof insulation, draft proofing & replacement windows, allowing for flex for technical and legislative changes. To deliver this means adapting approximately 50 properties a year.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

- **To submit an application for the new national funding streams for strategic projects (likely to be in the area of children, young people and schools);**

Any bid for national funding will need to satisfy national church criteria which seeks to double the number of active young disciples by 2030. Between March – July, the team responsible for supporting and enabling ministry in our churches with children, young people and families engaged in significant stakeholder engagement at all levels of the Diocese, including with children and young people themselves. This revealed common themes, confirmed strategic and resource challenges, particularly around the 'pipeline' of volunteer and paid children's / youth ministers. However local consultations also experienced considerable energy and desire to actively respond to our vision of 'Putting children, young people and families at the centre of more Christ-like Churches'.

Shaped by the importance of the church-school-home relationships, our first priority is to significantly increase our engagement with children, young people and families including intergenerationally. This will require us to build on our strengths, particularly the strong connection we have between local churches and schools and the considerable contact with under 5's. Our proposal will see churches encouraged to work in partnerships and clusters to pool and maximise resources, with national funding resourcing locally deployed part- and full-time paid workers.

We need to develop further our strategy across deaneries and expect to be able to make a national bid submission in late 2024 or early 2025.

- **To expand our work to enable environmental work to our church buildings;**
Please note the actions described within our ESG report on page 4.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

- **To conclude on the initial actions from the 'Lament to Action' report and to successfully implement the initial work agreed by the Diocesan Disability Oversight Group.**

The Diocese of Oxford has been recognised by the National Church as having made significant progress in its racial justice work. We are pleased that there are now UKME representatives in most decision-making bodies of the diocese. In terms of engaging young people, racial justice awareness opportunities continue to be embedded in diocesan schools, among school leadership and through youth networking groups. In addition, learning programmes for Licensed Lay Ministers and Ordinands have been reviewed to reflect cultural considerations and context.

The Diocesan Disability Adviser has continued to deliver expert advice to parishes on improving the accessibility of churches across the diocese, as well as having contributed to the Continuing Ministerial Development and Ordinand learning programmes. Alongside chairing the Church of England's national network of disability advisers, she was instrumental in arranging and leading the network's first national conference. We continue to partner closely with the Oxford Diocesan Council for the Deaf and Hard of Hearing, as well as raising awareness of the benefits of neurodiversity in our church communities.

Expertise from the Diocese of Oxford is often sought at a national and inter-diocesan level, which is a pleasing endorsement of our proactive stance on equality, diversity and inclusion.

FUTURE PLANS

In addition to all the work operationally required and delivered from year to year, we plan in 2024:

1. Complete a national bid for children, young people and schools.
2. Have a significant increase in new congregations and resourcing hubs all functioning optimally.
3. To implement the first year of the £10m vicarage net zero programme.
4. Implement a church buildings strategy and increased capacity enabling us to be operationally and strategically up-to-date on church buildings and pastoral work.
5. See strong take-up of learning and discipleship resources and CMD and an increase in lay and ordained vocations to at least pre-Covid levels
6. Implement the recommendations of the limited review of parish share including deanery recovery plans.
7. Manage the impacts of Living in Love and Faith.
8. Develop enhanced data insight for the diocese and parishes, including from the census.
9. An affirming independent safeguarding audit.
10. Agreement with Christ Church on governance reform that meets the concerns and interests of the diocese and the Church.

FINANCIAL REVIEW

Financial Performance

The Statement of Financial Activities (SOFA) for the year shows net expenditure of £2.3m before investment and revaluation gains (2022: £3.6m). Investment losses, property and pension revaluation gains totalling £6.8m resulted in an overall increase in funds of £4.5m (2022: £2.4m decrease).

Glebe agricultural land increased in value by £164k and glebe listed investments increased in value by £6m mainly due to market revaluation.

The valuations of the staff and clergy defined benefit pension schemes at the end of 2023 showed no increase (£631K increase in 2022). There was no increase in the value of properties in 2023 (2%, £7.1m increase in the value of properties in 2022).

ODBF continues to apply total return accounting. A review of the policy in 2023 has led to unapplied total return and the Common Vision fund being consolidated into one Fund – The Unapplied Total Return Fund with effect from 1 January 2023. Withdrawals to income, previously based on a percentage withdrawal, are now matched to actual expenditure in the year (within the parameters of allocations agreed by Bishops Council. Withdrawals to income in the year totalled £6.8m (2022: £8.2m).

The policy review also identified that the base year for determining the value of the Trust for Investment would be 1 January 1997 (originally 2000). This has resulted in a further £6.3m being added to Unapplied Total Return.

FINANCIAL REVIEW (Cont'd)

Current year receipts before rebates decreased by £0.3m from 2022 and 94.5% of apportioned share for the year was received (2022: 95.2%). The rate of increase in parish share for 2023 was set at 0% (2022: 0%). Income from donations include a grant of £192K (2022: £219K) from the Benefact Trust. The Diocese is most grateful for this grant which supported the work of our Church Buildings Team.

2023 expenditure in the SOFA totalled £30.7m (2022: £30.9m), a decrease of £0.2m. 2023 is the sixth year of expenditure on Common Vision, using the designated fund set aside from total return, and this totalled £2.2m, including Development Fund grants. £1m committed expenditure on Diocesan support grants for less wealthy dioceses was recognised in 2022, including £0.25m paid in 2023.

Given the result for the year, Bishop's Council determined post year-end to transfer £250k into a designated fund to provide Parish Share support where clergy were absent for longer than 6 months or on maternity leave. Furthermore, £200k in each of 2024 & 2025 will be added to the Development Fund (part of the Unapplied Total Return designated fund) to support the Diocesan Strategy relating to children & young people.

Balance Sheet

Net assets totalling £525m (2022: £520m) consist principally of properties to house the clergy, valued at £354m, (2022: £356m) and glebe investments of £153m (2022: £147m) which are analysed in Note 16(b) and for which use of capital is restricted while the income, recognised on a total return basis, is used to pay clergy stipends. Many of the remaining assets shown in the balance sheet are held as restricted funds, which cannot necessarily be used for the general purposes of the ODBF.

Investment performance

The majority of ODBF's investments are in Glebe funds – the income from which (under the Endowment and Glebe Measure 1976) is required to be used towards the cost of paying stipends.

Agricultural, commercial, amenity and residential land and buildings were valued at £41m at 31 December 2023 (2022: £41.0m), see note 16b. Rents receivable amounted to £0.8m (2022: £0.8m).

Glebe listed investments are managed by Newton Investment Management. Glebe listed investment holdings were valued at £112m at 31 December 2023 (2022: £106m). Over the year for the portfolio the net return decreased by 5.7%.

Investment policies

Investment policy is delegated by the directors to the Investment Committee, members of which make investment decisions after taking advice from professional investment advisers. ODBF's investment policies are based on two general key principles:

- Ethical investment - this includes ensuring that investments are held in companies that have high standards of corporate governance and behaviour and that act with openness, accountability, transparency and integrity in a responsible way towards all stakeholders and have good environmental policies; and
- Long-term consideration - the directors consider the long-term effect of their decisions very carefully.

FINANCIAL REVIEW (Cont'd)

Glebe Investments

Glebe investments are held in equities, fixed interest securities and cash, agricultural land, commercial and residential land and buildings. The portfolio is reviewed by the Investment Committee at least twice a year to ensure that the total return on investments is maximised whilst maintaining an appropriate asset allocation balancing risk and returns.

The policy is to sell agricultural holdings with planning consent, as favourable opportunities arise, and to reinvest for a better rate of return.

Short Term Investments

These funds are available for use in the short term as required for working capital. Deposit Funds are usually held as deposits with the Central Board of Finance.

Reserves policy

Free reserves

ODBF has very substantial ongoing responsibilities including the remuneration of some 370 stipendiary clergy, the upkeep of some 450 houses and the employment of some 82 full time equivalent staff. It is considered that, to meet substantial outgoings, the target general reserves at 1 January each year should be equivalent to three months gross expenditure from general funds in the forthcoming year. At 31 December 2023, ODBF's free reserves of £9.68m (2022: £8.7m) were equivalent to 4.3 months (2022: 3.9 months) of gross expenditure from general funds in the forthcoming year.

Tangible fixed assets property fund

This fund represents the net book value of the ODBF's tangible fixed asset properties plus any specifically related debtors less loans drawn down to finance the purchase of those properties.

Designated funds

The directors may designate additional unrestricted funds to be retained for an agreed purpose where this is considered to be prudent. Such designated funds are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each fund together with the intended use of the fund is set out in note 22. At 31 December 2023 total designated funds were £9m (2022: £9.2m), with the reduction due to expending the Property Repair Fund in full, as well as expending further the New Communities Fund.

FINANCIAL REVIEW (Cont'd)**Restricted and endowment funds**

As set out in note 21, ODBF holds and administers a large number of restricted and endowment funds, including the Diocesan stipends fund and the parsonage house fund. As at 31 December 2023 restricted funds totalled £2.4m (2022: £2.5m) and endowment funds totalled £423m (2022: £417m).

Grant making 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 7). Grants are paid to other connected charities and to other projects that are in furtherance of ODBF's charitable objectives. (See note 11).

Statement on raising funds

ODBF raises funds through Parish Share and on occasions receives other donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with Parochial Church Councils (PCCs), donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on PCCs, donors and supporters. It applies best practice to protect the data of individuals and never sells data and ensures that communication preferences can be changed at any time. ODBF manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. ODBF undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, ODBF received no formal complaints about its activities for raising funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk areas and the associated mitigation strategies are:

Significant under payment of Parish Share, mitigated by:

- Close partnership and regular communication between the Diocese, Deaneries and Parishes.
- Continued finance related training for Parish Officers.
- Implementation of Share recovery plans for impacted Deaneries.

Under-performance of investment markets, which leads to insufficient funds from Total Return to meet related strategic objectives, mitigated by:

- Annually review and monitor spend from the Unapplied Total Return Fund.
- Review investment policy and performance via the Diocesan Investment Committee.

Continuing decrease and/or no significant growth of children & young people coming to faith, mitigated by:

- Significantly-increased profile of an increase being a strategic imperative
- Bid to National Church Institutions for additional resources.
- Increase pipeline of children and youth workers.

Insufficient numbers of ordained ministers. Mitigated by:

- Review how we engage with potential, young, candidates for ordained ministry.
- Development of different models of ministry (and related training models) and increased vocations activity.
- Have a greater focus on encouraging, training & releasing lay ministry.

Safer recruitment processes not being carried out by all church bodies and people who could be a risk to others volunteering with children & vulnerable adults, and parishes not being adequately supported to implement preventative safeguarding measures. Mitigated by:

- Continue suite of training interventions at Diocesan & Parish levels.
- Support low resilience/vulnerable parishes where there is no Parish Safeguarding officer, or in vacancy.

Not meeting our Climate Change/Net zero commitment within the 2035 timeframe, mitigated by:

- Ongoing monitoring by the Environment Action & Property Teams.
- Bids, including to National Church Institutions, for additional resources.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Summary Information about the structure of the Church of England

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

The National Church has a General Synod comprised of ex-officio and elected representations from each Diocese and it agrees and lays before Parliament, Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and lay workers.

Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese of Oxford is itself divided into twenty-nine deaneries, each with its own Synod and within each parish there is a parochial church council which shares, with the parish priest, responsibility for the mission of the Church in that place.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to work in partnership with other Dioceses.

Organisational structure

Through an area scheme the Diocesan Bishop, the Bishop of Oxford, has delegated certain powers to the Bishops of Reading, Buckingham and Dorchester in relation to the archdeaconries of Berkshire, Buckinghamshire and Dorchester respectively. Each archdeaconry is subdivided into deaneries, there being a total of 29 deaneries across the Diocese, which are further subdivided into some 620 parishes.

The Diocese is governed by Standing Orders approved on 27 February 1988 and subsequent amendments, most recently in March 2021. 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 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, determines major policy matters and approves an annual budget.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Organisational structure (Cont'd)

Its role is also to act as a forum for discussion of Christian opinion, to advise the Bishop of Oxford on matters on which he may wish to consult, to deal with items referred by the General Synod of the Church of England or deanery synods, to make appointments to committees and to make provision for the financing of the Diocese. Many of Synod's responsibilities have been delegated to the Bishop's Council and Standing Committee.

Company status

Oxford Diocesan Board of Finance (ODBF) was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 10 February 1916 as a company (No. 142978 England and Wales) limited by guarantee and its governing documents are the Memorandum and Articles of Association, which were most recently amended slightly in March 2021. ODBF is a registered charity (No. 247954).

Every member of Diocesan Synod (unless they are an ODBF employee) is a member of ODBF and has a personal liability limited to £1 under their guarantee as members in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council are ODBF's Board of Directors.

Decision-making structure

Diocesan Synod has delegated the following functions to the Board of Directors:

- Planning the business of the Diocesan 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; and
- Carrying out any other functions which may be delegated by Diocesan Synod.

The Board of Directors has delegated responsibility for the day-to-day management of ODBF to the Diocesan Secretary who is supported by a number of heads of departments and their staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Committee structure

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

Diocesan responsibilities for education are carried out by ODBE, a charitable company limited by guarantee.

Oxford 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.

Partnership in World Mission, which promotes world Christian mission, particularly through partnership with mission agencies and the Church worldwide.

Diocesan Committee for Interfaith Concerns, which provides oversight and strategic input on interfaith matters, as required.

Bishop's Council

The members of the Bishop's Council are the Board of Directors. In 2023 Bishop's Council consisted of 13 ex officio members, (including the Diocesan and Area Bishops and the four Archdeacons), 2 clerical and 3 lay members from each of the Berkshire, Buckingham and Dorchester archdeaconries, 2 clerical and 2 lay members from the Oxford archdeaconry, and 2 members nominated by the Diocesan Bishop.

The Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which is responsible for the task of approving pastoral reorganisation taking account of available clergy numbers and making use of new patterns of ministry.

The Bishop's Council as Board of Directors of ODBF has the following sub-committees:-

Buildings 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 ODBF.

Diocesan Advisory Committee, 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Committee structure (Cont'd)

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 directors prior to submission to Diocesan Synod and monitors expenditure and income.

Glebe Committee, which is responsible for determining policy and making major decisions concerning the management of glebe property for the benefit of the Diocesan Stipends Fund of the Diocese and reports to the Finance Committee.

The Investment Committee reviews the Diocesan Stipends Fund investment portfolio and reports to the Finance Committee.

Audit Committee, which is responsible for assisting the directors in the discharge of their responsibilities for accounting policies, financial reporting and internal control, including liaison with the auditors, reviewing and proposing auditors for appointment and review of risk registers.

Human Resources Panel, which is responsible for personnel issues concerning staff.

The Audit Committee also serves ODBE and DT(O)L and the Human Resources Panel also serves ODBE.

Safeguarding Panel, is responsible for ensuring continuous improvement and ongoing best practice regarding safeguarding effectiveness.

Closed Churches Committee, oversees the process of church closure and identifies for those churches which are listed buildings or in conservation areas and which have been or are proposed to be closed, and to develop proposals for the future of these closed churches.

Common Vision Steering Group, provides strategic oversight, support and challenge for the Common Vision Programme.

Local Ministry Pathway, provides governance and oversight for the diocese's internal ordained and lay ministry training programme.

Rural Advisory Group, to ensure the issues and concerns of the diocese's rural church parishes are properly considered in the development and implementation of the Diocese of Oxford's plans, including its common vision strategy, for the Diocese.

Appointments Committee, all new appointments for DBF committees, where vacancies arise, go to the Appointments Committee for consideration and to make recommendations on prospective new members to Bishop's Council, for their approval.

Appointment of directors

Directors were either appointed ex officio on the basis of their position or are elected as clerical or lay members from each of the four archdeaconries or nominated by the Bishop of Oxford. The ex officio

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Appointment of directors (Cont'd)

members are the Bishops, Archdeacons, the Dean of Christ Church Cathedral, the President and Vice Presidents of the Diocesan Synod and the Chairman and Vice Chairman of the Board of Finance.

Directors are given induction training when first appointed and receive ongoing training, as appropriate.

Some senior staff supporting the Diocesan Secretary have job titles incorporating the title 'Director' but they are not directors of ODBF for the purpose of company law.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 company and of the net income and expenditure of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to 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.

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

Related parties

- General Synod, Church Commissioners and Archbishops' Council
ODBF has to comply with Measures passed by the General Synod of the Church of England and makes certain annual grant payments to the Archbishops' Council towards the running costs of the

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Related parties (Cont'd)**

National Church. The stipends of the Diocesan and Area Bishops are borne by the Church Commissioners and are not reflected in the attached financial statements.

- Parochial Church Councils (PCCs) and Deaneries

ODBF is required by Measure to be custodian trustee in relation to PCC property, and ODBF delegates this to DT(O)L but ODBF has no control over PCCs, which are independent charities.

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

The accounts of PCCs and deaneries do not form part of these financial statements.

Connected Charities

The directors consider the following to be connected charities:

- Oxford Diocesan Board of Education (ODBE) – a charitable company with responsibility for some 285 Church schools across the Diocese, providing pastoral and professional support to all its schools and which has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.
- Diocesan Trustees (Oxford) Limited (DT(O)L) - which is a charitable company resourced by ODBF and which is responsible for ensuring that parish and educational properties and trust funds are used in accordance with the terms of trust. ODBF transferred responsibility of being Diocesan Authority for parochial and other trusts to DT(O)L.
- Oxford Diocesan Schools Trust – which is a charitable company and is a Multi Academy Trust serving church and community schools across Oxfordshire and Berkshire.
- Oxford Diocesan Bucks Schools Trust - which is a charitable company and a Multi Academy Trust serving church and community schools across Buckinghamshire.
- Oxford Diocesan Council for the Deaf - which works with deaf and hard-of-hearing people to meet their spiritual, social and general needs and to give them a voice and full participation in church and society.
- Parents and Children Together (PACT) – a charitable company supporting families through adoption, therapeutic support and community projects.

The objectives of each organisation are congruent with ODBF's objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Public Benefit

The directors are aware of the Charity Commission's guidance on public benefit and have regard to that guidance in their administration of the charity.

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

- Providing 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.

Statement of Disclosure to the Auditor

So far as each director is aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) he/she has taken all the steps that ought to have been taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

ADMINISTRATIVE DETAILS**DIRECTORS**

Members of the Bishop's Council and Standing Committee of the Board of Finance are the directors of the Board. All have served throughout the year except for those who were appointed or resigned as indicated below. The following were the directors and trustees at the date of this report:

The Right Revd Dr S J Croft	Ex officio, Bishop of Oxford, President of Synod
Sir H W H Sants	Ex officio, Chairman ODBF
Mr P Barrett	Lay member, Archdeaconry of Berkshire
The Revd Canon Dr GB Bayliss	Ex officio, Vice President of Synod
The Revd Canon J V Binns	Clerical member, Archdeaconry of Buckingham
Mr M N Burton	Lay member, Archdeaconry of Berkshire
The Ven J Chaffey	Ex officio, Archdeaconry of Oxford
The Revd K Charman (from 22/5/23)	Clerical member, Archdeaconry of Dorchester
The Right Revd GA Collins	Ex officio, Bishop of Dorchester
Canon J Dziegiel	Ex officio, Vice Chairman ODBF
The Ven G C Elsmore	Ex officio, Archdeaconry of Buckingham
The Very Revd Professor S Foot (from 8/7/23)	Ex officio, Dean of Christ Church Cathedral
The Right Revd O Graham	Ex officio, Bishop of Reading
Ms G D Hamnett	Lay member, Archdeaconry of Oxford
Mrs A Kirk (from 2/5/23)	Lay member, Archdeaconry of Buckingham
The Revd Canon R J Lamey	Clerical member, Archdeaconry of Berkshire
Mr D M S Matovu	Nominated by the Bishop of Oxford
The Revd D W McFarland	Clerical member, Archdeaconry of Oxford
The Revd D J Meakin	Clerical member, Archdeaconry of Buckingham
Mr R G Merrylees	Lay member, Archdeaconry of Buckingham
The Revd J M Mintern	Clerical member, Archdeaconry of Berkshire
Dr S Northover	Lay member, Archdeaconry of Dorchester
Mr M Powell	Lay member, Archdeaconry of Dorchester
The Ven S Pullin	Ex officio, Archdeaconry of Berkshire
Mrs S E Scane	Nominated by the Bishop of Oxford
Mrs S F Scott	Lay member, Archdeaconry of Dorchester

ADMINISTRATIVE DETAILS (Cont'd)

The Revd S E Sharp	Clerical member, Archdeaconry of Dorchester
Mr J N Sykes	Ex officio, Vice President of Synod
Dr A Thomas-Betts	Lay member, Archdeaconry of Buckingham
The Ven D Tyler	Ex officio, Archdeaconry of Dorchester
Mrs K M Winrow	Lay member, Archdeaconry of Berkshire

Directors who were not re-elected/resigned/deceased during the year or by the date of this report:

Mr D Lillycrop (to 19/04/2023)	Lay member, Archdeaconry of Buckingham
The Revd R A Peters (to 19/04/2023)	Clerical member, Archdeaconry of Dorchester
The Right Revd Dr A T L Wilson (deceased 17/2/2024)	Ex officio, Bishop of Buckingham

Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2023 comprised the Diocesan Secretary and Company Secretary, the Director of Mission & Ministry, the Director of Finance, the Director of Property, the Director of People and the Director of Communications.

None of the directors of the company received any remuneration connected with their role as key management personnel. Key management personnel employed by ODBF are remunerated at rates that are deemed appropriate for the level of skills and experience they bring to their roles and at a rate commensurate with that of similar roles in comparable organisations. Remuneration is reviewed on an annual basis and approved by the Human Resources Panel.

ADMINISTRATIVE DETAILS (Cont'd)

Registered Office	Church House Oxford, Langford Locks, Kidlington, Oxford OX5 1GF
Bankers	NatWest Bank plc, 32 Cornmarket Street, Oxford, OX1 3EZ
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Solicitors and Diocesan Registrar	Winckworth Sherwood LLP, 2 Chawley Park, Cumnor Hill, Oxford OX2 9GG
Investment advisers	Newton Investment Management Ltd, The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA
Glebe Agents	Carter Jonas, Anchor House, 269 Banbury Road, Oxford, OX2 7LL, Sidleys Chartered Surveyors, 6 King Edward Street, Oxford, OX1 4JL, and Bidwells, Seacourt Tower, West Way Oxford OX2 0JJ
Insurers	EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this directors' report, the directors are also approving the strategic report within their capacity as company directors.

This directors' report, incorporating the strategic report, was approved by the directors on 7 May 2024.



Sir Hector Sants
Chair

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Oxford Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 directors' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 (Cont'd)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement in the directors' report, the directors 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 directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the audit partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, Church Assembly and General Synod Measures, data protection legislation, anti-bribery, employment, health and safety legislation, and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

INDEPENDENT AUDITOR'S REPORT (Cont'd)

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias;
- performed substantive testing of expenditure; and
- investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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.



Catherine Biscoe (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 09 May 2024

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2023

		Unrestricted Funds				Total Funds 2023	Total Funds 2022
		General & Designated Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds		
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:							
Donations	2	18,654	-	686	-	19,340	20,217
Charitable activities	3	2,470	-	396	-	2,866	3,157
Investments	4	1,731	-	252	2,743	4,726	3,974
Other sources	5	-	273	-	1,209	1,482	7
Total		22,855	273	1,334	3,952	28,414	27,355
Expenditure on:							
Raising and managing funds	6	376	-	-	505	881	825
Charitable activities	7	28,558	-	1,122	-	29,680	30,003
Other property costs	8	-	105	-	53	158	112
Total		28,934	105	1,122	558	30,719	30,940
Net (expenditure)/income before investment gains/(losses):		(6,079)	168	212	3,394	(2,305)	(3,585)
Net gains/(losses) on investments		3	-	95	6,659	6,757	(6,504)
Net (expenditure)/income		(6,076)	168	307	10,053	4,452	(10,089)
Total Return transfer	14a	6,360	-	-	(6,360)	-	-
Other transfers	14b	550	(156)	(394)	-	-	-
Net income/(expenditure) after transfers		834	12	(87)	3,693	4,452	(10,089)
Other recognised gains:							
Gains on revaluation of tangible fixed assets	15	-	-	-	-	-	7,077
Gains on defined benefit pension scheme	25	2	-	-	-	2	631
Net movement in funds		836	12	(87)	3,693	4,454	(2,381)
Total funds brought forward	20	18,006	83,061	2,509	416,828	520,404	522,785
Total funds carried forward		18,842	83,073	2,422	420,521	524,858	520,404

All activities derive from continuing activities. The notes on pages 34 to 73 form part of the financial statements. The prior year comparative Statement of Financial Activities (SOFA) for 2022 is shown in Note 26 on page 73.

INCOME AND EXPENDITURE ACCOUNT For the year ended 31 December 2023

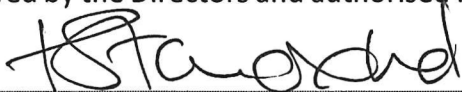
	Total 2023 £'000	<i>Total</i> <i>2022</i> <i>£'000</i>
Income	24,462	24,676
Expenditure	<u>(30,161)</u>	<u>(30,504)</u>
Operating deficit for the year	(5,699)	(5,828)
Net gains/(losses) on investments	98	(127)
Transfers from endowment funds	<u>6,360</u>	<u>7,927</u>
Net income for the year	759	1,972
Other comprehensive income:		
Revaluation of tangible fixed assets	-	1,764
Actuarial gains/(losses) on defined benefit pension scheme	<u>2</u>	<u>(53)</u>
Total comprehensive income	<u>761</u>	<u>3,683</u>

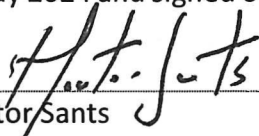
The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

OXFORD DIOCESAN BOARD OF FINANCE Company No. 142978 (England and Wales)
BALANCE SHEET as at 31 December 2023

	Note	2023		2022	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	15		354,116		355,935
Investments	16		159,664		153,080
			<u>513,780</u>		<u>509,015</u>
CURRENT ASSETS					
Debtors due after more than one year	17	120		72	
Debtors due within one year	17	2,732		1,977	
Cash on deposit and at bank		15,074		17,074	
			<u>17,926</u>		<u>19,123</u>
CREDITORS: amounts falling due within one year	18	<u>(4,186)</u>		<u>(5,072)</u>	
NET CURRENT ASSETS			<u>13,740</u>		<u>14,051</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>527,520</u>		<u>523,066</u>
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities – clergy scheme	25		-		-
Other creditors	19		<u>(2,662)</u>		<u>(2,662)</u>
NET ASSETS			<u>524,858</u>		<u>520,404</u>
FUNDS					
Endowment Funds					
(including asset revaluations of £226,415K (2022: £236,103K))			420,521		416,828
Restricted Income Funds					
(including asset revaluations of £341K (2022: £323K))			2,422		2,509
Unrestricted Income Funds:					
Tangible Fixed Asset Property Fund			83,073		83,061
(including asset revaluations of £47,272K (2022: £47,773K))					
Designated Funds			9,011		9,199
General Fund					
(including asset revaluation of £300K (2022: £297K))			<u>9,831</u>		<u>8,807</u>
TOTAL FUNDS	21		<u>524,858</u>		<u>520,404</u>

The notes on pages 34 to 73 form part of these financial statements. The financial statements were approved by the Directors and authorised for issue on 7 May 2024 and signed on behalf of the Directors by:


 The Right Reverend Dr. S. J. Croft
 Bishop of Oxford


 Sir Hector Sants
 Chairman

STATEMENT OF CASH FLOWS For the year ended 31 December 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Net cash used in operating activities (Below A)		(9,736)		(6,291)
Cash flows from investing activities				
Dividends, interest and rent from investments	4,639		3,766	
Interest Paid	(12)		-	
Proceeds from the disposal of:				
Tangible Fixed Assets	7,317		1,644	
Fixed Asset Investments	20,026		18,468	
Purchase of:				
Tangible Fixed Assets	(4,163)		(816)	
Fixed Asset Investments	(20,218)		(18,330)	
Net cash provided by investing activities		7,589		4,732
Cash flows from financing activities				
Loans repaid to ODBF	150		54	
New loans advanced by ODBF	(3)		(35)	
Net cash provided by financing activities		147		19
Change in cash and cash equivalents in the year		(2,000)		(1,540)
Cash and cash equivalents at 1 January		17,074		18,614
Cash and cash equivalents at 31 December (Below B)		15,074		17,074
Reconciliation of net movement in funds to net cash used in operating activities				
A. Net expenditure for the year before investment gains/(losses)		(2,306)		(3,585)
Adjustments for:				
Depreciation charges		147		138
Dividends, interest and rent from investments		(4,639)		(3,766)
Interest paid		12		-
Losses (gains) on sale of functional assets		(1,482)		(7)
Increase/Decrease in debtors (ex loans)		(584)		57
(Decrease)/Increase in creditors (ex loans)		(886)		848
Staff pension scheme adjustment		2		24
Net cash used in operating activities		(9,736)		(6,291)
B. Analysis of cash and cash equivalents				
Cash at bank and on deposit		15,074		17,074

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

The Oxford Diocesan Board of Finance (ODBF) is a company limited by guarantee (No. 142978 England and Wales) and a registered charity (No. 247954) governed by its Memorandum and Articles of Association.

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2023 with comparative information provided for the year to 31 December 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest £1,000.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the valuation of Diocesan houses
- the valuation of investment land and property
- the useful economic life of tangible fixed assets and residual values for the purpose of determining the annual depreciation charge, where required
- the underlying assumptions in the actuarial valuations of the defined benefit schemes
- the estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

1. Principal Accounting Policies (Cont'd)

The directors are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient monetary assets, including short term cash deposits, which could be readily realised to meet liabilities should there be an unexpected curtailment of income.

In the year ending 31 December 2023, the most significant areas of uncertainty that may affect the carrying value of assets held by the charity are the level of investment return and the performance of the investment market and land values.

Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations and legacies, including Parish Share income, income from listed and property (Glebe) investments, income directly related to charitable activities (including grants) and the surplus on disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income is deferred only when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Expenditure**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

2. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.
3. The charitable activities comprise expenditure on the charity's primary charitable purposes as described in the directors' report i.e. promoting the work of the Church in the Diocese including payments of grants. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

Tangible Fixed Assets**Properties**

All properties, including glebe and parsonage houses, are stated at valuation, except for redundant churches that are held at a nil valuation reflecting uncertainty as to their future retention and use, and Church House Oxford which is stated at cost less accumulated depreciation. Valuations are undertaken annually as at 31 December each year by the Director of Property with reference to advice from professional agents. All properties are subject to an annual impairment review by the Director of Property; properties are written down to net realisable value where that is lower than carrying value. The overall net gain or loss for the year on revaluation, if any, is shown in the statement of financial activities.

Additions are at cost but subject to an annual valuation adjustment at the end of the financial year.

Extensions to and significant adaptations to the fabric of buildings are capitalised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

1. Principal Accounting Policies (Cont'd)

With the exception of Church House Oxford (net book value £3.4m), no depreciation is provided on buildings as any charge would not be material due to the very long expected useful economic life and because their expected residual value is not materially less than their carrying value. ODBF has a policy of regular 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 suffer 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.

Depreciation is charged on Church House at an annual rate of 2.5% based on original cost with refurbishment work thereto being depreciated at 5% per annum based on cost.

Sales and purchases of properties are recognised on the date of exchange of contract.

The majority of transfers occur following pastoral reorganisation. A benefice house may be transferred to Diocesan glebe or general funds for disposal or to be held as a corporate property, as determined by the particular pastoral scheme. In the majority of such cases, houses are required as functional fixed assets for housing team vicars (in a team ministry) or other members licensed to a benefice and as such are held as corporate property under unrestricted designated funds.

Leasehold properties are all held on long leases.

Parsonage houses, also known as benefice houses, are legally vested in the incumbent. However, an incumbent is not free to dispose of the house for his/her own benefit, cannot make alterations or improvements to the property and is not responsible for maintaining the house. In spite of the complex tenure of parsonage houses, ODBF is responsible for the maintenance and insurance of the houses in the same way as for other houses and, therefore, they are recognised as tangible fixed assets of ODBF in the balance sheet.

Other tangible fixed assets

Computer and other office equipment and motor vehicles are included at cost less depreciation.

Depreciation is charged so as to write off the cost by equal instalments over their estimated useful lives.

	Rate per annum
Motor cars	25% of cost
Computers	33⅓% of cost
Other office equipment	5% to 25% of cost

Office furniture and small items of equipment costing less than £1k are written off as a revenue cost in the year of purchase.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value, these are recognised initially at transaction value and subsequently measured as described below.

Investments

Investments include agricultural holdings and commercial, residential and amenity properties, financial investments and cash deposits. Glebe investments are endowment funds and held with the intention of producing a sustainable income to help fund stipend payments whilst safeguarding capital values in the long term. The property investments are valued as at 31 December each year by the Director of Property based on valuations and advice from professional agents. Where formal planning consent has been given for the development of a site, the valuation takes the development potential of the site into account. No depreciation is applied to investment properties.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The Glebe permanent endowment fund comprises assets (including listed investments) which must be held as capital. From 1 January 2018, the charity has operated a total return approach to the management of the listed investment portfolio representing the Glebe permanent endowment fund. Using this approach, the charity is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return.

The charity is permitted to allocate from the unapplied total return element such sums as the directors consider appropriate provided the directors exercise their statutory duty to be even handed as between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets. The charity's objective is also to maintain the value of non-distributable funds in real terms.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. CBF deposits are highly liquid investments and are included in cash at bank and in hand.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Funds structure

The unrestricted funds include certain tangible fixed assets of the company, those assets designated or set aside by the directors for specific purposes and those assets which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The endowment funds comprise assets which normally must be held as capital (permanent) but, where permitted, may be applied towards meeting certain charitable aims (expendable). The income therefrom may be used either in accordance with the donors' wishes, if stipulated, or for general purposes.

Pensions

ODBF operates an occupational pension scheme through the Pensions Trust, which is a defined benefit scheme based on final salary and which closed to new entrants during 2006 and closed to future accrual in 2022. In 2007 ODBF began to operate a defined benefit scheme through the Church Workers Pension Fund scheme for new staff. It also operates a stakeholder scheme and contributes to personal pension schemes.

A separate pension scheme for clergy is administered by the Church of England Pensions Board (CEPB) and is a defined benefit scheme. Details of the staff and clergy schemes are set out in note 25.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)**

The financial statements take account of the annual valuation of the defined benefit schemes undertaken by the pension fund's actuaries.

For the salaried staff defined benefit scheme, the change in the value of the pension asset or liability over the year has been analysed into the following components:

- current service cost
- net interest income or expenses
- actuarial gains and losses

The current service cost, net interest income and expenses are included in the Statement of Financial Activities. Actuarial gains and losses arising from updating the latest actuarial valuation to reflect conditions at the balance sheet date are included as other recognised gains or losses. More details are included in note 25.

ODBF's contributions to the defined contribution scheme, the stakeholder scheme, personal pensions and the normal contributions to the CEPB scheme are included as expenditure when payable.

Where deficit contributions are payable in addition to normal contributions, a liability is recognised for the present value of the future agreed deficit contributions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**2. Income from Donations**

	2023			2022		
	Unrestricted Funds	Restricted Funds	Total Funds 2023	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Parish contributions	19,060	-	19,060	19,300	-	19,300
Share rebates and discounts	(634)	-	(634)	(568)	-	(568)
	<u>18,426</u>	<u>-</u>	<u>18,426</u>	<u>18,732</u>	<u>-</u>	<u>18,732</u>
Benefact Trust	192	-	192	219	-	219
Other donations	36	686	722	207	1,059	1,266
Total Income	<u>18,654</u>	<u>686</u>	<u>19,340</u>	<u>19,158</u>	<u>1,059</u>	<u>20,217</u>

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

2023 Parish share receipts were £19,060k which represented 94.5% of the total apportioned (2022: 95.2%). £18K out of £19,060K total receipts related to 2022 receipts accounted for in 2023.

3. Income from Charitable Activities

	2023			2022		
	Unrestricted Funds	Restricted Funds	Total Funds 2023	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	872	-	872	876	-	876
Training, events and similar	79	396	475	126	700	826
Housing income	1,404	-	1,404	1,319	-	1,319
School premises support	115	-	115	133	-	133
Other	-	-	-	3	-	3
	<u>2,470</u>	<u>396</u>	<u>2,866</u>	<u>2,457</u>	<u>700</u>	<u>3,157</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**4. Income from Investments**

	2023			Total Funds 2023 £'000
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	
	Dividends receivable	1	189	
Interest receivable	541	63	-	604
Rents receivable	1,101	-	-	1,101
Other investment income (e.g. solar panel)	88	-	-	88
	<u>1,731</u>	<u>252</u>	<u>2,743</u>	<u>4,726</u>

	2022			Total Funds 2022 £'000
	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment Funds £'000</i>	
	<i>Dividends receivable</i>	<i>1</i>	<i>185</i>	
<i>Interest receivable</i>	<i>205</i>	<i>18</i>	<i>-</i>	<i>223</i>
<i>Rents receivable</i>	<i>785</i>	<i>-</i>	<i>-</i>	<i>785</i>
<i>Other investment income (e.g. solar panel)</i>	<i>101</i>	<i>-</i>	<i>208</i>	<i>309</i>
	<u><i>1,092</i></u>	<u><i>203</i></u>	<u><i>2,679</i></u>	<u><i>3,974</i></u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. Income from Other Sources

	2023				Total Funds 2023
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	
	£'000	£'000	£'000	£'000	
Surplus on disposal of properties	-	273	-	1,209	1,482

	2022				Total Funds 2022
	<i>General Funds</i>	<i>Tangible Fixed Assets Property Fund</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
<i>Surplus on disposal of motor vehicle</i>	<i>7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7</i>
	<i>7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7</i>

6. Expenditure on Raising and Managing Funds

	2023			2022		
	Unrestricted Funds	Endowment Funds	Total Funds 2023	<i>Unrestricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2022</i>
	£'000	£'000	£'000	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Glebe costs	236	505	741	<i>264</i>	<i>430</i>	<i>694</i>
Parsonage rental costs	108	-	108	<i>101</i>	<i>-</i>	<i>101</i>
Other	32	-	32	<i>30</i>	<i>-</i>	<i>30</i>
	<u>376</u>	<u>505</u>	<u>881</u>	<u><i>395</i></u>	<u><i>430</i></u>	<u><i>825</i></u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**7. Expenditure on Charitable Activities**

	2023			Total Funds 2022 £'000
	Unrestricted Funds	Restricted Funds	Total Funds	
	£'000	£'000	£'000	
Contributions to Archbishops' Council				
Training for Ministry	842	-	842	902
National Church Responsibilities	540	-	540	566
Mission agency pension costs	30	-	30	39
Retired clergy housing	366	-	366	348
Grants and provisions	95	-	95	78
	1,873	-	1,873	1,933
Resourcing Ministry & Mission				
Parish Ministry:				
Stipends	9,986	-	9,986	9,705
National insurance	824	-	824	823
Pension contributions	2,450	-	2,450	3,213
Apprenticeship levy	46	-	46	44
Housing costs	5,493	-	5,493	5,251
Removal, resettlement, parish & clergy grants	348	1	349	307
Other parish expenses	686	-	686	1,081
	19,833	1	19,834	20,424
Support for parish ministry & training				
Ordinand grants	671	-	671	740
Diocesan training costs	548	396	944	1,443
Mission in the Diocese	3,293	405	3,698	2,468
DAC, MPC & DT(O)L	317	-	317	411
Communications	243	-	243	354
Bishops, Archdeacons & Area Offices	452	-	452	735
	5,524	801	6,325	6,151
Expenditure on grants				
Grants to Oxford Diocesan Board of Education (ODBE)	275	-	275	269
Grants to other organisations (see note 11)	1,053	320	1,373	1,226
	1,328	320	1,648	1,495
Total charitable activities	28,558	1,122	29,680	30,003

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**7. Expenditure on Charitable Activities (Cont'd)**

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total Funds 2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Contributions to Archbishops' Council			
<i>Training for Ministry</i>	902	-	902
<i>National Church Responsibilities</i>	566	-	566
<i>Mission agency pension costs</i>	39	-	39
<i>Retired clergy housing</i>	348	-	348
<i>Grants and provisions</i>	78	-	78
	<hr/> 1,933	<hr/> -	<hr/> 1,933
Resourcing Ministry and Mission			
<i>Parish Ministry:</i>			
<i>Stipends</i>	9,705	-	9,705
<i>National insurance</i>	823	-	823
<i>Pension contributions</i>	3,213	-	3,213
<i>Apprenticeship levy</i>	44	-	44
<i>Housing costs</i>	5,251	-	5,251
<i>Removal, resettlement, parish & clergy grants</i>	307	-	307
<i>Other parish expenses</i>	1,081	-	1,081
	<hr/> 20,424	<hr/> -	<hr/> 20,424
Support for parish ministry and training			
<i>Ordinand grants</i>	740	-	740
<i>Diocesan training costs</i>	840	603	1,443
<i>Mission in the Diocese</i>	2,063	405	2,468
<i>DAC, MPC & DT(O)L</i>	411	-	411
<i>Communications</i>	354	-	354
<i>Bishops, Archdeacons & Area Offices</i>	735	-	735
	<hr/> 5,143	<hr/> 1,008	<hr/> 6,151
Expenditure on grants			
<i>Grants to Oxford Diocesan Board of Education (ODBE)</i>	269	-	269
<i>Grants to other organisations (see note 11)</i>	554	672	1,226
	<hr/> 823	<hr/> 672	<hr/> 1,495
Total charitable activities	<hr/> 28,323	<hr/> 1,680	<hr/> 30,003

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Other Property Costs

	2023		
	Tangible Fixed Asset Property Fund £'000	Endowment Funds £'000	Total Funds 2023 £'000
Loss on disposal of properties	-	53	53
Valuation and related costs	105	-	105
	<u>105</u>	<u>53</u>	<u>158</u>

	2022		
	<i>Tangible Fixed Asset Property Fund £'000</i>	<i>Endowment Funds £'000</i>	<i>Total Funds 2022 £'000</i>
<i>Loss on disposal of properties</i>	-	3	3
<i>Valuation and related costs</i>	106	3	109
	<u>106</u>	<u>6</u>	<u>112</u>

9. Analysis of Expenditure Including Allocation of Support Costs

	2023			2022		
	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	Total Costs 2023 £'000	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	Total Costs 2022 £'000
Raising and managing funds (note 6)	810	71	881	737	88	825
Charitable activities (note 7):						
Contributions to						
Archbishops' Council	1,873	-	1,873	1,933	-	1,933
Resourcing parish ministry	19,424	410	19,834	19,872	552	20,424
Support for parish ministry and training	5,214	1,112	6,326	5,052	1,099	6,151
Grant to Board of Education	275	-	275	269	-	269
Grants to other organisations	1,373	-	1,373	1,226	-	1,226
Other property related costs (Note 8)	158	-	158	112	-	112
	<u>29,127</u>	<u>1,593</u>	<u>30,720</u>	<u>29,201</u>	<u>1,739</u>	<u>30,940</u>

See notes 6 to 8 for an analysis of the costs per category

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. Analysis of Support Costs

	Unrestricted Funds	
	2023	2022
	£'000	£'000
Human resources and administration	318	277
Finance	274	395
Secretariat	234	203
ICT	245	325
Premises and other	269	330
Governance:		
External audit	53	40
Registrar and Chancellor	175	154
Synod costs	25	15
	1,593	1,739

11. Analysis of Grants Made

	2023	2022	2023	2022
	No.	No.	£'000	£'000
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council (note 7)	1	1	1,873	1,933
From general and restricted funds to institutions: (Note 7)				
Parents and Children Together (PACT)	1	1	95	95
Development Fund Grants	43	29	836	373
Ecumenical and chaplaincy grants	3	3	42	41
Grants for parish building projects	20	22	28	29
Bishops discretionary grants	4	4	31	16
Oxford Diocesan Council for the Deaf	1	-	20	-
Hardship Funds and Energy Grants	85	705	47	647
Other grants	84	23	274	25
	241	787	1,373	1,226
Grant to ODBE from unrestricted funds	1	1	275	269

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Staff Costs

	2023 £'000	2022 £'000
Staff costs during the year were as follows:		
Wages and salaries	3,427	3,319
National Insurance contributions	345	357
Pension costs	400	410
Total	4,172	4,086

	Number	Number
The average number of persons employed during the year based on headcount:		
Charitable activities	85	73
Support	20	23
Total	105	96

The average number of persons employed during the year based on full-time equivalents		
Charitable activities	67	61
Support	15	19
Total	82	80

The numbers of staff whose emoluments (including benefits in kind but excluding employer's pension contributions and National Insurance) amounting to more than £60,000 were as follows:

£60,001-£70,000	1	1
£70,001-£80,000	3	4
£90,001-£100,000	-	1
£100,001-£110,000	1	-

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2023 comprise:

Diocesan Secretary and Company Secretary	Canon Mark Humphriss
Director of Mission & Ministry	Canon Andrew Anderson-Gear
Director of Finance	Mr John Orridge
Director of Property	Mr David Mason/Mrs Sophie Orme
Director of People	Mrs Poli Shajko/Mrs Charnelle Stylianides
Director of Communications	Mr Steven Buckley

The aggregate remuneration, including employer's pensions and National Insurance contributions for these 6 posts amounted to £590K (2022: £577K).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Staff Costs (Cont'd)

Directors' emoluments

No remuneration has been paid to any director during the year (2022: £nil) for acting as a director or a member of key management. However, 12 (2022: 12) directors, who held ecclesiastical office during the year, were paid aggregate stipends of £372,000 (2022: £338,000). Pension contributions on those stipends amounted to £84,000 (2022: £103,000) and employer's National Insurance thereon was £32,000 (2022: £32,000). 12 Directors (2022: 8) were reimbursed for travel, subsistence and incidental costs amounting to £23,556 (2022: £9,700) for services provided to ODBF in all the capacities in which they serve. Some directors are provided with housing because of their ecclesiastical office. One of the archdeacons was provided with a car with a cost of £14K until May 2023. (2022: 1 car at a cost of £14K).

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

	Stipend	Housing
The Revd Canon Dr G B Bayliss	Yes	Yes
The Revd Canon J V Binns	Yes	Yes
The Venerable J Chaffey	Yes	No
The Venerable G Elsmore	Yes	Yes
The Revd R J Lamey	Yes	Yes
The Revd D W McFarland	Yes	Yes
The Revd D J Meakin	Yes	Yes
The Revd J M Mintern	Yes	Yes
The Revd R A Peters (to 09/04/23)	Yes	Yes
The Venerable S Pullin	Yes	No
The Revd S E Sharp	Yes	Yes
The Venerable D Tyler	Yes	Yes

The ODBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the Diocese (other than when funded by third parties), other than bishops and cathedral staff. The ODBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Area Bishops but excluding the Diocesan Bishop and cathedral staff.

The stipends of the Diocesan Bishop and Area Bishops are funded by the Church Commissioners and are in the range £46,640-£47,106 for Diocesan Bishops and £38,050-£38,590 for Area Bishops. The annual rate of stipend, funded by the ODBF, paid to Archdeacons in 2023 was £37,507 (2022: £36,830) and other stipendiary clergy who were directors were paid in the range £28,243-£29,758 (2022 range £27,963 - £29,463).

The charity has insurance to indemnify the directors and officers against the consequences of any neglect or default on their part. The insurance is provided as part of the charity's general insurance and as such there is no separate premium payable (2022: nil). The cover provided is up to £100,000 (2022: £100,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. Related Parties

The directors consider that the following are related parties:

Oxford Diocesan Board of Education	(ODBE)
Diocesan Trustees (Oxford) Limited	(DT(O)L)
Oxford Diocesan Schools Trust	(ODST)
Oxford Diocesan Buckinghamshire Schools Trust	(ODBST)
Parents and Children Together	(PACT)
Oxford Diocesan Council for the Deaf	(ODCD)

Grants are made to related parties to support their work as below. Their objects are congruent with those of ODBF.

	2023	2022
	£'000	£'000
Grants made to PACT (Note 11)	95	95
Grants made to ODCD	20	-

ODBF bears the entire operating costs of DT(O)L, consisting principally of accounting, secretarial and administrative services. These amounted to £74K (2022: £78K).

ODBF made grants of £275K to ODBE in 2023 (2022: £269K) (see Note 7). £50K was also committed to ODBE to support Common Vision projects: chaplaincy and development of church/school relationships. DBF recharged ODBE for accounting, company secretarial, human resources, ICT, premises administrative services totalling £171K in 2023 (2022: £171K). The balance due from ODBE at 31 December 2023 was £133K (2022: £79K).

ODST partially occupied space in Church House Oxford and contributed £26K (2022: £26K) towards the running costs of the building including reception and ICT.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**14. Analysis of Transfers between Funds****a) Transfers in respect of Total Return**

	General Funds	Designated Funds	Total Unrestricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	6,360	-	6,360	(6,360)
ii) Transfer from general to designated funds for Unapplied Total Return Fund	<u>(2,263)</u>	<u>2,263</u>	<u>-</u>	<u>-</u>

i) In 2023 £6.4M (2022: £7.9M) has been transferred to general funds from the Glebe Investments Endowment Fund to fund the costs of stipendiary ministry in accordance with the Diocesan Stipends Fund (Amendment) Measure 2016.

ii) The transfer to Designated Funds, as agreed by Bishop's Council & Diocesan Synod, supports the funding of the Unapplied Total Return Fund (formerly the Common Vision Fund), by applying £2.3M (2022: £3.9M) of general funds as a consequence of the opportunity created by Total Return.

As this £2.3 million cannot legally be drawn from the £6.4M, all of the £6.4 million is applied to the costs of stipendiary ministry, and the £2.3 million is drawn from other income of the diocese (of which the largest element is parish share). The net impact of these two separate transfers is to augment the amount of the diocese's total funds being applied to support stipendiary ministry within the Diocese during the year by £4.1M (2022: £3.9M).

2022 prior year comparatives:

	General Funds	Designated Funds	Total Unrestricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	7,852	-	7,852	(7,852)
ii) Transfer from general to designated funds for Common Vision	<u>(3,912)</u>	<u>3,912</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**14. Analysis of Transfers between Funds (Cont'd)****b) Other transfers**

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(1,016)	1,016	-	-
i) Disposal of Board properties	1,172	(1,172)	-	-
ii) Other transfers	394	-	(394)	-
	<u>550</u>	<u>(156)</u>	<u>(394)</u>	<u>-</u>

i) The purchase of Board owned properties requires an equivalent transfer from the general fund to the Board Properties Fund to finance Board properties; a disposal of Board owned properties requires a transfer from the Board Properties Fund to the general fund.

ii) Income from ODBF and DTOL Trusts restricted funds is transferred to the general fund to support stipendiary costs.

2022 prior year comparatives:

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(10)	10	-	-
i) Disposals of Board properties	69	-	(69)	-
Other transfers	-	-	75	(75)
	<u>59</u>	<u>10</u>	<u>6</u>	<u>(75)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**15. Tangible Fixed Assets**

	Freehold Property	Leasehold Property	Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2023	85,550	804	1,085	234,342	35,714	357,495
Additions	1,016	-	38	3,109	-	4,163
Disposals	(898)	-	-	(4,205)	(732)	(5,835)
At 31 December 2023	85,668	804	1,123	233,246	34,982	355,823
Depreciation						
At 1 January 2023	632	-	928	-	-	1,560
Charge for the year	106	-	41	-	-	147
At 31 December 2023	738	-	969	-	-	1,707
Net Book Values						
At 31 December 2023	84,930	804	154	233,246	34,982	354,116
At 31 December 2022	84,918	804	157	234,342	35,714	355,935

	Freehold Property	Leasehold Property	Vehicles & Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2022	83,868	788	1,053	231,352	34,277	351,338
Additions	16	-	46	3	751	816
Disposals	-	-	(14)	(1,640)	-	(1,654)
Revaluations	1,666	16	-	4,627	686	6,995
At 31 December 2022	85,550	804	1,085	234,342	35,714	357,495
Depreciation						
At 1 January 2022	526	-	896	-	-	1,422
Charge for the year	106	-	32	-	-	138
At 31 December 2022	632	-	928	-	-	1,560
Net Book Values						
At 31 December 2022	84,918	804	157	234,342	35,714	355,935
At 31 December 2021	83,342	788	158	231,352	34,277	349,917

Included within 2022 revaluation gains are impairments costs of £138K which had been recognised in Other Property costs (note 8).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 a) Fixed Asset Investments**

	At 1 January 2023	Additions	Disposals at book value	Change in Market Value	Fund Transfers	At 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds						
Equity Mortgage	493	-	-	-	-	493
General fund	-	-	-	-	2,609	2,609
	<u>493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,609</u>	<u>3,102</u>
Designated Funds						
Administered funds	33	-	-	(4)	-	29
UTR Fund	-	-	-	-	9,284	9,284
	<u>33</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>9,284</u>	<u>9,313</u>
Restricted Funds						
ODBF Trusts & other	813	-	(157)	87	-	743
Endowment Funds						
Glebe (note 16b)	146,628	20,216	(20,069)	6,028	(12,193)	140,610
ODBF Trusts & other	5,113	2	-	481	300	5,896
	<u>151,741</u>	<u>20,218</u>	<u>(20,069)</u>	<u>6,509</u>	<u>(11,893)</u>	<u>146,506</u>
Total	<u>153,080</u>	<u>20,218</u>	<u>(20,226)</u>	<u>6,592</u>	<u>-</u>	<u>159,664</u>

	At 1 January 2022	Additions	Disposals	Change in Market Value	At 31 December 2022
	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds					
Equity Mortgage Loans	493	-	-	-	493
Designated Funds					
Administered funds	30	-	-	3	33
Restricted Funds					
ODBF Trusts & other	936	-	-	(123)	813
Endowment Funds					
Glebe (see note 16b)	152,543	18,330	(14,655)	(9,590)	146,628
ODBF Trusts & other	5,798	-	-	(685)	5,113
	<u>158,341</u>	<u>18,330</u>	<u>(14,655)</u>	<u>(10,275)</u>	<u>151,741</u>
Total	<u>159,800</u>	<u>18,330</u>	<u>(14,655)</u>	<u>(10,395)</u>	<u>153,080</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 b) Glebe Investments**

	Agricultural Land	Residential Property	Commercial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2023	23,868	3,046	11,261	2,918	105,535	146,628
Additions at cost	-	-	-	-	20,216	20,216
Disposals at book value	-	-	-	-	(20,069)	(20,069)
Unrealised gains	164	-	-	-	5,864	6,028
Transfers (Note 16a)	-	-	-	-	(12,193)	(12,193)
Net Book Value						
At 31 December 2023	24,032	3,046	11,261	2,918	99,353	140,610
Cost or ICV						
At 31 December 2023	3,780	1,544	11,444	1,796	81,955	100,519

Glebe listed investments are managed by Newton Investment Management.

	Agricultural Land	Residential Property	Commer- cial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2022	23,410	2,986	2,934	2,898	120,315	152,543
Additions at cost	13	-	8,266	-	10,051	18,330
Disposals	(334)	-	-	-	(14,321)	(14,655)
Unrealised gains/(losses)	779	60	61	20	(10,510)	(9,590)
Net Book Value						
At 31 December 2022	23,868	3,046	11,261	2,918	105,535	146,628
Cost or ICV						
At 31 December 2022	3,780	1,544	11,444	1,796	81,809	100,373

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Listed Investments**

The investment power of total return permits ODBF to invest the permanently endowed funds of glebe investments to maximise total return and apply an appropriate portion of the unapplied total return each year to support stipendiary ministry.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. Until December 2022 7% of the value of Glebe listed investments, was transferred to general funds such that it is set against the cost of stipendiary ministry in the year, as determined by the Diocesan Stipends Fund (Amendment) Measure 2016 or incurred on investment management fees. With effect from 1 January 2023 the amount transferred was equivalent to the support specifically required in each year, as approved by Bishops Council.

From 1 January 2018 the Oxford Diocesan Board of Finance adopted a total return approach to investments with regard to the Glebe listed investment portfolio, following consultation with the Diocesan legal advisers and auditors and in accordance with their advice.

The initial value for implementing total return for investment was determined at 31 December 2000 and valued at £14.7M. This was the amount held in listed investments at that date. The unapplied total return was calculated as at 1 January 2018 and valued at £14.9M as the increase above inflation in the value of these investments since the initial valuation, adjusted for the introduction of new investment in the portfolio following significant gains of glebe land which have taken place since 2008. Bishop's Council voted in 2020 to include 2018 & 2019 surplus on glebe land sales totalling £12.38M within the unapplied total return calculation and any development gains from 2018 onwards, to be applied with effect from 1 January 2022. It also voted to apply the CPI inflation measure (backdated to 2000), rather than RPI, further increasing unapplied total return by £5.05M from 1 January 2022. With effect from 1 January 2023, Bishop's Council voted to adjust the start date to 1 January 1997. This has resulted in a further £6.3m being added to unapplied total return. The movements during the last calendar year in the value of the unapplied total return are set out in the following table:

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Listed Investments (cont'd)**

	Trust for investment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 1 January 2023:			
Base value of the permanent endowment	82,896	-	82,896
Unapplied total return	-	18,583	18,583
Total	82,896	18,583	101,479
Adjustments to opening balance			
Pre-2000 UTR adjustment (see note below)	(6,349)	6,349	-
Withdrawal to reinvest in Glebe Commercial Property	(4,137)	-	(4,137)
Adjusted opening balance	72,410	24,932	97,342
Investment returns: dividends received	-	2,743	2,743
Investment return: realised and unrealised gains	-	6,026	6,026
Investment management fees	-	(488)	(488)
Unapplied total return allocated to income in the year	-	(6,360)	(6,360)
Add indexation of base level of endowment	2,896	(2,896)	-
Net movements in the year	2,896	(975)	1,921
As at 31 December 2023:			
Base value of the permanent endowment	75,306	-	75,306
Unapplied total return	-	23,957	23,957
Valuation as at 31 December 2023	75,306	23,957	99,263

Analysis of Withdrawal to income	£'000
Release to general funds to support stipends (note 14)	6,360
Investment management fees	392
Withdrawal to income	<u>6,752</u>

The Pre-2000 UTR adjustment above results from moving the Trust for Investment start date from 31 December 2000 to 1 January 1997. This represented the earliest possible date based on available records to begin the mechanism.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Listed Investments (cont'd)****Prior year figures for the year ended 31 December 2022**

	<i>Trust for investment</i>	<i>Unapplied Total Return</i>	<i>Total endowment</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
As at 1 January 2022:			
<i>Base value of the permanent endowment</i>	78,639	-	78,639
<i>Unapplied total return</i>	-	38,879	38,879
Total	78,639	38,879	117,518
<i>Surplus on sales of glebe land</i>	-	4,480	4,480
<i>Investment returns: dividends received</i>	-	2,471	2,471
<i>Investment return: realised and unrealised gains</i>	-	(10,764)	(10,764)
<i>Withdrawal to reinvest in Glebe commercial property</i>	(4,000)	-	(4,000)
<i>Investment management fees</i>	-	(374)	(374)
<i>Unapplied total return allocated to income in the year</i>	-	(7,852)	(7,852)
<i>Add indexation of base level of endowment</i>	8,257	(8,257)	-
Net movements in the year	4,257	(20,296)	(16,039)
As at 31 December 2022:			
<i>Base value of the permanent endowment</i>	82,896	-	82,896
<i>Unapplied total return</i>	-	18,583	18,583
Valuation as at 31 December 2022	82,896	18,583	101,479
Analysis of Withdrawal to income		£'000	
<i>Release to general funds to support stipends (note 14)</i>		7,852	
<i>Investment management fees</i>		374	
<i>Withdrawal to income</i>		8,226	

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**17. Debtors**

	2023 £'000	2022 £'000
Amounts due after more than one year		
Loans to parishes	120	72
Amounts due within one year		
Prepayments	466	67
Accrued income	771	429
Other debtors	1,185	1,052
Loans	106	289
Amounts due from connected charities	204	140
Total	<u>2,732</u>	<u>1,977</u>
Total debtors	<u>2,852</u>	<u>2,049</u>

18. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Creditors and accruals	3,564	4,535
Taxation and social security	124	89
Deferred income	498	448
Total creditors: amounts falling due within one year	<u>4,186</u>	<u>5,072</u>

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

	2023 £'000	2022 £'000
Loans and others	2,662	2,662
Total creditors: amounts falling due after more than one year	<u>2,662</u>	<u>2,662</u>

The above loans are all repayable after more than five years

Loans include equity mortgage loans from the Church Commissioners. Equity mortgages are secured on individual freehold properties and are repayable on disposal.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements**

	2023					
	Balances at 1 Jan 2023	Income	Expenditure	Transfers (note 14)	Gains	Balances at 31 Dec 2023
	£'000	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS						
General	8,807	22,815	(26,646)	4,853	2	9,831
Designated Funds						
Unapplied Total Return Fund	8,128	14	(2,208)	2,263	-	8,197
Development posts and new communities fund	670	-	(62)	-	-	608
Property repair & maintenance	220	-	-	(220)	-	-
Other funds	181	26	(18)	14	3	206
	9,199	40	(2,288)	2,057	3	9,011
Total General and Designated Funds	18,006	22,855	(28,934)	6,910	5	18,842
Tangible Fixed Assets Property Fund						
Board properties fund	83,061	273	(105)	(156)	-	83,073
RESTRICTED FUNDS						
Diocesan Pastoral Account	255	9	(17)	-	-	247
Mission grants fund	110	396	(396)	(110)	-	-
Sillitoe Bequest	1,055	35	(165)	-	94	1,019
Other funds below £250K	1,089	894	(544)	(284)	1	1,156
	2,509	1,334	(1,122)	(394)	95	2,422
ENDOWMENT FUNDS						
Glebe team vicarages	36,504	25	-	-	-	36,529
Glebe investments	138,581	2,743	(504)	(6,360)	6,186	140,646
Clergy pension scheme deficit	-	-	-	-	-	-
Diocesan stipends fund	175,085	2,768	(504)	(6,360)	6,186	177,175
Parsonage house fund	236,563	1,184	(54)	-	-	237,693
Stipends bequest fund	2,407	-	-	-	-	2,407
Ordination candidates funds	1,758	-	-	-	-	1,758
Other funds	1,015	-	-	-	473	1,488
	416,828	3,952	(558)	(6,360)	6,659	420,521
Total funds	520,404	28,414	(30,719)	-	6,759	524,858

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements (Cont'd)**

	2022					
	<i>Balances at 1 Jan 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains/ (Losses)</i>	<i>Balances at 31 Dec 2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
UNRESTRICTED FUNDS						
<i>General</i>	9,005	22,657	(27,112)	4,314	(57)	8,807
Designated Funds						
<i>Common Vision</i>	5,660	6	(1,450)	3,912	-	8,128
<i>Development posts and new communities fund</i>	775	-	(105)	-	-	670
<i>Property repair & maintenance</i>	550	-	-	(330)	-	220
<i>Other funds</i>	166	51	(51)	15	-	181
	<u>7,151</u>	<u>57</u>	<u>(1,606)</u>	<u>3,597</u>	<u>-</u>	<u>9,199</u>
Total General and Designated Funds	<u>16,156</u>	<u>22,714</u>	<u>(28,718)</u>	<u>7,911</u>	<u>(57)</u>	<u>18,006</u>
Tangible Fixed Assets Property Fund						
<i>Board properties fund</i>	81,393	-	(106)	10	1,764	83,061
RESTRICTED FUNDS						
<i>Diocesan Pastoral Account</i>	186	4	(10)	75	-	255
<i>Mission grants fund</i>	28	700	(618)	-	-	110
<i>Archbishops Hardship grant</i>	-	647	(647)	-	-	-
<i>Sillitoe Bequest</i>	1,150	27	-	-	(122)	1,055
<i>Other funds below £250K</i>	980	584	(405)	(69)	(1)	1,089
	<u>2,344</u>	<u>1,962</u>	<u>(1,680)</u>	<u>6</u>	<u>(123)</u>	<u>2,509</u>
ENDOWMENT FUNDS						
<i>Glebe team vicarages</i>	35,817	-	-	-	687	36,504
<i>Glebe investments</i>	149,883	2,679	(430)	(7,852)	(5,699)	138,581
<i>Clergy pension scheme deficit</i>	(684)	-	-	-	684	-
<i>Diocesan stipends fund</i>	185,016	2,679	(430)	(7,852)	(4,328)	175,085
<i>Parsonage house fund</i>	232,017	-	(6)	(75)	4,627	236,563
<i>Stipends bequest fund</i>	2,407	-	-	-	-	2,407
<i>Ordination candidates funds</i>	1,758	-	-	-	-	1,758
<i>Other funds</i>	1,694	-	-	-	(679)	1,015
	<u>422,892</u>	<u>2,679</u>	<u>(436)</u>	<u>(7,927)</u>	<u>(380)</u>	<u>416,828</u>
Total funds	<u>522,785</u>	<u>27,355</u>	<u>(30,940)</u>	<u>-</u>	<u>1,204</u>	<u>520,404</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund**

			2023		
	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	154	3,102	8,428	(1,853)	9,831
Designated					
Unapplied Total Return	-	9,284	856	(1,943)	8,197
Development posts and new communities fund	-	-	608	-	608
Other funds	-	29	177	-	206
	-	9,313	1,641	(1,943)	9,011
Total general and designated funds	154	12,415	10,069	(3,796)	18,842
Tangible fixed assets property fund					
Board properties fund	85,735	-	-	(2,662)	83,073
RESTRICTED FUNDS					
Diocesan Pastoral Account	-	-	247	-	247
Mission grants fund	-	-	255	(255)	-
Sillitoe Bequest	-	729	290	-	1,019
Other funds below £250K each	-	14	1,176	(34)	1,156
	-	743	1,968	(289)	2,422
ENDOWMENT FUNDS					
Glebe team vicarages	34,981	300	1,248	-	36,529
Glebe investments	-	140,610	137	(101)	140,646
Diocesan stipends fund	34,981	140,910	1,385	(101)	177,175
Parsonage house fund	233,246	-	4,447	-	237,693
Stipends bequest fund	-	2,407	-	-	2,407
Ordination candidates funds	-	1,758	-	-	1,758
Other	-	1,431	57	-	1,488
	268,227	146,506	5,889	(101)	420,521
Total Funds	354,116	159,664	17,926	(6,848)	524,858

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund (Cont'd)**

	<i>Tangible Fixed Assets £'000</i>	<i>Investments £'000</i>	2022 <i>Current Assets £'000</i>	<i>Creditors £'000</i>	<i>Net Assets £'000</i>
UNRESTRICTED FUNDS					
<i>General</i>	157	493	10,078	(1,921)	8,807
Designated					
<i>Common Vision</i>	-	7,014	3,094	(1,980)	8,128
<i>Development posts and new communities fund</i>	-	-	670	-	670
<i>Property repair & maintenance</i>	-	-	220	-	220
<i>Other funds</i>	-	33	171	(23)	181
	-	7,047	4,155	(2,003)	9,199
Total general and designated funds	157	7,540	14,233	(3,924)	18,006
Tangible fixed assets property fund					
<i>Board properties fund</i>	85,722	-	-	(2,661)	83,061
RESTRICTED FUNDS					
<i>Diocesan Pastoral Account</i>	-	-	255	-	255
<i>Mission grants fund</i>	-	-	295	(185)	110
<i>Sillitoe Bequest</i>	-	800	255	-	1,055
<i>Other funds below £250K each</i>	-	13	1,174	(98)	1,089
	-	813	1,979	(283)	2,509
ENDOWMENT FUNDS					
<i>Glebe team vicarages</i>	35,714	300	490	-	36,504
<i>Glebe investments</i>	-	139,307	139	(865)	138,581
<i>Diocesan stipends fund</i>	35,714	139,607	629	(865)	175,085
<i>Parsonage house fund</i>	234,342	-	2,221	-	236,563
<i>Stipends bequest fund</i>	-	2,407	-	-	2,407
<i>Ordination candidates funds</i>	-	1,758	-	-	1,758
<i>Other</i>	-	955	61	(1)	1,015
	270,056	144,727	2,911	(866)	416,828
Total Funds	355,935	153,080	19,123	(7,734)	520,404

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds****General fund**

The general fund is the ODBF's unrestricted undesignated fund available for any of the ODBF's purposes without restriction.

Designated fundsUnapplied Total Return Fund (previously Common Vision Fund)

The adoption of total return accounting from 1 January 2018 generates funds to be released towards supplementing the costs of stipendiary ministry within the general fund. This, in turn, enables general funds to be transferred to a designated income fund for expenditure, other than stipendiary costs, in relation to the Common Vision strategy.

With effect from 1 January 2023, the fund was renamed the Unapplied Total Return Fund. From an internal fund management perspective, this fund combines the unapplied total return balance per note 16(c) of £24.0m in addition to the designated fund per note 21 of £8.2m, resulting in a total of £32.2m.

Development posts and new communities fund

In July 2014 and February 2015 Bishop's Council considered and approved the transfer of £600K to a new designated fund for development posts in new communities. In February 2016 Bishop's Council approved the transfer of an additional £800K to the fund for development posts.

Property repair and maintenance fund

This fund was created to support deferred repair and maintenance expenditures (deferred from 2020 and 2021 due to the pandemic), especially within the vicarages portfolio.

Tangible Fixed Assets Property FundBoard properties fund

The Board properties fund is represented by tangible fixed asset properties plus any related debtors less loans drawn down to finance the purchase of those properties.

Restricted fundsDiocesan Pastoral Account

The Diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:

- to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular Diocesan employees
- to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese
- other purposes of the Diocese or any benefice or parish in the Diocese
- to make grants or loans to any other Diocese
- to transfer funds to the Diocesan stipends fund income or capital accounts

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds (cont'd)**Sillitoe Bequest

A bequest was received in April 1999 to establish a discretionary fund to help clergy to retire early for reasons other than ill health. The allocation of funds is agreed by the Diocesan Secretary and the Archdeacon or Bishop of an Archdeaconry as appropriate.

Endowment fundsDiocesan stipends capital fund

The Diocesan stipends capital fund has been created from the Diocesan stipends fund capital account assets previously held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.

Parsonage house fund

The parsonage house fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses.

Although benefice houses are vested in the incumbents for the time being of the benefices concerned, ODBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the ODBF.

Stipends bequests fund

The Stipends bequest fund is made up of various legacies and bequests. All income can be used to pay stipends.

Ordination candidates funds

The Ordination candidates funds are made up of several benefactions used to help fund ordination candidates.

23. Capital Commitments

There were no capital commitments at the 31 December 2023 or 2022.

24. Members' liability

The Charity is constituted as a company limited by guarantee. In the event that the company is wound up, company members are required to contribute an amount not exceeding £1 each.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions

Stipendiary Clergy

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to each specific Responsible Body, and this means that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2023: £2,450K, 2022: £3,213K), plus the figures highlighted in the table below as being recognised in the statement of financial activities, giving a total charge of £2,450k for 2023 (2022: £3,359K).

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 actuarial mortality tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a and an allowance for 2020 data of 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:

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

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

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

	2023 £'000	2022 £'000
Balance sheet liability at 1 January	-	684
Deficit contribution paid	-	(407)
	<hr/>	<hr/>
Pension adjustment to statement of financial activities*	-	(277)
Balance sheet liability at 31 December	<hr/> <hr/>	<hr/> <hr/>

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2023 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2022 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2023	December 2022
Discount rate	n/a	n/a
Price inflation	n/a	n/a
Increase to total pensionable payroll	n/a	n/a

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

Salaried staff defined benefit scheme

Eligible salaried employees of ODBF were offered the opportunity to join the Oxford Diocesan Board of Finance Staff Retirement Scheme until September 2006 at which point the scheme closed to new entrants. The Scheme is a defined benefit (final salary) scheme administered by the Pensions Trust who are also the trustees.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

The scheme is funded by contributions by ODBF. Employees are not required to contribute towards the cost of their benefits. The Scheme is the subject of advice by professional actuaries and annual premiums are paid and charged, after offsetting any reduction in liability or charging any increase in liability, to expenditure in the SOFA each year.

Contribution rates vary according to actuarial reviews undertaken every three years. The contribution rate paid in 2023 was nil% of basic salaries each month (2022: 30.1%), which amounted to £nil (2022: £122K). ODBE paid contributions of £15K for staff in the scheme previously employed by ODBF until June 2022. No additional contributions were due or paid in 2023 towards the previous deficit (2022: £nil).

A qualified actuary has prepared the pension scheme figures quoted in this note as required under Financial Reporting Standard 102 (FRS102). The basis of FRS102 calculations is largely prescribed, although assumptions about future salary increases, inflation and investment returns rest with the directors, acting on actuarial advice. The actuary then compares the value of the benefits earned to the valuation date (the liabilities) with the value of the assets held by the scheme. Any excess of liabilities over assets represents a deficit in funding; any excess of assets over liabilities represents a surplus in funding.

The FRS102 surplus at the start of 2023, £767K, decreased by £434K during the year to £333k at 31 December 2023. The liabilities are valued on the basis of corporate bond yields at the date of calculation which this year was 4.77% (2022: 5.00%), with the assets being taken at market value. The balance sheet is therefore heavily dependent on market conditions at the date of calculation and swings from one year to the next have the potential to be very significant.

In addition, changes to corporate bond yields and mortality assumptions from one year to the next can give rise to volatility in the SOFA figures.

The FRS102 valuation determines the pension figures that must be included in the ODBF accounts. The actuary's triennial valuation, the "on-going" valuation for the Scheme, is based on different financial assumptions than those used for FRS102. The triennial valuation as at 30 September 2020 was updated to 31 December 2023 by a qualified actuary independent of the scheme's sponsoring employer and showed a balance of £nil. Scheme expenses of £66K were paid in 2023.

The Scheme closed to future accrual of benefits with effect from 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

The main financial assumptions under FRS102 are (per annum):

	2023	2022
	%	%
Discount rate	4.77	5.00
Salary increases	4.00	3.00
Inflation (RPI)	3.05	3.13
Inflation (CPI)	2.60	2.91
Allowance for pension in payment increases of RPI or 5% if less	2.95	3.01
Allowance for pension in payment increases of CPI or 5% if less	2.58	2.83

The discount rate is based on yields available on AA rated corporate bonds. The RPI assumption was based on market conditions at the date of the valuation and the same rate less 0.1% has been used for benefits that increase in line with LPI. Salary increases are assumed to run at 0.5% below RPI.

The scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employers. Their 'fair value' at 31 December 2023 was £9,756K (2022: £9,984K) as below:

	2023	2022
	£'000	£'000
Fixed Interest Bonds	2,299	2,236
Index-linked gilts	4,124	4,074
Property	1,237	1,429
Other	2,096	2,245
	<u>9,756</u>	<u>9,984</u>

The scheme's financial position as at 31 December (FRS102 basis) recognised in the Balance Sheet was:

	2023	2022
	£'000	£'000
Fair value of plan assets	9,756	9,984
Present value of defined benefit obligations	(9,423)	(9,217)
Unrecognised surplus	<u>(333)</u>	<u>(767)</u>
Surplus recognised (see note 17)	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions (cont'd)

Reconciliation of opening and closing balances of the fair value of plan assets:

	2023	2022
	£'000	£'000
Fair value of assets at 1 January	9,984	16,217
Interest income	490	293
Employer contributions	64	122
Benefits paid and expenses	(426)	(398)
Actuarial loss on assets	(356)	(6,250)
Fair value of assets at 31 December	<u>9,756</u>	<u>9,984</u>

Reconciliation of opening and closing balances of the defined benefit obligation:

	2023	2022
	£'000	£'000
Defined benefit obligation at 1 January	9,217	14,793
Current service cost	-	77
Interest cost	452	267
Benefit paid	(360)	(327)
Actuarial loss/(gain) on liabilities	114	(5,593)
Defined benefit obligation at 31 December	<u>9,423</u>	<u>9,217</u>

Defined benefit costs recognised in the SOFA:

	2023	2022
	£'000	£'000
Current service cost	-	77
Net interest income	-	(2)
Expenses	66	71
Total	<u>66</u>	<u>146</u>

Defined benefit income (costs) recognised in other comprehensive income:

	2023	2022
	£'000	£'000
Return on plan assets – losses	(356)	(6,250)
Experience losses arising on plan liabilities	(51)	(916)
Effects of changes in demographic & financial assumptions underlying the present value of the plan liabilities	(63)	6,509
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	472	604
Total amount recognised in other comprehensive income	<u>2</u>	<u>(53)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)****Staff Church Workers Pension Fund (CWPF)**

ODBF participates in the Pension Builder Scheme section of CWPF for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the 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.

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

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

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

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2023: £323K, 2022: £298K).

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)****Staff Church Workers Pension Fund (CWPF)**

For the Pension Builder Classic section, the 2022 valuation revealed a surplus of £34.8m 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 valuation revealed a surplus of £8.5M on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**26. Statements of Financial Activities (Prior Year)**

For the year ended 31 December 2022

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2022
		General & Designated Funds	Tangible Fixed Assets Property Fund			
	<i>Note</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Income and Endowments from:						
Donations	2	19,158	-	1,059	-	20,217
Charitable activities	3	2,457	-	700	-	3,157
Investments	4	1,092	-	203	2,679	3,974
Other sources	5	7	-	-	-	7
Total		22,714	-	1,962	2,679	27,355
Expenditure on:						
Raising and managing funds	6	395	-	-	430	825
Charitable activities	7	28,323	-	1,680	-	30,003
Other property costs	8	-	106	-	6	112
Total		28,718	106	1,680	436	30,940
Net (expenditure)/income before investment losses:						
Net losses on investments		(4)	-	(123)	(6,377)	(6,504)
Net (expenditure)/income		(6,008)	(106)	159	(4,134)	(10,089)
Total Return transfer	14a	7,852	-	-	(7,852)	-
Other transfers	14b	59	10	6	(75)	-
Net (expenditure)/income after transfers:						
Other recognised gains/ (losses):		1,903	(96)	165	(12,061)	(10,089)
Gains on re-valuation of tangible fixed assets	15	-	1,764	-	5,313	7,077
(Losses)/gains on defined benefit pension schemes	25	(53)	-	-	684	631
Net movement in funds		1,850	1,668	165	(6,064)	(2,381)
Total funds brought forward	20	16,156	81,393	2,344	422,892	522,785
Total funds carried forward	20	18,006	83,061	2,509	416,828	520,404

THE OXFORD DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 247954

Accounts

Oxford Diocesan Board of Finance

Directors' Report and Financial Statements

For the year ended 31 December 2022

Company limited by guarantee (No. 142978 England and Wales)

Registered charity (No. 247954)

Registered & Principal Office:

Church House Oxford

Langford Locks

Kidlington

Oxford OX5 1GF

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Key to abbreviations:

CBF	Central Board of Finance	ODBE	Oxford Diocesan Board of Education
CEFPS	Church of England Funded Pension Scheme	ODBF	Oxford Diocesan Board of Finance
CEPB	Church of England Pensions Board	ODBST	Oxford Diocesan Bucks Schools Trust
CSUST	Church Schools Uniform Statutory Trust	ODST	Oxford Diocesan Schools Trust
CPI	Consumer Price Inflation	PACT	Parents and Children Together
CPIH	Consumer Price Inflation (Housing)	PCC	Parochial Church Council
DAC	Diocesan Advisory Committee	RPI	Retail Price Index
DT(O)L	Diocesan Trustees (Oxford) Limited	SOFA	Statement of Financial Activities
EIG	Ecclesiastical Insurance Group	SORP	Statement of Recommended Practice
ESG	Environment, Social & Governance	UKME	United Kingdom Minority Ethnic
FRS	Financial Reporting Standard		
ICV	Initial Carrying Value		
LPI	Limited Price Index		
MPC	Mission & Pastoral Committee		

DIRECTORS' ANNUAL REPORT

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

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the ODBF are to benefit the public by promoting and assisting the mission and other work of the Church of England in and beyond the boundaries of the Diocese of Oxford by raising, collecting and expending funds in connection with:

- (1) Training, funding and other support for ministry (both clerical and lay) within the Diocese of Oxford and in the wider Church of England, Anglican Communion, and other Christian churches with which the Church of England has ecumenical relationships or otherwise recognises as partners in its mission;
- (2) Provision for pensions for retired ministers (both clerical and lay) and support for their dependants;
- (3) Management of investments and historic assets in accordance with the Endowments and Glebe Measure 1976 and otherwise;
- (4) Support for the work of the Diocesan Board of Education and other trusts and related bodies involved with the work of schools in the Diocese of Oxford; and
- (5) Support for other charitable trusts established in connection with the work of parishes and other related bodies throughout the Diocese of Oxford.

ODBF also incorporates the functions and responsibilities of the Diocesan Parsonages Board.

The role of Diocesan Authority for parochial and other trusts is carried out by DT(O)L, a separate charitable company resourced by ODBF.

STRATEGIC REPORT - STRATEGIC AIMS AND OBJECTIVES

The Diocese promotes the work and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Oxford and elsewhere. Together, we are the Church, called and sent by God as disciples of Jesus Christ and filled with the Holy Spirit. We are a living, growing network of more than a thousand congregations, chaplaincies and schools. The strategy and approach of the Diocese is described as 'a common vision for a more Christ-like Church: contemplative, compassionate and courageous for the sake of God's world'.

STRATEGIC REPORT - STRATEGIC AIMS AND OBJECTIVES (Cont'd)

To support these aims the main role of the ODBF is to identify and manage the financial aspects of the provision of mission and ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the Christian mission and strategic priorities in the Diocese.

The aims and objectives are largely achieved by providing:

- Ministry in the parishes – by the appointment of stipendiary and non-stipendiary clergy and licensed lay ministers, the payment of stipends, the provision of houses for the clergy as necessary; by involvement in the selection and training of ordinands and lay ministers including the provision of financial support to those training for the ministry; by providing continuing ministerial training for clergy and lay ministers;
- Assistance to parishes – through the provision of parish development advisors in each archdeaconry; through good communications, HR and finance support; through support for work with children and young adults; through help with Christian giving and parish fundraising; through support for parishes in the administration of trusts; through assistance to churchwardens and treasurers and assistance with matters dealt with by the Diocesan Advisory Committee (DAC) in relation to church buildings;
- Strategic leadership and support in focus areas of Common Vision such as environmental action, new congregations, discipleship and poverty and inequality;
- Safeguarding resources, advice and case handling, and
- Support for church schools through training and support services and the provision of assistance and advice to head teachers and school governors through the annual grant to ODBE.

ENVIRONMENT, SOCIAL AND GOVERNANCE

We remain committed to working towards net carbon zero by 2035. Following the Church of England decision in 2020 that parishes, church schools and DBF property would be 'in scope', work is underway in all three areas. In particular, following an environment survey of all our vicarages Diocesan Synod in June 2022 agreed funding of £10 million towards achieving net zero at clergy housing.

Bishop's Council expressed its willingness in December 2020 for up to £5 million to be invested in developments which will predominantly be available for social housing. Work is actively underway in considering five possible sites (two at a more advanced stage) and it is hoped to reach by the end of 2023 the point where at least one can be approved.

ENVIRONMENT, SOCIAL AND GOVERNANCE (Cont'd)

Our Investment Committee receives at each meeting, and discusses with our investment managers, an ESG report on our investment portfolio. The most recent report highlights the following ESG aspects, with a continued performance improvement in the following key performance indicators:

- MSCI ESG (A global ESG benchmark) score of 8.9 (2021: 8.3). A portfolio score of greater than 7.1 is regarded as a leader in ESG engagement.
- The carbon intensity of the portfolio is 51% (2021: 46%) better than the MSCI benchmark. The reduction in carbon emissions in absolute terms is equivalent to 3,600 gallons of petrol.
- 68% (2021: 60%) of the portfolio has at least 30% female representation at Board level (59% MSCI benchmark).

A further review of our environmental action work is noted below, in the achievements for the year within the Common Vision strategy.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

Common Vision

It is set out below what was planned for 2022 and what ODBF, through its staff and volunteers, achieved during the year:

- 1. To continue to provide leadership and support across the Diocese that is realistic about the challenges as well as opportunities as we emerge from Covid-19.**

We continued to engage regularly with clergy and parishes on the challenges being faced and Bishop Steven completed a programme where he visited every deanery to listen to the experiences of clergy in a Chapter meeting and then met with lay people. Support was provided to parishes throughout the year both proactively and reactively by the area teams and Church House staff.

As regards finance, we continued to make expenditure savings where possible. Significant savings were made in the national Clergy Pension Scheme, as contribution rates relating to deficit reduction payments were materially reduced. Savings were also identified in finance and IT staffing.

We remain extremely grateful for the work of our Parishes in achieving their Parish Share allocations. Support was maintained for Parishes by holding a 0% increase in Share for 2022, and we received 95.2% of the total amount requested, which is remarkable in the economic circumstances.

The Church Commissioners via Archbishops' Council supplied grant funding to Dioceses to assist with the cost of living crisis. We were able to distribute over £550k to ministers and parishes, primarily to mitigate rising utility costs.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

- 2. To deliver a helpful and well-received 2022 Clergy Conference, working through lament & healing moving towards returning to the centre of calling and being sent out, empowered by God.**

The 2022 conference saw 289 clergy from across the whole Diocese and every Deanery gathered from 7-9 June 2022 at The Hayes Conference Centre, Swanwick. The conference title 'Wonderfully made' reflected the guiding passage from Psalm 139 from which the planning group shaped the conference. With the demands of covid experienced by all our clergy, the conference planning group set out to provide a space for re-connecting, retreat and healing, for growing and deepening friendship, for conversations and stories which took people deeper, space for playfulness, creativity and refreshment, for experiencing a varied programme and vitally a space which was unpressured.

What was striking was the significant number of clergy attending either their first clergy conference and/or had been in the Diocese less than 3 years. From a thorough evaluation of the event, the highlights of the programme for many were Bishop Steven's teaching sessions on 2 Corinthians, the quality, variety and depth of worship and the mix of the programme. However, of equal importance was the opportunity to network, the permission to take time for themselves, to rest and recover, to spend time in personal prayer and reflection. Clergy scored the conference as 8/10 in terms of the value to them personally and for their ministry.

- 3. To enable and realise significant impact for the sake of God's world through the focus areas of Common Vision and the Development Fund.**

There has been good progress made in each of the focus areas, which is to be celebrated given the challenging context of 2022. The cost of living crisis has brought front and centre our Net Zero plans and work to address poverty and inequality. Inevitably this has impacted the degree to which some parishes have felt able to engage with or respond in some areas and it was never expected that all parishes would engage with all the areas of diocesan focus.

If anything, the pandemic has heightened the awareness and urgency of our need to address the five common vision areas.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

Environmental action

In 2022, we developed a Net Zero Carbon Action Plan in support of the National Routemap to Net Zero, which was then approved by Diocesan Synod in March 2022. We established cross-functional Net Zero Working Group with representatives from the diocesan departments and ODBE and the diocesan multi-academy trusts to implement the delivery of the action plan across all areas of the diocese, schools and property and land.

Following a survey of 427 clergy houses, £10 million of funding was committed to environmental works to improve the carbon footprint of vicarages and help reach net zero.

The diocese progressed to achieve Bronze Eco Diocese status in July 2022, in recognition of the number of churches committed to environmental action as part of the A Rocha Eco Church framework. In addition, new deanery environmental leads have been recruited and a toolkit of resources developed both to aid parishes on the pathway to net zero.

174 churches completed energy audits in 2022, with subsidy support from the diocese, aiding their individual progress towards net zero, with tailored energy efficiency advice and decarbonisation pathways. All our Church of England schools have now completed an energy audit.

Christian formation and discipleship

A successful Come and See Lent initiative saw over 1,500 participants in 2022, with 77% of participants recommending it to others.

A milestone was reached in the Personal Discipleship Plan Encourager training programme, with over 500 Encouragers now trained and demand for the PDPs increased in the last quarter of the year.

Development of the Lay Formation Learning Hub began in 2022 to provide an in-house platform to host and deliver simple and accessible lay training and learning opportunities.

Growing new congregations

We have grown the number of emerging new congregations to 100 from eight established greenhouses with 69 teams supported by the new congregations team.

A new Resourcing Hub for Community Organising and Church Growth in Milton Keynes was launched in 2022 taking the number in the diocese up to seven.

The number of Greenhouses (learning communities to help grow new worshipping communities) has continued to grow, with several groups now resourcing and mentoring local

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

Growing new congregations (Cont'd)

teams exploring new congregations. A new intergenerational greenhouse launched in April and has eight parishes actively engaged with the ministry.

Children and young people

A new Discipleship Enabler for the Buckingham Area joined the diocese in 2022. This has enabled new and established relationship development with and support for the children, youth and families workers in the Archdeaconry

The Space Makers Contemplative Toolkit continues to be a success, in use at 100 schools in 2022. Education chaplaincy has seen growth this year, including a move into further education chaplaincy, with Chaplains now active in four FE colleges in the Thames Valley.

Addressing poverty and inequality

The invasion of Ukraine in February 2022 brought an unexpected addition to social justice action. Working in strategic partnership with Citizens UK, we launched the Homes for Ukraine initiative in March and successfully matched 230 Ukrainians with 78 hosts in the diocese and recruited an additional 350 plus volunteers to support the newly arrived guests.

As the cost-of-living crisis emerged, we developed a host of resources for parishes to aid them in their own cost- of-living management and to assist in their support to parishioners.

A partnership with SOFEA (a Didcot based charity) and Getting Oxfordshire Online commenced a project helping to tackle digital poverty through the donation of old digital devices.

The strategic partnership with Citizens UK developed to a new level and we facilitated the launch of the Thames Valley Citizens group this year. Further work with Citizens UK and the Living Wage Foundation, led to the diocese becoming an accredited Living Wage Employer in the Autumn.

Development Fund

Awards were made to 29 parishes in 2022 year at a total of £372,909, and the Development Fund continues to gain a steady increase in applications post-Covid. This included provision for a Minecraft church group for young people, counselling services for homeless people, feasibility studies to improve church facilities, and larger allocations to two resourcing hubs.

Following the peak of the covid-19 pandemic, the Internet Connectivity Fund remains active. In 2022, 18 churches in were in receipt of financial support to livestream and digitally record worship.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

- 4. To complete the Parish Share Review and make recommendations for change to Bishop's Council & Diocesan Synod, for a 2023 implementation.**

The Parish Share Review was completed on time in March 2022. Bishop's Council & Diocesan Synod approved the recommendations of the Review with effect from 1 January 2023. The autumn of 2023 will see a limited review of that implementation and any agreed amendments will come in effect from 1 January 2025.

- 5. To secure agreement for a costed programme for the first part of moving our property portfolio to net carbon zero by 2035, and to determine the related implementation strategy.**

Bishops Council and then Diocesan Synod agreed to allocate £10m to fund the first phase of the programme, the first diocese to make such a large commitment. The Initial work to assess staffing requirements needed to implement the retrofit programme has been completed. Consultants were appointed to scope out a trial vicarage retrofit project. The brief and specification were agreed for that trial project with contractors starting work in early 2023. As David Mason indicated he will be stepping down as Director of Property later in 2023, the detailed scoping and implementation of the full roll-out will fall to his successor.

FUTURE PLANS

In addition to all the work operationally required and delivered from year to year, we plan in 2023:

1. To complete and implement the Review of Total Return;
2. To move seamlessly to new arrangements to support enhanced numbers of new congregations across parishes of all churchmanship;
3. To establish a (primarily on-line) Learning Hub to support lay training across the diocese;
4. To recruit a new Director of Property and enable the net carbon zero work on our vicarages to start in earnest from early 2024;
5. To submit an application for the new national funding streams for strategic projects (likely to be in the area of children, young people and schools);
6. To expand our work to enable environmental work to our church buildings;
7. To conclude on the initial actions from the 'Lament to Action' report and to successfully implement the initial work agreed by the Diocesan Disability Oversight Group.

FINANCIAL REVIEW

Financial Performance

The Statement of Financial Activities (SOFA) for the year shows net expenditure of £3.6M before investment and revaluation gains (2021: £5.5M). Investment losses, property and pension revaluation gains totalling £1.2M resulted in an overall decrease in funds of £2.4M (2021: £43.1M increase).

Glebe agricultural land increased in value by £0.5M and glebe listed investments decreased in value by £14.8M mainly due to market revaluation.

The valuations of the staff and clergy defined benefit pension schemes at the end of 2022 showed an increase of £631K (£43K decrease in 2021). There was 2% increase (£7.1M) in the value of properties in 2022 (9.3%, £31M increase in the value of properties in 2021).

ODBF continues to apply total return accounting, with a 7% (£8.2M) withdrawal to income in 2022, including investment manager fees. This has enabled, an additional £3.9M to be transferred to support general funds and an additional £4.3M to be spent: £3.9M on Common Vision strategy and £0.4M on investment management costs. The money for Common Vision is held in a designated fund whilst plans are being implemented (see note 16c and note 22).

Income in the SOFA totalled £27.4M (2021: £25.4M), an increase of £2.0M. Parish share, the money given by parishes to the Diocese to fund its mission and ministry, is the main income to the Diocese. Parish share income (net after rebates) totalled £18.7M (2021: £18.6M). Current year receipts before rebates increased by £0.2M from 2021 and 95.2% of apportioned share for the year was received (2021: 93.2%). The rate of increase in parish share for 2022 was set at 0% (2021: 0%). Income from donations include a grant of £219K (2021: £232K) from the Benefact Trust. The Diocese is most grateful for this grant which supported the work of Diocesan Advisory Committee.

Restricted income from charitable activities increased by £15K for funding ordinand training received from Archbishops' Council.

2022 expenditure in the SOFA totalled £30.9M (2021: £30.8M), an increase of £0.1M. 2022 is the fifth year of expenditure on Common Vision, using the designated fund set aside from total return, and this totalled £3.9M, including Development Fund grants. £1.0M committed expenditure on Diocesan support grants for less wealthy dioceses was recognised in 2021, including £0.25M paid in 2022 and £0.5M to be paid between 2023 and 2024.

Other recognised gains relating to endowment funds amounts to £684K which was related to revaluation of the clergy pension scheme.

Balance Sheet

Net assets totalling £520M (2021: £523M) consist principally of properties to house the clergy, valued at £356M, (2021: £350M) and glebe investments of £153M (2021: £153M) which are analysed in Note 16(b) and for which use of capital is restricted while the income, recognised on a total return basis, is

FINANCIAL REVIEW (Cont'd)**Balance Sheet (Cont'd)**

used to pay clergy stipends. Many of the remaining assets shown in the balance sheet are held as restricted funds, which cannot necessarily be used for the general purposes of the ODBF.

Investment performance

The majority of ODBF's investments are in Glebe funds – the income from which (under the Endowment and Glebe Measure 1976) is required to be used towards the cost of paying stipends.

Agricultural, commercial, amenity and residential land and buildings were valued at £41.0M at 31 December 2022 (2021: £32.2M), see note 16b. Rents receivable amounted to £0.8M (2021: £0.6M).

Glebe listed investments are managed by Newton Investment Management. Glebe listed investment holdings were valued at £106M at 31 December 2022 (2021: £120M). Over the rolling year for the portfolio the net return decreased by 8.8%.

Investment policies

Investment policy is delegated by the directors to the investment sub-committee, members of which make investment decisions after taking advice from professional investment advisers. ODBF's investment policies are based on two general key principles:

- Ethical investment - this includes ensuring that investments are held in companies that have high standards of corporate governance and behaviour and that act with openness, accountability, transparency and integrity in a responsible way towards all stakeholders and have good environmental policies; and
- Long-term consideration - the directors consider the long-term effect of their decisions very carefully.

The directors sought advice from the company's legal advisers before approving a withdrawal to income funds equivalent to 7% of the value of the Glebe funds in listed investments as at 1 January for each of the five years 2018 to 2022 and approved that this policy should be reviewed thereafter. During 2022 the withdrawal to income funds from the unapplied total return was £8.2M (2021: £7.5M).

FINANCIAL REVIEW (Cont'd)

Glebe Investments

Glebe investments are held in equities, fixed interest securities and cash, agricultural land, commercial and residential land and buildings. The portfolio is reviewed by the Investment Sub-Committee at least twice a year to ensure that the total return on investments is maximised whilst maintaining an appropriate asset allocation balancing risk and returns.

The policy is to sell agricultural holdings with planning consent, as favourable opportunities arise, and to reinvest for a better rate of return.

Short Term Investments

These funds are available for use in the short term as required for working capital. Deposit Funds are usually held as deposits with the Central Board of Finance.

Reserves policy

Free reserves

ODBF has very substantial ongoing responsibilities including the remuneration of some 370 stipendiary clergy, the upkeep of some 450 houses and the employment of some 80 full time equivalent staff. It is considered that, to meet substantial outgoings, the target general reserves at 1 January each year should be equivalent to three months gross expenditure from general funds in the forthcoming year. At 31 December 2022, ODBF's free reserves of £8.8M (2021: £9.0M) were equivalent to 3.1 months (2021: 3.2 months) of gross expenditure from general funds in the forthcoming year.

Tangible fixed assets property fund

This fund represents the net book value of the ODBF's tangible fixed asset properties plus any specifically related debtors less loans drawn down to finance the purchase of those properties.

Designated funds

The directors may designate additional unrestricted funds to be retained for an agreed purpose where this is considered to be prudent. Such designated funds are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each fund together with the intended use of the fund is set out in note 22. At 31 December 2022 total designated funds were £9.2M (2021: £7.2M), with the growth due to the transfer of £3.9M to the designated fund for the Common Vision strategy. A new designated fund of £550K was created at 31 December 2021 to provide funds for property related expenditure for 2022-2024, which would have otherwise been incurred during 2020 and 2021, but was deferred due to Covid-19 restrictions. £330K was utilised and transferred from designated fund to general fund in 2022.

FINANCIAL REVIEW (Cont'd)

Restricted and endowment funds

As set out in note 21, ODBF holds and administers a large number of restricted and endowment funds, including the Diocesan stipends fund and the parsonage house fund. As at 31 December 2022 restricted funds totalled £2.5M (2021: £2.3M) and endowment funds totalled £411.4M (2021: £422.9M).

Grant making 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 7). Grants are paid to other connected charities and to other projects that are in furtherance of ODBF's charitable objectives. (See note 11).

Statement on raising funds

ODBF raises funds through Parish Share and on occasions receives other donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with Parochial Church Councils (PCCs), donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on PCCs, donors and supporters. It applies best practice to protect the data of individuals and never sells data and ensures that communication preferences can be changed at any time. ODBF manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. ODBF undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, ODBF received no formal complaints about its activities for raising funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk areas and the associated mitigation strategies are:

Significant under payment of Parish Share linked to decisions within the wider Church, or general economic circumstances mitigated by:

- Close partnership and regular communication between the Diocese, Deaneries and Parishes.
- Ongoing discussions between the Bishop's staff and other parties, building good relationships, and an openness to discuss doctrinal issues.

Macro-economic factors (high inflation, falls in investment markets, high interest rates, etc) negatively impacting on the Diocesan financial models, mitigated by:

- Strategic financial review. Forecasting to be on a 5-year rolling basis, with incorporated scenario planning.
- The strength of the ODBF balance sheet does allow for some flexibility around cash liquidity.

Current or historic safeguarding case of harm to children, young people or vulnerable adults resulting from inappropriate behaviour of a Church Officer mitigated by:

- Safeguarding policies and procedures in place, regularly used and monitored.
- Proactive engagement on training, learning, development and good practice.

PRINCIPAL RISKS AND UNCERTAINTIES (Cont'd)

- Disciplinary procedure used wherever appropriate; and active reaching out and support to victims.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Summary Information about the structure of the Church of England

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

The National Church has a General Synod comprised of ex-officio and elected representations from each Diocese and it agrees and lays before Parliament, Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and lay workers.

Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese of Oxford is itself divided into twenty-nine deaneries, each with its own Synod and within each parish there is a parochial church council which shares, with the parish priest, responsibility for the mission of the Church in that place.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

Organisational structure

Through an area scheme the Diocesan Bishop, the Bishop of Oxford, has delegated certain powers to the Bishops of Reading, Buckingham and Dorchester in relation to the archdeaconries of Berkshire, Buckinghamshire and Dorchester respectively. Each archdeaconry is subdivided into deaneries, there being a total of 29 deaneries across the Diocese, which are further subdivided into some 620 parishes.

The Diocese is governed by Standing Orders approved on 27 February 1988 and subsequent amendments, most recently in March 2021. 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 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, determines major policy matters and approves an annual budget.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Organisational structure (Cont'd)**

Its role is also to act as a forum for discussion of Christian opinion, to advise the Bishop of Oxford on matters on which he may wish to consult, to deal with items referred by the General Synod of the Church of England or deanery synods, to make appointments to committees and to make provision for the financing of the Diocese. Many of Synod's responsibilities have been delegated to the Bishop's Council and Standing Committee.

Company status

Oxford Diocesan Board of Finance (ODBF) was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 10 February 1916 as a company (No. 142978 England and Wales) limited by guarantee and its governing documents are the Memorandum and Articles of Association, which were most recently amended slightly in March 2021. ODBF is a registered charity (No. 247954).

Every member of Diocesan Synod (unless they are an ODBF employee) is a member of ODBF and has a personal liability limited to £1 under their guarantee as members in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council are ODBF's Board of Directors.

Decision-making structure

Diocesan Synod has delegated the following functions to the Board of Directors:

- Planning the business of the Diocesan 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; and
- Carrying out any other functions which may be delegated by Diocesan Synod.

The Board of Directors has delegated responsibility for the day-to-day management of ODBF to the Diocesan Secretary who is supported by a number of heads of departments and their staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Committee structure

Following a review of diocesan governance during 2021, the following structures were adopted.

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

Diocesan responsibilities for education are carried out by ODBE, a charitable company limited by guarantee.

Oxford 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.

Partnership in World Mission, which promotes world Christian mission, particularly through partnership with mission agencies and the Church worldwide.

Diocesan Committee for Interfaith Concerns, which provides oversight and strategic input on interfaith matters, as required.

Bishop's Council

The members of the Bishop's Council are the Board of Directors. In 2021 Bishop's Council consisted of 13 ex officio members, (including the Diocesan and Area Bishops and the four Archdeacons), 2 clerical and 3 lay members from each of the Berkshire, Buckingham and Dorchester archdeaconries, 2 clerical and 2 lay members from the Oxford archdeaconry, and 2 members nominated by the Diocesan Bishop.

The Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which is responsible for the task of approving pastoral reorganisation taking account of available clergy numbers and making use of new patterns of ministry.

The Bishop's Council as Board of Directors of ODBF has the following sub-committees:-

Buildings 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 ODBF.

Diocesan Advisory Committee, 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Committee structure (Cont'd)**

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 directors prior to submission to Diocesan Synod and monitors expenditure and income.

Glebe Committee, which is responsible for determining policy and making major decisions concerning the management of glebe property for the benefit of the Diocesan Stipends Fund of the Diocese and now reports to the Finance Committee.

The Investment Committee reviews the Diocesan Stipends Fund investment portfolio and reports directly to the Finance Committee.

Audit Committee, which is responsible for assisting the directors in the discharge of their responsibilities for accounting policies, financial reporting and internal control, including liaison with the auditors, reviewing and proposing auditors for appointment and review of risk registers.

Human Resources Panel, which is responsible for personnel issues concerning staff.

The Audit Committee also serves ODBE and DTOL and the Human Resources Panel also serves ODBE.

Safeguarding Panel, is responsible for ensuring continuous improvement and ongoing best practice regarding safeguarding effectiveness.

Closed Churches Committee, oversees the process of church closure and identifies for those churches which are listed buildings or in conservation areas and which have been or are proposed to be closed, and to develop proposals for the future of these closed churches.

Common Vision Steering Group, provides strategic oversight, support and challenge for the Common Vision Programme.

Local Ministry Pathway, provides governance and oversight for the diocese's internal ordained and lay ministry training programme.

Rural Advisory Group, to ensure the issues and concerns of the diocese's rural church parishes are properly considered in the development and implementation of the Diocese of Oxford's plans, including its common vision strategy, for the Diocese.

Appointments Committee, only acts for DBF, all new appointments for DBF committees, where vacancies arise, go to the Appointments Committee for consideration and to make recommendations on prospective new members to Bishop's Council, for their approval.

Appointment of directors

Directors were either appointed ex officio on the basis of their position or are elected as clerical or lay members from each of the four archdeaconries or nominated by the Bishop of Oxford. The ex officio

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Appointment of directors (Cont'd)**

members are the Bishops, Archdeacons, the Dean of Christ Church Cathedral, the President and Vice Presidents of the Diocesan Synod and the Chairman and Vice Chairman of the Board of Finance.

Directors are given induction training when first appointed and receive ongoing training, as appropriate.

Some senior staff supporting the Diocesan Secretary have job titles incorporating the title 'Director' but they are not directors of ODBF for the purpose of company law.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 company and of the net income and expenditure of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to 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.

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

Related parties

- General Synod, Church Commissioners and Archbishops' Council
ODBF has to comply with Measures passed by the General Synod of the Church of England and makes certain annual grant payments to the Archbishops' Council towards the running costs of the

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Related parties (Cont'd)**

National Church. The stipends of the Diocesan and Area Bishops are borne by the Church Commissioners and are not reflected in the attached financial statements.

- Parochial Church Councils (PCCs) and Deaneries

ODBF is required by Measure to be custodian trustee in relation to PCC property, and ODBF delegates this to DT(O)L but ODBF has no control over PCCs, which are independent charities.

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

The accounts of PCCs and deaneries do not form part of these financial statements.

Connected Charities

The directors consider the following to be connected charities:

- Oxford Diocesan Board of Education (ODBE) – a charitable company with responsibility for some 285 Church schools across the Diocese, providing pastoral and professional support to all its schools and which has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.
- Diocesan Trustees (Oxford) Limited (DT(O)L) - which is a charitable company resourced by ODBF and which is responsible for ensuring that parish and educational properties and trust funds are used in accordance with the terms of trust. ODBF has transferred responsibility of being Diocesan Authority for parochial and other trusts to DT(O)L.
- Oxford Diocesan Schools Trust – which is a charitable company and is a Multi Academy Trust serving church and community schools across Oxfordshire and Berkshire.
- Oxford Diocesan Bucks Schools Trust - which is a charitable company and a Multi Academy Trust serving church and community schools across Buckinghamshire.
- Oxford Diocesan Council for the Deaf - which works with deaf and hard-of-hearing people to meet their spiritual, social and general needs and to give them a voice and full participation in church and society.
- Parents and Children Together (PACT) – a charitable company supporting families through adoption, therapeutic support and community projects.

The objectives of each organisation are congruent with ODBF's objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Public Benefit

The directors are aware of the Charity Commission's guidance on public benefit and have regard to that guidance in their administration of the charity.

The directors believe that, by promoting the work of the Church of England in the Diocese of Oxford, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical)

more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- Providing 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.

Statement of Disclosure to the Auditor

So far as each director is aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) he/she has taken all the steps that ought to have been taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

ADMINISTRATIVE DETAILS**DIRECTORS**

Members of the Bishop's Council and Standing Committee of the Board of Finance are the directors of the Board. All have served throughout the year except for those who were appointed or resigned as indicated below. The following were the directors and trustees at the date of this report:

The Right Revd Dr S J Croft	Ex officio, Bishop of Oxford, President of Synod
Sir H W H Sants	Ex officio, Chairman ODBF
Mr P Barrett	Lay member, Archdeaconry of Berkshire
The Revd Canon Dr GB Bayliss	Ex officio, Vice President of Synod
The Revd Canon J V Binns (from 31/01/2022)	Clerical member, Archdeaconry of Buckingham
Mr M N Burton	Lay member, Archdeaconry of Berkshire
The Ven J Chaffey	Ex officio, Archdeaconry of Oxford
The Right Revd GA Collins	Ex officio, Bishop of Dorchester
Mrs J Dziegiel	Ex officio, Vice Chairman ODBF
The Ven G C Elsmore	Ex officio, Archdeaconry of Buckingham
The Right Revd O Graham	Ex officio, Bishop of Reading
Ms G D Hamnett	Lay member, Archdeaconry of Oxford
The Revd Canon R J Lamey	Clerical member, Archdeaconry of Berkshire
Mr D M S Matovu (from 16/02/2022)	Nominated by the Bishop of Oxford
The Revd D W McFarland	Clerical member, Archdeaconry of Oxford
The Revd D J Meakin	Clerical member, Archdeaconry of Buckingham
Mr R G Merrylees	Lay member, Archdeaconry of Buckingham
The Revd J M Mintern	Clerical member, Archdeaconry of Berkshire
Dr S Northover	Lay member, Archdeaconry of Dorchester
Mr M Powell	Lay member, Archdeaconry of Dorchester
The Ven S Pullin	Ex officio, Archdeaconry of Berkshire
Mrs S E Scane	Nominated by the Bishop of Oxford
Mrs S F Scott	Lay member, Archdeaconry of Dorchester

ADMINISTRATIVE DETAILS (Cont'd)

The Revd S E Sharp	Clerical member, Archdeaconry of Dorchester
Mr J N Sykes	Ex officio, Vice President of Synod
Dr A Thomas-Betts	Lay member, Archdeaconry of Buckingham
The Ven D Tyler (from 1/10/2022)	Ex officio, Archdeaconry of Dorchester
The Right Revd Dr A T L Wilson	Ex officio, Bishop of Buckingham
Mrs K M Winrow	Lay member, Archdeaconry of Berkshire

Directors who were not re-elected/resigned during the year or by the date of this report:

The Ven J K French (to 30/09/2022)	Ex officio, Archdeaconry of Dorchester
Mr D Lillycrop (to 19/04/2023)	Lay member, Archdeaconry of Buckingham
The Very Revd Prof. M Percy (to 27/04/2022)	Ex officio, Dean of Christ Church Cathedral
The Revd R A Peters (to 19/04/2023)	Clerical member, Archdeaconry of Dorchester
Dr B Sollereeder (to 12/06/2022)	Nominated by the Bishop of Oxford

Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2022 comprised the Diocesan Secretary and Company Secretary, the Director of Mission & Ministry, the Director of Finance, the Director of Property, the Director of Human Resources & Safeguarding and the Director of Communications.

None of the directors of the company received any remuneration connected with their role as key management personnel. Key management personnel employed by ODBF are remunerated at rates that are deemed appropriate for the level of skills and experience they bring to their roles and at a rate commensurate with that of similar roles in comparable organisations. Remuneration is reviewed on an annual basis and approved by the company directors.

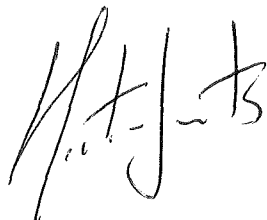
ADMINISTRATIVE DETAILS (Cont'd)

Registered Office	Church House Oxford, Langford Locks, Kidlington, Oxford OX5 1GF
Bankers	NatWest Bank plc, 32 Cornmarket Street, Oxford, OX1 3EZ
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Solicitors and Diocesan Registrar	Winckworth Sherwood LLP, 2 Chawley Park, Cumnor Hill, Oxford OX2 9GG
Investment advisers	Newton Investment Management Ltd, The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA
Glebe Agents	Carter Jonas, Anchor House, 269 Banbury Road, Oxford, OX2 7LL, Sidleys Chartered Surveyors, 6 King Edward Street, Oxford, OX1 4JL, and Bidwells, Seacourt Tower, West Way Oxford OX2 0JJ
Insurers	EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this directors' report, the directors are also approving the strategic report within their capacity as company directors.

This directors' report, incorporating the strategic report, was approved by the directors on 2 May 2023.
By order of the directors

Sir Hector Sants
Chair



INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Oxford Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 directors' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 (Cont'd)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement in the directors' report, the directors 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 directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the audit partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, Church Assembly and General Synod Measures, data protection legislation, anti-bribery, employment, health and safety legislation, and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

INDEPENDENT AUDITOR'S REPORT (Cont'd)

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias;
- performed substantive testing of expenditure; and
- investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 22 September 2023

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2022

	Note	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
		General & Designated Funds	Tangible Fixed Assets Property Fund				
		£'000	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:							
Donations	2	19,158	-	1,059	-	20,217	19,204
Charitable activities	3	2,457	-	700	-	3,157	2,801
Investments	4	1,092	-	203	2,679	3,974	3,257
Other sources	5	7	-	-	-	7	90
Total		22,714	-	1,962	2,679	27,355	25,352
Expenditure on:							
Raising and managing funds	6	395	-	-	430	825	895
Charitable activities	7	28,323	-	1,680	-	30,003	29,184
Other property costs	8	-	106	-	6	112	724
Total		28,718	106	1,680	436	30,940	30,803
Net (expenditure)/income before investment (losses)/gains:		(6,004)	(106)	282	2,243	(3,585)	(5,451)
Net (losses)/gains on investments		(4)	-	(123)	(6,377)	(6,504)	17,422
Net (expenditure)/income		(6,008)	(106)	159	(4,134)	(10,089)	11,971
Total Return transfer	14a	7,852	-	-	(7,852)	-	-
Other transfers	14b	59	10	6	(75)	-	-
Net (expenditure)/income after Transfers		1,903	(96)	165	(12,061)	(10,089)	11,971
Other recognised gains:							
Gains on revaluation of tangible fixed assets	15	-	1,764	-	5,313	7,077	31,214
(Losses)/gains on defined benefit pension scheme	25	(53)	-	-	684	631	(43)
Net movement in funds		1,850	1,668	165	(6,064)	(2,381)	43,142
Total funds brought forward	20	16,156	81,393	2,344	422,892	522,785	479,643
Total funds carried forward		18,006	83,061	2,509	416,828	520,404	522,785

All activities derive from continuing activities. The notes on pages 33 to 72 form part of the financial statements. The prior year comparative Statement of Financial Activities (SOFA) for 2021 is shown in Note 26 on page 72.

INCOME AND EXPENDITURE ACCOUNT For the year ended 31 December 2022

	Total 2022 £'000	<i>Total</i> <i>2021</i> <i>£'000</i>
Income	24,676	22,958
Expenditure	<u>(30,504)</u>	<u>(30,101)</u>
Operating deficit for the year	(5,828)	(7,143)
Net (losses)/gains on investments	(127)	121
Transfers from endowment funds	<u>7,927</u>	<u>6,971</u>
Net income/(expenditure) for the year	1,972	(51)
Other comprehensive income:		
Revaluation of tangible fixed assets	1,764	6,808
Actuarial losses on defined benefit pension scheme	<u>(53)</u>	<u>(729)</u>
Total comprehensive income	<u>3,683</u>	<u>6,028</u>

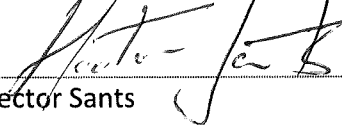
The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

OXFORD DIOCESAN BOARD OF FINANCE **Company No. 142978 (England and Wales)**
BALANCE SHEET as at 31 December 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	15		355,935		349,917
Investments	16		153,080		159,800
			<u>509,015</u>		<u>509,717</u>
CURRENT ASSETS					
Debtors due after more than one year	17	72		196	
Pension scheme surplus – staff scheme	25	-		77	
Debtors due within one year	17	1,977		1,833	
Cash on deposit and at bank		17,074		18,614	
			<u>19,123</u>	<u>20,720</u>	
CREDITORS: amounts falling due within one year	18	<u>(5,072)</u>		<u>(4,224)</u>	
NET CURRENT ASSETS			<u>14,051</u>		<u>16,496</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			523,066		526,213
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities – clergy scheme	25		-		(684)
Other creditors	19		(2,662)		(2,744)
NET ASSETS			<u>520,404</u>		<u>522,785</u>
FUNDS					
Endowment Funds					
(including asset revaluations of £236,103K (2021: £237,167K))			416,828		422,892
Restricted Income Funds					
(including asset revaluations of £323K (2021: £446K))			2,509		2,344
Unrestricted Income Funds:					
Tangible Fixed Asset Property Fund					
(including asset revaluations of £47,773K (2021: £46,009K))			83,061		81,393
Designated Funds					
General Fund					
(including asset revaluation of £297K (2021: £301K))			9,199		7,151
			8,807		9,005
TOTAL FUNDS	21		<u>520,404</u>		<u>522,785</u>

The notes on pages 33 to 71 form part of these financial statements. The financial statements were approved by the Directors and authorised for issue on 2 May 2023 and signed on behalf of the Directors by:


 The Right Reverend Dr. S. J. Croft
 Bishop of Oxford


 Sir Hector Sants
 Chairman

STATEMENT OF CASH FLOWS For the year ended 31 December 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Net cash used in operating activities (Below A)		(6,291)		(6,381)
Cash flows from investing activities				
Dividends, interest and rent from investments	3,766		3,257	
Interest Paid	-		(2)	
Proceeds from the disposal of:				
Tangible Fixed Assets	1,644		1,593	
Fixed Asset Investments	18,468		20,612	
Purchase of:				
Tangible Fixed Assets	(816)		(579)	
Fixed Asset Investments	(18,330)		(20,193)	
Net cash provided by investing activities		4,732		4,688
Cash flows from financing activities				
Loans repaid to ODBF	54		57	
New loans advanced by ODBF	(35)		(7)	
Net cash provided by financing activities		19		50
Change in cash and cash equivalents in the year		(1,540)		(1,643)
Cash and cash equivalents at 1 January		18,614		20,257
Cash and cash equivalents at 31 December (Below B)		17,074		18,614
Reconciliation of net movement in funds to net cash used in operating activities				
A. Net expenditure for the year before investment (losses) gains		(3,585)		(5,451)
Adjustments for:				
Depreciation charges		138		142
Dividends, interest and rent from investments		(3,766)		(3,257)
Interest paid		-		2
Losses (gains) on sale of functional assets		(7)		57
Decrease in debtors (ex loans)		57		232
Increase in creditors (ex loans)		848		1,350
Clergy pension scheme adjustment		-		12
Staff pension scheme adjustment		24		22
Recoupment of impairment		-		510
Net cash used in operating activities		(6,291)		(6,381)
B. Analysis of cash and cash equivalents				
Cash at bank and on deposit		17,074		18,614

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

The Oxford Diocesan Board of Finance (ODBF) is a company limited by guarantee (No. 142978 England and Wales) and a registered charity (No. 247954) governed by its Memorandum and Articles of Association.

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2022 with comparative information provided for the year to 31 December 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest £1,000.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the valuation of Diocesan houses
- the valuation of investment land and property
- the useful economic life of tangible fixed assets and residual values for the purpose of determining the annual depreciation charge, where required
- the underlying assumptions in the actuarial valuations of the defined benefit schemes
- the estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)**

The directors are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient monetary assets, including short term cash deposits, which could be readily realised to meet liabilities should there be an unexpected curtailment of income.

In the year ending 31 December 2023, the most significant areas of uncertainty that may affect the carrying value of assets held by the charity are the level of investment return and the performance of the investment market and land values.

Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations and legacies, including Parish Share income, income from listed and property (Glebe) investments, income directly related to charitable activities (including grants) and the surplus on disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income is deferred only when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Expenditure**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

2. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.
3. The charitable activities comprise expenditure on the charity's primary charitable purposes as described in the directors' report i.e. promoting the work of the Church in the Diocese including payments of grants. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

Tangible Fixed Assets**Properties**

All properties, including glebe and parsonage houses, are stated at valuation, except for redundant churches that are held at a nil valuation reflecting uncertainty as to their future retention and use, and Church House Oxford which is stated at cost less accumulated depreciation. Valuations are undertaken annually as at 31 December each year by the Director of Property with reference to advice from professional agents. All properties are subject to an annual impairment review by the Director of Property; properties are written down to net realisable value where that is lower than carrying value. The overall net gain or loss for the year on revaluation, if any, is shown in the statement of financial activities.

Additions are at cost but subject to an annual valuation adjustment at the end of the financial year.

Extensions to and significant adaptations to the fabric of buildings are capitalised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

1. Principal Accounting Policies (Cont'd)

With the exception of Church House Oxford (net book value £3.5M), no depreciation is provided on buildings as any charge would not be material due to the very long expected useful economic life and because their expected residual value is not materially less than their carrying value. ODBF has a policy of regular 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 suffer 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.

Depreciation is charged on Church House at an annual rate of 2.5% based on original cost with refurbishment work thereto being depreciated at 5% per annum based on cost.

Sales and purchases of properties are recognised on the date of exchange of contract.

The majority of transfers occur following pastoral reorganisation. A benefice house may be transferred to Diocesan glebe or general funds for disposal or to be held as a corporate property, as determined by the particular pastoral scheme. In the majority of such cases, houses are required as functional fixed assets for housing team vicars (in a team ministry) or other members licensed to a benefice and as such are held as corporate property under unrestricted designated funds.

Leasehold properties are all held on long leases.

Parsonage houses, also known as benefice houses, are legally vested in the incumbent. However, an incumbent is not free to dispose of the house for his/her own benefit, cannot make alterations or improvements to the property and is not responsible for maintaining the house. In spite of the complex tenure of parsonage houses, ODBF is responsible for the maintenance and insurance of the houses in the same way as for other houses and, therefore, they are recognised as tangible fixed assets of ODBF in the balance sheet.

Other tangible fixed assets

Computer and other office equipment and motor vehicles are included at cost less depreciation.

Depreciation is charged so as to write off the cost by equal instalments over their estimated useful lives.

	Rate per annum
Motor cars	25% of cost
Computers	33⅓% of cost
Other office equipment	5% to 25% of cost

Office furniture and small items of equipment costing less than £1k are written off as a revenue cost in the year of purchase.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value, these are recognised initially at transaction value and subsequently measured as described below.

Investments

Investments include agricultural holdings and commercial, residential and amenity properties, financial investments and cash deposits. Glebe investments are endowment funds and held with the intention of producing a sustainable income to help fund stipend payments whilst safeguarding capital values in the long term. The property investments are valued as at 31 December each year by the Director of Property based on valuations and advice from professional agents. Where formal planning consent has been given for the development of a site, the valuation takes the development potential of the site into account. No depreciation is applied to investment properties.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The Glebe permanent endowment fund comprises assets (including listed investments) which must be held as capital. From 1 January 2018, the charity has operated a total return approach to the management of the listed investment portfolio representing the Glebe permanent endowment fund. Using this approach, the charity is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return.

The charity is permitted to allocate from the unapplied total return element such sums as the directors consider appropriate provided the directors exercise their statutory duty to be even handed as between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets. The charity's objective is also to maintain the value of non-distributable funds in real terms.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. CBF deposits are highly liquid investments and are included in cash at bank and in hand.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Funds structure

The unrestricted funds include certain tangible fixed assets of the company, those assets designated or set aside by the directors for specific purposes and those assets which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The endowment funds comprise assets which normally must be held as capital (permanent) but, where permitted, may be applied towards meeting certain charitable aims (expendable). The income therefrom may be used either in accordance with the donors' wishes, if stipulated, or for general purposes.

Pensions

ODBF operates an occupational pension scheme through the Pensions Trust, which is a defined benefit scheme based on final salary and which closed to new entrants during 2006 and closed to future accrual in 2022. In 2007 ODBF began to operate a defined benefit scheme through the Church Workers Pension Fund scheme for new staff. It also operates a stakeholder scheme and contributes to personal pension schemes.

A separate pension scheme for clergy is administered by the Church of England Pensions Board (CEPB) and is a defined benefit scheme. Details of the staff and clergy schemes are set out in note 25.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)**

The financial statements take account of the annual valuation of the defined benefit schemes undertaken by the pension fund's actuaries.

For the salaried staff defined benefit scheme, the change in the value of the pension asset or liability over the year has been analysed into the following components:

- current service cost
- net interest income or expenses
- actuarial gains and losses

The current service cost, net interest income and expenses are included in the Statement of Financial Activities. Actuarial gains and losses arising from updating the latest actuarial valuation to reflect conditions at the balance sheet date are included as other recognised gains or losses. More details are included in note 25.

ODBF's contributions to the defined contribution scheme, the stakeholder scheme, personal pensions and the normal contributions to the CEPB scheme are included as expenditure when payable.

Where deficit contributions are payable in addition to normal contributions, a liability is recognised for the present value of the future agreed deficit contributions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**2. Income from Donations**

	2022			2021		
	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Parish contributions	19,300	-	19,300	19,075	-	19,075
Share rebates and discounts	(568)	-	(568)	(486)	-	(486)
	<u>18,732</u>	<u>-</u>	<u>18,732</u>	<u>18,589</u>	<u>-</u>	<u>18,589</u>
Archbishops' Council	-	-	-	-	9	9
Benefact Trust	219	-	219	232	-	232
Other donations	207	1,059	1,266	94	280	374
Total Income	<u>19,158</u>	<u>1,059</u>	<u>20,217</u>	<u>18,915</u>	<u>289</u>	<u>19,204</u>

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

2022 Parish share receipts were £19,293K which represented 95.2% of the total apportioned (2021: 93.2%). £7K out of £19,300K total receipts related to 2021 receipts accounted for in 2022.

3. Income from Charitable Activities

	2022			2021		
	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	876	-	876	887	-	887
Training, events and similar	126	700	826	113	685	798
Housing income	1,319	-	1,319	1,043	-	1,043
School premises support	133	-	133	72	-	72
Other	3	-	3	1	-	1
	<u>2,457</u>	<u>700</u>	<u>3,157</u>	<u>2,116</u>	<u>685</u>	<u>2,801</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**4. Income from Investments**

	2022			Total Funds 2022 £'000
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	
Dividends receivable	1	185	2,471	2,657
Interest receivable	205	18	-	223
Rents receivable	785	-	-	785
Other investment income (e.g. solar panel)	101	-	208	309
	<u>1,092</u>	<u>203</u>	<u>2,679</u>	<u>3,974</u>
	2021			Total Funds 2021 £'000
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	
<i>Dividends receivable</i>	<i>1</i>	<i>180</i>	<i>2,360</i>	<i>2,541</i>
<i>Interest receivable</i>	<i>23</i>	<i>-</i>	<i>-</i>	<i>23</i>
<i>Rents receivable</i>	<i>601</i>	<i>-</i>	<i>-</i>	<i>601</i>
<i>Other investment income (e.g. solar panel)</i>	<i>92</i>	<i>-</i>	<i>-</i>	<i>92</i>
	<u><i>717</i></u>	<u><i>180</i></u>	<u><i>2,360</i></u>	<u><i>3,257</i></u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. Income from Other Sources

	2022				
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000
Surplus on disposal of motor vehicle	7	-	-	-	7
	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>

	2021				
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000
Surplus on disposal of properties	-	10	-	-	10
Disposal of closed church	-	-	3	-	3
Furlough grants	12	-	-	-	12
Other property income	-	31	-	34	65
	<u>12</u>	<u>41</u>	<u>3</u>	<u>34</u>	<u>90</u>

6. Expenditure on Raising and Managing Funds

	2022			2021		
	Unrestricted Funds	Endowment Funds	Total Funds 2022	Unrestricted Funds	Endowment Funds	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Glebe costs	264	430	694	244	518	762
Parsonage rental costs	101	-	101	132	-	132
Other	30	-	30	1	-	1
	<u>395</u>	<u>430</u>	<u>825</u>	<u>377</u>	<u>518</u>	<u>895</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**7. Expenditure on Charitable Activities**

	2022			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022
	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council				
Training for Ministry	902	-	-	902
National Church Responsibilities	566	-	-	566
Mission agency pension costs	39	-	-	39
Retired clergy housing	348	-	-	348
Grants and provisions	78	-	-	78
	1,933	-	-	1,933
Resourcing Ministry & Mission				
Parish Ministry:				
Stipends	9,705	-	-	9,705
National insurance	823	-	-	823
Pension contributions	3,213	-	-	3,213
Apprenticeship levy	44	-	-	44
Housing costs	5,251	-	-	5,251
Removal, resettlement, parish & clergy grants	307	-	-	307
Other parish expenses	1,081	-	-	1,081
	20,424	-	-	20,424
Support for parish ministry & training				
Ordinand grants	740	-	-	740
Diocesan training costs	840	603	-	1,443
Mission in the Diocese	2,063	405	-	2,468
DAC, MPC & DT(O)L	411	-	-	411
Communications	354	-	-	354
Bishops, Archdeacons & Area Offices	735	-	-	735
	5,143	1,008	-	6,151
Expenditure on grants				
Grants to Oxford Diocesan Board of Education (ODBE)	269	-	-	269
Grants to other organisations (see note 11)	554	672	-	1,226
	823	672	-	1,495
Total charitable activities	28,323	1,680	-	30,003

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**7. Expenditure on Charitable Activities (Cont'd)**

	2021			
	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Contributions to Archbishops' Council				
<i>Training for Ministry</i>	924	-	-	924
<i>National Church Responsibilities</i>	645	-	-	645
<i>Mission agency pension costs</i>	41	-	-	41
<i>Retired clergy housing</i>	340	-	-	340
<i>Grants and provisions</i>	79	-	-	79
<i>Pooling of ordinand maintenance grants</i>	(5)	-	-	(5)
	2,024	-	-	2,024
Resourcing Ministry and Mission				
<i>Parish Ministry:</i>				
<i>Stipends</i>	9,579	-	-	9,579
<i>National insurance</i>	782	-	-	782
<i>Pension contributions</i>	3,444	-	-	3,444
<i>Clergy pension adjustment (see note 25)</i>	-	-	12	12
<i>Apprenticeship levy</i>	45	-	-	45
<i>Housing costs</i>	4,000	-	-	4,000
<i>Removal, resettlement, parish & clergy grants</i>	263	-	-	263
<i>Other parish expenses</i>	963	-	-	963
	19,076	-	12	19,088
Support for parish ministry and training				
<i>Ordinand grants</i>	698	11	-	709
<i>Diocesan training costs</i>	672	654	-	1,326
<i>Mission in the Diocese</i>	2,039	342	-	2,381
<i>DAC, MPC & DT(O)L</i>	329	-	-	329
<i>Communications</i>	253	4	-	257
<i>Bishops, Archdeacons & Area Offices</i>	546	-	-	546
	4,537	1,011	-	5,548
Expenditure on grants				
<i>Grants to Oxford Diocesan Board of Education (ODBE)</i>	269	-	-	269
<i>Grants to other organisations (see note 11)</i>	2,142	113	-	2,255
	2,411	113	-	2,524
Total charitable activities	28,048	1,124	12	29,184

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Other Property Costs

	2022		
	Tangible Fixed Asset Property Fund £'000	Endowment Funds £'000	Total Funds 2022 £'000
Loss on disposal of properties	-	3	3
Valuation and related costs	106	3	109
	<u>106</u>	<u>6</u>	<u>112</u>

	2021		
	Tangible Fixed Asset Property Fund £'000	Endowment Funds £'000	Total Funds 2021 £'000
(Gain)/Loss on disposal of properties	(1)	69	68
Valuation and related costs	553	103	656
	<u>552</u>	<u>172</u>	<u>724</u>

9. Analysis of Expenditure Including Allocation of Support Costs

	2022			2021		
	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	Total Costs 2022 £'000	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	Total Costs 2021 £'000
Raising and managing funds (note 6)	737	88	825	824	71	895
Charitable activities (note 7):						
Contributions to Archbishops' Council	1,933	-	1,933	2,024	-	2,024
Resourcing parish ministry	19,872	552	20,424	18,647	441	19,088
Support for parish ministry and training	5,052	1,099	6,151	4,658	890	5,548
Grant to Board of Education	269	-	269	269	-	269
Grants to other organisations	1,226	-	1,226	2,255	-	2,255
Other property related costs (Note 8)	112	-	112	724	-	724
	<u>29,201</u>	<u>1,739</u>	<u>30,940</u>	<u>29,401</u>	<u>1,402</u>	<u>30,803</u>

See notes 6 to 8 for an analysis of the costs per category

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**10. Analysis of Support Costs**

	Unrestricted Funds	
	2022	2021
	£'000	£'000
Human resources and administration	277	292
Finance	395	315
Secretariat	203	201
ICT	325	202
Premises and other	330	207
Governance:		
External audit	40	23
Registrar and Chancellor	154	128
Synod costs	15	34
	<u>1,739</u>	<u>1,402</u>

11. Analysis of Grants Made

	2022	2021	2022	2021
	No.	No.	£'000	£'000
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council (note 7)	<u>1</u>	<u>1</u>	<u>1,933</u>	<u>2,024</u>
From general and restricted funds to institutions: (Note 7)				
Parents and Children Together (PACT)	1	1	95	95
Development Fund Grants	29	41	373	927
Ecumenical and chaplaincy grants	3	3	41	52
Grants for parish building projects	22	34	29	36
Bishops discretionary grants	4	4	16	21
Oxford Diocesan Council for the Deaf	-	1	-	7
Diocesan Mutual Support grant	-	1	-	1,000
Hardship Funds and Energy Grants	705	-	647	-
Other grants	23	33	25	117
	<u>787</u>	<u>118</u>	<u>1,226</u>	<u>2,255</u>
Grant to ODBE from unrestricted funds	<u>1</u>	<u>1</u>	<u>269</u>	<u>269</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Staff Costs

	2022 £'000	2021 £'000
Staff costs during the year were as follows:		
Wages and salaries	3,319	3,104
National Insurance contributions	357	314
Pension costs	410	465
Total	<u>4,086</u>	<u>3,883</u>

	Number	Number
The average number of persons employed during the year based on headcount:		
Charitable activities	73	79
Support	23	19
Total	<u>96</u>	<u>98</u>

The average number of persons employed during the year based on full-time equivalents		
Charitable activities	61	64
Support	19	16
Total	<u>80</u>	<u>80</u>

The numbers of staff whose emoluments (including benefits in kind but excluding employer's pension contributions and National Insurance) amounting to more than £60,000 were as follows:

£60,001-£70,000	1	3
£70,001-£80,000	4	2
£90,001-£100,000	<u>1</u>	<u>1</u>

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2022 comprise:

Diocesan Secretary and Company Secretary	Canon Mark Humphriss
Director of Mission & Ministry	Canon Andrew Anderson-Gear
Director of Finance	Mr John Orridge
Director of Property	Mr David Mason
Director of Human Resources & Safeguarding	Mrs Poli Shajko
Director of Communications	Mr Steven Buckley

The aggregate remuneration, including pensions and employer's National Insurance contributions for these 6 posts amounted to £577K (2021: £558K).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Staff Costs (Cont'd)

Directors' emoluments

No remuneration has been paid to any director during the year (2021: £nil) for acting as a director or a member of key management. However, 12 (2021: 15) directors, who held ecclesiastical office during the year, were paid aggregate stipends of £338,000 (2021: £328,000). Pension contributions on those stipends amounted to £103,000 (2021: £108,000) and employer's National Insurance thereon was £32,000 (2021: £31,000). 8 Directors (2021: 13) were reimbursed for travel, subsistence and incidental costs amounting to £9,700 (2021: £13,000) for services provided to ODBF in all the capacities in which they serve. Some directors are provided with housing because of their ecclesiastical office. One of the archdeacons was provided with a car with a cost of £14K until May 2022. (2021: 1 car at a cost of £14K).

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

	Stipend	Housing
The Revd Canon Dr GB Bayliss	Yes	Yes
The Revd Canon J V Binns (from 31/01/2022)	Yes	Yes
The Venerable J Chaffey	Yes	No
The Venerable G Elsmore	Yes	Yes
The Venerable J French (to 30/09/2022)	Yes	Yes
The Revd R J Lamey	Yes	Yes
The Revd D W McFarland	Yes	Yes
The Revd D J Meakin	Yes	Yes
The Revd J M Mintern	Yes	Yes
The Revd R A Peters	No	No
The Venerable S Pullin	Yes	No
The Revd S E Sharp	Yes	Yes
The Ven D Tyler (from 01/10/2022)	Yes	Yes

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

The stipends of the Diocesan Bishop and Area Bishops are funded by the Church Commissioners and are in the range £46,640-£47,106 for Diocesan Bishops and £38,050-£38,590 for Area Bishops. The annual rate of stipend, funded by the ODBF, paid to Archdeacons in 2022 was £37,507 (2021: £36,830) and other stipendiary clergy who were directors were paid in the range £28,243-£29,758 (2021 range £27,963 - £29,463).

The charity has insurance to indemnify the directors and officers against the consequences of any neglect or default on their part. The insurance is provided as part of the charity's general insurance and as such there is no separate premium payable (2021: nil). The cover provided is up to £100,000 (2021: £100,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. Related Parties

The directors consider that the following are related parties:

Oxford Diocesan Board of Education	(ODBE)
Diocesan Trustees (Oxford) Limited	(DT(O)L)
Oxford Diocesan Schools Trust	(ODST)
Oxford Diocesan Buckinghamshire Schools Trust	(ODBST)
Parents and Children Together	(PACT)
Oxford Diocesan Council for the Deaf	(ODCD)

Grants are made to PACT to support their work as below. Their objects are congruent with those of ODBF.

	PACT	
	2022	2021
	£'000	£'000
Grants made by ODBF (Note 11)	95	95

ODBF bears the entire operating costs of DT(O)L, consisting principally of accounting, secretarial and administrative services. These amounted to £78K (2021: £114K).

ODBF made grants of £269K to ODBE in 2022 (2021: £269K) (see Note 7). £50K was also committed to ODBE to support Common Vision projects: chaplaincy and development of church/school relationships. DBF recharged ODBE for accounting, company secretarial, human resources, ICT, premises administrative services totalling £230K in 2022 (2021: £179K). The balance due from ODBE at 31 December 2022 was £79K (2021: £83K).

ODST occupied space in Church House Oxford and contributed £36K (2021: £25K) towards the running costs of the building including reception and ICT.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**14. Analysis of Transfers between Funds****a) Transfers in respect of Total Return**

	General Funds	Designated Funds	Total Unrestricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	7,852	-	7,852	(7,852)
ii) Transfer from general to designated funds for Common Vision	<u>(3,912)</u>	<u>3,912</u>	<u>-</u>	<u>-</u>

- i) Following the adoption of total return accounting from 1 January 2018, £7.9M (2021: £7.0M) has been transferred to general funds from the Glebe Investments Endowment Fund to fund the costs of stipendiary ministry in accordance with the Diocesan Stipends Fund (Amendment) Measure 2016.
- ii) The transfer to Designated Funds, as agreed by Bishop's Council & Diocesan Synod, supports the funding of the Common Vision fund, by applying £3.9M (2021: £3.1M) of general funds as a consequence of the opportunity created by Total Return.

As this £3.9 million cannot legally be drawn from the £7.9M, all of the £7.9 million is applied to the costs of stipendiary ministry, and the £3.9 million is drawn from other income of the diocese (of which the largest element is parish share). The net impact of these two separate transfers is to augment the amount of the diocese's total funds being applied to support stipendiary ministry within the Diocese during the year by £3.9M (2021: £3.9M).

2021 prior year comparatives:

	General Funds	Designated Funds	Total Unrestricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	6,971	-	6,971	(6,971)
ii) Transfer from general to designated funds for Common Vision	<u>(3,109)</u>	<u>3,109</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**14. Analysis of Transfers between Funds (Cont'd)****b) Other transfers**

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(10)	10	-	-
ii) Funds transferred to support stipendiary costs	69	-	(69)	-
iii) Other transfers	-	-	75	(75)
	<u>59</u>	<u>10</u>	<u>6</u>	<u>(75)</u>

i) The purchase of Board owned properties requires an equivalent transfer from the general fund to the Board Properties Fund to finance Board properties; a disposal of Board owned properties requires a transfer from the Board Properties Fund to the general fund.

ii) Income from ODBF and DTOL Trusts restricted funds is transferred to general fund to support stipendiary costs.

iii) Cash transfer from Parsonage funds to Diocesan Pastoral Funds.

2021 prior year comparatives:

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(446)	446	-	-
i) Disposals of Board properties	838	(838)	-	-
Other transfers	67	-	(67)	-
	<u>459</u>	<u>(392)</u>	<u>(67)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**15. Tangible Fixed Assets**

	Freehold Property	Leasehold Property	Vehicles & Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2022	83,868	788	1,053	231,352	34,277	351,338
Additions	16	-	46	3	751	816
Disposals	-	-	(14)	(1,640)	-	(1,654)
Revaluations	1,666	16	-	4,627	686	6,995
At 31 December 2022	85,550	804	1,085	234,342	35,714	357,495
Depreciation						
At 1 January 2022	526	-	896	-	-	1,422
Charge for the year	106	-	32	-	-	138
At 31 December 2022	632	-	928	-	-	1,560
Net Book Values						
At 31 December 2022	84,918	804	157	234,342	35,714	355,935
At 31 December 2021	83,342	788	158	231,352	34,277	349,917

In addition to gains noted above, there were revaluation gains of £82K relating to equity mortgage loans (note 19).

	Freehold Property	Leasehold Property	Vehicles & Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2021	77,562	717	1,025	210,665	31,366	321,335
Additions	444	-	28	107	-	579
Disposals	(825)	-	-	(827)	-	(1,652)
Revaluations	6,687	71	-	21,407	2,911	31,076
At 31 December 2021	83,868	788	1,053	231,352	34,277	351,338
Depreciation						
At 1 January 2021	425	-	854	-	-	1,279
Charge for the year	101	-	41	-	-	142
At 31 December 2021	526	-	895	-	-	1,421
Net Book Values						
At 31 December 2021	83,342	788	158	231,352	34,277	349,917
At 31 December 2020	77,137	717	171	210,665	31,366	320,056

Included within 2021 revaluation gains are impairments costs of £138K which had been recognised in Other Property costs (note 8).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 a) Fixed Asset Investments**

	At 1 January 2022	Additions	Disposals at book value	Change in Market Value	At 31 December 2022
	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds					
Equity Mortgage Loans	493	-	-	-	493
Designated Funds					
Administered funds	30	-	-	3	33
Restricted Funds					
ODBF Trusts & other	936	-	-	(123)	813
Endowment Funds					
Glebe (see note 16b)	152,543	18,330	(14,655)	(9,590)	146,628
ODBF Trusts & other	5,798	-	-	(685)	5,113
	158,341	18,330	(14,655)	(10,275)	151,741
Total	159,800	18,330	(14,655)	(10,395)	153,080

	At 1 January 2021	Additions	Disposals	Change in Market Value	At 31 December 2021
	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds					
Equity Mortgage Loans	546	-	(53)	-	493
Designated Funds					
Administered funds	26	-	-	4	30
Restricted Funds					
ODBF Trusts & other	819	-	-	117	936
Endowment Funds					
Glebe (see note 16b)	136,335	20,192	(19,831)	15,847	152,543
ODBF Trusts & other	5,068	1	-	729	5,798
	141,403	20,193	(19,831)	16,576	158,341
Total	142,794	20,193	(19,884)	16,697	159,800

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 b) Glebe Investments**

	Agricultural Land	Residential Property	Commercial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2022	23,410	2,986	2,934	2,898	120,315	152,543
Additions at cost	13	-	8,266	-	10,051	18,330
Disposals at book value	(334)	-	-	-	(14,321)	(14,655)
Unrealised Gains/(losses)	779	60	61	20	(10,510)	(9,590)
Net Book Value						
At 31 December 2022	23,868	3,046	11,261	2,918	105,535	146,628
Cost or ICV						
At 31 December 2022	3,780	1,544	11,444	1,796	81,809	100,373

Glebe listed investments are managed by Newton Investment Management.

	Agricultural Land	Residential Property	Commercial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2021	24,387	2,715	2,220	2,807	104,206	136,335
Additions at cost	-	-	637	9	19,546	20,192
Disposals	(877)	-	-	(120)	(18,834)	(19,831)
Unrealised (losses)/ gains	(100)	271	77	202	15,397	15,847
Net Book Value						
At 31 December 2021	23,410	2,986	2,934	2,898	120,315	152,543
Cost or ICV						
At 31 December 2021	4,101	1,544	3,178	1,796	86,079	96,698

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Listed Investments**

The investment power of total return permits ODBF to invest the permanently endowed funds of glebe investments to maximise total return and apply an appropriate portion of the unapplied total return each year to support stipendiary ministry.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. 7% of the value of Glebe listed investments, i.e., £8,226K, was transferred to general funds such that it is set against the cost of stipendiary ministry in the year, as determined by the Diocesan Stipends Fund (Amendment) Measure 2016 or incurred on investment management fees.

From 1 January 2018 the Oxford Diocesan Board of Finance adopted a total return approach to investments with regard to the Glebe listed investment portfolio, following consultation with the Diocesan legal advisers and auditors and in accordance with their advice.

The initial value for implementing total return for investment was determined at 31 December 2000 and valued at £14.7M. This was the amount held in listed investments at that date. The unapplied total return was calculated as at 1 January 2018 and valued at £14.9M as the increase above inflation in the value of these investments since the initial valuation, adjusted for the introduction of new investment in the portfolio following significant gains of glebe land which have taken place since 2008. Bishop's Council voted in 2020 to include 2018 & 2019 surplus on glebe land sales totalling £12.38M within the unapplied total return calculation and any development gains from 2018 onwards, to be applied with effect from 1 January 2021. It also voted to apply the CPI inflation measure (backdated to 2000), rather than RPI, further increasing unapplied total return by £5.05M from 1 January 2021. The movements during the last calendar year in the value of the unapplied total return are set out in the following table:

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Listed Investments (cont'd)**

	Trust for investment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 1 January 2022:			
Base value of the permanent endowment	78,639	-	78,639
Unapplied total return	-	38,879	38,879
Total (as reported in the prior year)	78,639	38,879	117,518
Surplus on sales of glebe land	-	4,480	4,480
Investment returns: dividends received	-	2,471	2,471
Investment return: realised and unrealised losses	-	(10,764)	(10,764)
Investment management fees	-	(374)	(374)
Withdrawal to reinvest in Glebe commercial property	(4,000)	-	(4,000)
Unapplied total return allocated to income in the year	-	(7,852)	(7,852)
Add indexation of base level of endowment	8,257	(8,257)	-
Net movements in the year	4,257	(20,296)	(16,039)
As at 31 December 2022:			
Base value of the permanent endowment	82,896	-	82,896
Unapplied total return	-	18,583	18,583
Valuation as at 31 December 2022	82,896	18,583	101,479

The total endowment includes cash funds of £4,056K in addition to Glebe listed investments of £101,479K.

Analysis of Withdrawal to income	£'000
Release to general funds to support stipends (note 14)	7,852
Investment management fees	374
Withdrawal to income	<u>8,226</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of the power of total return to glebe investments (cont'd)****Prior year figures for the year ended 31 December 2021**

	<i>Trust for investment</i>	<i>Unapplied Total Return</i>	<i>Total endowment</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
As at 1 January 2021:			
<i>Base value of the permanent endowment</i>	94,122	-	94,122
<i>Unapplied total return</i>	-	12,362	12,362
Total	94,122	12,362	106,484
Adjustments to opening balance			
<i>Glebe land net disposal proceeds since 1 Jan 2018</i>	(14,951)	14,951	-
<i>Adjustment to CPI indexation</i>	(5,050)	5,050	-
Movements in the year:			
<i>Investment returns: dividends received</i>	-	2,360	2,360
<i>Investment return: realised and unrealised gains</i>	-	16,127	16,127
<i>Investment management fees</i>	-	(482)	(482)
<i>Unapplied total return allocated to income in the year</i>	-	(6,971)	(6,971)
<i>Add indexation of base level of endowment</i>	4,518	(4,518)	-
Net movements in the year	(15,483)	26,517	11,034
As at 31 December 2021:			
<i>Base value of the permanent endowment</i>	78,639	-	78,639
<i>Unapplied total return</i>	-	38,879	38,879
Valuation as at 31 December 2021	78,639	38,879	117,518

The total endowment includes cash funds of £2,797K in addition to listed investments of £117,518K.

Analysis of Withdrawal to income	£'000
<i>Release to general funds to support stipends (note 14)</i>	6,971
<i>Investment management fees</i>	482
Withdrawal to income	7,453

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**17. Debtors**

	2022 £'000	2021 £'000
Amounts due after more than one year		
Loans to parishes	72	196
Pension Scheme surplus (Note 25)	-	77
Amounts due within one year		
Prepayments	67	236
Accrued income	429	384
Other debtors	1,052	850
Loans	289	314
Amounts due from connected charities	140	49
Total	1,977	1,833
Total debtors	2,049	2,106

18. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Creditors and accruals	4,535	3,823
Taxation and social security	89	87
Deferred income	448	314
Total creditors: amounts falling due within one year	5,072	4,224

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

	2022 £'000	2021 £'000
Loans and others	2,662	2,744
Total creditors: amounts falling due after more than one year	2,662	2,744

The above loans are all repayable after more than five years

Loans include equity mortgage loans from the Church Commissioners. Equity mortgages are secured on individual freehold properties and are repayable on disposal.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements**

	2022					Balances at 31 Dec 2022 £'000
	Balances at 1 Jan 2022 £'000	Income £'000	Expenditure £'000	Transfers (note 14) £'000	Gains & Losses £'000	
UNRESTRICTED FUNDS						
General	9,005	22,657	(27,112)	4,314	(57)	8,807
Designated Funds						
Common Vision	5,660	6	(1,450)	3,912	-	8,128
Development posts and new communities fund	775	-	(105)	-	-	670
Property repair & maintenance	550	-	-	(330)	-	220
Other funds	166	51	(51)	15	-	181
	7,151	57	(1,606)	3,597	-	9,199
Total General and Designated Funds	16,156	22,714	(28,718)	7,911	(57)	18,006
Tangible Fixed Assets Property Fund						
Board properties fund	81,393	-	(106)	10	1,764	83,061
RESTRICTED FUNDS						
Diocesan Pastoral Account	186	4	(10)	75	-	255
Mission grants fund	28	700	(618)	-	-	110
Archbishops Hardship Grant	-	647	(647)	-	-	-
Sillitoe Bequest	1,150	27	-	-	(122)	1,055
Other funds below £250K	980	584	(405)	(69)	(1)	1,089
	2,344	1,962	(1,680)	6	(123)	2,509
ENDOWMENT FUNDS						
Glebe team vicarages	35,817	-	-	-	687	36,504
Glebe investments	149,883	2,679	(430)	(7,852)	(5,699)	138,581
Clergy pension scheme deficit	(684)	-	-	-	684	-
Diocesan stipends fund	185,016	2,679	(430)	(7,852)	(4,328)	175,085
Parsonage house fund	232,017	-	(6)	(75)	4,627	236,563
Stipends bequest fund	2,407	-	-	-	-	2,407
Ordination candidates funds	1,758	-	-	-	-	1,758
Other funds	1,694	-	-	-	(679)	1,015
	422,892	2,679	(436)	(7,927)	(380)	416,828
Total funds	522,785	27,355	(30,940)	-	1,204	520,404

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements (Cont'd)**

	2021					
	<i>Balances at 1 Jan 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains and Losses</i>	<i>Balances at 31 Dec 2021</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
UNRESTRICTED FUNDS						
<i>General</i>	9,792	21,741	(25,570)	3,771	(729)	9,005
Designated Funds						
<i>Common Vision</i>	5,264	3	(2,716)	3,109	-	5,660
<i>Development posts and new communities fund</i>	897	-	(122)	-	-	775
<i>Property repair and maintenance</i>	-	-	-	550	-	550
<i>Other funds</i>	163	16	(17)	-	4	166
	<u>6,324</u>	<u>19</u>	<u>(2,855)</u>	<u>3,659</u>	<u>4</u>	<u>7,151</u>
Total General and Designated Funds	<u>16,116</u>	<u>21,760</u>	<u>(28,425)</u>	<u>7,430</u>	<u>(725)</u>	<u>16,156</u>
Tangible Fixed Assets Property Fund						
<i>Board properties fund</i>	75,488	41	(552)	(392)	6,808	81,393
RESTRICTED FUNDS						
<i>Diocesan Pastoral Account</i>	200	2	(16)	-	-	186
<i>Mission grants fund</i>	43	-	(15)	-	-	28
<i>Sillitoe Bequest</i>	1,012	23	-	-	115	1,150
<i>Other funds below £250K</i>	1,006	1,132	(1,093)	(67)	2	980
	<u>2,261</u>	<u>1,157</u>	<u>(1,124)</u>	<u>(67)</u>	<u>117</u>	<u>2,344</u>
ENDOWMENT FUNDS						
<i>Glebe team vicarages</i>	32,907	-	(100)	-	3,010	35,817
<i>Glebe investments</i>	138,439	2,360	(518)	(6,971)	16,573	149,883
<i>Clergy pension scheme deficit</i>	(1,358)	-	(12)	-	686	(684)
<i>Diocesan stipends fund</i>	169,988	2,360	(630)	(6,971)	20,269	185,016
<i>Parsonage house fund</i>	210,660	34	(72)	-	21,395	232,017
<i>Stipends bequest fund</i>	2,109	-	-	-	298	2,407
<i>Ordination candidates funds</i>	1,537	-	-	-	221	1,758
<i>Other funds</i>	1,484	-	-	-	210	1,694
	<u>385,778</u>	<u>2,394</u>	<u>(702)</u>	<u>(6,971)</u>	<u>42,393</u>	<u>422,892</u>
Total funds	<u>479,643</u>	<u>25,352</u>	<u>(30,803)</u>	<u>-</u>	<u>48,593</u>	<u>522,785</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund**

	Tangible Fixed Assets £'000	Investments £'000	2022 Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	157	493	10,078	(1,921)	8,807
Designated					
Common Vision	-	7,014	3,094	(1,980)	8,128
Development posts and new communities fund	-	-	670	-	670
Property repair & maintenance	-	-	220	-	220
Other funds	-	33	171	(23)	181
	-	7,047	4,155	(2,003)	9,199
Total general and designated funds	157	7,540	14,233	(3,924)	18,006
Tangible fixed assets property fund					
Board properties fund	85,722	-	-	(2,661)	83,061
RESTRICTED FUNDS					
Diocesan Pastoral Account	-	-	255	-	255
Mission grants fund	-	-	295	(185)	110
Sillitoe Bequest	-	800	255	-	1,055
Other funds below £250K each	-	13	1,174	(98)	1,089
	-	813	1,979	(283)	2,509
ENDOWMENT FUNDS					
Glebe team vicarages	35,714	300	490	-	36,504
Glebe investments	-	139,307	139	(865)	138,581
Diocesan stipends fund	35,714	139,607	629	(865)	175,085
Parsonage house fund	234,342	-	2,221	-	236,563
Stipends bequest fund	-	2,407	-	-	2,407
Ordination candidates funds	-	1,758	-	-	1,758
Other	-	955	61	(1)	1,015
	270,056	144,727	2,911	(866)	416,828
Total Funds	355,935	153,080	19,123	(7,734)	520,404

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund (Cont'd)**

	<i>Tangible Fixed Assets £'000</i>	<i>Investments £'000</i>	2021 <i>Current Assets £'000</i>	<i>Creditors £'000</i>	<i>Net Assets £'000</i>
UNRESTRICTED FUNDS					
<i>General</i>	158	493	9,691	(1,337)	9,005
Designated					
<i>Common Vision</i>	-	3,109	5,079	(2,528)	5,660
<i>Development posts and new communities fund</i>	-	-	775	-	775
<i>Property repair & maintenance</i>	-	-	550	-	550
<i>Other funds</i>	-	30	145	(9)	166
	-	3,139	6,549	(2,537)	7,151
Total general and designated funds	158	3,632	16,240	(3,874)	16,156
Tangible fixed assets property fund					
<i>Board properties fund</i>	84,131	-	6	(2,744)	81,393
RESTRICTED FUNDS					
<i>Diocesan Pastoral Account</i>	-	-	187	-	187
<i>Mission grants fund</i>	-	-	28	-	28
<i>Sillitoe Bequest</i>	-	922	228	-	1,150
<i>Other funds below £250K each</i>	-	14	1,190	(225)	979
	-	936	1,633	(225)	2,344
ENDOWMENT FUNDS					
<i>Glebe team vicarages</i>	34,276	300	1,900	-	36,476
<i>Glebe investments</i>	-	149,134	874	(125)	149,883
<i>Clergy pension scheme deficit</i>	-	-	-	(684)	(684)
<i>Diocesan stipends fund</i>	34,276	149,434	2,774	(809)	185,675
<i>Parsonage house fund</i>	231,352	-	6	-	231,358
<i>Stipends bequest fund</i>	-	2,368	39	-	2,407
<i>Ordination candidates funds</i>	-	1,758	-	-	1,758
<i>Other</i>	-	1,672	22	-	1,694
	265,628	155,232	2,841	(809)	422,892
Total Funds	349,917	159,800	20,720	(7,652)	522,785

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds****General fund**

The general fund is the ODBF's unrestricted undesignated fund available for any of the ODBF's purposes without restriction.

Designated fundsCommon Vision

The adoption of total return accounting from 1 January 2018 generates funds to be released towards supplementing the costs of stipendiary ministry within the general fund. This, in turn, enables general funds to be transferred to a designated income fund for expenditure in relation to the Common Vision strategy.

Development posts and new communities fund

In July 2014 and February 2015 Bishop's Council considered and approved the transfer of £600K to a new designated fund for development posts in new communities. In February 2016 Bishop's Council approved the transfer of an additional £800K to the fund for development posts.

Property repair and maintenance

This fund was created to support deferred repair and maintenance expenditures (deferred from 2020 and 2021 due to the pandemic), especially within the vicarages portfolio.

Tangible Fixed Assets Property FundBoard properties fund

The Board properties fund is represented by tangible fixed asset properties plus any related debtors less loans drawn down to finance the purchase of those properties.

Restricted fundsDiocesan Pastoral Account

The Diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:

- to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular Diocesan employees
- to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese
- other purposes of the Diocese or any benefice or parish in the Diocese
- to make grants or loans to any other Diocese
- to transfer funds to the Diocesan stipends fund income or capital accounts

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds (cont'd)**Sillitoe Bequest

A bequest was received in April 1999 to establish a discretionary fund to help clergy to retire early for reasons other than ill health. The allocation of funds is agreed by the Diocesan Secretary and the Archdeacon or Bishop of an Archdeaconry as appropriate.

Endowment fundsDiocesan stipends capital fund

The Diocesan stipends capital fund has been created from the Diocesan stipends fund capital account assets previously held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.

Parsonage house fund

The parsonage house fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses.

Although benefice houses are vested in the incumbents for the time being of the benefices concerned, ODBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the ODBF.

Stipends bequests fund

The Stipends bequest fund is made up of various legacies and bequests. All income can be used to pay stipends.

Ordination candidates funds

The Ordination candidates funds are made up of several benefactions used to help fund ordination candidates.

23. Capital Commitments

Capital commitments in respect of development of clergy housing contracted but not provided totalled £nil at 31 December 2022 (2021: £131K).

24. Members' liability

The Charity is constituted as a company limited by guarantee. In the event that the company is wound up, company members are required to contribute an amount not exceeding £1 each.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions

Stipendiary Clergy

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to each specific Responsible Body, and this means that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2022: £3,359K, 2021: £3,444K), plus the figures highlighted in the table below as being recognised in the statement of financial activities, giving a total charge of £3,359K for 2022 (2021: £3,456K).

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 actuarial mortality tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a and an allowance for 2020 data of 0%.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions payable (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

% of pensionable stipends	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2021 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

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

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

	2022	2021
	£'000	£'000
Balance sheet liability at 1 January	684	1,358
Deficit contribution paid	(407)	(686)
Interest cost	-	2
Remaining change to the Balance Sheet liability*	(277)	10
Pension adjustment to statement of financial activities	(277)	12
Balance sheet liability at 31 December	-	684

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

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

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

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

Salaried staff defined benefit scheme

Eligible salaried employees of ODBF were offered the opportunity to join the Oxford Diocesan Board of Finance Staff Retirement Scheme until September 2006 at which point the scheme closed to new entrants. The Scheme is a defined benefit (final salary) scheme administered by the Pensions Trust who are also the trustees.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

The scheme is funded by contributions by ODBF. Employees are not required to contribute towards the cost of their benefits. The Scheme is the subject of advice by professional actuaries and annual premiums are paid and charged, after offsetting any reduction in liability or charging any increase in liability, to expenditure in the SOFA each year.

Contribution rates vary according to actuarial reviews undertaken every three years. The contribution rate paid in 2022 was 30.1% of basic salaries each month (2021: 30.1%), which amounted to £122K (2021: £192K). ODBE paid contributions of £15K for staff in the scheme previously employed by ODBF until July 2022 (2021: £28K). No additional contributions were due or paid in 2022 towards the previous deficit (2021: £nil).

A qualified actuary has prepared the pension scheme figures quoted in this note as required under Financial Reporting Standard 102 (FRS102). The basis of FRS102 calculations is largely prescribed, although assumptions about future salary increases, inflation and investment returns rest with the directors, acting on actuarial advice. The actuary then compares the value of the benefits earned to the valuation date (the liabilities) with the value of the assets held by the scheme. Any excess of liabilities over assets represents a deficit in funding; any excess of assets over liabilities represents a surplus in funding.

The FRS102 surplus at the start of 2022, £77K, decreased by £77K during the year to £nil at 31 December 2022. The liabilities are valued on the basis of corporate bond yields at the date of calculation which this year was 5.00% (2021: 1.82%), with the assets being taken at market value. The balance sheet is therefore heavily dependent on market conditions at the date of calculation and swings from one year to the next have the potential to be very significant.

In addition, changes to corporate bond yields and mortality assumptions from one year to the next can give rise to volatility in the SOFA figures.

The FRS102 valuation determines the pension figures that must be included in the ODBF accounts. The actuary's triennial valuation, the "on-going" valuation for the Scheme, is based on different financial assumptions than those used for FRS102. The triennial valuation as at 30 September 2020 was updated to 31 December 2022 by a qualified actuary independent of the scheme's sponsoring employer and showed a balance of £nil. The employer contribution rate from 1 January 2022 is 30.1%, in addition to payment of scheme expenses of £71K.

The Scheme closed to future accrual of benefits with effect from 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions (cont'd)

The main financial assumptions under FRS102 are (per annum):

	2022	2021
	%	%
Discount rate	5.00	1.82
Salary increases	3.00	2.50
Inflation (RPI)	3.13	3.24
Inflation (CPI)	2.91	2.99
Allowance for pension in payment increases of RPI or 5% if less	3.01	3.10
Allowance for pension in payment increases of CPI or 5% if less	2.83	2.90

The discount rate is based on yields available on AA rated corporate bonds. The RPI assumption was based on market conditions at the date of the valuation and the same rate less 0.1% has been used for benefits that increase in line with LPI. Salary increases are assumed to run at 0.5% below RPI.

The scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employers. Their 'fair value' at 31 December 2022 was £9,984K (2021: £16,217K) as below:

	2022	2021
	£'000	£'000
Fixed Interest Bonds	2,236	5,190
Index-linked gilts	4,074	6,312
Property	1,429	1,681
Other	2,245	3,034
	<u>9,984</u>	<u>16,217</u>

The scheme's financial position as at 31 December (FRS102 basis) recognised in the Balance Sheet was:

	2022	2021
	£'000	£'000
Fair value of plan assets	9,984	16,217
Present value of defined benefit obligations	(9,217)	(14,793)
Unrecognised surplus	<u>(767)</u>	<u>(1,347)</u>
Surplus recognised (see note 17)	<u>-</u>	<u>77</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

Reconciliation of opening and closing balances of the fair value of plan assets:

	2022	2021
	£'000	£'000
Fair value of assets at 1 January	16,217	16,014
Interest income	293	223
Employer contributions	122	192
Benefits paid and expenses	(398)	(401)
Actuarial (loss)/gain on assets	<u>(6,250)</u>	<u>189</u>
Fair value of assets at 31 December	<u>9,984</u>	<u>16,217</u>

Reconciliation of opening and closing balances of the defined benefit obligation:

	2022	2021
	£'000	£'000
Defined benefit obligation at 1 January	14,793	14,248
Current service cost	77	170
Interest cost	267	198
Benefit paid	(327)	(345)
Actuarial (gain)/loss on liabilities	<u>(5,593)</u>	<u>522</u>
Defined benefit obligation at 31 December	<u>9,217</u>	<u>14,793</u>

Defined benefit costs recognised in the SOFA:

	2022	2021
	£'000	£'000
Current service cost	77	170
Net interest income	(2)	(12)
Expenses	<u>71</u>	<u>56</u>
Total	<u>146</u>	<u>214</u>

Defined benefit income (costs) recognised in other comprehensive income:

	2022	2021
	£'000	£'000
Return on plan assets – (losses)/gains	(6,250)	189
Experience (losses)/gains arising on plan liabilities	(916)	86
Effects of changes in demographic & financial assumptions underlying the present value of the plan liabilities	6,509	(608)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	<u>604</u>	<u>(396)</u>
Total amount recognised in other comprehensive income	<u>(53)</u>	<u>(729)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)****Staff Church Workers Pension Fund (CWPF)**

ODBF participates in the Pension Builder Scheme section of CWPF for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the 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.

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

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

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

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2022: £298K, 2021: £250K).

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions (cont'd)

Staff Church Workers Pension Fund (CWPF)

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8M on the ongoing assumptions used. At the most recent annual review, the Church of England Pension Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**26. Statements of Financial Activities (Prior Year)**

For the year ended 31 December 2021

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2021
		General & Designated Funds	Tangible Fixed Assets Property Fund			
	<i>Note</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Income and Endowments from:						
Donations	2	18,915	-	289	-	19,204
Charitable activities	3	2,116	-	685	-	2,801
Investments	4	717	-	180	2,360	3,257
Other sources	5	12	41	3	34	90
Total		21,760	41	1,157	2,394	25,352
Expenditure on:						
Raising and managing funds	6	377	-	-	518	895
Charitable activities	7	28,048	-	1,124	12	29,184
Other property costs	8	-	552	-	172	724
Total		28,425	552	1,124	702	30,803
Net (expenditure)/income before investment gains:		(6,665)	(511)	33	1,692	(5,451)
Net gains on investments		4	-	117	17,301	17,422
Net (expenditure)/income		(6,661)	(511)	150	18,993	11,971
Total Return transfer	14a	6,971	-	-	(6,971)	-
Net income/(expenditure) after Total Return transfer		310	(511)	150	12,022	11,971
Other transfers	14b	459	(392)	(67)	-	-
		769	(903)	83	12,022	11,971
Other recognised gains/ (losses):						
Gains on re-valuation of tangible fixed assets	15	-	6,808	-	24,406	31,214
(Losses)/gains on defined benefit pension scheme	25	(729)	-	-	686	(43)
Net movement in funds		40	5,905	83	37,114	43,142
Total funds brought forward		16,116	75,488	2,261	385,778	479,643
Total funds carried forward	20	16,156	81,393	2,344	422,892	522,785

THE OXFORD DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 247954

Accounts

Oxford Diocesan Board of Finance

Directors' Report and Financial Statements

For the year ended 31 December 2021

Company limited by guarantee (No. 142978 England and Wales)

Registered charity (No. 247954)

Registered & Principal Office:

Church House Oxford

Langford Locks

Kidlington

Oxford OX5 1GF

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Key to abbreviations:

CBF	Central Board of Finance	ODBE	Oxford Diocesan Board of Education
CEFPS	Church of England Funded Pension Scheme	ODBF	Oxford Diocesan Board of Finance
CEPB	Church of England Pensions Board	ODBST	Oxford Diocesan Bucks Schools Trust
CSUST	Church Schools Uniform Statutory Trust	ODST	Oxford Diocesan Schools Trust
CPI	Consumer Price Inflation	PACT	Parents and Children Together
DAC	Diocesan Advisory Committee	PCC	Parochial Church Council
DT(O)L	Diocesan Trustees (Oxford) Limited	RPI	Retail Price Index
EIG	Ecclesiastical Insurance Group	SOFA	Statement of Financial Activities
ESG	Environment, Social & Governance	SORP	Statement of Recommended Practice
FRS	Financial Reporting Standard	UKME	United Kingdom Minority Ethnic
ICV	Initial Carrying Value		
LPI	Limited Price Index		
MPC	Mission & Pastoral Committee		

DIRECTORS' ANNUAL REPORT

The directors, who are also trustees for the purposes of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2021.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the ODBF are to benefit the public by promoting and assisting the mission and other work of the Church of England in and beyond the boundaries of the Diocese of Oxford by raising, collecting and expending funds in connection with:

- (1) Training, funding and other support for ministry (both clerical and lay) within the Diocese of Oxford and in the wider Church of England, Anglican Communion, and other Christian churches with which the Church of England has ecumenical relationships or otherwise recognises as partners in its mission;
- (2) Provision for pensions for retired ministers (both clerical and lay) and support for their dependants;
- (3) Management of investments and historic assets in accordance with the Endowments and Glebe Measure 1976 and otherwise;
- (4) Support for the work of the Diocesan Board of Education and other trusts and related bodies involved with the work of schools in the Diocese of Oxford; and
- (5) Support for other charitable trusts established in connection with the work of parishes and other related bodies throughout the Diocese of Oxford.

ODBF also incorporates the functions and responsibilities of the Diocesan Parsonages Board.

The role of Diocesan Authority for parochial and other trusts is carried out by DT(O)L, a separate charitable company resourced by ODBF.

STRATEGIC REPORT - STRATEGIC AIMS AND OBJECTIVES

The Diocese promotes the work and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Oxford and elsewhere. Together, we are the Church, called and sent by God as disciples of Jesus Christ and filled with the Holy Spirit. We are a living, growing network of more than a thousand congregations, chaplaincies and schools. The strategy and approach of the Diocese is described as 'a common vision for a more Christ-like Church: contemplative, compassionate and courageous for the sake of God's world'.

STRATEGIC REPORT - STRATEGIC AIMS AND OBJECTIVES (Cont'd)

To support these aims the main role of the ODBF is to identify and manage the financial aspects of the provision of mission and ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the Christian mission and strategic priorities in the Diocese.

The aims and objectives are largely achieved by providing:

- Ministry in the parishes – by the appointment of stipendiary and non-stipendiary clergy and licensed lay ministers, the payment of stipends, the provision of houses for the clergy as necessary; by involvement in the selection and training of ordinands and lay ministers including the provision of financial support to those training for the ministry; by providing continuing ministerial training for clergy and lay ministers;
- Assistance to parishes – through the provision of parish development advisors in each archdeaconry; through good communications, HR and finance support; through support for work with children and young adults; through help with Christian giving and parish fundraising; through support for parishes in the administration of trusts; through assistance to churchwardens and treasurers and assistance with matters dealt with by the Diocesan Advisory Committee (DAC) in relation to church buildings;
- Strategic leadership and support in focus areas of Common Vision such as environmental action, new congregations, discipleship and poverty and inequality;
- Safeguarding resources, advice and case handling, and
- Support for church schools through training and support services and the provision of assistance and advice to head teachers and school governors through the annual grant to ODBE.

ENVIRONMENT, SOCIAL AND GOVERNANCE

We remain committed to working towards net carbon zero by 2035. Following the Church of England decision in 2020 that parishes, church schools and DBF property would be 'in scope', work is underway in all three areas. In particular, in 2021 an environment survey of all our vicarages was carried out. The results have been reviewed in early 2022 and a proposed programme of works will be discussed at Bishop's Council in May 2022.

During 2020 a social investment working group considered how some of the diocese's glebe assets could be used to recognise the social needs of our communities. The group focused its work on housing. In particular, the need for social housing across the diocese has been estimated at twenty times what is available. Bishop's Council expressed its willingness in December 2020 for up to £5 million to be invested in developments which will predominantly be available for social housing. Potential housing developments have been identified in 2021 where this could be applied and a possible initial development is under consideration in 2022.

We remain strongly committed to social justice and to community organising as a means of communities coming up with solutions themselves. In Autumn 2021 we published our initial work under the poverty and inequality focus area.

ENVIRONMENT, SOCIAL AND GOVERNANCE (Cont'd)

Our Investment Committee receives at each meeting, and discusses with our investment managers, an ESG report on our investment portfolio. The most recent report highlights the following ESG aspects:

- MSCI ESG (A global ESG benchmark) score of 8.3. This score highlights that our portfolio is regarded as a leader in ESG engagement.
- The carbon intensity of the portfolio is 46% less than the MSCI benchmark. The reduction in carbon emissions in absolute terms is equivalent to 3,500 gallons of petrol.
- 60% of the portfolio has at least 30% female representation at Board level (52% MSCI benchmark).

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

Covid-19

2021 has been significantly dominated by the continued impact of Covid-19. Covid-19 updates were issued widely across the diocese whenever there was any information or guidance to share; they were received very positively and attracted a very high open-rate. The diocese has sought to communicate a measured approach, supporting parishes in local decision-making wherever possible.

We again experienced difficulties in carrying out the work to clergy properties that we intended to do. This was principally due to a shortage of contractors and raw materials. There was hesitancy or impracticability in doing work during the lockdown at the start of the year.

Common Vision

The implications of Covid-19 are profound for us as a nation and as a Diocese and we are committed to adapting, strategically and financially, to how we can best serve and equip our parishes, schools and chaplaincies to be a more Christ-like Church in that new context. The crisis has brought major challenges and suffering, but also some opportunities and we are reflecting carefully on them all as we discern together with the clergy and lay people of the Diocese what it means to be contemplative, compassionate and courageous in a post-Covid-19 world.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

It is set out below what was planned for 2021 and what ODBF, through its staff and volunteers, achieved during the year:

1. Environmental action

Bishop Olivia joined COP26, in Glasgow, in November, representing the Church of England's and diocese's commitment to environmental action. Progressing towards our target of net zero by 2035, over 400 parsonage house energy audits took place and the number of churches registered as an Eco Church with A Rocha rose to 15%. We launched brand new Be the Change resources for children and young people in our schools and churches to help them take action on climate change.

2. Growing new congregations

We celebrated the launch of revitalisations at Reading Gateway Church from Greyfriars, Reading, Whaddon Way from St Mary's, Bletchley in Milton Keynes, and St Peter's Church in north Aylesbury. They seek to renew an existing church by grafting leadership, people and resources into them.

In June, the Intercultural Mission Resourcing Hub launched at St Paul's, Slough, supporting and mentoring churches across the diocese to nurture new intercultural worshipping communities in their own contexts.

3. Schools, Children and Young People

Space Makers Contemplative Toolkit was launched in September with over a third of our schools taking part in training. New chaplaincies were also established in five secondary schools and three primary schools, and new links were formed with two FE colleges.

The embedding of the reshaped Discipleship Enabler roles within each archdeaconry team has enabled us to provide resources and tailored support specific to the needs of each area and to develop new and good relationships with parishes.

4. Poverty and inequality

Addressing Poverty and Inequality was published in November telling the story of poverty and inequality in a wide range of community and church contexts across the diocese. Findings from this will guide future diocesan support for parishes who are working to alleviate poverty in their contexts.

In December, the ODBF became a Fairwork partner, helping to champion a fairer jobs platform, transform the gig economy, and reaffirm our commitment to addressing poverty and inequality

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

5. Diversity and Inclusion

A Diversity Hub was formed within the Department of Mission and Ministry to enable collaborative working and achieve greater diversity and inclusion across all areas of work in the diocese. Most recently a new Chaplain among the deaf community was appointed.

We welcomed our first UKME Development Enabler working to embed racial justice in all areas of the diocese. A new UKME Clergy Chapter was formed and UKME oversight group, chaired by Bishop Steven.

6. Development Fund

In 2021, the Development Fund awarded 45 grants to parishes across the diocese amounting to £856k for a range of missionally creative initiatives such as the provision of basic facilities, the recruitment of new church and parish staff, the construction of community centres, youth engagement projects, and projects serving food to local people in need.

Ongoing operations

As part of our normal business, we said that we would:

- Provide leadership and support across the Diocese that recognises the spiritual, practical, emotional and financial challenges of Covid-19.

We engaged regularly with clergy and parishes on the challenges being faced and in late 2021 Bishop Steven started a programme under which he will visit every deanery over a 12 month period to listen to the experiences of clergy in a Chapter meeting and then lay people. Support was provided to parishes throughout the year both proactively and reactively by the area teams and Church House staff.

As regards finance, we continued to make expenditure savings where possible. Savings were made in staff and IT costs and recommended clergy interregna periods were usually 12 months to protect the stipends and rental accounts at a time when we were otherwise experiencing lower clergy vacancies than budgeted. We kept in close touch with deaneries and parishes about the financial impact of the pandemic on parish share and again altered the deadlines for rebates. We remain extremely grateful for the work of our Parishes in achieving their Parish Share allocations. 2021 saw a 93.2% recovery, which is remarkable in the Covid-related circumstance.

- To ensure, through the refocused and renamed department of Mission & Ministry, that we are outward-focused, inspiring, equipping and supporting parishes as effectively as possible in creative, proactive and responsive ways.

Over 1,000 people took part in Come and See in 2021 and more than 200 church leaders used the resource with their congregations. Our network of Personal Discipleship Plan encouragers continued to grow with more than 500 people trained and we expanded the initiative working with the National Church to lead and develop a brand new Everyday Faith Portal.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

The department's new senior leadership team has worked to ensure greater coherence and listening so that the refocused department can be as impactful; and responsive as possible to the evolving needs of the diocese.

- Ensure that our church communities are as safe as they can be, including by conducting the Past Cases Review 2 exercise.

To ensure confidence in responding well to safeguarding concerns, the Diocesan Safeguarding Team was reorganised with a full-time dedicated caseworker for each archdeaconry and a new Head of Safeguarding appointed. Partnerships were made with Safe Spaces and thirty one: eight to boost signposting opportunities and out of hours support.

The Past Cases Review 2 was completed successfully with over 3,000 files reviewed. Recommendations will be published alongside the national report in spring 2022.

- To conclude and implement a review of our governance

2021 saw the implementation of recommendations from the review of governance in 2020, ensuring diocesan governance is as effective as possible in supporting its mission. This created an improved transparency and accountability of committee activities, a streamlining of membership structures, a standardisation of committee terms of reference, and clearer and shorter reporting lines. Diversity of committee memberships remains a priority and has been aided by the establishment of an Appointments Committee.

- To significantly refresh the Diocesan website.

This year saw the launch of new websites for both ODBE and (in January 2022) ODBF, alongside a complete review of our online content. The new sites are easier to navigate, feature a much-improved search functionality, and host dedicated pages for various church roles, helping our ordained and lay leaders find exactly what they need, when they need it. A new members-only functionality on the ODBE site allows exclusive access to in-depth resources and bespoke support for our Services for Schools representatives.

Alongside the website, we are delighted to have grown our Instagram following to over 1,000 in 2021. The weekly eNews mailing is reaching 5,000 screens with updates from around the diocese each week and we provided two fully booked training sessions for our curates on how social media can help them in their mission and ministry.

- To review our investment management arrangements and to begin a review of our parish share mechanism and a replacement for our accounting system.

Following an extensive tendering process, Newton Investment Managers were reappointed. The new accounting system went 'live' on 1 February 2022 and we played a leading role in enabling other Dioceses to consider implementing the same system. The Parish Share Review Group commenced its work in the autumn of 2021 and will report to Bishop's Council in May 2022.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

At the end of December, Bishop's Council expressed enormous appreciation to the Revd Canon John Tattersall LVO, who stepped down as Chair of the Diocesan Board of Finance after eight years of exemplary service, and we welcomed Sir Hector Sants as his successor at the beginning of January.

FUTURE PLANS

In addition to all the work operationally required and delivered from year to year, we plan in 2022:

1. To continue to provide leadership and support across the Diocese that is realistic about the challenges as well as opportunities as we emerge from Covid-19.
2. To deliver a helpful and well-received 2022 Clergy Conference, working through lament & healing moving towards returning to the centre of calling and being sent out, empowered by God.
3. To enable and realise significant impact for the sake of the Diocese and God's world through the focus areas of Common Vision and the Development Fund.
4. To complete the Parish Share Review and make recommendations for change to Bishop's Council & Diocesan Synod, for a 2023 implementation.
5. To secure agreement for a costed programme for the first part of moving our property portfolio to net carbon zero by 2035, and to determine the related implementation strategy.

FINANCIAL REVIEW

Financial Performance

The Statement of Financial Activities (SOFA) for the year shows net expenditure of £5.5M before investment and revaluation gains (2020: £3.8M net expenditure). Investment gains, property and pension revaluations totalling £48.6M resulted in an overall increase in funds of £43.1M (2020: £20.0M).

Glebe agricultural land decreased in value by £1M (including £0.9M disposal) and glebe listed investments increased in value due to market conditions, with a £15.4M unrealised gain as at 31 December 2021.

Revaluation gains were reduced by £43k due to the 2021 year end valuations of the staff and clergy defined benefit pension schemes. The housing market increased in 2021 and there was a 9.3% (£31M) increase in the value of properties in the year. (2020: 6% increase).

Total return accounting was adopted from 1 January 2018, with a 7% (£7.5M) withdrawal to income in 2021, including investment manager fees. This has enabled, an additional £3.9M to be transferred to support general funds and an additional £3.6M to be spent: £3.1M on Common Vision strategy and £0.5M on investment management costs. The money for Common Vision is held in a designated fund whilst plans are being implemented (see note 16c and note 22).

Income in the SOFA totalled £25.4M (2020: £26.1M), a decrease of £0.7M. Parish share, the money given by parishes to the Diocese to fund its mission and ministry, is the main income to the Diocese. Parish share income (net after rebates) totalled £18.6M (2020: £18.9M). Current year receipts before rebates fell by £0.4M from 2020 and 93.2% of apportioned share for the year was received (2020: 94.4%). The rate of increase in parish share for 2021 was set at 0% (2020: 1.75%). Income from donations include a grant of £232K (2020: £244k) from the All Churches Trust. The Diocese is most grateful for this grant which supported the work of the Parish Development Advisers and safeguarding training.

The implementation of total return accounting has meant that our investment managers no longer need to focus on maintaining dividend income, which saw a decline of £0.2M since last year. Restricted income from charitable activities increased by £23K for funding ordinand training received from Archbishops' Council. Other income relating to endowment funds amounts to £34K, including £10k from surplus on disposal of properties.

2021 expenditure in the SOFA totalled £30.8M (2020: £29.9M), an increase of £0.9M after an adjustment of £12K (2020: £90K credit) relating to revaluation of the clergy pension scheme. When this and the prior year pension adjustment is excluded, costs increased by £1M. 2021 is the fourth year of expenditure on Common Vision, using the designated fund set aside from total return, and this totalled £3.1M, including Development Fund grants. £1M committed expenditure on Diocesan support grants for less wealthy dioceses is recognised in 2021, including £0.25M paid in 2021 and £0.75M to be paid between 2022 and 2024.

Balance Sheet

Net assets totalling £523M (2020: £480M) consist principally of properties to house the clergy, valued at £350M, (2020: £319M) and glebe investments of £153M (2020: £136M) which are analysed in Note 16(b) and for which use of capital is restricted while the income, recognised on a total return basis, is

FINANCIAL REVIEW (Cont'd)

used to pay clergy stipends. Many of the remaining assets shown in the balance sheet are held as restricted funds, which cannot necessarily be used for the general purposes of the ODBF.

Investment performance

The majority of ODBF's investments are in Glebe funds – the income from which (under the Endowment and Glebe Measure 1976) is required to be used towards the cost of paying stipends.

Agricultural, commercial, amenity and residential land and buildings were valued at £32.2M at 31 December 2021 (2020: £32.1M), see note 16b. Rents receivable amounted to £0.6M (2020: £0.6M).

Glebe listed investments are managed by Newton Investment Management. Glebe listed investment holdings were valued at £120M at 31 December 2021 (2020: £104M). Over the rolling year the portfolio has performed well, with a net of fees return of 17.2%.

Investment policies

Investment policy is delegated by the directors to the investment sub-committee, members of which make investment decisions after taking advice from professional investment advisers. ODBF's investment policies are based on two general key principles:

- Ethical investment - this includes ensuring that investments are held in companies that have high standards of corporate governance and behaviour and that act with openness, accountability, transparency and integrity in a responsible way towards all stakeholders and have good environmental policies; and
- Long-term consideration - the directors consider the long-term effect of their decisions very carefully. This results in a more cautious approach to investment decisions than might be found in a commercial environment.

From 1 January 2018 the Oxford Diocesan Board of Finance has adopted a total return approach to investments with regard to the Glebe listed investment portfolio. The initial value for implementing total return for investment was determined at 31 December 2000 and valued at £14.7M. This was the amount held in listed investments at that date. The unapplied total return was calculated as at the 1 January 2018 and valued at £14.9M as the increase above inflation in the value of these investments since the initial valuation, adjusted for the introduction of new investment in the portfolio following significant sales of glebe land which have taken place since 2008. Bishop's Council voted in 2020 to include glebe land sales since 1 January 2018 totalling £15M within the unapplied total return calculation with effect from 1 January 2021. It also voted to apply the CPI inflation measure (backdated to 2000), rather than RPI, further increasing unapplied total return by £5.05m from 1 January 2021.

The directors sought advice from the company's legal advisers and auditor before approving a withdrawal to income funds equivalent to 7% of the value of the Glebe funds in listed investments as at 1 January for each of the three years 2018 to 2021 and approved that this policy should be reviewed

FINANCIAL REVIEW (Cont'd)

thereafter. During 2021 the withdrawal to income funds from the unapplied total return was £7.5M (2020: £7.3M).

Glebe Investments

Glebe investments are held in equities, fixed interest securities and cash, agricultural land, commercial and residential land and buildings. The portfolio is reviewed by the Glebe Investment Sub-Committee at least twice a year to ensure that the total return on investments is maximised whilst maintaining an appropriate asset allocation balancing risk and returns.

The policy is to sell agricultural holdings with planning consent, as favourable opportunities arise, and to reinvest for a better rate of return.

Short Term Investments

These funds are available for use in the short term as required for working capital. Deposit Funds are held as deposits with the Central Board of Finance.

Reserves policy

Free reserves

ODBF has very substantial ongoing responsibilities including the remuneration of some 370 stipendiary clergy, the upkeep of some 458 houses and the employment of some 80 full time equivalent staff. It is considered that, to meet substantial outgoings, the target general reserves at 1 January each year should be equivalent to three months gross expenditure from general funds in the forthcoming year. At 31 December 2021, ODBF's free reserves of £9.0M (2020: £9.8M) were equivalent to 3.2 months (2020: 3.2 months) of gross expenditure from general funds in the forthcoming year.

Tangible fixed assets property fund

This fund represents the net book value of the ODBF's tangible fixed asset properties plus any specifically related debtors less loans drawn down to finance the purchase of those properties.

Designated funds

The directors may designate additional unrestricted funds to be retained for an agreed purpose where this is considered to be prudent. Such designated funds are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each fund together with the intended use of the fund is set out in note 22. At 31 December 2021 total designated funds were £7.2M (2020: £6.3M), with the growth due to the transfer of £3.1M to the designated fund for the Common Vision strategy. A new designated fund of £550K was created at 31 December 2021 to provide funds for property related expenditure for 2022-2024, which would have otherwise been incurred during 2020 and 2021, but was deferred due to Covid-19 restrictions.

Restricted and endowment funds

As set out in note 21, ODBF holds and administers a large number of restricted and endowment funds, including the Diocesan stipends fund and the parsonage house fund. As at 31 December 2021

FINANCIAL REVIEW (Cont'd)

restricted funds totalled £2.3M (2020: £2.3M) and endowment funds totalled £422.9M (2020: £385.8M).

Grant making 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 7). Grants are paid to other connected charities and to other projects that are in furtherance of ODBF's charitable objectives. (See note 11).

Statement on raising funds

The charity raises funds through Parish Share and on occasions receives other donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with Parochial Church Councils (PCCs), donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on PCCs, donors and supporters. It applies best practice to protect the data of individuals and never sells data and ensures that communication preferences can be changed at any time. The charity manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, the charity received no formal complaints about its activities for raising funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk areas and the associated mitigation strategies are:

Significant under payment of Parish Share either following Covid-19 or linked to decisions within the wider Church mitigated by:

- Close partnership and regular communication between the Diocese, Deaneries and Parishes
- Ongoing discussions between the Bishop's staff and other parties, building good relationships, and an openness to discuss doctrinal issues.

Current or historic safeguarding case of harm to children, young people or vulnerable adults resulting from inappropriate behaviour of a Church Officer mitigated by:

- Safeguarding policies and procedures in place, regularly used and monitored
- Proactive engagement on training, learning, development and good practice
- Disciplinary procedure used wherever appropriate; and active reaching out and support to victims.

Centralisation of glebe funds directed by General Synod leads to serious loss of capital funds and total return on funds mitigated by:

- Dialogue with National Church and other Dioceses; and proactive steps on mutual support
- Demonstration of how glebe income has been used wisely

STRUCTURE, GOVERNANCE AND MANAGEMENT

Summary Information about the structure of the Church of England

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

The National Church has a General Synod comprised of ex-officio and elected representations from each Diocese and it agrees and lays before Parliament, Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and lay workers.

Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese of Oxford is itself divided into twenty-nine deaneries, each with its own Synod and within each parish there is a parochial church council which shares, with the parish priest, responsibility for the mission of the Church in that place.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

Organisational structure

Through an area scheme the Diocesan Bishop, the Bishop of Oxford, has delegated certain powers to the Bishops of Reading, Buckingham and Dorchester in relation to the archdeaconries of Berkshire, Buckinghamshire and Dorchester respectively. Each archdeaconry is subdivided into deaneries, there being a total of 29 deaneries across the Diocese, which are further subdivided into some 620 parishes.

The Diocese is governed by Standing Orders approved on 27 February 1988 and subsequent amendments, most recently in March 2021. 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 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, determines major policy matters and approves an annual budget.

Its role is also to act as a forum for discussion of Christian opinion, to advise the Bishop of Oxford on matters on which he may wish to consult, to deal with items referred by the General Synod of the Church of England or deanery synods, to make appointments to committees and to make provision for the financing of the Diocese. Many of Synod's responsibilities have been delegated to the Bishop's Council and Standing Committee.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Company status

Oxford Diocesan Board of Finance (ODBF) was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 10 February 1916 as a company (No. 142978 England and Wales) limited by guarantee and its governing documents are the Memorandum and Articles of Association, which were most recently amended slightly in March 2021. ODBF is a registered charity (No. 247954).

Every member of Diocesan Synod is a member of ODBF and has a personal liability limited to £1 under their guarantee as members in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council are ODBF's Board of Directors.

Decision-making structure

Diocesan Synod has delegated the following functions to the Board of Directors:

- Planning the business of the Diocesan 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; and
- Carrying out any other functions which may be delegated by Diocesan Synod.

The Board of Directors has delegated responsibility for the day-to-day management of ODBF to the Diocesan Secretary who is supported by a number of heads of departments and their staff.

Committee structure

Following a review of diocesan governance during 2021, the following structures were adopted.

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

Diocesan responsibilities for education are carried out by ODBE, a charitable company limited by guarantee.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Committee structure (Cont'd)

Oxford 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.

Partnership in World Mission, which promotes world Christian mission, particularly through partnership with mission agencies and the Church worldwide.

Diocesan Committee for Interfaith Concerns, which provides oversight and strategic input on interfaith matters, as required.

Bishop's Council

The members of the Bishop's Council are the Board of Directors. In 2021 Bishop's Council consisted of 13 ex officio members, (including the Diocesan and Area Bishops and the four Archdeacons), 2 clerical and 3 lay members from each of the Berkshire, Buckingham and Dorchester archdeaconries, 2 clerical and 2 lay members from the Oxford archdeaconry, and 2 members nominated by the Diocesan Bishop.

The Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which is responsible for the task of approving pastoral reorganisation taking account of available clergy numbers and making use of new patterns of ministry.

The Bishop's Council as Board of Directors of ODBF has the following sub-committees:-

Buildings 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 ODBF.

In 2021 there were four sub-committees dealing with the implementation of policy in the four Archdeaconries of Oxford, Berkshire, Dorchester and Buckinghamshire respectively.

Diocesan Advisory Committee, 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.

Finance Committee (previously the Planning and Budget Sub-Committee), which is responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the directors prior to submission to Diocesan Synod and monitors expenditure and income.

Glebe Committee, which is responsible for determining policy and making major decisions concerning the management of glebe property for the benefit of the Diocesan Stipends Fund of the Diocese and now reports to the Finance Committee.

The Investment Committee reviews the Diocesan Stipends Fund investment portfolio and reports directly to the Finance Committee.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Committee structure (Cont'd)

Audit Committee, which is responsible for assisting the directors in the discharge of their responsibilities for accounting policies, financial reporting and internal control, including liaison with the auditors, reviewing and proposing auditors for appointment and review of risk registers.

Human Resources Panel, which is responsible for personnel issues concerning staff.

The Audit Committee also serves ODBE and DTOL and the Human Resources Panel serves ODBE.

Safeguarding panel, is responsible for ensuring continuous improvement and ongoing best practice regarding safeguarding effectiveness.

Closed Churches Committee, oversees the process of church closure and identifies for those churches which are listed buildings or in conservation areas and which have been or are proposed to be closed, and to develop proposals for the future of these closed churches.

Common Vision Steering Group, provides strategic oversight, support and challenge for the Common Vision Programme.

Local Ministry Pathway, provides governance and oversight for the diocese's internal ordained and lay ministry training programme.

Rural Advisory Group, to ensure the issues and concerns of the diocese's rural church parishes are properly considered in the development and implementation of the Diocese of Oxford's plans, including its common vision strategy, for the Diocese.

Appointments Committee, all new appointments for DBF committees, where vacancies arise, go to the Appointments Committee for consideration and to make recommendations on prospective new members to Bishop's Council, for their approval.

Appointment of directors

Directors were either appointed ex officio on the basis of their position or are elected as clerical or lay members from each of the four archdeaconries or nominated by the Bishop of Oxford. The ex officio members are the Bishops, Archdeacons, the Dean of Christ Church Cathedral, the President and Vice Presidents of the Diocesan Synod and the Chairman and Vice Chairman of the Board of Finance.

Directors are given induction training when first appointed and receive ongoing training, as appropriate.

Some senior staff supporting the Diocesan Secretary have job titles incorporating the title 'Director' but they are not directors of ODBF for the purpose of company law.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 company and of the net income and expenditure of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Related parties

- **General Synod, Church Commissioners and Archbishops' Council**
ODBF has to comply with Measures passed by the General Synod of the Church of England and makes certain annual grant payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Area Bishops are borne by the Church Commissioners and are not reflected in the attached financial statements.
- **Parochial Church Councils (PCCs) and Deaneries**
ODBF is required by Measure to be custodian trustee in relation to PCC property, and ODBF delegates this to DT(O)L but ODBF has no control over PCCs, which are independent charities.

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

The accounts of PCCs and deaneries do not form part of these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Connected Charities

The directors consider the following to be connected charities:

- Oxford Diocesan Board of Education (ODBE) – a charitable company with responsibility for some 282 Church schools across the Diocese, providing pastoral and professional support to all its schools and which has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.
- Diocesan Trustees (Oxford) Limited (DT(O)L) - which is a charitable company resourced by ODBF and which is responsible for ensuring that parish and educational properties and trust funds are used in accordance with the terms of trust. ODBF has transferred responsibility of being Diocesan Authority for parochial and other trusts to DT(O)L.
- Oxford Diocesan Schools Trust – which is a charitable company and is a Multi Academy Trust serving church and community schools across Oxfordshire and Berkshire.
- Oxford Diocesan Bucks Schools Trust - which is a charitable company and a Multi Academy Trust serving church and community schools across Buckinghamshire.
- Oxford Diocesan Council for the Deaf - which works with deaf and hard-of-hearing people to meet their spiritual, social and general needs and to give them a voice and full participation in church and society.
- Parents and Children Together (PACT) – a charitable company supporting families through adoption, therapeutic support and community projects.

The objectives of each organisation are congruent with ODBF's objectives.

Public Benefit

The directors are aware of the Charity Commission's guidance on public benefit and have regard to that guidance in their administration of the charity.

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

- Providing 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Statement of Disclosure to the Auditor

So far as each director is aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) he/she has taken all the steps that ought to have been taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

ADMINISTRATIVE DETAILS**DIRECTORS**

Members of the Bishop's Council and Standing Committee of the Board of Finance are the directors of the Board. All have served throughout the year except for those who were appointed or resigned as indicated below. The following were the directors and trustees at the date of this report:

The Right Revd Dr S J Croft	Ex officio, Bishop of Oxford, President of Synod
Sir H Sants fm 01/01/22	Ex officio, Chairman ODBF
Mr P Barrett fm 07/10/2021	Lay member, Archdeaconry of Berkshire
The Revd Canon Dr GB Bayliss	Ex officio, Vice President of Synod
The Revd Canon J V Binns fm 31/01/2022	Clerical member, Archdeaconry of Buckingham
Mr M N Burton	Lay member, Archdeaconry of Berkshire
The Ven J Chaffey	Ex officio, Archdeaconry of Oxford
The Right Revd GA Collins fm 28/02/2021	Ex officio, Bishop of Dorchester
Mrs J Dziegiel	Lay member, Archdeaconry of Buckingham, became Ex officio, Vice Chairman ODBF from 13/11/2021
The Ven G C Elsmore	Ex officio, Archdeaconry of Buckingham
The Ven J K French	Ex officio, Archdeaconry of Dorchester
The Right Revd O Graham	Ex officio, Bishop of Reading
Ms G D Hamnett fm 25/11/2021	Lay member, Archdeaconry of Oxford
The Revd Canon R J Lamey	Clerical member, Archdeaconry of Berkshire
Mr D Lillycrop fm 25/11/2021	Lay member, Archdeaconry of Buckingham
Mr D M S Matovu fm 16/02/2022	Nominated by the Bishop of Oxford
The Revd D W McFarland fm 25/11/2021	Clerical member, Archdeaconry of Oxford
The Revd D J Meakin	Clerical member, Archdeaconry of Buckingham
Mr R G Merrylees fm 25/11/2021	Lay member, Archdeaconry of Buckingham
The Revd J M Mintern fm 25/11/2021	Clerical member, Archdeaconry of Berkshire
Dr S Northover	Lay member, Archdeaconry of Dorchester
The Revd R A Peters fm 16/12/2021	Clerical member, Archdeaconry of Dorchester
Mr M Powell	Lay member, Archdeaconry of Dorchester
The Ven S Pullin	Ex officio, Archdeaconry of Berkshire
Mrs S E Scane	Nominated by the Bishop of Oxford
Mrs S F Scott fm 07/10/2021	Lay member, Archdeaconry of Dorchester

ADMINISTRATIVE DETAILS (Cont'd)

The Revd S E Sharp fm 16/12/2021	Clerical member, Archdeaconry of Dorchester
Dr B Sollereeder	Nominated by the Bishop of Oxford
Mr J N Sykes	Ex officio, Vice President of Synod
Dr A Thomas-Betts	Nominated by the Bishop of Oxford, became Lay member, Archdeaconry of Buckingham from 07/10/2021
The Right Revd Dr A T L Wilson	Ex officio, Bishop of Buckingham

Directors who were not re-elected/resigned during the year or by the date of this report:

Dr A R Bell to 06/10/2021	Lay member, Archdeaconry of Buckingham
The Revd Canon V Breed to 31/07/2021	Clerical member, Archdeaconry of Dorchester
The Revd E K Denno to 31/07/2021	Clerical member, Archdeaconry of Oxford
Ms C S Kallipetis to 31/07/2021	Lay member, Archdeaconry of Berkshire
The Revd Dr T H Kuin Lawton to 31/07/2021	Clerical member, Archdeaconry of Dorchester
The Revd C Messervy to 21/04/2021	Clerical member, Archdeaconry of Buckingham
Prof J F Missenden to 06/10/2021	Lay member, Archdeaconry of Berkshire
The Very Revd Prof. M Percy to 27/04/2022	Ex officio, Dean of Christ Church Cathedral
The Revd M K J Smith to 06/10/2021	Clerical member, Archdeaconry of Berkshire
The Revd Canon J H Tattersall to 31/12/2021	Ex officio, Chair ODBF
Mr M H Waring to 31/07/2021	Lay member, Archdeaconry of Dorchester
Mr A F Whittow to 31/07/2021	Lay member, Archdeaconry of Buckingham

Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2021 comprised the Diocesan Secretary and Company Secretary, the Director of Mission & Ministry, the Director of Finance, the Director of Buildings, the Director of Human Resources & safeguarding and the Director of Communications.

None of the directors of the company received any remuneration connected with their role as key management personnel. Key management personnel employed by ODBF are remunerated at rates that are deemed appropriate for the level of skills and experience they bring to their roles and at a rate

ADMINISTRATIVE DETAILS (Cont'd)

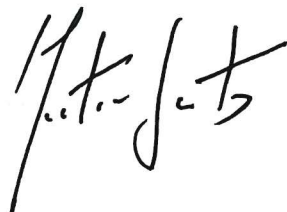
commensurate with that of similar roles in comparable organisations. Remuneration is reviewed on an annual basis and approved by the company directors.

Registered Office	Church House Oxford, Langford Locks, Kidlington, Oxford OX5 1GF
Bankers	NatWest Bank plc, 32 Cornmarket Street, Oxford, OX1 3EZ
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Solicitors and Diocesan Registrar	Winckworth Sherwood LLP, 2 Chawley Park, Cumnor Hill, Oxford OX2 9GG
Investment advisers	Newton Investment Management Ltd, The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA
Glebe Agents	Carter Jonas, Anchor House, 269 Banbury Road, Oxford, OX2 7LL, Sidleys Chartered Surveyors, 6 King Edward Street, Oxford, OX1 4JL, and Bidwells, Seacourt Tower, West Way Oxford OX2 0JJ
Insurers	EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this directors' report, the directors are also approving the strategic report within their capacity as company directors.

This directors' report, incorporating the strategic report, was approved by the directors on 4 May 2022.
By order of the directors

Sir Hector Sants
Chair



INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Oxford Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 directors' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 (Cont'd)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement in the directors' report, the directors 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 directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the audit partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, Church Assembly and General Synod Measures, data protection legislation, anti-bribery, employment, health and safety legislation, and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

INDEPENDENT AUDITOR'S REPORT (Cont'd)

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias;
- performed substantive testing of expenditure; and
- investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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.



Catherine Biscoe (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 25 May 2022

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2021

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	Note	General & Designated Funds £'000	Tangible Fixed Assets Property Fund £'000	£'000	£'000	£'000	£'000
Income and Endowments from:							
Donations	2	18,915	-	289	-	19,204	19,414
Charitable activities	3	2,116	-	685	-	2,801	2,381
Investments	4	717	-	180	2,360	3,257	3,471
Other sources	5	12	41	3	34	90	799
Total		21,760	41	1,157	2,394	25,352	26,065
Expenditure on:							
Raising and managing funds	6	377	-	-	518	895	796
Charitable activities	7	28,048	-	1,124	12	29,184	28,590
Other property costs	8	-	552	-	172	724	476
Total		28,425	552	1,124	702	30,803	29,862
Net (expenditure)/income before investment gains:		(6,665)	(511)	33	1,692	(5,451)	(3,797)
Net gains on investments		4	-	117	17,301	17,422	6,187
Net (expenditure)/income		(6,661)	(511)	150	18,993	11,971	2,390
Total Return transfer	14a	6,971	-	-	(6,971)	-	-
Net income/(expenditure) after Total Return transfer		310	(511)	150	12,022	11,971	2,390
Other transfers	14b	459	(392)	(67)	-	-	-
		769	(903)	83	12,022	11,971	2,390
Other recognised gains:							
Gains on revaluation of tangible fixed assets	15	-	6,808	-	24,406	31,214	16,328
(Losses)/Gains on defined benefit pension scheme	25	(729)	-	-	686	(43)	1,359
Net movement in funds		40	5,905	83	37,114	43,142	20,077
Total funds brought forward		16,116	75,488	2,261	385,778	479,643	459,566
Total funds carried forward	20	16,156	81,393	2,344	422,892	522,785	479,643

All activities derive from continuing activities. The notes on pages 33 to 69 form part of the financial statements. The prior year comparative Statement of Financial Activities (SOFA) for 2020 is shown in Note 26 on page 69.

INCOME AND EXPENDITURE ACCOUNT For the year ended 31 December 2021


	Total 2021 £'000	<i>Total</i> <i>2020</i> <i>£'000</i>
Income	22,958	23,256
Expenditure	<u>(30,101)</u>	<u>(29,052)</u>
Operating deficit for the year	(7,143)	(5,796)
Net gains on investments	121	90
Transfers from endowment funds	<u>6,971</u>	<u>6,614</u>
Net income for the year	(51)	908
Other comprehensive income:		
Revaluation of tangible fixed assets	6,808	3,754
Actuarial (losses)/gains on defined benefit pension scheme	<u>(729)</u>	<u>253</u>
Total comprehensive income	<u><u>6,028</u></u>	<u><u>4,915</u></u>

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

OXFORD DIOCESAN BOARD OF FINANCE Company No. 142978 (England and Wales)
BALANCE SHEET as at 31 December 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	15		349,917		320,056
Investments	16		159,800		142,794
			<u>509,717</u>		<u>462,850</u>
CURRENT ASSETS					
Debtors due after more than one year	17	196		221	
Pension scheme surplus – staff scheme	25	77		828	
Debtors due within one year	17	1,833		2,088	
Cash on deposit and at bank		18,614		20,257	
		<u>20,720</u>		<u>23,394</u>	
CREDITORS: amounts falling due within one year	18	<u>(4,224)</u>		<u>(2,837)</u>	
NET CURRENT ASSETS			<u>16,496</u>		<u>20,557</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			526,213		483,407
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities – clergy scheme	25		(684)		(1,358)
Other creditors	19		(2,744)		(2,406)
NET ASSETS			<u>522,785</u>		<u>479,643</u>
FUNDS					
Endowment Funds					
(including asset revaluations of £237,167K (2020: £199,038K))			422,892		385,778
Restricted Income Funds					
(including asset revaluations of £446K (2020: £329K))			2,344		2,261
Unrestricted Income Funds:					
Tangible Fixed Asset Property Fund			81,393		75,488
(including asset revaluations of £46,009K (2020: £39,555K))					
Designated Funds					
General Fund					
(including asset revaluation of £301K (2020: £319K))			9,005		9,792
TOTAL FUNDS	21		<u>522,785</u>		<u>479,643</u>

The notes on pages 32 to 69 form part of these financial statements. The financial statements were approved by the Directors and authorised for issue on 4 May 2022 and signed on behalf of the Directors by:


 The Right Reverend Dr. S. J. Croft
 Bishop of Oxford


 Sir Hector Sants
 Chairman

STATEMENT OF CASH FLOWS For the year ended 31 December 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Net cash used in operating activities (Below A)		(6,381)		(5,234)
Cash flows from investing activities				
Dividends, interest and rent from investments	3,257		3,471	
Interests Paid	(2)		-	
Proceeds from the disposal of:				
Tangible Fixed Assets	1,593		6,329	
Fixed Asset Investments	20,612		15,742	
Purchase of:				
Tangible Fixed Assets	(579)		(1,816)	
Fixed Asset Investments	(20,193)		(14,907)	
Net cash provided by investing activities		4,688		8,819
Cash flows from financing activities				
Loans repaid to ODBF	57		424	
New loans advanced by ODBF	(7)		(36)	
Net cash provided by financing activities		50		388
Change in cash and cash equivalents in the year		(1,643)		3,973
Cash and cash equivalents at 1 January		20,257		16,284
Cash and cash equivalents at 31 December (Below B)		18,614		20,257
Reconciliation of net movement in funds to net cash used in operating activities				
A. Net (expenditure) for the year before investment gains		(5,451)		(3,797)
Adjustments for:				
Depreciation charges		142		142
Dividends, interest and rent from investments		(3,257)		(3,471)
Interests paid		2		-
Losses (Gains) on sale of functional assets		57		(96)
Decrease in debtors (ex loans)		232		2,383
Increase/(Decrease) in creditors (ex loans)		1,350		(558)
Clergy pension scheme adjustment		12		88
Staff pension scheme adjustment		22		29
Recoupment of impairment		510		46
Net cash used in operating activities		(6,381)		(5,234)
B. Analysis of cash and cash equivalents				
Cash at bank and on deposit		18,614		20,257

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

The Oxford Diocesan Board of Finance (ODBF) is a company limited by guarantee (No. 142978 England and Wales) and a registered charity (No. 247954) governed by its Memorandum and Articles of Association.

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2021 with comparative information provided for the year to 31 December 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest £1,000.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the valuation of Diocesan houses
- the valuation of investment land and property
- the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge, where required
- the underlying assumptions in the actuarial valuations of the defined benefit schemes
- the estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)**

The directors anticipate some recovery in parish share in 2022. Parishes responded magnificently in the extraordinary circumstances of 2021 with 93.2% of parish share being received. It is anticipated that 2022 receipts against share allocations will improve, as the quantum of Deanery allocations remains broadly unchanged. Whilst a significant deficit is budgeted for in 2022, the directors do not consider that 2022 or beyond would give rise to any inability of the charity to continue as a going concern. The directors are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient monetary assets, including short term cash deposits, which could be readily realised to meet liabilities should there be an unexpected curtailment of income.

In the year ending 31 December 2021, the most significant areas of uncertainty that may affect the carrying value of assets held by the charity are the level of investment return and the performance of the investment market and land values.

Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations and legacies, including Parish Share income, income from listed and property (Glebe) investments, income directly related to charitable activities (including grants) and the surplus on disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

Monies receivable from the Government's Coronavirus Job Retention Scheme are recognised when the charity has entitlement to the income and the amount due can be measured.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income is deferred only when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Expenditure**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

2. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.
3. The charitable activities comprise expenditure on the charity's primary charitable purposes as described in the directors' report i.e. promoting the work of the Church in the Diocese including payments of grants. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

Tangible Fixed Assets**Properties**

All properties, including glebe and parsonage houses, are stated at valuation, except for redundant churches that are held at a nil valuation reflecting uncertainty as to their future retention and use, and Church House Oxford which is stated at cost less accumulated depreciation. Valuations are undertaken annually as at 31 December each year by the Director of Buildings with reference to advice from professional agents. All properties are subject to an annual impairment review by the Director of Buildings; properties are written down to net realisable value where that is lower than carrying value. The overall net gain or loss for the year on revaluation, if any, is shown in the statement of financial activities.

Additions are at cost but subject to an annual valuation adjustment at the end of the financial year.

Extensions to and significant adaptations to the fabric of buildings are capitalised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

1. Principal Accounting Policies (Cont'd)

With the exception of Church House Oxford (net book value £0.5M), no depreciation is provided on buildings as any charge would not be material due to the very long expected useful economic life and because their expected residual value is not materially less than their carrying value. ODBF has a policy of regular 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 suffer 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.

Depreciation is charged on Church House at an annual rate of 2.5% based on original cost with refurbishment work thereto being depreciated at 5% per annum based on cost.

Sales and purchases of properties are recognised on the date of exchange of contract.

The majority of transfers occur following pastoral reorganisation. A benefice house may be transferred to Diocesan glebe or general funds for disposal or to be held as a corporate property, as determined by the particular pastoral scheme. In the majority of such cases, houses are required as functional fixed assets for housing team vicars (in a team ministry) or other members licensed to a benefice and as such are held as corporate property under unrestricted designated funds.

Leasehold properties are all held on long leases.

Parsonage houses, also known as benefice houses, are legally vested in the incumbent. However, an incumbent is not free to dispose of the house for his/her own benefit, cannot make alterations or improvements to the property and is not responsible for maintaining the house. In spite of the complex tenure of parsonage houses, ODBF is responsible for the maintenance and insurance of the houses in the same way as for other houses and, therefore, they are recognised as tangible fixed assets of ODBF in the balance sheet.

Other tangible fixed assets

Computer and other office equipment and motor vehicles are included at cost less depreciation.

Depreciation is charged so as to write off the cost by equal instalments over their estimated useful lives.

	Rate per annum
Motor cars	25% of cost
Computers	33⅓% of cost
Other office equipment	5% to 25% of cost

Office furniture and small items of equipment costing less than £1k are written off as a revenue cost in the year of purchase.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value, these are recognised initially at transaction value and subsequently measured as described below.

Investments

Investments include agricultural holdings and commercial, residential and amenity properties, financial investments and cash deposits. Glebe investments are endowment funds and held with the intention of producing a sustainable income to help fund stipend payments whilst safeguarding capital values in the long term. The property investments are valued as at 31 December each year by the Director of Buildings based on valuations and advice from professional agents. Where formal planning consent has been given for the development of a site, the valuation takes the development potential of the site into account. No depreciation is applied to investment properties.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The Glebe permanent endowment fund comprises assets (including listed investments) which must be held as capital. From 1 January 2018, the charity has operated a total return approach to the management of the listed investment portfolio representing the Glebe permanent endowment fund. Using this approach, the charity is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return.

The charity is permitted to allocate from the unapplied total return element such sums as the directors consider appropriate provided the directors exercise their statutory duty to be even handed as between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets. The charity's objective is also to maintain the value of non-distributable funds in real terms.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. CBF deposits are highly liquid investments and are included in cash at bank and in hand.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Funds structure

The unrestricted funds include certain tangible fixed assets of the company, those assets designated or set aside by the directors for specific purposes and those assets which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The endowment funds comprise assets which normally must be held as capital (permanent) but, where permitted, may be applied towards meeting certain charitable aims (expendable). The income therefrom may be used either in accordance with the donors' wishes, if stipulated, or for general purposes.

Pensions

ODBF operates an occupational pension scheme through the Pensions Trust, which is a defined benefit scheme based on final salary and which closed to new entrants during 2006. In 2007 ODBF began to operate a defined benefit scheme through the Church Workers Pension Fund scheme for new staff. It also operates a stakeholder scheme and contributes to personal pension schemes.

A separate pension scheme for clergy is administered by the Church of England Pensions Board (CEPB) and is a defined benefit scheme. Details of the staff and clergy schemes are set out in note 25.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

1. Principal Accounting Policies (Cont'd)

The financial statements take account of the annual valuation of the defined benefit schemes undertaken by the pension fund's actuaries.

The change in the value of the pension asset or liability over the year has been analysed into the following components:

- current service cost
- expected return on pension scheme assets
- interest on pension scheme liabilities
- actuarial gains and losses

The current service cost, expected return on pension scheme assets and interest on pension scheme liabilities are included in the Statement of Financial Activities. Actuarial gains and losses arising from updating the latest actuarial valuation to reflect conditions at the balance sheet date are included as other recognised gains or losses. More details are included in note 25.

ODBF's contributions to the defined contribution scheme, the stakeholder scheme, personal pensions and the CEPB scheme are included as expenditure when payable.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Income from Donations

	2021			2020		
	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Parish contributions	19,075	-	19,075	19,466	-	19,466
Share rebates and discounts	(486)	-	(486)	(545)	-	(545)
	<u>18,589</u>	<u>-</u>	<u>18,589</u>	<u>18,921</u>	<u>-</u>	<u>18,921</u>
Archbishops' Council	-	9	9	-	15	15
All Churches Trust	232	-	232	244	-	244
Other donations	94	280	374	127	107	234
Total Income	<u>18,915</u>	<u>289</u>	<u>19,204</u>	<u>19,292</u>	<u>122</u>	<u>19,414</u>

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

Current year Parish share receipts in 2021 represent 93.2% of the total apportioned (2020: 94.4%).

3. Income from Charitable Activities

	2021			2020		
	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	887	-	887	721	-	721
Training, events and similar	113	685	798	122	662	784
Housing income	1,043	-	1,043	813	-	813
School premises support	72	-	72	54	-	54
Other	1	-	1	9	-	9
	<u>2,116</u>	<u>685</u>	<u>2,801</u>	<u>1,719</u>	<u>662</u>	<u>2,381</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**4. Income from Investments**

	2021			Total Funds 2021 £'000
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	
	Dividends receivable	1	180	
Interest receivable	23	-	-	23
Rents receivable	601	-	-	601
Other investment income	92	-	-	92
	<u>717</u>	<u>180</u>	<u>2,360</u>	<u>3,257</u>
	2020			Total Funds 2020 £'000
	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment Funds £'000</i>	
	<i>Dividends receivable</i>	<i>2</i>	<i>175</i>	
<i>Interest receivable</i>	<i>75</i>	<i>6</i>	<i>-</i>	<i>81</i>
<i>Rents receivable</i>	<i>581</i>	<i>-</i>	<i>-</i>	<i>581</i>
<i>Other investment income</i>	<i>89</i>	<i>-</i>	<i>-</i>	<i>89</i>
	<u><i>747</i></u>	<u><i>181</i></u>	<u><i>2,543</i></u>	<u><i>3,471</i></u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**5. Income from Other Sources**

	2021				
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000
Surplus on disposal of properties	-	10	-	-	10
Disposal of closed church	-	-	3	-	3
Furlough grants	12	-	-	-	12
Other property income	-	31	-	34	65
	<u>12</u>	<u>41</u>	<u>3</u>	<u>34</u>	<u>90</u>

	2020				
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000
Surplus on disposal of properties	-	193	-	206	399
Disposal of closed church	-	-	273	-	273
Furlough grants	63	-	-	-	63
Other property income	4	-	-	60	64
	<u>67</u>	<u>193</u>	<u>273</u>	<u>266</u>	<u>799</u>

6. Expenditure on Raising and Managing Funds

	2021			2020		
	Unrestricted Funds	Endowment Funds	Total Funds 2021	Unrestricted Funds	Endowment Funds	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Glebe costs	244	518	762	268	476	744
Parsonage rental costs	132	-	132	39	-	39
Other	1	-	1	13	-	13
	<u>377</u>	<u>518</u>	<u>895</u>	<u>320</u>	<u>476</u>	<u>796</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**7. Expenditure on Charitable Activities**

	2021			Total Funds 2021 £'000
	Unrestricted Funds	Restricted Funds	Endowment Funds	
	£'000	£'000	£'000	
Contributions to Archbishops' Council				
Training for Ministry	924	-	-	924
National Church Responsibilities	645	-	-	645
Mission agency pension costs	41	-	-	41
Retired clergy housing	340	-	-	340
Grants and provisions	79	-	-	79
Pooling of ordinand maintenance grants	(5)	-	-	(5)
	2,024	-	-	2,024
Resourcing Ministry & Mission				
Parish Ministry:				
Stipends	9,579	-	-	9,579
National insurance	782	-	-	782
Pension contributions	3,444	-	-	3,444
Clergy pension adjustment (see note 25)	-	-	12	12
Apprenticeship levy	45	-	-	45
Housing costs	4,000	-	-	4,000
Removal, resettlement, parish & clergy grants	263	-	-	263
Other parish expenses	963	-	-	963
	19,076	-	12	19,088
Support for parish ministry & training				
Ordinand grants	698	11	-	709
Diocesan training costs	672	654	-	1,326
Mission in the Diocese	2,039	342	-	2,381
DAC, MPC & DT(O)L	329	-	-	329
Communications	253	4	-	257
Bishops, Archdeacons & Area Offices	546	-	-	546
	4,537	1,011	-	5,548
Expenditure on grants				
Grants to Oxford Diocesan Board of Education (ODBE)	269	-	-	269
Grants to other organisations (see note 11)	2,142	113	-	2,255
	2,411	113	-	2,524
Total charitable activities	28,048	1,124	12	29,184

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**7. Expenditure on Charitable Activities (Cont'd)**

	2020			Total Funds 2020 £'000
	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
Contributions to Archbishops' Council				
<i>Training for Ministry</i>	923	-	-	923
<i>National Church Responsibilities</i>	694	-	-	694
<i>Mission agency pension costs</i>	35	-	-	35
<i>Retired clergy housing</i>	332	-	-	332
<i>Grants and provisions</i>	78	-	-	78
<i>Pooling of ordinand maintenance grants</i>	151	-	-	151
	2,213	-	-	2,213
Resourcing Ministry and Mission				
<i>Parish Ministry:</i>				
<i>Stipends</i>	9,709	-	-	9,709
<i>National insurance</i>	793	-	-	793
<i>Pension contributions</i>	3,402	-	-	3,402
<i>Clergy pension adjustment (see note 25)</i>	-	-	88	88
<i>Apprenticeship levy</i>	45	-	-	45
<i>Housing costs</i>	4,139	-	-	4,139
<i>Removal, resettlement, parish & clergy grants</i>	350	1	-	351
<i>Other parish expenses</i>	843	-	-	843
	19,281	1	88	19,370
Support for parish ministry and training				
<i>Ordinand grants</i>	592	11	-	603
<i>Diocesan training costs</i>	651	661	-	1,312
<i>Mission in the Diocese</i>	1,908	164	7	2,079
<i>DAC, MPC & DT(O)L</i>	416	-	-	416
<i>Communications</i>	287	-	-	287
<i>Bishops, Archdeacons & Area Offices</i>	487	-	-	487
	4,341	836	7	5,184
Expenditure on grants				
<i>Grants to Oxford Diocesan Board of Education (ODBE)</i>	269	-	-	269
<i>Grants to other organisations (see note 11)</i>	1,416	138	-	1,554
	1,685	138	-	1,823
Total charitable activities	27,520	975	95	28,590

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Other Property Costs

	Unrestricted Fund		
	Tangible Fixed Asset	Endowment Funds	Total Funds
	Property Fund		2021
	£'000	£'000	£'000
(Gain)/Loss on disposal of properties	(1)	69	68
Valuation and related costs	553	103	656
	<u>552</u>	<u>172</u>	<u>724</u>

	Unrestricted Fund		
	Tangible Fixed Asset	Endowment Funds	Total Funds
	Property Fund		2020
	£'000	£'000	£'000
Loss on disposal of properties	81	221	302
Valuation and related costs	156	18	174
	<u>237</u>	<u>239</u>	<u>476</u>

9. Analysis of Expenditure Including Allocation of Support Costs

	2021			2020		
	Activities Undertaken Directly	Support Costs (Note 10)	Total Costs 2021	Activities Undertaken Directly	Support Costs (Note 10)	Total Costs 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Raising and managing funds (note 6)	824	71	895	730	66	796
Charitable activities (note 7):						
Contributions to Archbishops' Council	2,024	-	2,024	2,213	-	2,213
Resourcing parish ministry	18,647	441	19,088	18,960	410	19,370
Support for parish ministry and training	4,658	890	5,548	4,286	898	5,184
Grant to Board of Education	269	-	269	269	-	269
Grants to other organisations	2,255	-	2,255	1,554	-	1,554
Other property related costs (Note 8)	724	-	724	476	-	476
	<u>29,401</u>	<u>1,402</u>	<u>30,803</u>	<u>28,488</u>	<u>1,374</u>	<u>29,862</u>

See notes 6 to 8 for an analysis of the costs per category

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. Analysis of Support Costs

	Unrestricted Funds	
	2021	2020
	£'000	£'000
Human resources and administration	292	287
Finance	315	306
Secretariat	201	179
ICT	202	168
Premises and other	207	247
Governance:		
External audit	23	26
Registrar and Chancellor	128	153
Synod costs	34	8
	1,402	1,374

11. Analysis of Grants Made

	2021	2020	2021	2020
	No.	No.	£'000	£'000
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council (note 7)	1	1	2,024	2,213
From general and restricted funds to institutions: (Note 7)				
Parents and Children Together (PACT)	1	1	95	95
Development Fund Grants	41	45	927	1,135
Ecumenical and chaplaincy grants	3	3	52	51
Grants for parish building projects	34	38	36	56
Bishops discretionary grants	4	4	21	21
Oxford Diocesan Council for the Deaf	1	1	7	7
Diocesan Mutual Support grant	1	-	1,000	-
Anglican Communion – Covid support	-	1	-	50
Other grants	33	-	117	139
	118	93	2,255	1,554

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Staff Costs

	2021 £'000	2020 £'000
Staff costs during the year were as follows:-		
Wages and salaries	3,104	2,938
National Insurance contributions	314	300
Pension costs	465	471
Total	<u>3,883</u>	<u>3,709</u>

	Number	Number
The average number of persons employed during the year based on headcount:		
Charitable activities	79	73
Support	19	18
Total	<u>98</u>	<u>91</u>

The average number of persons employed during the year based on full-time equivalents		
Charitable activities	64	58
Support	16	16
Total	<u>80</u>	<u>74</u>

The numbers of staff whose emoluments (including benefits in kind but excluding employer's pension contributions and National Insurance) amounting to more than £60,000 were as follows:

£60,001-£70,000	3	2
£70,001-£80,000	2	2
£80,001-£90,000	-	1
£90,001-£100,000	1	-

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2021 comprise:

Diocesan Secretary and Company Secretary	Canon Mark Humphriss
Director of Mission & Ministry	Canon Andrew Anderson-Gear
Director of Finance	Mr John Orridge
Director of Buildings	Mr David Mason
Director of Human Resources & Safeguarding	Mrs Poli Shajko
Director of Communications	Mr Steven Buckley

The aggregate remuneration, including pensions and employer's National Insurance contributions for these 6 posts amounted to £558K (2020: £529K).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Staff Costs (Cont'd)

Directors' emoluments

No remuneration has been paid to any director during the year (2020: £nil) for acting as a director or a member of key management. However, 15 (2020: 13) directors, who held ecclesiastical office during the year, were paid aggregate stipends of £328,000 (2020: £350,000). Pension contributions on those stipends amounted to £108,000 (2020: £120,000) and employer's National Insurance thereon was £31,000 (2020: £32,000). 13 Directors (2020: 15) were reimbursed for travel, subsistence and incidental costs amounting to £13,000 (2020: £16,000) for services provided to ODBF in all the capacities in which they serve. Some directors are provided with housing because of their ecclesiastical office. One of the archdeacons were provided with a car with a cost of £14K (2020: 1 car at a cost of £14K).

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

	Stipend	Housing
The Revd Dr T H N Kuin Lawton (to 12/11/2021)	Yes	No
The Revd D W McFarland (fm 25/11/2021)	Yes	Yes
The Revd J M Mintern (fm 25/11/2021)	Yes	Yes
The Venerable G Elsmore	Yes	Yes
The Venerable J French	Yes	Yes
The Venerable J Chaffey	Yes	No
The Venerable S Pullin	Yes	No
The Revd Canon Dr GB Bayliss	Yes	Yes
The Revd V Breed (to 31/07/2021)	Yes	Yes
The Revd E K Denno (to 31/07/2021)	Yes	Yes
The Revd R J Lamey	Yes	Yes
The Revd D J Meakin	Yes	Yes
The Revd C Messervy (to 21/04/2021)	Yes	Yes
The Revd M K J Smith (to 25/11/2021)	Yes	Yes
The Revd S E Sharp (fm 16/12/2021)	Yes	Yes

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

The stipends of the Diocesan Bishop and Area Bishops are funded by the Church Commissioners and are in the range £46,180-£46,560 for Diocesan Bishops and £37,670-£38,210 for Area Bishops. The annual rate of stipend, funded by the ODBF, paid to Archdeacons in 2021 was £36,830 (2020 range £36,100-£36,800) and other stipendiary clergy who were directors were paid in the range £27,963 - £29,463 (2020 range £27,400 - £29,400).

The charity has insurance to indemnify the directors and officers against the consequences of any neglect or default on their part. The insurance is provided as part of the charity's general insurance and as such there is no separate premium payable (2020: none). The cover provided is up to £100,000 (2020: £100,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**13. Related Parties**

The directors consider that the following are related parties:

Oxford Diocesan Board of Education	(ODBE)
Diocesan Trustees (Oxford) Limited	(DT(O)L)
Oxford Diocesan Schools Trust	(ODST)
Oxford Diocesan Buckinghamshire Schools Trust	(ODBST)
Parents and Children Together	(PACT)
Oxford Diocesan Council for the Deaf	(ODCD)

Grants are made and services provided to PACT and ODCD to support their work as below. Their objects are congruent with those of ODBF.

	PACT		ODCD	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<i>Recharged by ODBF:</i>				
<i>Grants made by ODBF (Note 11)</i>	95	95	-	7

ODBF bears the entire operating costs of DT(O)L, consisting principally of accounting, secretarial and administrative services. These amounted to £69K (2020: £114K). At 31 December 2021 there was no balance due from DT(O)L to ODBF (2020: £nil).

ODBF made grants of £269K to ODBE in 2021 (2020: £269K) (see Note 7). In 2021 ODBF made a grant of £110K to ODBE to support Common Vision projects: chaplaincy and development of church/school relationships. ODBF recharged ODBE for accounting, company secretarial, human resources, ICT, premises administrative services totalling £179K in 2021 (2020: £171K). The balance due from ODBE at 31 December 2021 was £83K (2020: £20K) and the balance due to ODBE was £nil (2020: £143K).

ODST occupied space in Church House Oxford and contributed £25K (2020: £32K) towards the running costs of the building including reception and ICT. The balance due from ODST at 31 December 2021 was £nil (2020: £125). The balance due to ODST at 31 December 2021 was £nil (2020: £752).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**14. Analysis of Transfers between Funds****a) Transfers in respect of Total Return**

	General Funds	Designated Funds	Unrestricted Funds Total Unrestricted funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	6,971	-	6,971	(6,971)
ii) Transfer from general to designated funds for Common Vision	<u>(3,109)</u>	<u>3,109</u>	<u>-</u>	<u>-</u>

i) Following the adoption of total return accounting from 1 January 2018, £6.9M (2020: £6.9M) has been transferred to general funds from the Glebe Investments Endowment Fund to fund the costs of stipendiary ministry in accordance with the Diocesan Stipends Fund (Amendment) Measure 2016.

ii) The transfer to Designated Funds, as agreed by Bishop's Council & Diocesan Synod, supports the funding of the Common Vision fund, by applying £3.1M (2020: £3.1M) of general funds as a consequence of the opportunity created by Total Return.

As this £3.1 million cannot legally be drawn from the £6.9M, all of the £6.9 million is applied to the costs of stipendiary ministry, and the £3.1 million is drawn from other income of the diocese (of which the largest element is parish share). The net impact of these two separate transfers is to augment the amount of the diocese's total funds being applied to support stipendiary ministry within the Diocese during the year by £3.8M (2020: £3.8M).

2020 prior year comparatives (as restated):

	General Funds	Designated Funds	Total Unrestricted funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	6,878	-	6,878	(6,878)
ii) Transfer from general to designated funds for Common Vision	<u>(3,091)</u>	<u>3,091</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**14. Analysis of Transfers between Funds (Cont'd)****b) Other transfers**

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(446)	446	-	-
ii) Disposal of Board properties	838	(838)	-	-
iii) Purchase, improvement and disposal of Benefice properties in the year	-	-	-	-
Other transfers of less than £250,000 each	67	-	(67)	-
	<u>459</u>	<u>(392)</u>	<u>(67)</u>	<u>-</u>

i) The purchase of Board owned properties require an equivalent transfer from the general fund to the Board Properties Fund, which finances Board properties.

ii) The disposal of Board properties require an equivalent transfer to the general fund from the Board Properties Fund, which finances Board properties.

iii) When a Benefice property is sold, a transfer is made from the endowment fund to restricted fund

2020 prior year comparatives:

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(314)	314	-	-
ii) Disposal of Board properties	2,528	(2,528)	-	-
iii) Purchase, improvement and disposal of Benefice properties in the year	-	-	(264)	264
Other transfers of less than £250,000 each	66	-	(66)	-
	<u>2,280</u>	<u>(2,214)</u>	<u>(330)</u>	<u>264</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**15. Tangible Fixed Assets**

	Freehold Property	Leasehold Property	Vehicles & Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2021	77,562	717	1,025	210,665	31,366	321,335
Additions	444	-	28	107	-	579
Disposals	(825)	-	-	(827)	-	(1,652)
Revaluations	6,687	71	-	21,407	2,911	31,076
At 31 December 2021	83,868	788	1,053	231,352	34,277	351,338
Depreciation						
At 1 January 2021	425	-	854	-	-	1,279
Charge for the year	101	-	41	-	-	142
At 31 December 2021	526	-	895	-	-	1,421
Net Book Values						
At 31 December 2021	83,342	788	158	231,352	34,277	349,917
At 31 December 2020	77,137	717	171	210,665	31,366	320,056

Included within revaluation gains are impairment costs of £138K which had been recognised in Other property costs (note 8).

16 a) Fixed Asset Investments

	At 1 January 2021	Additions	Disposals at book value	Change in Market Value	At 31 December 2021
	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds					
Equity Mortgage Loans	546	-	(53)	-	493
Designated Funds					
Administered funds	26	-	-	4	30
Restricted Funds					
ODBF Trusts & other	819	-	-	117	936
Endowment Funds					
Glebe (see note 16b)	136,335	20,192	(19,831)	15,847	152,543
ODBF Trusts & other	5,068	1	-	729	5,798
	141,403	20,193	(19,831)	16,576	158,341
Total	142,794	20,193	(19,884)	16,697	159,800

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 b) Glebe Investments**

	Agricultural Land	Residential Property	Commercial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2021	24,387	2,715	2,220	2,807	104,206	136,335
Additions at cost	-	-	637	9	19,546	20,192
Disposals at book value	(877)	-	-	(120)	(18,834)	(19,831)
Reclassification Unrealised (losses)/gains	(100)	271	77	202	15,397	15,847
Net Book Value						
At 31 December 2021	<u>23,410</u>	<u>2,986</u>	<u>2,934</u>	<u>2,898</u>	<u>120,315</u>	<u>152,543</u>
Cost or ICV						
At 31 December 2021	<u>4,101</u>	<u>1,544</u>	<u>3,178</u>	<u>1,796</u>	<u>86,079</u>	<u>96,698</u>

Glebe listed investments are managed by Newton Investment Management.

16 c) Application of total return accounting to Glebe Investments

The investment power of total return permits ODBF to invest the permanently endowed funds of glebe investments to maximise total return and apply an appropriate portion of the unapplied total return each year.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. 7% of the value of Glebe listed investments, i.e., £7,453K, was transferred to general funds such that it is set against the cost of stipendiary ministry in the year, as determined by the Diocesan Stipends Fund (Amendment) Measure 2016 or incurred on investment managements fees.

From 1 January 2018 the Oxford Diocesan Board of Finance adopted a total return approach to investments with regard to the Glebe listed investment portfolio, following consultation with the Diocesan legal advisers and auditors and in accordance with their advice.

The initial value for implementing total return for investment was determined at 31 December 2000 and valued at £14.7M. This was the amount held in listed investments at that date. The unapplied total return was calculated as at the 1 January 2018 and valued at £14.9M as the increase above inflation in the value of these investments since the initial valuation, adjusted for the introduction of new investment in the portfolio following significant sales of glebe land which have taken place since 2008. Bishop's Council voted in 2020 to include 2018 & 2019 glebe land sales totalling £12.38M within the unapplied total return calculation and any development gains from 2018 onwards, to be applied with effect from 1 January 2021.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Investments (cont'd)**

It also voted to apply the CPI inflation measure (backdated to 2000), rather than RPI, further increasing unapplied total return by £5.05M from 1 January 2021. The movements during the last calendar year in the value of the unapplied total return are set out in the following table:

	Trust for investment (Base Value Indexed by CPI) £'000	Unapplied Total Return £'000	Total endowment £'000
As at 1 January 2021:			
Base value of the permanent endowment	94,122	-	94,122
Unapplied total return	-	12,362	12,362
Total (as reported in the prior year)	94,122	12,362	106,484
Adjustments to opening balance (see below)			
Glebe land net disposal proceeds since 1 Jan 2018	(14,951)	14,951	-
Adjustment to CPI indexation	(5,050)	5,050	-
Movements in the year:			
Investment returns: dividends received	-	2,360	2,360
Investment return: realised and unrealised gains	-	16,127	16,127
Investment management fees	-	(482)	(482)
Unapplied total return allocated to income in the year	-	(6,971)	(6,971)
Add indexation of base level of endowment	4,518	(4,518)	-
Net movements in the year	(15,483)	26,517	11,034
As at 31 December 2021:			
Base value of the permanent endowment	78,639	-	78,639
Unapplied total return	-	38,879	38,879
Valuation as at 31 December 2021	78,639	38,879	117,518

The listed investments of £120,315K (note 16b) includes cash funds of £2,797K in addition to the total endowment fund of £117,518K at 31 December 2021.

Analysis of Withdrawal to income	£'000
Release to general funds to support stipends (note 14)	6,971
Investment management fees	482
Withdrawal to income	<u>7,453</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of the power of total return to glebe investments (cont'd)**

Prior year figures for the year ended 31 December 2020

	<i>Trust for investment</i>	<i>Unapplied Total Return</i>	<i>Total endowment</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
As at 1 January 2020:			
<i>Base value of the permanent endowment</i>	90,460	-	90,460
<i>Unapplied total return</i>	-	13,872	13,872
Total	90,460	13,872	104,332
Movements in the year:			
<i>Additional sale proceeds of glebe land sale</i>	2,576	-	2,576
<i>Investment returns: dividends received</i>	-	2,543	2,543
<i>Investment return: realised and unrealised gains</i>	-	4,336	4,336
<i>Investment management fees</i>	-	(425)	(425)
<i>Unapplied total return allocated to income in the year</i>	-	(6,878)	(6,878)
<i>Add indexation of base level of endowment</i>	1,086	(1,086)	-
Net movements in the year	3,662	(1,510)	2,152
As at 31 December 2020:			
<i>Base value of the permanent endowment</i>	94,122	-	94,122
<i>Unapplied total return</i>	-	12,362	12,362
Valuation as at 31 December 2020	94,122	12,362	106,484

The total endowment includes cash funds of £2,278K in addition to listed investments of £104,206K.

Analysis of Withdrawal to income (as restated)	£'000
<i>Release to general funds to support stipends (note 14)</i>	6,878
<i>Investment management fees</i>	425
<i>Withdrawal to income</i>	<u>7,303</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**17. Debtors**

	2021 £'000	2020 £'000
Amounts due after more than one year		
Loans to parishes	196	221
Pension Scheme surplus (Note 25)	77	828
Amounts due within one year		
Prepayments	236	282
Accrued income	384	406
Other debtors	850	1,045
Loans	314	335
Amounts due from connected charities	49	20
Total	1,833	2,088
Total debtors	2,106	3,137

18. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Creditors and accruals	3,823	2,518
Taxation and social security	87	82
Deferred income	314	237
Total creditors: amounts falling due within one year	4,224	2,837

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

	2021 £'000	2020 £'000
Creditors and accruals	-	34
Loans	2,744	2,372
Total creditors: amounts falling due after more than one year	2,744	2,406

The above loans are all repayable after more than five years

Loans include equity mortgage loans from the Church Commissioners. Equity mortgages are secured on individual freehold properties and are repayable on disposal.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements**

	2021					Balances at 31 Dec 2021 £'000
	Balances at 1 Jan 2021 £'000	Income £'000	Expenditure £'000	Transfers (note 14) £'000	Gains & Losses £'000	
UNRESTRICTED FUNDS						
General	9,792	21,741	(25,570)	3,771	(729)	9,005
Designated Funds						
Common Vision	5,264	3	(2,716)	3,109	-	5,660
Development posts and new communities fund	897	-	(122)	-	-	775
Property repair & maintenance	-	-	-	550	-	550
Other funds	163	16	(17)	-	4	166
	<u>6,324</u>	<u>19</u>	<u>(2,855)</u>	<u>3,659</u>	<u>4</u>	<u>7,151</u>
Total General and Designated Funds	<u>16,116</u>	<u>21,760</u>	<u>(28,425)</u>	<u>7,430</u>	<u>(725)</u>	<u>16,156</u>
Tangible Fixed Assets Property Fund						
Board properties fund	75,488	41	(552)	(392)	6,808	81,393
RESTRICTED FUNDS						
Diocesan Pastoral Account	200	2	(16)	-	-	186
Mission grants fund	43	-	(15)	-	-	28
Sillitoe Bequest	1,012	23	-	-	115	1,150
Other funds below £250K	1,006	1,132	(1,093)	(67)	2	980
	<u>2,261</u>	<u>1,157</u>	<u>(1,124)</u>	<u>(67)</u>	<u>117</u>	<u>2,344</u>
ENDOWMENT FUNDS						
Glebe team vicarages	32,907	-	(100)	-	3,010	35,817
Glebe investments	138,439	2,360	(518)	(6,971)	16,573	149,883
Clergy pension scheme deficit	(1,358)	-	(12)	-	686	(684)
Diocesan stipends fund	169,988	2,360	(630)	(6,971)	20,269	185,016
Parsonage house fund	210,660	34	(72)	-	21,395	232,017
Stipends bequest fund	2,109	-	-	-	298	2,407
Ordination candidates funds	1,537	-	-	-	221	1,758
Other funds	1,484	-	-	-	210	1,694
	<u>385,778</u>	<u>2,394</u>	<u>(702)</u>	<u>(6,971)</u>	<u>42,393</u>	<u>422,892</u>
Total funds	<u>479,643</u>	<u>25,352</u>	<u>(30,803)</u>	<u>-</u>	<u>48,593</u>	<u>522,785</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements (Cont'd)**

	2020					
	<i>Balances at 1 Jan 2020 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Transfers £'000</i>	<i>Gains and Losses £'000</i>	<i>Balances at 31 Dec 2020 £'000</i>
UNRESTRICTED FUNDS						
<i>General</i>	7,783	21,800	(26,111)	6,067	253	9,792
Designated Funds						
<i>Common Vision</i>	3,726	7	(1,560)	3,091	-	5,264
<i>Development posts and new communities fund</i>	1,039	-	(142)	-	-	897
<i>Other funds</i>	170	18	(27)	-	2	6,324
	4,935	25	(1,729)	3,091	2	6,324
Total General and Designated Funds	12,718	21,825	(27,840)	9,158	255	16,116
Tangible Fixed Assets Property Fund						
<i>Board properties fund</i>	73,992	193	(237)	(2,214)	3,754	75,488
RESTRICTED FUNDS						
<i>Diocesan Pastoral Account</i>	199	275	(10)	(264)	-	200
<i>Mission grants fund</i>	58	-	(15)	-	-	43
<i>Sillitoe Bequest</i>	901	24	-	-	87	1,012
<i>Other funds below £250K</i>	1,082	939	(950)	(66)	1	1,006
	2,240	1,238	(975)	(330)	88	2,261
ENDOWMENT FUNDS						
<i>Glebe team vicarages</i>	31,326	-	(72)	-	1,653	32,907
<i>Glebe investments</i>	137,440	2,569	(476)	(6,818)	5,724	138,439
<i>Clergy pension scheme deficit</i>	(2,376)	-	(88)	-	1,106	(1,358)
<i>Diocesan stipends fund</i>	166,390	2,569	(636)	(6,818)	8,483	169,988
<i>Parsonage house fund</i>	199,462	240	(167)	204	10,921	210,660
<i>Stipends bequest fund</i>	1,947	-	-	-	162	2,109
<i>Ordination candidates funds</i>	1,426	-	-	-	111	1,537
<i>Other funds</i>	1,391	-	(7)	-	100	1,484
	370,616	2,809	(810)	(6,614)	19,777	385,778
Total funds	459,566	26,065	(29,862)	-	23,874	479,643

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund**

	Tangible Fixed Assets £'000	Investments £'000	2021 Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	158	493	9,691	(1,337)	9,005
Designated					
Common Vision	-	3,109	5,079	(2,528)	5,660
Development posts and new communities fund	-	-	775	-	775
Property repair & maintenance	-	-	550	-	550
Other funds	-	30	145	(9)	166
	-	3,139	6,549	(2,537)	7,151
Total general and designated funds	158	3,632	16,240	(3,874)	16,156
Tangible fixed assets property fund					
Board properties fund	84,131	-	6	(2,744)	81,393
RESTRICTED FUNDS					
Diocesan Pastoral Account	-	-	187	-	187
Mission grants fund	-	-	28	-	28
Sillitoe Bequest	-	922	228	-	1,150
Other funds below £250K each	-	14	1,190	(225)	979
	-	936	1,633	(225)	2,344
ENDOWMENT FUNDS					
Glebe team vicarages	34,276	300	1,900	-	36,476
Total Return Investments	-	-	-	-	-
Glebe investments	-	149,134	874	(125)	149,883
Clergy pension scheme deficit	-	-	-	(684)	(684)
Diocesan stipends fund	34,276	149,434	2,774	(809)	185,675
Parsonage house fund	231,352	-	6	-	231,358
Stipends bequest fund	-	2,368	39	-	2,407
Ordination candidates funds	-	1,758	-	-	1,758
Other	-	1,672	22	-	1,694
	265,628	155,232	2,841	(809)	422,892
Total Funds	349,917	159,800	20,720	(7,652)	522,785

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund (Cont'd)**

			2020		
	<i>Tangible Fixed Assets £'000</i>	<i>Investments £'000</i>	<i>Current Assets £'000</i>	<i>Creditors £'000</i>	<i>Net Assets £'000</i>
UNRESTRICTED FUNDS					
<i>General</i>	171	546	10,150	(1,075)	9,792
Designated					
<i>Common Vision</i>	-	-	6,599	(1,365)	5,234
<i>Development posts and new communities fund</i>	-	-	897	-	897
<i>Other funds</i>	-	27	188	(22)	193
	-	27	7,684	(1,387)	6,324
Total general and designated funds	171	573	17,834	(2,462)	16,116
Tangible fixed assets property fund					
<i>Board properties fund</i>	77,854	-	6	(2,372)	75,488
RESTRICTED FUNDS					
<i>Diocesan Pastoral Account</i>	-	-	199	-	199
<i>Mission grants fund</i>	-	-	43	-	43
<i>Sillitoe Bequest</i>	-	805	205	-	1,010
<i>Other funds below £250K each</i>	-	13	1,161	(165)	1,009
	-	818	1,608	(165)	2,261
ENDOWMENT FUNDS					
<i>Glebe team vicarages</i>	31,366	300	1,241	-	32,907
<i>Total Return Investments</i>	-	106,484	-	-	106,484
<i>Glebe investments</i>	-	29,551	2,648	(244)	31,955
<i>Clergy pension scheme deficit</i>	-	-	-	(1,358)	(1,358)
<i>Diocesan stipends fund</i>	31,366	136,335	3,889	(1,602)	169,988
<i>Parsonage house fund</i>	210,665	-	(5)	-	210,660
<i>Stipends bequest fund</i>	-	2,071	38	-	2,109
<i>Ordination candidates funds</i>	-	1,537	-	-	1,537
<i>Other</i>	-	1,460	24	-	1,484
	242,031	141,403	3,946	(1,602)	385,778
Total Funds	320,056	142,794	23,394	(6,601)	479,643

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds****General fund**

The general fund is the ODBF's unrestricted undesignated fund available for any of the ODBF's purposes without restriction.

Designated fundsCommon Vision

The adoption of total return accounting from 1 January 2018 funds to be released towards supplementing the costs of stipendiary ministry within the general fund. This, in turn, enables general funds to be transferred to a designated income fund for expenditure in relation to the Common Vision strategy. In 2021 a further £3.1M was added and expenditure was £1.6M.

Development posts and new communities fund

In July 2014 and February 2015 Bishop's Council considered and approved the transfer of £600K to a new designated fund for development posts in new communities. In February 2016 Bishop's Council approved the transfer of an additional £800K to the fund for development posts. After net expenditure incurred these funds stand at £0.8M at the year-end (2020 £0.9M).

Property repair and maintenance

A fund of £550K was created via a transfer from general funds to allow property costs, deferred due to Covid-19 restrictions, to be expensed in a 3-year period ending 31 December 2024.

Tangible Fixed Assets Property FundBoard properties fund

The Board properties fund is represented by tangible fixed asset properties plus any related debtors less loans drawn down to finance the purchase of those properties.

Restricted fundsDiocesan Pastoral Account

The Diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:

- to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular Diocesan employees
- to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese
- other purposes of the Diocese or any benefice or parish in the Diocese
- to make grants or loans to any other Diocese
- to transfer funds to the Diocesan stipends fund income or capital accounts

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds (cont'd)**Sillitoe Bequest

A bequest was received in April 1999 to establish a discretionary fund to help clergy to retire early for reasons other than ill health. The allocation of funds is agreed by the Diocesan Secretary and the Archdeacon or Bishop of an Archdeaconry as appropriate.

Endowment fundsDiocesan stipends capital fund

The Diocesan stipends capital fund has been created from the Diocesan stipends fund capital account assets held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.

Parsonage house fund

The parsonage house fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses.

Although benefice houses are vested in the incumbents for the time being of the benefices concerned, ODBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the ODBF.

Stipends bequests fund

The Stipends bequest fund is made up of various legacies and bequests. All income can be used to pay stipends.

Ordination candidates funds

The Ordination candidates funds are made up of several benefactions used to help fund ordination candidates.

23. Capital Commitments

Capital commitments in respect of development of clergy housing contracted but not provided totalled £131K at 31 December 2021 (2020: £0.5M).

24. Members' liability

The Charity is constituted as a company limited by guarantee. In the event that the company is wound up, company members are required to contribute an amount not exceeding £1 each.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions

Stipendiary Clergy

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to each specific Responsible Body, and this means that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2021: £3,444K, 2020: £3,402K), plus the figures highlighted in the table below as being recognised in the statement of financial activities, giving a total charge of £3,456K for 2021 (2020: £3,490K).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50M, based on assets of £1,818M and a funding target of £1,868M, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% p.a.

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

% of pensionable stipends	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

As at 31 December 2021 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

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

	2021	2020
	£'000	£'000
Balance sheet liability at 1 January	1,358	2,376
Deficit contribution paid	(686)	(1,106)
Interest cost	2	20
Remaining change to the Balance Sheet liability*	10	68
Pension adjustment to statement of financial activities	12	88
Balance sheet liability at 31 December	<u>684</u>	<u>1,358</u>

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

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

	December 2021	December 2020
Discount rate	0.0%	0.2%
Price inflation	n/a	3.1%
Increase to total pensionable payroll	-1.5%	1.6%

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

Salaried staff defined benefit scheme

Eligible salaried employees of ODBF were offered the opportunity to join the Oxford Diocesan Board of Finance Staff Retirement Scheme until September 2006 at which point the scheme closed to new entrants. The Scheme is a defined benefit (final salary) scheme administered by the Pensions Trust who are also the trustees.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

The scheme is funded by contributions by ODBF. Employees are not required to contribute towards the cost of their benefits. The Scheme is the subject of advice by professional actuaries and annual premiums are paid and charged, after offsetting any reduction in liability or charging any increase in liability, to expenditure in the SOFA each year.

Contribution rates vary according to actuarial reviews undertaken every three years. The contribution rate paid in 2021 was 30.1% of basic salaries each month (2020: 30.1%), which amounted to £192K (2020: £215K). ODBF paid contributions of £28K for staff in the scheme previously employed by ODBF (2020: £20K). No additional contributions were due or paid in 2021 towards the previous deficit (2020: £nil).

A qualified actuary has prepared the pension scheme figures quoted in this note as required under Financial Reporting Standard 102 (FRS102). The basis of FRS102 calculations is largely prescribed, although assumptions about future salary increases, inflation and investment returns rest with the directors, acting on actuarial advice. The actuary then compares the value of the benefits earned to the valuation date (the liabilities) with the value of the assets held by the scheme. Any excess of liabilities over assets represents a deficit in funding; any excess of assets over liabilities represents a surplus in funding.

The FRS102 surplus at the start of 2021, £828K, decreased by £751K during the year to a surplus of £77K at 31 December 2021. The liabilities are valued on the basis of corporate bond yields at the date of calculation which this year was 1.82% (2020: 1.4%), with the assets being taken at market value. The balance sheet is therefore heavily dependent on market conditions at the date of calculation and swings from one year to the next have the potential to be very significant.

In addition, changes to corporate bond yields and mortality assumptions from one year to the next can give rise to volatility in the SOFA figures.

The FRS102 valuation determines the pension figures that must be included in the ODBF accounts. The actuary's triennial valuation, the "on-going" valuation for the Scheme, is based on different financial assumptions than those used for FRS102. The triennial valuation as at 30 September 2020 was updated to 31 December 2021 by a qualified actuary independent of the scheme's sponsoring employer and showed a surplus of £77K. The employer contribution rate from 1 January 2021 is 30.1%, in addition to payment of scheme expenses of £57K.

The Scheme will close to future accrual of benefits with effect from 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

The main financial assumptions under FRS102 are (per annum):

	2021	2020
	%	%
Discount rate	1.82	1.40
Salary increases	2.50	2.50
Inflation (RPI)	3.24	2.95
Inflation (CPI)	2.99	2.70
Allowance for pension in payment increases of RPI or 5% if less	3.10	2.85
Allowance for pension in payment increases of CPI or 5% if less	2.90	2.65

The discount rate is based on yields available on AA rated corporate bonds. The RPI assumption was based on market conditions at the date of the valuation and the same rate less 0.1% has been used for benefits that increase in line with LPI. Salary increases are assumed to run at 0.5% below RPI.

The scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employers. Their 'fair value' at 31 December 2021 was £16,217K (2020: £16,014K) as below:

	2021	2020
	£'000	£'000
Deposit	-	159
Fixed Interest Bonds	5,190	4,725
Index-linked gilts	6,312	6,071
Property	1,681	1,141
Other	3,034	3,918
	<u>16,217</u>	<u>16,014</u>

The scheme's financial position as at 31 December (FRS102 basis) recognised in the Balance Sheet was:

	2021	2020
	£'000	£'000
Fair value of plan assets	16,217	16,014
Present value of defined benefit obligations	(14,793)	(14,248)
Unrecognised surplus	<u>(1,347)</u>	<u>(938)</u>
Surplus recognised (see note 17)	<u>77</u>	<u>828</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

Reconciliation of opening and closing balances of the fair value of plan assets:

	2021	2020
	£'000	£'000
Fair value of assets at 1 January	16,014	14,443
Interest income	223	295
Employer contributions	192	215
Benefits paid and expenses	(401)	(303)
Actuarial gain on assets	189	1,364
Fair value of assets at 31 December	<u>16,217</u>	<u>16,014</u>

Reconciliation of opening and closing balances of the defined benefit obligation:

	2021	2020
	£'000	£'000
Defined benefit obligation at 1 January	14,248	12,383
Current service cost	170	194
Interest cost	198	253
Benefit paid	(345)	(241)
Actuarial losses	522	1,658
Loss due to benefit changes	-	1
Defined benefit obligation at 31 December	<u>14,793</u>	<u>14,248</u>

Defined benefit costs recognised in the SOFA:

	2021	2020
	£'000	£'000
Current service cost	170	194
Loss due to benefit changes	-	1
Net interest income	(12)	(13)
Expenses	56	62
Total	<u>214</u>	<u>244</u>

Defined benefit income (costs) recognised in other comprehensive income:

	2021	2020
	£'000	£'000
Return on plan assets – gains	189	1,364
Experience gains arising on plan liabilities	86	129
Effects of changes in demographic & financial assumptions underlying the present value of the plan liabilities – losses	(608)	(1,787)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	(396)	547
Total amount recognised in other comprehensive income	<u>(729)</u>	<u>253</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)****Staff Church Workers Pension Fund (CWPF)**

ODBF participates in the Pension Builder Scheme section of CWPF for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the 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.

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

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

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

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2021: £250K, 2020: £226K).

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions (cont'd)

Staff Church Workers Pension Fund (CWPF)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. Statements of Financial Activities (Prior) Year

For the year ended 31 December 2020

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2020
		General & Designated Funds	Tangible Fixed Assets Property Fund			
	Note	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:						
Donations	2	19,292	-	122	-	19,414
Charitable activities	3	1,719	-	662	-	2,381
Investments	4	747	-	181	2,543	3,471
Other sources	5	67	193	273	266	799
Total		21,825	193	1,238	2,809	26,065
Expenditure on:						
<i>Raising and managing funds</i>						
	6	320	-	-	476	796
Charitable activities	7	27,520	-	975	95	28,590
Other property costs	8	-	237	-	239	476
Total		27,840	237	975	810	29,862
Net (expenditure)/income before investment gains:						
		(6,015)	(44)	263	1,999	(3,797)
<i>Net (losses)/gains on investments</i>						
		2	-	88	6,097	6,187
Net (expenditure)/income						
		(6,013)	(44)	351	8,096	2,390
Total Return transfer	14a	6,878	-	-	(6,878)	-
Net income/(expenditure) after Total Return transfer						
		865	(44)	351	1,218	2,390
Other transfers	14b	2,280	(2,214)	(330)	264	-
		3,145	(2,258)	21	1,482	2,390
Other recognised (losses)/gains:						
<i>Gains on re-valuation of tangible fixed assets</i>						
	15	-	3,754	-	12,574	16,328
<i>Gains on defined benefit pension scheme</i>						
	25	253	-	-	1,106	1,359
Net movement in funds						
		3,398	1,496	21	15,162	20,077
Total funds brought forward						
		12,718	73,992	2,240	370,616	459,566
Total funds carried forward						
	20	16,116	75,488	2,261	385,778	479,643

THE OXFORD DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 247954

Accounts

Oxford Diocesan Board of Finance

Directors' Report and Financial Statements

For the year ended 31 December 2020

Company limited by guarantee (No. 142978 England and Wales)

Registered charity (No. 247954)

Registered & Principal Office:

Church House Oxford

Langford Locks

Kidlington

Oxford OX5 1GF

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Key to abbreviations:

CBF	Central Board of Finance	ODBE	Oxford Diocesan Board of Education
CEFPS	Church of England Funded Pension Scheme	ODBF	Oxford Diocesan Board of Finance
CEPB	Church of England Pensions Board	ODBST	Oxford Diocesan Bucks Schools Trust
CSUST	Church Schools Uniform Statutory Trust	ODST	Oxford Diocesan Schools Trust
DAC	Diocesan Advisory Committee	PACT	Parents and Children Together
DT(O)L	Diocesan Trustees (Oxford) Limited	PCC	Parochial Church Council
EIG	Ecclesiastical Insurance Group	RPI	Retail Price Index
FRS	Financial Reporting Standard	SOFA	Statement of Financial Activities
ICV	Initial Carrying Value	SORP	Statement of Recommended Practice
LPI	Limited Price Index		
MPC	Mission & Pastoral Committee		

DIRECTORS' ANNUAL REPORT

The directors, who are also trustees for the purposes of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2020.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTIVES

The objects of the ODBF are to benefit the public by promoting and assisting the mission and other work of the Church of England in and beyond the boundaries of the Diocese of Oxford by raising, collecting and expending funds in connection with:

- (1) Training, funding and other support for ministry (both clerical and lay) within the Diocese of Oxford and in the wider Church of England, Anglican Communion, and other Christian churches with which the Church of England has ecumenical relationships or otherwise recognises as partners in its mission;
- (2) Provision for pensions for retired ministers (both clerical and lay) and support for their dependants;
- (3) Management of investments and historic assets in accordance with the Endowments and Glebe Measure 1976 and otherwise;
- (4) Support for the work of the Diocesan Board of Education and other trusts and related bodies involved with the work of schools in the Diocese of Oxford; and
- (5) Support for other charitable trusts established in connection with the work of parishes and other related bodies throughout the Diocese of Oxford.

ODBF also incorporates the functions and responsibilities of the Diocesan Parsonages Board.

The role of Diocesan Authority for parochial and other trusts is carried out by DT(O)L, a separate charitable company resourced by ODBF.

STRATEGIC REPORT - STRATEGIC AIMS AND OBJECTIVES

The Diocese promotes the work and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Oxford and elsewhere. Together, we are the Church, called and sent by God as disciples of Jesus Christ and filled with the Holy Spirit. We are a living, growing network of more than a thousand congregations, chaplaincies and schools. The strategy and approach of the Diocese is described as 'a common vision for a more Christ-like Church: contemplative, compassionate and courageous for the sake of God's world'.

To support these aims the main role of the ODBF is to identify and manage the financial aspects of the provision of mission and ministry within the Diocese so as to provide appropriate personnel and

STRATEGIC AIMS AND OBJECTIVES (Cont'd.)

financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the Christian mission and strategic priorities in the Diocese.

The aims and objectives are largely achieved by providing:

- Ministry in the parishes – by the appointment of stipendiary and non-stipendiary clergy and licensed lay ministers, the payment of stipends, the provision of houses for the clergy as necessary; by involvement in the selection and training of ordinands and lay ministers including the provision of financial support to those training for the ministry; by providing continuing ministerial training for clergy and lay ministers;
- Assistance to parishes – through the provision of parish development advisors in each archdeaconry; through good communications, HR and finance support; through support for work with children and young adults; through help with Christian giving and parish fundraising; through support for parishes in the administration of trusts; through assistance to churchwardens and treasurers and assistance with matters dealt with by the Diocesan Advisory Committee (DAC) in relation to church buildings;
- Strategic leadership and support in focus areas of Common Vision such as environmental action, new congregations, discipleship and poverty and inequality;
- Safeguarding resources, advice and case handling, and
- Support for church schools through training and support services and the provision of assistance and advice to head teachers and school governors through the annual grant to ODBE.

ENVIRONMENT, SOCIAL AND GOVERNANCE

We are this year for the first time providing a statement on our environment, social and governance (ESG) policies and practices as this is becoming a part of good governance and as we are committed to adopting good practice in these areas.

We now have a focus area concentrating only on environmental action. As part of this, we are committed to working towards net carbon zero by 2035. Following the Church of England decision in 2020 that parishes, church schools and DBF property would be 'in scope', work is underway in all three areas. In particular, in January 2021 an environment survey of our vicarages has begun and will result in recommendations for action.

During the year a social investment working group considered how some of the diocese's glebe assets could be used to recognise the social needs of our communities. The group focused its work on housing. In particular, the need for social housing across the diocese has been estimated at twenty times what is available. Bishop's Council in December agreed that, initially, up to £5m of its portfolio should be invested in developments which will predominantly be available for social housing. We remain strongly committed to social justice (as demonstrated by our new poverty and inequality focus area) and to community organising as a means of communities coming up with solutions themselves.

ENVIRONMENT, SOCIAL AND GOVERNANCE (Cont'd.)

Governance is rightly an important topical area and, having not reviewed the governance of the diocese for some years, a governance review was initiated in the middle of the year; the resulting report was approved by Bishop's Council in February 2021 and is being implemented during 2021. It recognises the crucial importance of culture and of governance structures supporting our mission. We now also have a new Conflicts of Interest Policy.

Our Glebe investment sub-committee receives at each meeting, and discusses with our investment managers, an ESG report on our investment portfolio. The most recent report places our portfolio in the 95th percentile in terms of ESG engagement compared with peers. Our investment managers on our behalf meet with companies and exercise voting rights to support responsible investment. Bishop's Council in December decided to disinvest from companies which are predominantly fossil fuels producers and this has now been done.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

Covid-19

2020 has been significantly dominated by the extraordinary impact of Covid-19. We immediately put in motion in March a structure to provide appropriate leadership, coordination and support to the diocese, with 'gold' and 'silver' groups meeting up to twice-weekly. Covid-19 updates were issued widely across the diocese whenever there was any information or guidance to share; they were received very positively and attracted a very high open-rate. The diocese has sought to communicate a measured approach, supporting parishes in local decision-making wherever possible. This has significantly affected what has been carried out by Church House staff (often remotely) and how it has been carried out (with a huge reliance on technology such as Zoom and MS Teams).

Our approach has been to ensure that we continue to provide all the essential services on which the clergy and lay people of the Diocese critically depend, including the provision of a weekly streamed service for those whose churches are not able to provide that. Diocesan meetings have largely continued, but virtually, as have some events. Training has been moved online wherever possible.

It was clear from the outset that one of the harshest impacts of the pandemic would be financial. We worked in partnership with parishes from the beginning (with a financial consultation with deanery treasurers, led by Bishop Steven, in April). The Diocese took steps in April 2020 to review its 2020 budget and identified savings across most headings, which included all heads of department and many other staff voluntarily sacrificing salary, furloughing a number of staff and reducing the buildings budget.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd.)

Common Vision

The implications of Covid-19 are profound for us as a nation and as a Diocese and we are committed to adapting, strategically and financially, to how we can best serve and equip our parishes, schools and chaplaincies to be a more Christ-like Church in that new context. The crisis has brought major challenges and suffering, but also some opportunities and we are reflecting carefully on them all as we discern together with the clergy and lay people of the Diocese what it means to be contemplative, compassionate and courageous in a post-Covid-19 world.

However, the commitment to become **a more Christlike Church for the sake of God's world** has remained pivotal to all that we do as we seek to support and enable God's work in all the parishes, benefices, deaneries and chaplaincies of this large Diocese, under Bishop Steven's leadership. Bishop's Council reaffirmed in mid-2020 that our Common Vision remained at least as applicable in the new context of Covid-19 and, with the addition of a new focus area, that our areas of focus were highly relevant. Alongside this, through the extraordinary commitment of our staff and others, nearly all normal work continued to be carried out to high standards.

It is set out below what was planned for 2020 and what ODBF, through its staff and volunteers, achieved during the year:

We relaunched our Common Vision website in January 2020 and, as planned, had a more forward-looking focus on what can be achieved, considering impact measures as part of this, within what became six focus areas:

1. Environmental action

An environmental action plan was formed by the working group chaired by Bishop Olivia. The Diocesan Synod declared a climate emergency in March and committed to a programme of action to achieve net zero by 2035. An environment newsletter launched later in the year. The diocese committed to a programme of environmental surveys of all our vicarages (which began in January 2021) and to divesting from fossil fuels and this has now been done.

2. Christian formation and discipleship

Personal Discipleship Plans continued to be well-received, with nearly 400 mentors now trained, and the working group, now under Bishop Steven's leadership, created Bishop's Webinars in the autumn and the Come and See initiative, which is running in early 2021.

3. Growing new congregations

We were pleased to be awarded £2m of national Strategic Development Funding for our new congregations initiative, which in particular enables resource hubs to be established in Milton Keynes, High Wycombe, Slough and Reading. The New Congregations Board was established under Archdeacon Jonathan's leadership.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd.)

4. Schools, Children and Young People

Disciples Together was launched in June at the informal meeting of Diocesan Synod and is already starting to have a positive impact across the diocese and beyond in helping churches to become genuinely intergenerational. Six new school chaplaincies were established and the contemplative toolkit was very successfully piloted in many schools.

5. Poverty and inequality

This new focus area was added by Bishop's Council in July in direct response to the pandemic. It draws in existing community organising work, which is being focused on addressing poverty and inequality, but also recognises how Covid-19 is exacerbating inequality. The working group which has been formed under Archdeacon Stephen's leadership is updating *For Richer, for Poorer*, is conducting research and also draws in several key agencies already active in this area.

6. Celebrate and Bless Milton Keynes

The 'Pray MK' initiative has been an important part of the work here, as has the provision of shared office space (although this could not be used as much due to Covid). The working group has fed into the choice and development of the Milton Keynes resource hubs.

Ongoing operations

As part of our normal business, we said that we would:

- Formulate, keep actively under review on an ongoing basis, and implement appropriate financial strategies in the light of Covid-19

We reviewed all expenditure, making savings of about £800,000. We kept in close touch with deaneries and parishes about the financial impact of the pandemic on parish share and altered the deadlines for rebates. We delayed or avoided purchases of new clergy properties. In reviewing our total return assumptions during the year we took account of the risk which crystallised in early 2020 of a significant drop in investment values. We delayed total return decision-making for our 2021-23 triennium until later in the year. These strategies have stood us in good stead.

- Ensure that our church communities are as safe as they can be, including by conducting the Past Cases Review 2 exercise

We welcomed a new Diocesan Safeguarding Adviser in July. We made good progress on the Past Cases Review 2 exercise during the year, with responses from almost all parishes received and with most files reviewed by our independent reviewers; it will conclude by the middle of 2021. We had a significant volume of casework, including several high profile cases in which the national safeguarding team was involved. We published two lessons learned reviews.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd.)

- Carry out and implement a review of our communications function and carry out a review of the Department of Mission

The review of the communications function was concluded in July and resulted in a refocusing of the function on being responsive to the expected future needs of the Diocese. This involved staff changes, without any increase in cost, and we welcomed two new staff to the team in November.

The Department of Mission was reviewed between June and December. This was carried out with an eye to the context of Covid and financial realities, but in particular two senior retirements gave an opportunity to review how our largest department could best support the Diocese going forwards. It has resulted in a more effective line management structure, with several staff roles becoming more proactive and outward-focused and a greater focus on strong two-way communication. Ministry has been added to the department name in view of the many roles carried out in relation to the selection, training and CMD of ordained and authorised ministers.

- Produce an impact leaflet on work being undertaken across the Diocese and significantly enhance our website

This has been deferred to 2021 due to Covid-19 and the communications review and will be carried out during the current year.

- Report back to Diocesan Synod, on how best to provide urgent practical support and funding to those parishes that are most in need of basic facilities to enable them to fulfil their mission and consider how we should respond to the needs experienced by other Dioceses which have different levels of resource

The working group reported back to Bishop's Council and Diocesan Synod and its recommendations were agreed. Bishop's Council in December allocated an earmarked sum of £200,000 p.a. for the next three years, to be distributed through the Development Fund.

- Make good appointments to the roles of Bishop of Dorchester and Director of Finance, on the retirement of these postholders

We expressed our enormous appreciation to Bishop Colin on his retirement in October, having been Bishop of Dorchester for 20 years (the longest-serving suffragan bishop in the Church of England). His impact on the Diocese, including periods as acting Bishop of Oxford, and particularly across the Dorchester area, has been immense. We were delighted that the Venerable Gavin Collins has been appointed as our new Bishop of Dorchester and he started his ministry on 28 February 2021 (and was consecrated Bishop on 14 April 2021).

Alison Jestico retired as Director of Finance in December 2020 after eight years of excellent service in the role, having kindly delayed her retirement due to Covid-19. John Orridge has succeeded her from January 2021.

FUTURE PLANS

In addition to all the work operationally required and delivered from year to year, we plan in 2021:

1. To provide leadership and support across the Diocese that recognises the spiritual, practical, emotional and financial challenges of Covid-19.
2. To ensure, through the refocused and renamed department of Mission and Ministry, that we are outward-focused, inspiring, equipping and supporting parishes as effectively as possible in creative, proactive and responsive ways.
3. To enable and realise significant impact for the sake of the Diocese and God's world through the focus areas of Common Vision and the Development Fund.
4. To significantly refresh the Diocesan website.
5. To review our investment management arrangements and to begin a review of our parish share mechanism and a replacement of our accounting system.
6. To conclude and implement a review of our governance.

FINANCIAL REVIEW

Financial Performance

The Statement of Financial Activities (SOFA) for the year shows net expenditure of £3.8M before investment and revaluation gains (2019: £0.8M net income). Investment gains, property and pension revaluations totalling £23.8M resulted in an overall increase in funds of £20.0M (2019: £12.4M).

Glebe agricultural land increased in value by £0.2M and glebe listed investments increased in value due to market conditions, with a £5M unrealised gain as at 31 December 2020.

In addition, £1.1M of the revaluation increase is due to the 2020 year-end valuations of the staff and clergy defined benefit pension schemes. The housing market increased in 2020 and there was a 6% (£16.3M) increase in the value of properties in the year. (2019: 0% increase).

Total return accounting was adopted from 1 January 2018, with a 7% (£7.3M) withdrawal to income in 2020. This has enabled, an additional £3.8M to be transferred to support general funds and an additional £3.5M to be spent: £3.1M on Common Vision strategy and £0.4M on investment management costs. The money for Common Vision is held in a designated fund whilst plans are being implemented (see note 16c and note 22).

Income in the SOFA totalled £26.1M (2019: £26.5M), a decrease of £0.4M. Parish share, the money given by parishes to the Diocese to fund its mission and ministry, is the main income to the Diocese. Parish share income (net after rebates) totalled £18.9M (2019: £19.2M). Current year receipts before rebates fell by £0.3M from 2019 and 94.4% of apportioned share for the year was received (2019: 96.7%). The rate of increase in parish share for 2020 was set at an average of 1.75% (2019: 1.75%). Income from donations include a grant of £244K (2019: £257k) from the All Churches Trust. The Diocese is most grateful for this grant which supported the work of the Parish Development Advisers and safeguarding training.

The implementation of total return accounting has meant that our investment managers no longer need to focus on maintaining dividend income, which saw a decline of £0.4M since last year. Restricted income from charitable activities grew by £0.1M for funding ordinand training received directly by the Diocese from Archbishops' Council – this is reduced by additional costs of £0.06M in payments to theological colleges. Other income relating to endowment funds increased by £0.5M due to a surplus on property disposals.

2020 expenditure in the SOFA totalled £29.9M (2019: £25.8M), an increase of £4.1M after an adjustment of £0.09M (2019: £3.5M credit) relating to revaluation of the clergy pension scheme. When this and the prior year pension adjustment is excluded, costs increased by £0.5M. 2020 is the third year of expenditure on Common Vision, using the designated fund set aside from total return, and this totalled £3.1M, including Development Fund grants. Clergy stipendiary costs were lower in 2019 due to high vacancies, and costs increased in 2020 as more posts were filled and the number of training curates in post increased. Clergy housing costs decreased by £0.5M due to the deferral of repair projects & maintenance visits in the year and renting in more houses for clergy.

FINANCIAL REVIEW (Cont'd.)

Balance Sheet

Net assets totalling £480M (2019: £460M) consist principally of properties to house the clergy, valued at £319M, (2019: £305M) and glebe investments of £136M (2019: £131M) which are analysed in Note 16(b) and for which use of capital is restricted while the income, recognised on a total return basis, is used to pay clergy stipends. Many of the remaining assets shown in the balance sheet are held as restricted funds, which cannot necessarily be used for the general purposes of the ODBF.

Investment performance

The majority of ODBF's investments are in Glebe funds – the income from which (under the Endowment and Glebe Measure) is required to be used towards the cost of paying stipends.

Agricultural, commercial, amenity and residential land and buildings were valued at £32.1M at 31 December 2020 (2019: £31.5M), see note 16b. Rents receivable amounted to £0.6M (2019: £0.6M).

Glebe listed investments are managed by Newton Investment Management. Glebe listed investment holdings were valued at £104M at 31 December 2020 (2019: £99.9M).

Investment policies

Investment policy is delegated by the directors to the investment sub-committee, members of which make investment decisions after taking advice from professional investment advisers. ODBF's investment policies are based on two general key principles:

- Ethical investment - this includes ensuring that investments are held in companies that have high standards of corporate governance and behaviour and that act with openness, accountability, transparency and integrity in a responsible way towards all stakeholders and have good environmental policies; and
- Long-term consideration - the directors consider the long-term effect of their decisions very carefully. This results in a more cautious approach to investment decisions than might be found in a commercial environment.

From 1 January 2018 the Oxford Diocesan Board of Finance has adopted a total return approach to investments with regard to the Glebe listed investment portfolio. The initial value for implementing total return for investment was determined at 31 December 2000 and valued at £14.7M. This was the amount held in listed investments at that date. The unapplied total return was calculated as at the 1 January 2018 and valued at £14.9M as the increase above inflation in the value of these investments since the initial valuation, adjusted for the introduction of new investment in the portfolio following significant sales of glebe land which have taken place since 2008. Bishop's Council voted in 2020 to include 2018 & 2019 glebe land sales totalling £12.5m within the unapplied total return calculation with effect from 1 January 2021. It also voted to apply the CPI inflation measure (backdated to 2000), rather than RPI, further increasing unapplied total return by approximately £0.5m from 1 January 2021.

FINANCIAL REVIEW (Cont'd.)

Investment policies (cont'd.)

The directors sought advice from the company's legal advisers and auditor before approving a withdrawal to income funds equivalent to 7% of the value of the Glebe funds in listed investments as at 1 January for each of the three years 2018 to 2020 and approved that this policy should be reviewed thereafter. During 2020 the withdrawal to income funds from the unapplied total return was £7.3M (2019: £6.3M).

Glebe Investments

Glebe investments are held in equities, fixed interest securities and cash, agricultural land, commercial and residential land and buildings. The portfolio is reviewed by the Glebe Investment Sub-Committee at least twice a year to ensure that the total return on investments is maximised whilst maintaining an appropriate asset allocation balancing risk and returns.

The policy is to sell agricultural holdings with planning consent, as favourable opportunities arise, and to reinvest for a better rate of return.

Short Term Investments

These funds are available for use in the short term as required for working capital. Deposit Funds are held as deposits with the Central Board of Finance.

Reserves policy

Free reserves

ODBF has very substantial ongoing responsibilities including the remuneration of some 370 stipendiary clergy, the upkeep of some 458 houses and the employment of some 90 full or part time staff. It is considered that, to meet substantial outgoings, the target general reserves at 1 January each year should be equivalent to three months gross expenditure from general funds in the forthcoming year. At 31 December 2020, ODBF's free reserves of £9.8M (2019: £7.8M) were equivalent to 3.2 months (2019: 3.2 months) of gross expenditure from general funds in the forthcoming year.

Tangible fixed assets property fund

This fund represents the net book value of the ODBF's tangible fixed asset properties plus any specifically related debtors less loans drawn down to finance the purchase of those properties.

Designated funds

The directors may designate additional unrestricted funds to be retained for an agreed purpose where this is considered to be prudent. Such designated funds are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each fund together with the intended use of the fund is set out in note 22. At 31 December 2020 total designated funds were £6.3M (2019: £4.9M), with the growth due to the transfer of £3.1M to the designated fund for the Common Vision strategy.

FINANCIAL REVIEW (Cont'd.)

Restricted and endowment funds

As set out in note 21, ODBF holds and administers a large number of restricted and endowment funds, including the Diocesan stipends fund and the parsonage house fund. As at 31 December 2020 restricted funds totalled £2.3M (2019: £2.2M) and endowment funds totalled £385.8M (2019: £370.6M).

Grant making 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 7). Grants are paid to other connected charities and to other projects that are in furtherance of ODBF's charitable objectives. (See note 11).

Statement on raising funds

The charity raises funds through Parish Share and on occasions receives other donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with Parochial Church Councils (PCCs), donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on PCCs, donors and supporters. It applies best practice to protect the data of individuals and never sells data and ensures that communication preferences can be changed at any time. The charity manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, the charity received no formal complaints about its activities for raising funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk areas and the associated mitigation strategies are:

Significant under payment of Parish Share either following Covid-19 or linked to decisions within the wider Church mitigated by:

- Close partnership and regular communication between the Diocese, Deaneries and Parishes
- Ongoing discussions between the Bishop's staff and other parties, building good relationships, and an openness to discuss doctrinal issues.

Current or historic safeguarding case of harm to children, young people or vulnerable adults resulting from inappropriate behaviour of a Church Officer mitigated by:

- Safeguarding policies and procedures in place, regularly used and monitored
- Proactive engagement on training, learning, development and good practice
- Disciplinary procedure used wherever appropriate; and active reaching out and support to victims.

Centralisation of glebe funds directed by General Synod leads to serious loss of capital funds and total return on funds mitigated by:

- Dialogue with National Church and other Dioceses; and proactive steps on mutual support
- Demonstration of how glebe income has been used wisely.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Summary Information about the structure of the Church of England

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

The National Church has a General Synod comprised of ex-officio and elected representations from each Diocese and it agrees and lays before Parliament, Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and lay workers.

Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese of Oxford is itself divided into twenty-nine deaneries, each with its own Synod and within each parish there is a parochial church council which shares, with the parish priest, responsibility for the mission of the Church in that place.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd.)

Organisational structure

Through an area scheme the Diocesan Bishop, the Bishop of Oxford, has delegated certain powers to the Bishops of Reading, Buckingham and Dorchester in relation to the archdeaconries of Berkshire, Buckinghamshire and Dorchester respectively. Each archdeaconry is subdivided into deaneries, there being a total of 29 deaneries across the Diocese, which are further subdivided into some 620 parishes.

The Diocese is governed by Standing Orders approved on 27 February 1988 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 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, determines major policy matters and approves an annual budget.

Its role is also to act as a forum for discussion of Christian opinion, to advise the Bishop of Oxford on matters on which he may wish to consult, to deal with items referred by the General Synod of the Church of England or deanery synods, to make appointments to committees and to make provision for the financing of the Diocese. Many of Synod's responsibilities have been delegated to the Bishop's Council and Standing Committee.

Company status

Oxford Diocesan Board of Finance (ODBF) was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 10 February 1916 as a company (No. 142978 England and Wales) limited by guarantee and its governing documents are the Memorandum and Articles of Association, which were most recently amended slightly in March 2021. ODBF is a registered charity (No. 247954).

Every member of Diocesan Synod is a member of ODBF and has a personal liability limited to £1 under their guarantee as members in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council are ODBF's Board of Directors.

Decision-making structure

Diocesan Synod has delegated the following functions to the Board of Directors:

- Planning the business of the Diocesan 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;

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd.)

Decision-making structure (cont'd.)

- 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; and
- Carrying out any other functions which may be delegated by Diocesan Synod.

The Board of Directors has delegated responsibility for the day-to-day management of ODBF to the Diocesan Secretary who is supported by a number of heads of departments and their staff.

Committee structure

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

Diocesan responsibilities for education are carried out by ODBE, a charitable company limited by guarantee.

Diocesan Advisory Committee, 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.

Oxford 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.

Buildings 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 ODBF.

In 2020 there were four sub-committees dealing with the implementation of policy in the four Archdeaconries of Oxford, Berkshire, Dorchester and Buckinghamshire respectively.

Glebe Committee, which is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocesan Stipends Fund of the Diocese. The Glebe Investment Sub Committee reviews the investment portfolio and reported to the Glebe Committee.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd.)**Committee structure (cont'd.)**

Partnership in World Mission, which promotes world Christian mission, particularly through partnership with mission agencies and the Church worldwide.

Board of Mission, which, under the direction of the Diocesan Synod, determines an integrated policy for mission throughout the Diocese and is responsible for the implementation of that policy. The Board manages the activities of clergy training from pre-ordination to continuing ministerial education throughout the clergy's ministry, stewardship, evangelism, mission activities and social responsibility.

Bishop's Council

The members of the Bishop's Council are the Board of Directors. In 2020 Bishop's Council consisted of 13 ex officio members, (including the Diocesan and Area Bishops and the four Archdeacons), 2 clerical and 3 lay members from each of the Berkshire, Buckingham and Dorchester archdeaconries, 2 clerical and 2 lay members from the Oxford archdeaconry, and 2 members nominated by the Diocesan Bishop.

The Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which is responsible for the task of approving pastoral reorganisation taking account of available clergy numbers and making use of new patterns of ministry.

The Bishop's Council as Board of Directors of ODBF has the following sub-committees:-

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

Audit Committee, which is responsible for assisting the directors in the discharge of their responsibilities for accounting policies, financial reporting and internal control, including liaison with the auditors, reviewing and proposing auditors for appointment and review of risk registers.

Human Resources Panel, which is responsible for personnel issues concerning staff.

The Audit Committee serve ODBE and DToL and the Human Resources Panel serves ODBE.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Appointment of directors

Directors were either appointed ex officio on the basis of their position or are elected as clerical or lay members from each of the four archdeaconries or nominated by the Bishop of Oxford. The ex officio members are the Bishops, Archdeacons, the Dean of Christ Church Cathedral, the President and Vice Presidents of the Diocesan Synod and the Chairman and Vice Chairman of the Board of Finance.

Directors are given induction training when first appointed and receive ongoing training, as appropriate.

Some senior staff supporting the Diocesan Secretary have job titles incorporating the title 'Director' but they are not directors of ODBF for the purpose of company law.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 company and of the net income and expenditure of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd.)**Related parties**

- General Synod, Church Commissioners and Archbishops' Council
ODBF has to comply with Measures passed by the General Synod of the Church of England and makes certain annual grant payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Area Bishops are borne by the Church Commissioners and are not reflected in the attached financial statements.
- Parochial Church Councils (PCCs) and Deaneries
ODBF is required by Measure to be custodian trustee in relation to PCC property, and ODBF delegates this to DT(O)L but ODBF has no control over PCCs, which are independent charities.

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

The accounts of PCCs and deaneries do not form part of these financial statements.

Connected Charities

The directors consider the following to be connected charities:

- Oxford Diocesan Board of Education (ODBE) – a charitable company with responsibility for some 282 Church schools across the Diocese, providing pastoral and professional support to all its schools and which has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.
- Diocesan Trustees (Oxford) Limited (DT(O)L) - which is a charitable company resourced by ODBF and which is responsible for ensuring that parish and educational properties and trust funds are used in accordance with the terms of trust. ODBF has transferred responsibility of being Diocesan Authority for parochial and other trusts to DT(O)L.
- Oxford Diocesan Schools Trust – which is a charitable company and is a Multi Academy Trust serving church and community schools across Oxfordshire and Berkshire.
- Oxford Diocesan Bucks Schools Trust - which is a charitable company and a Multi Academy Trust serving church and community schools across Buckinghamshire.
- Oxford Diocesan Council for the Deaf - which works with deaf and hard-of-hearing people to meet their spiritual, social and general needs and to give them a voice and full participation in church and society.
- Parents and Children Together (PACT) – a charitable company supporting families through adoption, therapeutic support and community projects.

The objectives of each organisation are congruent with ODBF's objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd.)

PUBLIC BENEFIT

The directors are aware of the Charity Commission's guidance on public benefit and have regard to that guidance in their administration of the charity.

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

- Providing 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.

STATEMENT OF DISCLOSURE TO THE AUDITOR

So far as each director is aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) he/she has taken all the steps that ought to have been taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

ADMINISTRATIVE DETAILS**DIRECTORS**

Members of the Bishop's Council and Standing Committee of the Board of Finance are the directors of the Board. All have served throughout the year except for those who were appointed or resigned as indicated below. The following were the directors and trustees at the date of this report:

The Right Revd Dr S J Croft	Ex officio, Bishop of Oxford, President of Synod
The Revd J H Tattersall	Ex officio, Chairman ODBF
Mr S A Richards	Ex officio, Vice Chairman ODBF
Dr A R Bell	Lay member, Archdeaconry of Buckingham
The Revd Canon V Breed	Clerical member, Archdeaconry of Dorchester
Mr M N Burton	Lay member, Archdeaconry of Berkshire
The Revd Canon Dr GB Bayliss fm 1/5/20	Ex officio, Vice President of Synod
The Ven J Chaffey from 01/05/20	Ex officio, Archdeacon of Oxford
The Right Revd GA Collins from 28/2/21	Ex officio, Bishop of Dorchester
The Revd E K Denno	Clerical member, Archdeaconry of Oxford
Mrs J Dziegiel	Lay member, Archdeaconry of Buckingham
The Ven G C Elsmore	Ex officio, Archdeacon of Buckingham
The Ven J K French	Ex officio, Archdeacon of Dorchester
The Right Revd O Graham	Ex officio, Bishop of Reading
Ms C S Kallipetis from 26/10/20	Lay member, Archdeaconry of Berkshire
The Revd Dr TH Kuin Lawton fm 20/11/20	Clerical member, Archdeaconry of Dorchester
The Revd R J Lamey	Clerical member, Archdeaconry of Berkshire
The Revd D J Meakin	Clerical member, Archdeaconry of Buckingham
The Revd C Messervy	Clerical member, Archdeaconry of Buckingham
Prof J F Missenden	Lay member, Archdeaconry of Berkshire
Dr S Northover from 26/10/20	Lay member, Archdeaconry of Dorchester
The Very Revd Professor M Percy	Ex officio, Dean of Christ Church Cathedral
Mr M Powell	Lay member, Archdeaconry of Dorchester
The Ven S Pullin from 29/02/20	Ex officio, Archdeacon of Berkshire
Mrs S E Scane	Nominated by the Bishop of Oxford
The Revd M K J Smith	Clerical member, Archdeaconry of Oxford
Dr B Sollereeder from 26/10/20	Lay member, Archdeaconry of Oxford
Mr J N Sykes	Ex officio, Vice President of Synod
Dr A Thomas-Betts	Nominated by the Bishop of Oxford
Mr M H Waring	Lay member, Archdeaconry of Dorchester
Mr A F Whittow	Lay member, Archdeaconry of Buckingham
The Right Revd Dr A T L Wilson	Ex officio, Bishop of Buckingham

ADMINISTRATIVE DETAILS (Cont'd.)**Directors who were not re-elected/resigned during the year or by the date of this report:**

The Revd Canon S E Booy to 4/8/20	Clerical Member, Archdeaconry of Dorchester
The Right Revd C W Fletcher to 16/11/20	Ex officio, Bishop of Dorchester
Mr H Gibbon to 17/11/20	Lay member, Archdeaconry of Oxford
The Ven M C Gorick to 27/01/20	Ex officio, Archdeacon of Oxford
Mr J J Macnamara to 9/7/20	Lay member, Archdeaconry of Dorchester
Ms J Ozanne to 6/10/20	Lay member, Archdeaconry of Oxford
Mr J P Smith to 31/03/20	Lay member, Archdeaconry of Berkshire

Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2020 comprised the Diocesan Secretary and Company Secretary, the Director of Mission, the Director of Finance, the Director of Buildings, the Director of Human Resources and the Director of Communications.

None of the directors of the company received any remuneration connected with their role as key management personnel. Key management personnel employed by ODBF are remunerated at rates that are deemed appropriate for the level of skills and experience they bring to their roles and at a rate commensurate with that of similar roles in comparable organisations. Remuneration is reviewed on an annual basis and approved by the company directors.

Registered Office Church House Oxford, Langford Locks, Kidlington, Oxford OX5 1GF

Bankers NatWest Bank plc, 32 Cornmarket Street, Oxford, OX1 3EZ

Auditor Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

Solicitors and Diocesan Registrar Winckworth Sherwood LLP, 2 Chawley Park, Cumnor Hill, Oxford OX2 9GG

Investment advisers Newton Investment Management Ltd, The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA

Glebe Agents Carter Jonas, Anchor House, 269 Banbury Road, Oxford, OX2 7LL,
Sidleys Chartered Surveyors, 6 King Edward Street, Oxford, OX1 4JL, and
Bidwells, Seacourt Tower, West Way Oxford OX2 0JJ

Insurers EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this directors' report, the directors are also approving the strategic report within their capacity as company directors.

This directors' report, incorporating the strategic report, was approved by the directors on 12 May 2021.

By order of the directors



Revd J H Tattersall
Chairman

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Oxford Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT (Cont'd.)**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 directors' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 (Cont'd.)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement in the directors' report, the directors 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 directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with those charged with Governance and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, Church Assembly and General Synod Measures, data protection legislation, anti-bribery, employment, health and safety legislation, and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias
- performed substantive testing of expenditure; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

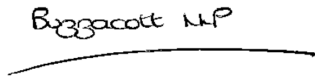
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Buzzacott LLP


27 May 2021

Amanda Francis (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2020

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	Note	General & Designated Funds	Tangible Fixed Assets Property Fund				
		£'000	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:							
Donations	2	19,292	-	122	-	19,414	19,852
Charitable activities	3	1,719	-	662	-	2,381	2,535
Investments	4	747	-	181	2,543	3,471	3,908
Other sources	5	67	193	273	266	799	248
Total		21,825	193	1,238	2,809	26,065	26,543
Expenditure on:							
Raising and managing funds	6	320	-	-	476	796	888
Charitable activities	7	27,520	-	975	95	28,590	24,753
Other property costs	8	-	237	-	239	476	137
Total		27,840	237	975	810	29,862	25,778
Net (expenditure)/income before investment gains:		(6,015)	(44)	263	1,999	(3,797)	765
Net gains on investments		2	-	88	6,097	6,187	10,773
Net (expenditure)/income		(6,013)	(44)	351	8,096	2,390	11,538
Total Return transfer	14a	6,878	-	-	(6,878)	-	-
Net income/(expenditure) after Total Return transfer		865	(44)	351	1,218	2,390	11,538
Other transfers	14b	2,280	(2,214)	(330)	264	-	-
		3,145	(2,258)	21	1,482	2,390	11,538
Other recognised gains:							
Gains on re-valuation of tangible fixed assets	15	-	3,754	-	12,574	16,328	-
Gains on defined benefit pension scheme	25	253	-	-	1,106	1,359	831
Net movement in funds		3,398	1,496	21	15,162	20,077	12,369
Total funds brought forward		12,718	73,992	2,240	370,616	459,566	447,197
Total funds carried forward	20	16,116	75,488	2,261	385,778	479,643	459,566

All activities derive from continuing activities. The notes on pages 31 to 67 form part of the financial statements.

The prior year comparative Statement of Financial Activities (SOFA) for 2019 is shown in Note 26 on page 67.

INCOME AND EXPENDITURE ACCOUNT For the year ended 31 December 2020

	Total 2020 £'000	Total 2019 £'000
Income	23,256	23,304
Expenditure	<u>(29,052)</u>	<u>(28,697)</u>
Operating deficit for the year	(5,796)	(5,393)
Net gains on investments	90	60
Transfers from endowment funds	<u>6,614</u>	<u>5,838</u>
Net income for the year	908	505
Other comprehensive income:		
Revaluation of tangible fixed assets	3,754	-
Actuarial gains/(losses) on defined benefit pension scheme	<u>253</u>	<u>(248)</u>
Total comprehensive income	<u>4,915</u>	<u>257</u>


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

OXFORD DIOCESAN BOARD OF FINANCE Company No. 142978 (England and Wales)
BALANCE SHEET as at 31 December 2020

	Note	2020		2019	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	15		320,056		308,264
Investments	16		142,794		137,383
			<u>462,850</u>		<u>445,647</u>
CURRENT ASSETS					
Debtors due after more than one year	17	221		557	
Pension scheme surplus – staff scheme	25	828		604	
Debtors due within one year	17	2,088		4,519	
Cash on deposit and at bank		20,257		16,284	
		<u>23,394</u>		<u>21,964</u>	
CREDITORS: amounts falling due within one year	18	<u>(2,837)</u>		<u>(3,288)</u>	
NET CURRENT ASSETS			<u>20,557</u>		<u>18,676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			483,407		464,323
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities – Clergy Scheme	25		(1,358)		(2,376)
Other creditors	19		(2,406)		(2,381)
NET ASSETS			<u>479,643</u>		<u>459,566</u>
FUNDS					
Endowment Funds					
(including asset revaluations of £199,038K (2019: £185,959K))			385,778		370,616
Restricted Income Funds					
(including asset revaluations of £329K (2019: £241K))			2,261		2,240
Unrestricted Income Funds:					
Tangible Fixed Asset Property Fund			75,488		73,992
(including asset revaluations of £39,555K (2019: £36,822K))					
Designated Funds					
General Fund					
(including asset revaluation of £319K (2019: £317K))			9,792		7,783
TOTAL FUNDS	21		<u>479,643</u>		<u>459,566</u>

The notes on pages 31 to 67 form part of these financial statements. The financial statements were approved by the Directors and authorised for issue on 12 May 2021 and signed on behalf of the Directors by:


The Right Reverend Dr. S. J. Croft
Bishop of Oxford


The Reverend J. H. Tattersall
Chairman

STATEMENT OF CASH FLOWS	For the year ended 31 December 2020			
	2020		2019	
	£'000	£'000	£'000	£'000
Net cash used in operating activities (Below A)		(5,234)		(2,020)
Cash flows from investing activities				
Dividends, interest and rent from investments	3,471		3,908	
Proceeds from the disposal of:				
Tangible Fixed Assets	6,329		1,830	
Fixed Asset Investments	15,742		18,192	
Purchase of:				
Tangible Fixed Assets	(1,816)		(6,027)	
Fixed Asset Investments	(14,907)		(14,395)	
Net cash provided by investing activities		8,819		3,508
Cash flows from financing activities				
Loans repaid to ODBF	424		126	
New loans advanced by ODBF	(36)		(492)	
Net cash provided by (used in) financing activities		388		(366)
Change in cash and cash equivalents in the year		3,973		1,122
Cash and cash equivalents at 1 January		16,284		15,162
Cash and cash equivalents at 31 December (Below B)		20,257		16,284
Reconciliation of net movement in funds to net cash used in operating activities				
A. Net (expenditure) income for the year before investment gains		(3,797)		765
Adjustments for:				
Depreciation charges		142		139
Dividends, interest and rent from investments		(3,471)		(3,908)
Gains on sale of functional assets		(96)		(166)
Decrease in debtors (ex loans)		2,383		3,190
(Decrease)/increase in creditors (ex loans)		(558)		1,466
Clergy pension scheme adjustment		88		(3,486)
Staff pension scheme adjustment		29		(20)
Recoupment of impairment		46		-
Net cash used in operating activities		(5,234)		(2,020)
B. Analysis of cash and cash equivalents				
Cash at bank and on deposit		20,257		16,284

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

The Oxford Diocesan Board of Finance (ODBF) is a company limited by guarantee (No. 142978 England and Wales) and a registered charity (No. 247954) governed by its Memorandum and Articles of Association.

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2020 with comparative information provided for the year to *31 December 2019*.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest £1,000.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the valuation of Diocesan houses
- the valuation of investment land and property
- the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge
- the underlying assumptions in the actuarial valuations of the defined benefit schemes
- the estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**1. Principal Accounting Policies (cont'd.)**

The directors anticipate further shortfalls in 2021 in parish share despite the valiant efforts of many parishes to maintain payments wherever they can. Parishes responded magnificently in the extraordinary circumstances of 2020 with 94.4% of parish share being received. Whilst 2021 is expected to be worse than this, the directors do not consider that 2021 or beyond would give rise to any inability of the charity to continue as a going concern. The directors are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient monetary assets, including short term cash deposits, which could be readily realised to meet liabilities should there be an unexpected curtailment of income.

In the year ending 31 December 2021, the most significant areas of uncertainty that may affect the carrying value of assets held by the charity are the level of investment return and the performance of the investment market and land values.

Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations and legacies, including Parish Share income, income from listed and property (Glebe) investments, income directly related to charitable activities (including grants) and the surplus on disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

Monies receivable from the Government's Coronavirus Job Retention Scheme are recognised when the charity has entitlement to the income and the amount due can be measured.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income is deferred only when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

1. Principal Accounting Policies (cont'd.)

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

1. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.
2. The charitable activities comprise expenditure on the charity's primary charitable purposes as described in the directors' report i.e. promoting the work of the Church in the Diocese including payments of grants. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

Tangible Fixed Assets

Properties

All properties, including glebe and parsonage houses, are stated at valuation, except for redundant churches that are held at a nil valuation reflecting uncertainty as to their future retention and use, and Church House Oxford which is stated at cost less accumulated depreciation. Valuations are undertaken annually as at 31 December each year by the Director of Buildings with reference to advice from professional agents. All properties are subject to an annual impairment review by the Director of Buildings; properties are written down to net realisable value where that is lower than carrying value. The overall net gain or loss for the year on revaluation, if any, is shown in the statement of financial activities.

Additions are at cost but subject to an annual valuation adjustment at the end of the financial year.

Extensions to and significant adaptations to the fabric of buildings are capitalised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

1. Principal Accounting Policies (cont'd.)

With the exception of Church House Oxford (net book value £3.439m), no depreciation is provided on buildings as any charge would not be material due to the very long expected useful economic life and because their expected residual value is not materially less than their carrying value. ODBF has a policy of regular 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 suffer 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.

Depreciation is charged on Church House at an annual rate of 2.5% based on original cost with refurbishment work thereto being depreciated at 5% per annum based on cost.

Sales and purchases of properties are recognised on the date of exchange of contract.

The majority of transfers occur following pastoral reorganisation. A benefice house may be transferred to Diocesan glebe or general funds for disposal or to be held as a corporate property, as determined by the particular pastoral scheme. In the majority of such cases, houses are required as functional fixed assets for housing team vicars (in a team ministry) or other members licensed to a benefice and as such are held as corporate property under unrestricted designated funds.

Leasehold properties are all held on long leases.

Parsonage houses, also known as benefice houses, are legally vested in the incumbent. However, an incumbent is not free to dispose of the house for his/her own benefit, cannot make alterations or improvements to the property and is not responsible for maintaining the house. In spite of the complex tenure of parsonage houses, ODBF is responsible for the maintenance and insurance of the houses in the same way as for other houses and, therefore, they are recognised as tangible fixed assets of ODBF in the balance sheet.

Other tangible fixed assets

Computer and other office equipment and motor vehicles are included at cost less depreciation.

Depreciation is charged so as to write off the cost by equal instalments over their estimated useful lives.

	Rate per annum
Motor cars	25% of cost
Computers	33½% of cost
Other office equipment	5% to 25% of cost

Office furniture and small items of equipment costing less than £1k are written off as a revenue cost in the year of purchase.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**1. Principal Accounting Policies (cont'd.)****Investments**

Investments include agricultural holdings and commercial, residential and amenity properties, financial investments and cash deposits. Glebe investments are endowment funds and held with the intention of producing a sustainable income to help fund stipend payments whilst safeguarding capital values in the long term. The property investments are valued as at 31 December each year by the Director of Buildings based on valuations and advice from professional agents. Where formal planning consent has been given for the development of a site, the valuation takes the development potential of the site into account. No depreciation is applied to investment properties.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The Glebe permanent endowment fund comprises assets (including listed investments) which must be held as capital. From 1 January 2018, the charity has operated a total return approach to the management of the listed investment portfolio representing the Glebe permanent endowment fund. Using this approach, the charity is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return.

The charity is permitted to allocate from the unapplied total return element such sums as the directors consider appropriate provided the directors exercise their statutory duty to be even handed as between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets. The charity's objective is also to maintain the value of non-distributable funds in real terms.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value, these are recognised initially at transaction value and subsequently measured as described below.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**1. Principal Accounting Policies (cont'd.)****Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. CBF deposits are highly liquid investments and are included in cash at bank and in hand.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Funds structure

The unrestricted funds include certain tangible fixed assets of the company, those assets designated or set aside by the directors for specific purposes and those assets which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The endowment funds comprise assets which normally must be held as capital (permanent) but, where permitted, may be applied towards meeting certain charitable aims (expendable). The income therefrom may be used either in accordance with the donors' wishes, if stipulated, or for general purposes.

Pensions

ODBF operates an occupational pension scheme through the Pensions Trust, which is a defined benefit scheme based on final salary and which closed to new entrants during 2006. In 2007 ODBF began to operate a defined benefit scheme through the Church Workers Pension Fund scheme for new staff. It also operates a stakeholder scheme and contributes to personal pension schemes.

A separate pension scheme for clergy is administered by the Church of England Pensions Board (CEPB) and is a defined benefit scheme. Details of the staff and clergy schemes are set out in note 25.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

1. Principal Accounting Policies (cont'd.)

The financial statements take account of the annual valuation of the defined benefit schemes undertaken by the pension fund's actuaries.

The change in the value of the pension asset or liability over the year has been analysed into the following components:

- current service cost
- expected return on pension scheme assets
- interest on pension scheme liabilities
- actuarial gains and losses

The current service cost, expected return on pension scheme assets and interest on pension scheme liabilities are included in the Statement of Financial Activities. Actuarial gains and losses arising from updating the latest actuarial valuation to reflect conditions at the balance sheet date are included as other recognised gains or losses. More details are included in note 25.

ODBF's contributions to the defined contribution scheme, the stakeholder scheme, personal pensions and the CEPB scheme are included as expenditure when payable.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**2. Income from Donations**

	2020			2019		
	Unrestricted Funds	Restricted Funds	Total Funds 2020	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Parish contributions	19,466	-	19,466	19,782	-	19,782
Share rebates and discounts	(545)	-	(545)	(578)	-	(578)
	<u>18,921</u>	<u>-</u>	<u>18,921</u>	<u>19,204</u>	<u>-</u>	<u>19,204</u>
Archbishops' Council	-	15	15	-	-	-
All Churches Trust	244	-	244	257	-	257
Other donations	127	107	234	166	225	391
Total Income	<u>19,292</u>	<u>122</u>	<u>19,414</u>	<u>19,627</u>	<u>225</u>	<u>19,852</u>

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

Current year Parish share receipts in 2020 represent 94.4% of the total apportioned (2019: 96.7%).

3. Income from Charitable Activities

	2020			2019		
	Unrestricted Funds	Restricted Funds	Total Funds 2020	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	721	-	721	912	-	912
Training, events and similar	122	662	784	142	531	673
Housing income	813	-	813	819	-	819
School premises support	54	-	54	105	-	105
Other	9	-	9	26	-	26
	<u>1,719</u>	<u>662</u>	<u>2,381</u>	<u>2,004</u>	<u>531</u>	<u>2,535</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**4. Income from Investments**

	2020			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2020 £'000
Dividends receivable	2	175	2,543	2,720
Interest receivable	75	6	-	81
Rents receivable	581	-	-	581
Other investment income	89	-	-	89
	<u>747</u>	<u>181</u>	<u>2,543</u>	<u>3,471</u>
	2019			
	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment Funds £'000</i>	<i>Total Funds 2019 £'000</i>
<i>Dividends receivable</i>	<i>1</i>	<i>171</i>	<i>2,974</i>	<i>3,146</i>
<i>Interest receivable</i>	<i>106</i>	<i>12</i>	<i>-</i>	<i>118</i>
<i>Rents receivable</i>	<i>552</i>	<i>-</i>	<i>-</i>	<i>552</i>
<i>Other investment income</i>	<i>92</i>	<i>-</i>	<i>-</i>	<i>92</i>
	<u><i>751</i></u>	<u><i>183</i></u>	<u><i>2,974</i></u>	<u><i>3,908</i></u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

5. Income from Other Sources

	2020				Total Funds £'000
	General Funds £'000	Tangible Fixed Assets Property Fund £'000	Restricted Funds £'000	Endowment Funds £'000	
	Surplus on disposal of properties	-	193	-	
Disposal of closed church	-	-	273	-	273
Furlough grants	63	-	-	-	63
Other property income	4	-	-	60	64
	<u>67</u>	<u>193</u>	<u>273</u>	<u>266</u>	<u>799</u>

The £60K above is the transfer from Glebe Commercial Property. See note 15 below.

	2019			
	<i>Tangible Fixed Assets Property Fund</i> £'000	<i>Restricted Funds</i> £'000	<i>Endowment Funds</i> £'000	<i>Total Funds 2019</i> £'000
	<i>Surplus on disposal of properties</i>	-	-	195
<i>Other property income</i>	-	-	53	53
	<u>-</u>	<u>-</u>	<u>248</u>	<u>248</u>

6. Expenditure on Raising and Managing Funds

	2020			2019		
	Unrestricted Funds £'000	Endowment Funds £'000	Total Funds 2020 £'000	Unrestricted Funds £'000	Endowment Funds £'000	Total Funds 2019 £'000
	Glebe costs	268	476	744	269	538
Parsonage rental costs	39	-	39	64	-	64
Other	13	-	13	17	-	17
	<u>320</u>	<u>476</u>	<u>796</u>	<u>350</u>	<u>538</u>	<u>888</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**7. Expenditure on Charitable Activities**

	2020			Total Funds 2020 £'000
	Unrestricted Funds	Restricted Funds	Endowment Funds	
	£'000	£'000	£'000	
Contributions to Archbishops' Council				
Training for Ministry	923	-	-	923
National Church Responsibilities	694	-	-	694
Mission agency pension costs	35	-	-	35
Retired clergy housing	332	-	-	332
Grants and provisions	78	-	-	78
Pooling of ordinand maintenance grants	151	-	-	151
	2,213	-	-	2,213
Resourcing Ministry & Mission				
Parish Ministry:				
Stipends	9,709	-	-	9,709
National insurance	793	-	-	793
Pension contributions	3,402	-	-	3,402
Clergy pension adjustment (see note 25)	-	-	88	88
Apprenticeship levy	45	-	-	45
Housing costs	4,139	-	-	4,139
Removal, resettlement, parish & clergy grants	350	1	-	351
Other parish expenses	843	-	-	843
	19,281	1	88	19,370
Support for parish ministry & training				
Ordinand grants	592	11	-	603
Diocesan training costs	651	661	-	1,312
Mission in the Diocese	1,908	164	7	2,079
DAC, MPC & DT(O)L	416	-	-	416
Communications	287	-	-	287
Bishops, Archdeacons & Area Offices	487	-	-	487
	4,341	836	7	5,184
Expenditure on grants				
Grants to Oxford Diocesan Board of Education (ODBE)	269	-	-	269
Grants to other organisations (see note 11)	1,416	138	-	1,554
	1,685	138	-	1,823
Total charitable activities	27,520	975	95	28,590

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**7. Expenditure on Charitable Activities (cont'd.)**

	2019			Total Funds 2019 £'000
	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
Contributions to Archbishops' Council				
<i>Training for Ministry</i>	924	-	-	924
<i>National Church Responsibilities</i>	734	-	-	734
<i>Mission agency pension costs</i>	10	-	-	10
<i>Retired clergy housing</i>	316	-	-	316
<i>Grants and provisions</i>	78	-	-	78
<i>Pooling of ordinand maintenance grants</i>	110	-	-	110
	2,172	-	-	2,172
Resourcing Ministry and Mission				
<i>Parish Ministry:</i>				
<i>Stipends</i>	9,682	-	-	9,682
<i>National insurance</i>	774	-	-	774
<i>Pension contributions</i>	3,354	-	-	3,354
<i>Clergy pension adjustment (see note 25)</i>	-	-	(3,486)	(3,486)
<i>Apprenticeship levy</i>	44	-	-	44
<i>Housing costs</i>	4,672	-	-	4,672
<i>Removal, resettlement, parish & clergy grants</i>	365	-	-	365
<i>Other parish expenses</i>	892	-	-	892
	19,783	-	(3,486)	16,297
Support for parish ministry and training				
<i>Ordinand grants</i>	527	10	-	537
<i>Diocesan training costs</i>	730	527	-	1,257
<i>Mission in the Diocese</i>	1,806	162	-	1,968
<i>DAC, MPC & DT(O)L</i>	412	-	-	412
<i>Communications</i>	301	-	-	301
<i>Bishops, Archdeacons & Area Offices</i>	537	-	-	537
	4,313	699	-	5,012
Expenditure on grants				
<i>Grants to Oxford Diocesan Board of Education (ODBE)</i>	594	-	-	594
<i>Grants to other organisations (see note 11)</i>	570	108	-	678
	1,164	108	-	1,272
Total charitable activities	27,432	807	(3,486)	24,753

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

8. Other Property Costs

	2020			
	Unrestricted Funds			Total Funds 2020
	General Funds	Tangible Fixed Asset Property Fund	Endowment Funds	
	£'000	£'000	£'000	£'000
Loss on disposal of properties	-	81	221	302
Valuation and related costs	-	156	18	174
	<u>-</u>	<u>237</u>	<u>239</u>	<u>476</u>

	2019			
	Unrestricted Funds			Total Funds 2019
	General Funds	Tangible Fixed Asset Property Fund	Endowment Funds	
	£'000	£'000	£'000	£'000
<i>Loss on disposal of properties</i>	-	-	29	29
<i>Valuation and related costs</i>	72	36	-	108
	<u>72</u>	<u>36</u>	<u>29</u>	<u>137</u>

9. Analysis of Expenditure Including Allocation of Support Costs

	2020			2019		
	Activities Undertaken Directly	Support Costs (Note 10)	Total Costs 2020	Activities Undertaken Directly	Support Costs (Note 10)	Total Costs 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Raising and managing funds (note 6)	730	66	796	823	65	888
Charitable activities (note 7):						
Contributions to						
Archbishops' Council	2,213	-	2,213	2,172	-	2,172
Resourcing parish ministry	18,960	410	19,370	15,889	408	16,297
Support for parish ministry and training	4,286	898	5,184	4,082	930	5,012
Grant to Board of Education	269	-	269	594	-	594
Grants to other organisations	1,554	-	1,554	678	-	678
Other property related costs (Note 8)	476	-	476	137	-	137
	<u>28,488</u>	<u>1,374</u>	<u>29,862</u>	<u>24,375</u>	<u>1,403</u>	<u>25,778</u>

See notes 6 to 8 for an analysis of the costs per category

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**10. Analysis of Support Costs**

	Unrestricted Funds	
	2020	2019
	£'000	£'000
Human resources and administration	287	251
Finance	306	312
Secretariat	179	198
ICT	168	163
Premises and other	247	292
Governance:		
External audit	26	26
Registrar and Chancellor	153	138
Synod costs	8	23
	<u>1,374</u>	<u>1,403</u>

11. Analysis of Grants Made

	2020	2019	2020	2019
	No.	No.	£'000	£'000
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council (note 7)	<u>1</u>	<u>1</u>	<u>2,213</u>	<u>2,172</u>
From general and restricted funds to institutions: (Note 7)				
Parents and Children Together (PACT)	1	1	95	95
Development Fund Grants	45	36	1,135	293
Ecumenical and chaplaincy grants	3	3	51	54
Grants for parish building projects	38	51	56	101
Bishops discretionary grants	4	4	21	21
Oxford Diocesan Council for the Deaf	1	1	7	7
Anglican Communion – Covid support	1	-	50	-
Other grants	-	-	139	107
	<u>93</u>	<u>96</u>	<u>1,554</u>	<u>678</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

12. Staff Costs

	2020 £'000	2019 £'000
Staff costs during the year were as follows:-		
Wages and salaries	2,938	2,854
National Insurance contributions	300	287
Pension costs	471	491
Total	3,709	3,632

	Number	Number
The average number of persons employed during the year based on headcount:		
Charitable activities	73	69
Support	18	17
Total	91	86

The average number of persons employed during the year based on full-time equivalents		
Charitable activities	58	56
Support	16	15
Total	74	71

The numbers of staff whose emoluments (including benefits in kind but excluding employer's pension contributions and National Insurance) amounting to more than £60,000 were as follows:

£60,001-£70,000	2	2
£70,001-£80,000	2	2
£80,001-£90,000	1	-

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2020 comprise

Diocesan Secretary and Company Secretary	Canon Mark Humphriss
Director of Mission	Canon Andrew Anderson-Gear
Director of Finance	Mrs Alison Jestico to 31 December 2020
Director of Buildings	Mr David Mason
Director of Human Resources	Mrs Poli Shajko
Director of Communications	Mr Steven Buckley

The aggregate remuneration, including pensions and employer's National Insurance contributions for these 6 posts amounted to £529K (2019: £540K).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**12. Staff Costs (Cont'd.)****Directors' emoluments**

No remuneration has been paid to any director during the year (2019: *£nil*) for acting as a director or a member of key management. However, 13 (2019: 11) directors, who held ecclesiastical office during the year, were paid aggregate stipends of £350,000 (2019: *£334,000*). Pension contributions on those stipends amounted to £120,000 (2019: *£112,000*) and employer's National Insurance thereon was £32,000 (2019: *£29,000*). 15 Directors (2019: 14) were reimbursed for travel, subsistence and incidental costs amounting to £16,000 (2019: *£22,000*) for services provided to ODBF in all the capacities in which they serve. Some directors are provided with housing because of their ecclesiastical office. One of the archdeacons were provided with a car with a cost of £14K (2019: *2 cars at a cost of £24K*).

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

	Stipend	Housing
The Right Revd C Fletcher	No	Yes
The Right Revd O Graham	No	Yes
The Right Revd Dr A Wilson	No	Yes
The Venerable G Elsmore	Yes	Yes
The Venerable J French	Yes	Yes
The Venerable M Gorick	Yes	No
The Venerable J Chaffey	Yes	No
The Venerable S Pullin	Yes	Yes
The Revd Canon Dr GB Bayliss	Yes	Yes
The Revd V Breed	Yes	Yes
The Revd Canon S Booyes	Yes	Yes
The Revd E K Denno	Yes	Yes
The Revd R J Lamey	Yes	Yes
The Revd D J Meakin	Yes	Yes
The Revd C Messervy	Yes	Yes
The Revd M K J Smith	Yes	Yes

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

The stipends of the Diocesan Bishop and Area Bishops are funded by the Church Commissioners and are in the range £46,180 - £46,560 (2019 range *£45,270 - £45,650*). The annual rate of stipend, funded by the ODBF, paid to Archdeacons in 2020 was in the range £36,100 - £36,800 (2019 range *£35,400-£36,100*) and other stipendiary clergy who were directors were paid in the range £27,400 - £29,400 (2019 range *£27,280 - £28,780*).

The charity has insurance to indemnify the directors and officers against the consequences of any neglect or default on their part. The insurance is provided as part of the charity's general insurance and as such there is no separate premium payable (2019: none). The cover provided is up to £100,000 (2019: *£100,000*).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**13. Related Parties**

The directors consider that the following are related parties:

Oxford Diocesan Board of Education	(ODBE)
Diocesan Trustees (Oxford) Limited	(DT(O)L)
Oxford Diocesan Schools Trust	(ODST)
Oxford Diocesan Buckinghamshire Schools Trust	(ODBST)
Parents and Children Together	(PACT)
Oxford Diocesan Council for the Deaf	(ODCD)

Grants are made and services provided to PACT and ODCD to support their work as below. Their objects are congruent with those of ODBF.

	PACT		ODCD	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Recharged by ODBF:				
Pay costs	-	-	-	15
Grants made by ODBF (Note 11)	95	95	7	7
Amounts due to ODBF at 31 December	-	-	-	11

ODBF bears the entire operating costs of DT(O)L, consisting principally of accounting, secretarial and administrative services. These amounted to £114K (2019: £109K). At 31 December 2020 there was a balance of £nil due from DT(O)L to ODBF (2019: £3K for land registry costs).

ODBF made grants of £269K to ODBE in 2020 (2019: £594K) (see Note 9) and committed future grants payable to ODBE in 2021-22 totalling £143K. ODBF recharged ODBE for accounting, company secretarial, human resources, ICT, premises administrative services totalling £171K in 2020 (2019: £168K). The balance due from ODBE at 31 December 2020 was £20K (2019: £14K) and the balance due to ODBE was £143K (2019: £253K).

ODST occupied space in Church House Oxford and contributed £32K (2019: £30K) towards the running costs of the building including reception and ICT. The balance due from ODST at 31 December 2020 was £125 (2019: £6K). The balance due to ODST at 31 December 2020 was £752 (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**14. Analysis of Transfers between Funds****a) Transfer in respect of Total Return**

	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to designated fund for Common Vision (note 16c)	3,091	-	-	(3,091)
ii) Total Return transfer to general funds to supplement revenue (note 16c)	3,787	-	-	(3,787)
	<u>6,878</u>	<u>-</u>	<u>-</u>	<u>(6,878)</u>
i) Following the adoption of total return accounting from 1 January 2018, £3.1M (2019: £2.1M) has been transferred to a designated income fund for expenditure in relation to the Common Vision strategy. These funds will be expended in the next 1-4 years.				
ii) The transfer to General Funds is in line with the agreed withdrawal under the total return policy.				

2019 prior year comparatives:

	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to designated fund for Common Vision (note 16c)	2,122	-	-	(2,122)
ii) Total Return transfer to general funds to supplement revenue (note 16c)	3,687	-	-	(3,687)
	<u>5,809</u>	<u>-</u>	<u>-</u>	<u>(5,809)</u>

b) Other transfers

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
iii) Purchase and improvements to properties	(314)	314	-	-
iv) Disposal of Board properties	2,528	(2,528)	-	-
v) Purchase, improvement and disposal of Benefice properties in the year	-	-	(264)	264
Other transfers of less than £250,000 each	66	-	(66)	-
	<u>2,280</u>	<u>(2,214)</u>	<u>(330)</u>	<u>264</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**14. Analysis of Transfers between Funds (cont'd)**

- iii) The purchase of Board owned properties require an equivalent transfer from the general fund to the Board Properties Fund, which finances Board properties.
- iv) The disposal of Board properties require an equivalent transfer from the general fund to the Board Properties Fund, which finances Board properties.
- v) When a Benefice property is purchased the endowment fund is increased by means of a transfer from restricted funds.

2019 prior year comparatives:

<i>Type of transfer</i>	Unrestricted Funds			
	<i>General & designated Funds</i>	<i>Tangible Fixed Assets Fund</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>iii) Purchase and improvements to properties</i>	(2,567)	2,567	-	-
<i>iv) Property transfers following measures</i>	-	689	-	(689)
<i>v) Purchase, improvement and disposal of Benefice properties in the year</i>	-	-	(659)	659
<i>Other transfers of less than £250,000 each</i>	116	(50)	(66)	-
<i>Type of transfer</i>	<u>(2,451)</u>	<u>3,206</u>	<u>(725)</u>	<u>(30)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**15 Tangible Fixed Assets**

	Freehold Property	Leasehold Property	Vehicles & Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2020	75,888	676	1,000	201,531	30,316	309,411
Additions	314	-	35	1,467	-	1,816
Disposals	(2,419)	-	(10)	(3,216)	(598)	(6,243)
Reclassification(note 16)	-	-	-	(60)	-	(60)
Revaluations	3,779	41	-	10,943	1,648	16,411
At 31 December 2020	<u>77,562</u>	<u>717</u>	<u>1,025</u>	<u>210,665</u>	<u>31,366</u>	<u>321,335</u>
Depreciation						
At 1 January 2020	339	-	808	-	-	1,147
Charge for the year	86	-	56	-	-	142
Disposals	-	-	(10)	-	-	(10)
At 31 December 2020	<u>425</u>	<u>-</u>	<u>854</u>	<u>-</u>	<u>-</u>	<u>1,279</u>
Net Book Values						
At 31 December 2020	<u>77,137</u>	<u>717</u>	<u>171</u>	<u>210,665</u>	<u>31,366</u>	<u>320,056</u>
At 31 December 2019	<u>75,549</u>	<u>676</u>	<u>192</u>	<u>201,531</u>	<u>30,316</u>	<u>308,264</u>

16 a) Fixed Asset Investments

	At 1 January 2020	Additions	Disposals	Change in Market Value	At 31 December 2020
	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds					
Equity Mortgage Loans	<u>546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>546</u>
Designated Funds					
Administered funds	<u>32</u>	<u>-</u>	<u>(7)</u>	<u>1</u>	<u>26</u>
Restricted Funds					
ODBF Trusts & other	<u>731</u>	<u>-</u>	<u>-</u>	<u>88</u>	<u>819</u>
Endowment Funds					
Glebe (see note 16b)	<u>131,374</u>	<u>14,538</u>	<u>(15,141)</u>	<u>5,564</u>	<u>136,335</u>
ODBF Trusts & other	<u>4,700</u>	<u>369</u>	<u>(364)</u>	<u>363</u>	<u>5,068</u>
	<u>136,074</u>	<u>14,907</u>	<u>(15,505)</u>	<u>5,927</u>	<u>141,403</u>
Total	<u>137,383</u>	<u>14,907</u>	<u>(15,512)</u>	<u>6,016</u>	<u>142,794</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**16 b) Glebe Investments**

	Agricultural Land	Residential Property	Commercial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2020	24,266	2,562	1,981	2,679	99,886	131,374
Additions at cost	-	-	42	105	14,391	14,538
Disposals	(67)	-	-	-	(15,074)	(15,141)
Reclassification	-	-	60	-	-	60
Unrealised gains	188	153	137	23	5,003	5,504
Net Book Value						
At 31 December 2020	24,387	2,715	2,220	2,807	104,206	136,335
Cost or ICV						
At 31 December 2020	4,141	1,544	2,524	1,847	83,697	93,753

The above reclassification relates to the transfer of £60K from Benefice Property in note 15 above.

Subsequent to the year end, a Glebe property was disposed of for £950K, the value at which it is included as at 31 December 2020.

Glebe listed investments are managed by Newton Investment Management.

16 c) Application of the power of total return to Glebe Investments

The investment power of total return permits ODBF to invest the permanently endowed funds of glebe investments to maximise total return and apply an appropriate portion of the unapplied total return each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. 7% of the value of Glebe listed investments, i.e. £7,303K, was transferred in the year.

From 1 January 2018 the Oxford Diocesan Board of Finance adopted a total return approach to investments with regard to the Glebe listed investment portfolio. The initial value for implementing total return for investment was determined at 31 December 2000 and valued at £14.7M. This was the amount held in listed investments at that date. The unapplied total return was calculated as at the 1 January 2018 and valued at £14.9M as the increase above inflation in the value of these investments since the initial valuation, adjusted for the introduction of new investment in the portfolio following significant sales of glebe land which have taken place since 2008.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**16 c) Application of the power of total return to Glebe Investments (cont'd)**

	Trust for investment	Unapplied Total Return	Total endowment
	£'000	£'000	£'000
As at 1 January 2020:			
Base value of the permanent endowment	90,460	-	90,460
Unapplied total return	-	13,872	13,872
Total	90,460	13,872	104,332
Movements in the year:			
Additional sale proceeds of Glebe land sale	2,576	-	2,576
Investment returns: dividends received	-	2,543	2,543
Investment return: realised and unrealised gains	-	4,336	4,336
Investment management fees	-	(425)	(425)
Unapplied total return allocated to income in the year	-	(6,878)	(6,878)
Add indexation of base level of endowment	1,086	(1,086)	-
Net movements in the year	3,662	(1,510)	2,152
As at 31 December 2020:			
Base value of the permanent endowment	94,122	-	94,122
Unapplied total return	-	12,362	12,362
Valuation as at 31 December 2020	94,122	12,362	106,484

The total endowment includes cash funds of £2,278K in addition to listed investments of £104,206K.

Analysis of Withdrawal to income

Supplementing revenue (see note 14a)	3,787
Designated fund for Common Vision (see note 14a)	3,091
Subtotal: Unapplied total return allocated to income	6,878
Investment management fees	425
Withdrawal to income	<u>7,303</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**16 c) Application of the power of total return to glebe investments (cont'd)***Prior year figures for the year ended 31 December 2019*

	<i>Trust for investment</i>	<i>Unapplied Total Return</i>	<i>Total endowment</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
As at 1 January 2019:			
<i>Base value of the permanent endowment</i>	81,361	-	81,361
<i>Unapplied total return</i>	-	7,678	7,678
Total	81,361	7,678	89,039
Movements in the year:			
<i>Additional sale proceeds of glebe land sale</i>	7,309	-	7,309
<i>Investment returns: dividends received</i>	-	2,974	2,974
<i>Investment return: realised and unrealised gains</i>	-	11,242	11,242
<i>Investment management fees</i>	-	(423)	(423)
<i>Unapplied total return allocated to income in the year</i>	-	(5,809)	(5,809)
<i>Add indexation of base level of endowment</i>	1,790	(1,790)	-
Net movements in the year	9,099	6,194	15,293
As at 31 December 2019:			
<i>Base value of the permanent endowment</i>	90,460	-	90,460
<i>Unapplied total return</i>	-	13,872	13,872
Valuation as at 31 December 2019	90,460	13,872	104,332

The total endowment includes cash funds of £4,446K in addition to listed investments of £99,886K.

Analysis of Withdrawal to income

<i>Supplementing revenue (see note 14a)</i>	3,687
<i>Designated fund for Common Vision (see note 14a)</i>	2,122
<i>Subtotal: Unapplied total return allocated to income</i>	5,809
<i>Investment management fees</i>	423
<i>Withdrawal to income</i>	6,232

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**17 Debtors**

	2020 £'000	2019 £'000
Amounts due after more than one year		
Loans to parishes	221	557
Pension Scheme surplus (Note 25)	828	604
Amounts due within one year		
Prepayments	282	333
Accrued income	406	176
Other debtors	1,045	3,585
Loans	335	386
Amounts due from connected charities	20	39
Total	2,088	4,519
Total debtors	3,137	5,680

18 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Creditors and accruals	2,518	3,013
Taxation and social security	82	81
Deferred income	237	194
Total creditors: amounts falling due within one year	2,837	3,288

19 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Creditors and accruals	34	143
Loans	2,372	2,238
Total creditors: amounts falling due after more than one year	2,406	2,381

The above loans are all repayable after more than five years

Loans include equity mortgage loans from the Church Commissioners. Equity mortgages are secured on individual freehold properties and are repayable on disposal.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

20 Summary of Fund Movements

	2020					
	Balances at 1 Jan 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains & Losses £'000	Balances at 31 Dec 2020 £'000
UNRESTRICTED FUNDS						
General	7,783	21,800	(26,111)	6,067	253	9,792
Designated Funds						
Common Vision	3,726	7	(1,560)	3,091	-	5,264
Development posts and new communities fund	1,039	-	(142)	-	-	897
Other funds	170	18	(27)	-	2	163
	4,935	25	(1,729)	3,091	2	6,324
Total General and Designated Funds	12,718	21,825	(27,840)	9,158	255	16,116
Tangible Fixed Assets						
Property Fund						
Board properties fund	73,992	193	(237)	(2,214)	3,754	75,488
RESTRICTED FUNDS						
Diocesan Pastoral Account	199	275	(10)	(264)	-	200
Mission grants fund	58	-	(15)	-	-	43
Sillitoe Bequest	901	24	-	-	87	1,012
Other funds below £250K	1,082	939	(950)	(66)	1	1,006
	2,240	1,238	(975)	(330)	88	2,261
ENDOWMENT FUNDS						
Glebe team vicarages	31,326	-	(72)	-	1,653	32,907
Glebe investments	137,440	2,569	(476)	(6,818)	5,724	138,439
Clergy pension scheme deficit	(2,376)	-	(88)	-	1,106	(1,358)
Diocesan stipends fund	166,390	2,569	(636)	(6,818)	8,483	169,988
Parsonage house fund	199,462	240	(167)	204	10,921	210,660
Stipends bequest fund	1,947	-	-	-	162	2,109
Ordination candidates funds	1,426	-	-	-	111	1,537
Other funds	1,391	-	(7)	-	100	1,484
	370,616	2,809	(810)	(6,614)	19,777	385,778
Total funds	459,566	26,065	(29,862)	-	23,874	479,643

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**20. Summary of Fund Movements (Cont'd.)**

	2019					
	<i>Balances at 1 Jan 2019 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Transfers £'000</i>	<i>Gains and Losses £'000</i>	<i>Balances at 31 Dec 2019 £'000</i>
UNRESTRICTED FUNDS						
<i>General</i>	<u>11,304</u>	<u>22,358</u>	<u>(26,805)</u>	<u>1,236</u>	<u>(310)</u>	<u>7,783</u>
Designated Funds						
<i>Common Vision</i>	2,391	5	(792)	2,122	-	3,726
<i>Relocation fund</i>	72	-	(72)	-	-	-
<i>Development posts and new communities fund</i>	1,196	-	(157)	-	-	1,039
<i>Other funds</i>	<u>174</u>	<u>19</u>	<u>(28)</u>	<u>-</u>	<u>5</u>	<u>170</u>
	<u>3,833</u>	<u>24</u>	<u>(1,049)</u>	<u>2,122</u>	<u>5</u>	<u>4,935</u>
Total General and Designated Funds	<u>15,137</u>	<u>22,382</u>	<u>(27,854)</u>	<u>3,358</u>	<u>(305)</u>	<u>12,718</u>
Tangible Fixed Assets Property Fund						
<i>Board properties fund</i>	<u>70,822</u>	<u>-</u>	<u>(36)</u>	<u>3,206</u>	<u>-</u>	<u>73,992</u>
RESTRICTED FUNDS						
<i>Diocesan Pastoral Account</i>	868	4	(13)	(660)	-	199
<i>Mission grants fund</i>	141	-	(15)	(68)	-	58
<i>Sillitoe Bequest</i>	762	24	-	-	115	901
<i>Other funds below £250K</i>	<u>962</u>	<u>894</u>	<u>(779)</u>	<u>3</u>	<u>2</u>	<u>1,082</u>
	<u>2,733</u>	<u>922</u>	<u>(807)</u>	<u>(725)</u>	<u>117</u>	<u>2,240</u>
ENDOWMENT FUNDS						
<i>Glebe team vicarages</i>	31,326	-	-	-	-	31,326
<i>Glebe investments</i>	130,724	3,025	(539)	(5,809)	10,039	137,440
<i>Clergy pension scheme deficit</i>	<u>(6,941)</u>	<u>-</u>	<u>3,486</u>	<u>-</u>	<u>1,079</u>	<u>(2,376)</u>
<i>Diocesan stipends fund</i>	155,109	3,025	2,947	(5,809)	11,118	166,390
<i>Parsonage house fund</i>	199,323	197	(28)	(30)	-	199,462
<i>Stipends bequest fund</i>	1,671	-	-	-	276	1,947
<i>Ordination candidates funds</i>	1,235	-	-	-	187	1,422
<i>Other funds</i>	<u>1,167</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>211</u>	<u>1,395</u>
	<u>358,505</u>	<u>3,239</u>	<u>2,919</u>	<u>(5,839)</u>	<u>11,792</u>	<u>370,616</u>
Total funds	<u>447,197</u>	<u>26,543</u>	<u>(25,778)</u>	<u>-</u>	<u>11,604</u>	<u>459,566</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**21 Summary of Assets by Fund**

	Tangible Fixed Assets £'000	Investments £'000	2020 Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	171	546	10,150	(1,075)	9,792
Designated					
Common Vision	-	-	6,599	(1,365)	5,234
Development posts and new communities fund	-	-	897	-	897
Other funds	-	27	188	(22)	193
	-	27	7,684	(1,387)	6,324
Total general and designated funds	171	573	17,834	(2,462)	16,116
Tangible fixed assets property fund					
Board properties fund	77,854	-	6	(2,372)	75,488
RESTRICTED FUNDS					
Diocesan Pastoral Account	-	-	199	-	199
Mission grants fund	-	-	43	-	43
Sillitoe Bequest	-	805	205	-	1,010
Other funds below £250K each	-	13	1,161	(165)	1,009
	-	818	1,608	(165)	2,261
ENDOWMENT FUNDS					
Glebe team vicarages	31,366	300	1,241	-	32,907
Total Return Investments	-	106,484	-	-	106,484
Glebe investments	-	29,551	2,648	(244)	31,955
Clergy pension scheme deficit	-	-	-	(1,358)	(1,358)
Diocesan stipends fund	31,366	136,335	3,889	(1,602)	169,988
Parsonage house fund	210,665	-	(5)	-	210,660
Stipends bequest fund	-	2,071	38	-	2,109
Ordination candidates funds	-	1,537	-	-	1,537
Other	-	1,460	24	-	1,484
	242,031	141,403	3,946	(1,602)	385,778
Total Funds	320,056	142,794	23,394	(6,601)	479,955

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**21 Summary of Assets by Fund (Cont'd.)**

	<i>Tangible Fixed Assets £'000</i>	<i>Investments £'000</i>	2019 <i>Current Assets £'000</i>	<i>Creditors £'000</i>	<i>Net Assets £'000</i>
UNRESTRICTED FUNDS					
<i>General</i>	192	546	9,403	(2,358)	7,783
Designated					
<i>Common Vision</i>	-	-	4,253	(527)	3,726
<i>Development posts and new communities fund</i>	-	-	1,039	-	1,039
<i>Other funds</i>	-	32	143	(5)	170
	-	32	5,435	(532)	4,935
Total general and designated funds	192	578	14,838	(2,890)	12,718
Tangible fixed assets property fund					
<i>Board properties fund</i>	76,225	-	4	(2,237)	73,992
RESTRICTED FUNDS					
<i>Diocesan Pastoral Account</i>	-	-	199	-	199
<i>Mission grants fund</i>	-	-	58	-	58
<i>Sillitoe Bequest</i>	-	719	182	-	901
<i>Other funds below £250K each</i>	-	12	1,210	(140)	1,082
	-	731	1,649	(140)	2,240
ENDOWMENT FUNDS					
<i>Glebe team vicarages</i>	30,316	300	710	-	31,326
<i>Total Return Investments</i>	-	104,332	-	-	104,332
<i>Glebe investments</i>	-	26,742	6,768	(402)	33,108
<i>Clergy pension scheme deficit</i>	-	-	-	(2,376)	(2,376)
<i>Diocesan stipends fund</i>	30,316	131,374	7,478	(2,778)	166,390
<i>Parsonage house fund</i>	201,531	-	(2,069)	-	199,462
<i>Stipends bequest fund</i>	-	1,909	38	-	1,947
<i>Ordination candidates funds</i>	-	1,422	-	-	1,422
<i>Other</i>	-	1,369	26	-	1,395
	231,847	136,074	5,473	(2,778)	370,616
Total Funds	308,264	137,383	21,964	(8,045)	459,566

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**22 Description of Funds****General fund**

The general fund is the ODBF's unrestricted undesignated fund available for any of the ODBF's purposes without restriction.

Designated fundsCommon Vision

Following the adoption of total return accounting from 1 January 2018, £2.4M was transferred to a designated income fund for expenditure in relation to the Common Vision strategy, and in 2019 a further £2.1M was added and expenditure incurred totalling £0.8M. The balance of these funds will be expended in the next 1-3 years. In 2020 a further £3.1M was added and expenditure was £1.6M.

Development posts and new communities fund

In July 2014 and February 2015 Bishop's Council considered and approved the transfer of £600K to a new designated fund for development posts in new communities. In February 2016 Bishop's Council approved the transfer of an additional £800K to the fund for development posts. After net expenditure incurred these funds stand at £0.9M at the year-end (2019 £1.0M).

Tangible Fixed Assets Property FundBoard properties fund

The Board properties fund is represented by tangible fixed asset properties plus any related debtors less loans drawn down to finance the purchase of those properties.

Restricted fundsDiocesan Pastoral Account

The Diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:

- to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular Diocesan employees
- to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese
- other purposes of the Diocese or any benefice or parish in the Diocese
- to make grants or loans to any other Diocese
- to transfer funds to the Diocesan stipends fund income or capital accounts

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**22. Description of Funds (cont'd).**Sillitoe Bequest

A bequest was received in April 1999 to establish a discretionary fund to help clergy to retire early for reasons other than ill health. The allocation of funds is agreed by the Diocesan Secretary and the Archdeacon or Bishop of an Archdeaconry as appropriate.

Endowment fundsDiocesan stipends capital fund

The Diocesan stipends capital fund has been created from the Diocesan stipends fund capital account assets held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.

Parsonage house fund

The parsonage house fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses.

Although benefice houses are vested in the incumbents for the time being of the benefices concerned, ODBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the ODBF.

Stipends bequests fund

The Stipends bequest fund is made up of various legacies and bequests. All income can be used to pay stipends.

Ordination candidates funds

The Ordination candidates funds are made up of several benefactions used to help fund ordination candidates.

23. Capital Commitments

Capital commitments in respect of development of clergy housing contracted but not provided totalled £0.5M at 31 December 2020 (2019: £0.4M).

24. Members liability

The Charity is constituted as a company limited by guarantee. In the event that the company is wound up, company members are required to contribute an amount not exceeding £1 each.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**25. Pensions****Stipendiary Clergy**

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to each specific Responsible Body, and this means that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2020: £3,402K, 2019: £3,354K), plus the figures highlighted in the table below as being recognised in the statement of financial activities, giving a total charge of £3,490K for 2020 (2019 credit of £132K).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50M, based on assets of £1,818M and a funding target of £1,868M, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% p.a.

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

% of pensionable stipends	<i>1 January 2018 to 31 December 2020</i>	<i>1 January 2021 to 31 December 2022</i>
Deficit repair contributions	<u>11.9%</u>	<u>7.1%</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**25. Pensions (cont'd).**

As at 31 December 2020 and 31 December 2019 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

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

	2020	2019
	£'000	£'000
Balance sheet liability at 1 January	2,376	6,941
Deficit contribution paid	(1,106)	(1,079)
Interest cost	20	134
Remaining change to the Balance Sheet liability*	68	(3,620)
Pension adjustment to statement of financial activities	88	(3,486)
Balance sheet liability at 31 December	<u>1,358</u>	<u>2,376</u>

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

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

	December 2020	December 2019
Discount rate	0.2%	1.1%
Price inflation	3.1%	2.8%
Increase to total pensionable payroll	1.6%	1.3%

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

Salaried staff defined benefit scheme

Eligible salaried employees of ODBF were offered the opportunity to join the Oxford Diocesan Board of Finance Staff Retirement Scheme until September 2006 at which point the scheme closed to new entrants. The Scheme is a defined benefit (final salary) scheme administered by the Pensions Trust who are also the trustees.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

25. Pensions (cont'd).

The scheme is funded by contributions by ODBF. Employees are not required to contribute towards the cost of their benefits. The Scheme is the subject of advice by professional actuaries and annual premiums are paid and charged, after offsetting any reduction in liability or charging any increase in liability, to expenditure in the SOFA each year.

Contribution rates vary according to actuarial reviews undertaken every three years. The contribution rate paid in 2020 was 30.1% of basic salaries each month (2019: 30.1%), which amounted to £215K (2019: £159K). ODBE paid contributions of £20K for staff in the scheme previously employed by ODBF (2019: £29K). No additional contributions were due or paid in 2020 towards the previous deficit (2019: £nil).

A qualified actuary has prepared the pension scheme figures quoted in this note as required under Financial Reporting Standard 102 (FRS102). The basis of FRS102 calculations is largely prescribed, although assumptions about future salary increases, inflation and investment returns rest with the directors, acting on actuarial advice. The actuary then compares the value of the benefits earned to the valuation date (the liabilities) with the value of the assets held by the scheme. Any excess of liabilities over assets represents a deficit in funding; any excess of assets over liabilities represents a surplus in funding.

The FRS102 surplus at the start of 2020, £604K, increased by £224K during the year to a surplus of £828K at 31 December 2020. The liabilities are valued on the basis of corporate bond yields at the date of calculation which this year was 1.4% (2019: 2.05%), with the assets being taken at market value. The balance sheet is therefore heavily dependent on market conditions at the date of calculation and swings from one year to the next have the potential to be very significant.

In addition, changes to corporate bond yields and mortality assumptions from one year to the next can give rise to volatility in the SOFA figures.

The FRS102 valuation determines the pension figures that must be included in the ODBF accounts. The actuary's triennial valuation, the "on-going" valuation for the Scheme, is based on different financial assumptions than those used for FRS102. The triennial valuation as at 30 September 2017 was updated to 31 December 2020 by a qualified actuary independent of the scheme's sponsoring employer and showed a surplus of £340K. The employer contribution rate from 1 January 2020 is 30.1%, in addition to payment of scheme expenses of £57K.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**25. Pensions (cont'd).**

The main financial assumptions under FRS102 are (per annum):

	2020	2019
	%	%
Discount rate	1.40	2.05
Salary increases	2.50	2.50
Inflation (RPI)	2.95	3.00
Inflation (CPI)	2.70	2.00
Allowance for pension in payment increases of RPI or 5% if less	2.85	2.90
Allowance for pension in payment increases of CPI or 5% if less	2.65	2.10

The discount rate is based on yields available on AA rated corporate bonds. The RPI assumption was based on market conditions at the date of the valuation and the same rate less 0.1% has been used for benefits that increase in line with LPI. Salary increases are assumed to run at 0.5% below RPI.

The scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employers. Their 'fair value' at 31 December 2020 was £16,014K (2019: £14,443K) as below:

	2020	2019
	£'000	£'000
Deposit	159	275
Fixed Interest Bonds	4,725	6,895
Index-linked gilts	6,071	4,059
Property	1,141	1,570
Other	3,918	1,644
	<u>16,014</u>	<u>14,443</u>

The scheme's financial position as at 31 December (FRS102 basis) recognised in the Balance Sheet was:

	2020	2019
	£'000	£'000
Fair value of plan assets	16,014	14,443
Present value of defined benefit obligations	(14,248)	(12,383)
Unrecognised surplus	<u>(938)</u>	<u>(1,456)</u>
Surplus recognised (see note 17)	<u>828</u>	<u>604</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**25. Pensions (cont'd).**

Reconciliation of opening and closing balances of the fair value of plan assets:

	2020	2019
	£'000	£'000
Fair value of assets at 1 January	14,443	12,913
Interest income	295	366
Employer contributions	215	245
Benefits paid and expenses	(303)	(366)
Actuarial gain on assets	1,364	1,285
Fair value of assets at 31 December	<u>16,014</u>	<u>14,443</u>

Reconciliation of opening and closing balances of the defined benefit obligation:

	2020	2019
	£'000	£'000
Defined benefit obligation at 1 January	12,383	10,990
Current service cost	194	190
Interest cost	253	309
Benefit paid	(241)	(305)
Actuarial losses	1,658	1,199
Loss due to benefit changes	1	-
Defined benefit obligation at 31 December	<u>14,248</u>	<u>12,383</u>

Defined benefit costs recognised in the SOFA:

	2020	2019
	£'000	£'000
Current service cost	194	190
Loss due to benefit changes	1	-
Net interest income	(13)	(26)
Expenses	62	61
Total	<u>244</u>	<u>225</u>

Defined benefit income (costs) recognised in other comprehensive income:

	2020	2019
	£'000	£'000
Return on plan assets – gains	1,364	1,285
Experience gains arising on plan liabilities	129	20
Effects of changes in demographic & financial assumptions underlying the present value of the plan liabilities – losses	(1,787)	(1,219)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	547	(334)
Total amount recognised in other comprehensive income	<u>253</u>	<u>(248)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)**25. Pensions (cont'd).****Staff Church Workers Pension Fund (CWPF)**

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

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable (2020: £226K, 2019: £222K).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020. For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time. For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

26. Statements of Financial Activities (Prior) Year

For the year ended 31 December 2019

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2019
		General & Designated Funds	Tangible Fixed Assets Property Fund			
	Note	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:						
Donations	2	19,627	-	208	17	19,852
Charitable activities	3	2,004	-	531	-	2,535
Investments	4	751	-	183	2,974	3,908
Other sources	5	-	-	-	248	248
Total		22,382	-	922	3,239	26,543
Expenditure on:						
Raising and managing funds	6	350	-	-	538	888
Charitable activities	7	27,432	-	807	(3,486)	24,753
Other property costs	8	72	36	-	29	137
Total		27,854	36	807	(2,919)	25,778
Net (expenditure)/income before investment gains:						
		(5,472)	(36)	115	6,158	765
Net (losses)/gains on investments		(57)	-	117	10,713	10,773
Net (expenditure)/income		(5,529)	(36)	232	16,871	11,538
Total Return transfer	14	5,809	-	-	(5,809)	-
Net income/(expenditure) after Total Return transfer		280	(36)	232	11,062	11,538
Other transfers	14	(2,451)	3,206	(725)	(30)	-
		(2,171)	3,170	(493)	11,032	11,538
Other recognised (losses)/gains:						
(Losses)/gains on defined benefit pension scheme	25	(248)	-	-	1,079	831
Net movement in funds		(2,419)	3,170	(493)	12,111	12,369
Total funds brought forward		15,137	70,822	2,733	358,505	447,197
Total funds carried forward	20	12,718	73,992	2,240	370,616	459,566