

**The Chelmsford Diocesan Board of Finance**

**Annual report and financial statements**  
**For the year ended 31 December 2022**

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## INTRODUCTION

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

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

This combined report satisfies the legal requirements for:

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

## Legal Objects

The objects of the Diocese of Chelmsford cover the county of Essex, the unitary authorities of Southend and Thurrock, the five East London boroughs of Newham, Waltham Forest, Barking & Dagenham, Redbridge, and Havering, and a few parishes in South Cambridgeshire.

The Chelmsford Diocesan Board of Finance's ("CDBF") principal object is to promote, assist and advance the work of the Church of England in the Diocese of Chelmsford by acting as the financial executive of the Chelmsford Diocesan Synod.

The CDBF has the following statutory responsibilities:

- i) the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;
- ii) the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
- iii) the management of investments and the custodianship of assets relating to church schools under the Diocesan Board of Education Measure 1991;
- iv) the custodianship of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod on the advice of the Bishop's Council in communication with Deanery Synods, Parochial Church Councils (PCCs), and the Bishop of Chelmsford (in respect of their responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the Church nationally, including discussions on strategic priorities and budgets.

## Strategic Report

### I. Strategic Aims

The Chelmsford Diocese Board of Finance (CDBF) is responsible for the custody and management of diocesan finances and the employment of CDBF staff.

The CDBF's purpose is to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities in the Diocese.

#### Travelling Well Together

2022 was a year of considerable change and review under the leadership of the Rt Revd Dr Guli Francis-Dehqani who became Diocesan Bishop in 2021. After a period of listening and discernment the Diocese began to set out its future direction of travel - Travelling Well Together.

Travelling Well Together recognises that the churches and communities we serve have been through and remain in a period of significant change and challenge. Challenges that impact each parish and worshipping community very differently.

Travelling Well Together can be articulated as follows:

- Our *purpose* is to love God and to love our neighbour; to worship faithfully and empowered by the Holy Spirit witness to the love of God revealed in Jesus Christ as we serve the extraordinarily diverse array of local communities in Essex and East London.
- Our *approach* is to enable and empower parishes and worshipping communities to discern how they are to be God's people in their own very different local contexts and as part of one diocesan family.
- Underpinning our approach is an invitation to a way of being articulated by *shared diocesan values* which might shape how we travel together, support each other and provide mutual accountability.

More information about Travelling Well Together and the shared diocesan values can be read at [www.chelmsford.anglican.org/travelling-well-together](http://www.chelmsford.anglican.org/travelling-well-together)

#### Moving forward

The approach set out in Travelling Well Together seeks to build on what has gone before. There is much that Transforming Presence, the previous diocesan strategy, brought to the life of our Diocese and to different local contexts. Travelling Well Together recognises that it is now time to build on its foundations by emphasising, at a diocesan level, not what we need to do (that will be discerned and articulated locally) but, guided by shared values, how we are to live.

- Travelling Well Together is invitational. Parishes, deaneries and worshipping communities will be invited to make use of the approach and consider how the values speak to and support their own local context.
- The values will underpin diocesan decision making, including complex and difficult decisions. It is also hoped that the values will support decision making in more local contexts: in deaneries

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- and parishes, providing a framework for conversations.
- Enabling and empowering parishes, deaneries and worshipping communities to discern how they are to be God's people in their own very different contexts and as part of one diocesan family, means moving beyond top-down diocesan initiatives and programmes.
  - The approach will require a change in how parishes, deaneries and worshipping communities are supported by the diocesan office and area teams. In keeping with the diocesan values, it is the intention to undertake a listening and engagement exercise during 2023 to understand from parishes and worshipping communities how we can develop our approach to providing support and resources. This will help to shape staffing and structures so that parishes can be best supported.
  - In 2023 we will continue a diocesan conversation around Travelling Well Together in order to introduce and develop the approach.

## 2. Objectives for the year – resourcing and supporting parish ministry

As the strategic review was undertaken there were 3 primary objectives for the Chelmsford Diocese Board of Finance for 2022 which reflected the new direction of travel:

- 1. To reduce the annual deficit so that mission and ministry in parishes can be better resourced in the future**
  - a. Continued implementation of the Finance Action Plan; identifying new income streams and adopting total return accounting to reduce the deficit and increase funding available to support local parish ministry
  - b. Developing a new long term approach to Parish Share in order to encourage greater mutual support between parishes and increase funds to support local parish ministry
- 2. To support parishes and worshipping communities in their great variety of local contexts**
  - a. Continuing to support parish ministry through paying the costs of stipends and housing costs for clergy serving in the Diocese
  - b. Reform of ministerial development and training to support local ordained and lay ministry
  - c. Supporting parish youth work through our Mustard Seed Team
  - d. Strengthening the project management of our SDF-funded Church Plants to better enable them to grow and flourish
  - e. Increasing focus of Diocesan services on local parish support including Safeguarding, Parish finance, communications and property
  - f. Supporting parishes that are engaged in social action work, including in local communities, on the environment, refugees and racial justice.
- 3. To improve accountability across our diocese**
  - a. Setting clear organisational objectives and responsibilities and identifying resourcing and training needs to help achieve them
  - b. Improving approaches to evaluation across our staff and governance structures to drive continual improvement
  - c. Breaking down silos and encouraging and enabling effective collaboration between departments and between the diocesan office and parishes.

The main objective for the CDBF is to resource diocesan needs as determined by Synod and informed by local

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and national Church institutions, and to discharge its statutory functions.

Through carrying out these objectives and in promoting the whole mission of the Church (pastoral, evangelistic, social and ecumenical) the trustees are confident (having had regard to Charity Commission guidance) that CDBF delivers public benefit through community engagement, resourcing education and supporting those in need both spiritually and physically.

### **3. Activities and achievements in the year**

#### **Introduction**

As parishes and worshipping communities discern how they are to love God and love their neighbour in their very different local contexts, this section provides case studies of local achievements and activities and the work of the CDBF to resource and support local mission and ministry.

#### **Resourcing Mission and Ministry in Parishes and Worshipping Communities**

The financial challenges already faced by the diocese and parishes before 2022 were further compounded by the continued impact of the COVID 19 pandemic, and new economic challenges including inflation. Significant progress was made in addressing those challenges as we strive to build solid foundations to resource parish mission and ministry for the future

1. The Finance Action plan developed in 2020, continues to be implemented. The five components of the plan are:
  - a. Strengthen reserves
  - b. Increase revenue
  - c. Reduce costs
  - d. Improve the cash position
  - e. Capacity to deliver the plan
2. To support liquidity, we continued to draw on support from the Archbishop's Council – including a grant of £500k million to compensate COVID losses. This was additional to the £2 million grant we gratefully received across 2021 & 2022.
3. We adopted a Total Return Accounting Policy which has allowed Endowment funds to provide increased support towards stipend costs compared to the previous policy of utilising income only. See note 27 on page 70.
4. Long term plans to reduce the total number of stipendiary clergy, which were accelerated as a consequence of the COVID-19 pandemic, continued to be implemented. This has been difficult and painful but has served to bring us to where we are today and we hope and pray that it will allow us to move forward, living within our means and providing a foundation on which to build a flourishing mission and ministry. There are still painful consequences that we must live with and there will still be difficult decisions ahead. Where that is the case, parishes will be more involved in discussion and discernment about how we can best deploy ministry across the communities we serve.
5. We have only replaced staff who have left when essential and, in some cases, have recruited part-time replacements.
6. A major consultation involving more than 500 people from 299 parishes to develop a long term approach to Parish Share was completed and a new share scheme was agreed by Diocesan Synod.

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Reflecting the Diocesan Direction of travel, the new scheme puts an emphasis on local discernment and mutual support between parishes in deaneries and across the Diocesan family. More information about the Parish Share Scheme [can be read here.](#)

7. Thanks to funding from the national Church of England, recruitment started for two Parish Giving Advisers in late 2022. The two Advisers will work closely with parishes to provide guidance and support for local giving and stewardship.
8. The CDBF was given an Energy Costs Grant of £580,000 by the Archbishops' Council and Church Commissioners to support PCCs and BMOs with increased energy costs during the winter of 2022. The purpose of the grant was to enable churches to continue to worship and serve their local communities through a difficult winter.

### Case Study I

#### Serving local communities- a warm welcome at St Margaret's Barking



As energy bills soared and temperatures plummeted, many parishes and worshipping communities responded by opening up their church buildings to provide a warm welcome to those in their local communities that were struggling to stay warm.

St Margaret's Church Barking is known as 'The Abbey Church'. This speaks to its history, as part of the ancient Barking Abbey complex, and their location today in the centre of Abbey Green. Abbeys were centres of worship, prayer and hospitality and The Revd Mark Adams, Vicar at St Margaret's Church believes that being 'The Abbey Church' can also guide them in their ministry today. For many years St Margaret's has had a Community Café running in its Church Centre, which is open to everyone for low-cost lunches. This winter the church is developing two new opportunities to serve their local community. The first is by running a 'Warm Welcome Space', in response to the rising cost of energy bills. This will be open from 10am to 3pm three days a week on Tuesdays, Wednesdays and Thursdays. Revd Mark explains: "We have comfortable seating, free tea and coffee, TV, Wi-Fi and space to work. Most importantly, the heating will be on!" The church is also restarting their 'Rough Sleepers Breakfast' for the first time since the pandemic. From 8am to 9am every Tuesday there will be a simple breakfast available in our Church centre to play a small part in meeting the needs of those who do not have anywhere to live. Mark continues: "We hope these will be tangible ways of showing support for the people of Barking through a challenging winter."



## Case study 2 – Wennington Parish Church serves its community after devastating village fire



The Revd Elise Peterson, Vicar of the Parish of Rainham with Wennington reflects on the devastating fires that affected the community of Wennington in the Summer of 2022 and the role of the parish church.

“On the afternoon 19 July 2022, one of the hottest days on record in the UK, the village of Wennington suddenly made national news as a fire raged through the village. By that evening, we knew that the church building was intact, but we knew that a significant number of homes had been completely destroyed, many others damaged and all 300 village residents evacuated. In the days that followed the fire, the church has been a place of gathering, of lament and of thanksgiving.

“The day after the fire, when I was able to go into the village, alongside the residents, the church was the place the fire brigade briefed the residents before taking them to see their homes, or what was left of them.

“The fire had burned completely around the churchyard but hadn’t touched the church walls. Several residents of the village expressed their gratitude that the church was still standing and some even spoke of the ‘halo’ of unburned ground around it as a sign that ‘someone’ was looking out for the church.

“But that was hard to celebrate when so many had lost everything. Why would God choose to spare the church, but not the homes of several faithful church members?

“It’s not a question with an easy answer, but the best answer I can offer is that there needs to be a church in the community of Wennington to serve the people of that village.

“The awful experience of the fire is not something any of us would choose, but it offered a unique opportunity to come alongside and to shine the light of Jesus.

“Wennington Parish Church will be here to serve the local community, not just in the early days after the fire, but through its recovery as rebuilding efforts begin in the months and years to come and beyond.”

## Support for clergy and lay ministers

The CDBFs most significant investment is in the clergy and lay ministers who lead our parish churches and serve our local communities.

- In 2019 Diocesan Synod passed a motion that all parishes would be in Mission and Ministry Units (MMUs) by 2021. While successful MMUs have been formed since that time, it is important to acknowledge that Synod’s motion has not been achievable. A number of factors have contributed to this outcome, including the very significant disruption of the COVID pandemic. As we seek to travel well together, parishes are encouraged to continue thinking about and exploring ways in which they can work well with one another, whether through deaneries, MMUs, or benefices, to continually reach



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out across traditional boundaries and in ways that enhance our life together. MMU's remain a valuable expression of partnership and new MMU's may still be explored and formed to express that local partnership.

- Ordination of 25 new deacons (stipendiary and non-stipendiary)
- Licensing of 7 new Licensed Lay Ministers (LLMSs). In 2022 6 new students began LLM training.
- 62 people graduated from the Course in Christian Studies (CCS) in July with 9 people receiving attendance certificates. In 2022 83 people started CCS, with most courses being in person, with the option to do some courses by zoom.
- The Pastoral Assistants course has been completely revised in 2022 and will be launching again in 2023.
- There are a total of 155 Authorised Local Preachers in the Diocese with 22 of those being newly authorised in 2022
- 10 people joined the renewed Spiritual Companions course modules in 2022, 6 received their Bishop's certificates. We currently have 22 Spiritual Companions in the Diocese, with a total of 111 ecumenical Spiritual Directors.

## Supporting clergy and others who live in Diocesan properties

The Diocesan Property Team continued to provide support to our parishes and worshipping communities, managing and maintaining our vicarages and other diocesan properties and supporting parishes with land and property issues. The team's work included:

- 733 Helpdesk enquiries handled
- 7 owned properties prepared and 4 lettings negotiated for curates
- 42 vacancy works projects delivered for newly appointed clergy
- 9 properties prepared for let on private market
- 26 parishes provided with custodian support for land and property related issues and transactions.
- Landlord gas safety contract operating successfully
- 46 electrical tests and upgrades completed
- 74 periodic inspections were completed and 64 properties had planned external maintenance completed;
- 8 house sales completed generating over £3.6M of capital
- £736,000 of revenue generated through rental of 50+ properties during interregnums
- 2 new refugee families housed
- 5 closed churches managed
- Caretaking of St Marks College – Audley End pending sale

## Support for children, young people and families ministry

The Diocesan Parish Share consultation identified mission and ministry with young people as a priority for parishes across our Diocese. Those who lead youth and children's work in parishes continued to be supported in 2022 by our Mustard Seed Team:

- There were staffing changes as the team said goodbye to Tara Russell in January and welcomed Dot Salmon back, part-time from maternity leave in the summer.
- Two events returned in a face to face format this year – the Bradwell Schools' Pilgrimage team hosted over 200 primary aged children at St Peter's Chapel at Bradwell-on-Sea for a day of activities focussing on the theme of pilgrimage.

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- The team also hosted the Leaders' Lounge at the SOLID festival in July. SOLID is a weekend gathering for 8-18 years with opportunity for outdoor activities, worship and a time for youth groups/churches to spend some time together.
- There have been three very successful in person retreats offered by the team in 2022 and the pattern of Lent, summer and Advent retreats, one in each Episcopal Area, is now established.
- Manna training continues but with changes in the Salvation Army team, it is currently just the Mustard Seed Team leading and facilitating, although there are conversations with other denominations around partnership.
- Living way and Growing Young Leaders continue and Youth Synod has been reviewed and a new model has been developed and agreed by the Bishop's Leadership Team.
- Early years support continues. Ann Sharp in the Mustard Seed Team has been working with schools with the new Early Years Foundation Stage framework and providing general support for settings that are struggling with children's mental wellbeing following the COVID 19 pandemic.
- In 2022 the team established closer working with the diocese's Strategic Development Funding (SDF) projects and have regular meetings with Diocesan Head of SDF Projects Dawn Weddell to update and support the work of both teams.

### Case Study 3 Young people sleep out to support Ukraine



A group of young people from the 'Young Saints' youth group in Great Chesterford were sponsored to sleep in their church overnight to raise money for the Red Cross appeal, which is supporting refugees from Ukraine. The night of the sleepout coincided with temperatures dropping to -1 degree! The year 6 to year 9 students raised over £500. "The group have just completed the Christian Youth Alpha course and wanted to put their faith into action and they have been determined to do something for the people of Ukraine." said youth group leader Caroline Jeewan.

Reverend Alex Jeewan added: "I'm so proud of all those who took part in the sponsored sleep out. Our 'Young Saints' group have a real heart for helping others in need in this crisis." All Saints Church in Great Chesterford also hosted the 'Chesterfords for Ukraine' fundraising event in April. The event raised £3,000 for the Red Cross and featured stalls, including a chocolate tombola, cream teas, cakes from the local WI, a toy raffle run by the scouts and live music. The church recently ran a silent auction. Lots available to bid on included a week in a holiday home and dinner with the vicar, amongst many other items. The auction raised over £21,000 for Red Cross appeal to support those from Ukraine.

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### Schools

Our 139 Church Schools are integral to the life of our Diocese. Our Diocesan Education Team continued to support school leaders in 2022.

- A full annual report of the work of the Diocesan Board of Education was presented to Diocesan Synod on Saturday 22<sup>nd</sup> October 2022.
- The DBE continues to focus on its duty to promote education. The Diocesan Board of Education (DBE) Scheme 2021 came into operation on 17 June 2022 as certified by the Archbishop's Council. The DBE and Education Team members have been focusing on the core areas of Leadership, Visibility and Repair throughout the year.
- CDET (Chelmsford Diocese Educational Trust) is the incorporated company through which the DBE manages its relationship with our diocesan Multi-Academy Trust (MAT), The Vine Schools Trust, and our other MAT partners. Governance support for CDET and its directors is integrated into the work of our education team and DBE, and statutory filing requirements have been met.
- The Education Team consists of several full and part time staff operating face to face with schools or within the operational side of the department. In September 2022 Julie Sarti joined the team to provide additional adviser capacity for 2.5 days a week during interim arrangements.
- Over 91% of our schools signed up to our Partnership Agreement offer in 2021/22. This strengthens our relationship and ensures our School Advisers are making regular contact and offering additional support.
- Both Ofsted & SIAMS Inspections were subject to another disrupted year during 2021-22, with Covid-19 causing delays or ceasing inspections entirely at different points. Despite this Ofsted undertook 22 Section 8 & Section 5 Inspections across the Diocese. Of those schools inspected 77% achieved or maintained their good judgement and 9% achieved or maintained their outstanding judgement.
- In 2021/22 the School Condition Allocation grant of £1.595m was received from the Department for Education. A total of 20 projects have been carried out including six school roofing projects, three of which were totally renewed.
- We have embarked on a pilot trial for six schools with a product called Hydromx. This fluid product will be installed in existing heating systems to reduce gas usage. The liquid allows the system to get up to temperature quicker and retain heat for longer than a standard water heating system. We expect to see a 25-30% reduction in energy usage, therefore saving both costs and reducing the carbon footprint of the schools.
- Launched in November 2021, the Global Majority Education Association (GMEA), chaired by Aleishia Lewis (DBE Member and Headteacher of St Mary's, Prittlewell), seeks to establish a coalition of global majority teachers and education leaders. The report of the Archbishop's Anti-Racism Taskforce, From Lament to Action, continues to inform the work of the DBE as it seeks to respond to and implement the actions identified.

## Case Study 4

### Witnessing to God's Love at William Ford School, Dagenham



William Ford C of E Junior School in Dagenham works hard to ensure all its pupils learn about the gospel and encounter God not only through times of collective worship, but through its curriculum and special themed days. One such day is their annual 'Spirituality Day' when the school dedicates time to focus on some of the bigger, more challenging questions.

During this year's 'Spirituality Day' pupils thought about how to communicate with God and explored a variety of ways they could put this into practice by visiting different prayer stations. Each prayer station included a fun activity to help the children engage in prayer and reflection. David Huntingford, Headteacher at William Ford School explained:

"Our 'Spirituality Day' is not about teachers providing the answers but encouraging our children to think deeply and critically whilst considering the biblical perspective on issues. We began with a time of collective worship: considering what prayer is and why we should pray".

## Support for New Christian Communities

In a Diocese of significant demographic change, with areas of population growth and new housing developments, supporting parishes to grow, and develop new Christian communities has been a key priority. 2022 saw:

- Continued strong governance and evaluation of our SDF church plants in partnership with the Strategic Development Unit of the Church of England.
- Continued exploration of options for the development of the School for Church Planting.
- Tracking of lessons learned to feed back into future projects and wider diocesan strategy for future projects. This has resulted in the development of new tools to aid future bid writing and the development of a learning community.
- Continued exploration of what sustainability looks like for New Christian Communities post SDF funding.
- Tighter budget tracking, which has allowed us to identify underspends to target specific areas within a project that needs additional support to continue their missional work.
- Two projects prematurely close (Witham & Church E20) as they were considered not viable when their respective project leads left post. Witham's remaining funding has been repurposed through a change management process to continue work in Halstead. Church E20 funding options are being considered by the Area Team.



## Case Study 5

### Soul Food – Gateway Project Halstead



The Gateway Project is a Christian community in Halstead, grown out of St Andrew's Church, Halstead. The project has been running a food outreach programme in their local community since June 2021. Soul Food provides a delicious free two course take away service and it is available weekly to anyone who needs it. Since the project's launch it has served over 2,000 meals. The idea for Soul Food developed out of a door-step conversation between the Revd Jo Parrot the Curate at St Andrew's and Rachael Simpson, the Community Outreach Worker about the impact that the Covid pandemic was having locally, and the church wanted to help meet the needs of the community. Soul Food is supported by a team of volunteers who give their time and culinary skills to prepare meals for the local community and is led by Rachael.

Last year, the team started an allotment and now regularly uses the produce from the allotment in the takeaway meals Rachael explains more about the Soul Food project: "We set up the Soul Food takeaway service to help people in our local community who needed support with meals after the first lockdown. If the last couple of years has taught us anything, it's the importance of community, Jesus was big in community and sharing life together. Soul Food is open to all in the local area, and everyone is welcome. "Hospitality is key to our ministry and is at the centre of what we do. We hope that Soul Food is more than a takeaway and that it helps build community. From November this year, we have widened our services to offer sit down meals and hope this will help people connect and build friendships."

## Social justice and environmental

For many in our parishes and worshipping communities social justice and caring for God's creation are central to their discerned mission and ministry. Continuing to support this mission and ministry was a key priority in 2022:

- Soaring energy prices, compounded the impact that the cost-of-living crisis was already having on communities across Essex and East London. Our parishes and worshipping communities continued to care for the most vulnerable in many different ways including through food banks, night shelters and by offering warm spaces for people to meet. This important work continued whilst many parishes and ministers were struggling with rising costs themselves. Thanks to funding from the Archbishop's Council and the Church Commissioners, Chelmsford Diocese was able to distribute Energy Costs Grants to parishes and Bishop's Mission Orders and a Ministry Hardship Fund to those in stipendiary, house for duty and employed lay ministry roles, totalling £684,000 by February 2023.
- When the war in Ukraine started in February 2022, many people in our churches and worshipping communities sought support from Chelmsford Diocese to host refugees in their homes and communities. Working in partnership with Citizens UK, the Diocese of Chelmsford set up Communities for Ukrainians to support hosting through the Government's Homes for Ukrainians

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scheme. Around 50 people were hosted during 2022 with many parishes providing additional support to Ukrainian refugees in their communities. For further information, visit <https://www.chelmsford.anglican.org/about-us/our-faith-in-action/refugee-ministry/communities-for-ukrainians>. At the same time the Diocese continued to support parishes hosting refugees from Afghanistan and Syria.

- The Diocesan Environmental Group and Diocesan Office teams continued to support parishes and schools in achieving the Church of England General Synod target of Carbon Net Zero by 2030. Support was also provided for churches working towards the A Rocha Eco Church awards.
- Implementation began of the Racial Justice Task and Finish Group report that was approved by the November 2021 meeting of the Chelmsford Diocesan Synod. The Revd Sharon Quilter was appointed to the part time role of Diocesan Racial Justice Officer and is overseeing the implementation of the report's actions.
- With the Bishop of Chelmsford also leading the Church of England response to the national housing crisis as Lead Bishop for Housing, Chelmsford Diocese also continues to explore ways through which we can support parishes in addressing the housing crisis in their local communities and by utilising our public voice and resources.

### Case Study 6 Caring for God's Creation – St John's Moulsham



St John the Evangelist Church, Moulsham achieved a Gold Eco Church award in 2022, becoming the 25th church in England and Wales (17th Anglican church) to receive a gold award and the first parish church in the Diocese of Chelmsford. The award, given by the Christian conservation charity A Rocha UK, reflects the commitment made by St John's to walk in step with nature and put creation care at the heart of its ministry and mission. Priest in Charge of St John's, Revd Gemma Fraser said: "I am so proud of our community and the progress we have made together. The Eco Church journey has been transformational for St John's; it's enabled us to reconnect with our vision to love God and His world. Over the past couple of years, we have built a much deeper theological understanding of our relationship with the natural world and through that we have rediscovered God's call to mission and service. When you work in harmony with God, blessings flow, and St John's has grown and flourished, despite the challenges of the last two years. "We started so simply with recycling, using eco-friendly materials and the removal of single use products. Now creation care permeates every aspect of our life together; regular services with teaching on environmental and ethical issues, care of the building and financial decisions, our children's work, community outreach, management of the churchyard and plans for the future. An integrated approach has been key to our success" St John's Eco Group chair, Linda Percival, added: "It has been an exciting journey. We have particularly enjoyed seeing more of our local community using the churchyard for Wild Worship, learning about creation, as well as opening our eco café, JubiLatte, and running events such as our autumn fayre where our local allotment society and craft workers really add a buzz to the day."



## Case Study 7 Communities for Ukrainians – Krystyna's Story



Krystyna is a 26-year-old Ukrainian, who has been hosted since September 2022 by a couple living near Frinton who are members of the church and “hosting hub” at Kirby Le Soken. She has kindly given us permission to tell her story. “When Guy and Sandi heard of the plight of the Ukrainian people in February, they were moved to help. When they heard that the Diocese had launched “Communities for Ukrainians” they opened their home; they had a Zoom call with me, and with the Revd Andy Griffiths, the scheme coordinator, and a month later I arrived, together with my 13-month-old son Denys.

There was a lot of paperwork involved, both before we came and after we arrived. It dominated the first 6 weeks of our stay. But once we were through all that we all felt we had made it! I spoke some English and from the very start we began a mutual conversation of care and concern and love and blessings. Guy and Sandi have made an effort to learn some Ukrainian, and my English has greatly improved. “We have embraced the whole experience and live as a family, sharing meals, space and time - including each other in our lives. We share the cooking, Guy and Sandi say I’m a great cook, and seem to like Ukrainian food. “Denys is now walking and understands English as well as Ukrainian. He’s a happy child, loved by the whole household. His favourite place is the beach which is a few minutes’ walk from our home. We go to the local mother and toddler groups in the area too. “Of course, the war is an ever-present concern and worry. It lives with us daily, and we have had very bad days - like the day Kiev was bombed and water and electric supplies were cut off for my mother - but good days too, like when Kherson was liberated.” Guy and Sandi comment: “I would say from our experience it has been a great adventure and in giving up our home, personal space and routine we have gained a new family and an education in all things Ukrainian. It says a great deal about Krystyna as a person that our experience has been so positive. We thank the Lord for giving us this opportunity to help them in this way. And we are grateful to the church family for their prayers.”

## Safeguarding

The Diocese of Chelmsford is committed, as part of the Christian Church living in the spirit of the Gospel, to protect and care for everyone and we aim to be a beacon of best practice in safeguarding. Working to support those who lead safeguarding in our parishes and worshipping communities, our Safeguarding Team:

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- Ensure our volunteers, clergy, advisers and lay people achieve the standards laid down in the Safeguarding Policies of the Church of England.
- Work with individuals who have criminal convictions, or where other safeguarding risks are identified, to ensure that they, and all members of the church community are safeguarded.
- Hold to account all persons responsible for the safety and wellbeing of children and vulnerable adults in the Diocese.
- At the end of 2022, the Diocesan Safeguarding Team (DST) had 81 open cases across our 474 parishes. During that year, 17 new cases were opened, and 16 cases were closed. 49% of the open cases have safeguarding agreements due to the worshipper posing a potential risk and, therefore, requiring safeguarding risk assessments to be undertaken at the Parish.
- The DST have a duty system whereby parishes can contact the team on a dedicated telephone number for advice and consultation of a safeguarding nature. In 2022 the team received 304 duty calls, which is 87 more calls than 2021. 50% of the calls were from Clergy.
- E-learning training is available for anyone in the Diocese and in 2022 over 2000 people completed the Basic Awareness Course and 1500 completed the Foundation Course. 256 people completed the Safer Recruitment and People Management e-learning course. The National Safeguarding Team Launched 2 new e-learning courses in 2022, 687 people completed the mandatory Domestic Abuse course and 9 people completed the optional Modern Slavery Course.
- 96 Virtual training sessions were organised for 2022, but 4 had to be cancelled due to a lack of attendees. This meant that within those 92 sessions 909 individuals completed training around the 3 different modules offered. As well as the 276 hours of training time for the DST, we also had to review 909 assignments, as per the National Safeguarding Team's policy, before completion certificates can be issued.

## Case Study 8 Safeguarding the young and vulnerable - St Mary the Virgin Harwich



In September, Bishop Guli led a service at Chelmsford Cathedral of thanksgiving, prayer and commitment for all those involved in the work of safeguarding in Chelmsford Diocese. The service was attended by Parish Safeguarding Officers, those involved in safeguarding across our diocese and those who wanted to show their support and give thanks for this important area of our shared life. Susan Crane, Churchwarden and safeguarding lead for the parish of St Mary the Virgin, Ardleigh in the Harwich deanery, attended the service and commented: "How encouraging to have the commitment to safeguarding and the hard work that it involves by so many people in the parishes acknowledged and blessed. It was a great encouragement to those who often feel the uphill struggle. "We were encouraged by a visit from Archdeacon Ruth to bring about 'a

**Trustees' Report for the year ended 31 December 2022**

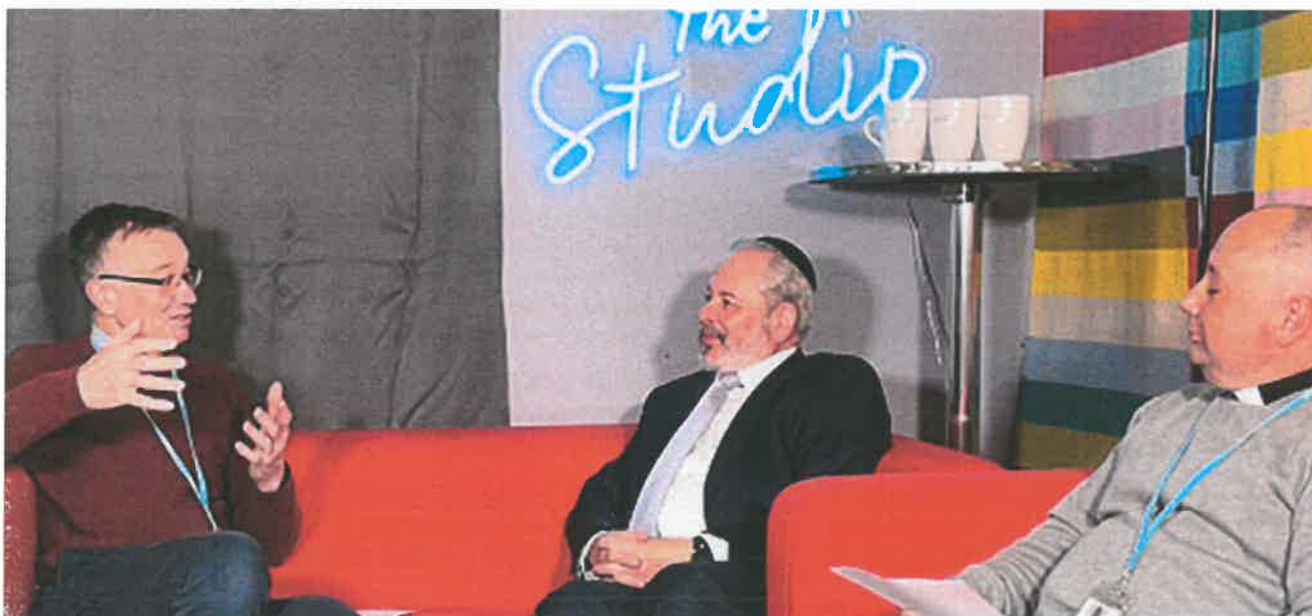
change in culture' in our churches. This has helped us to push forward to build a church where every member understands that it is all our responsibility and to equip each member to feel confident to share any concerns they may have in a confidential and well understood process."

## **Communications**

The Diocesan Communications Team continued to provide support to parishes and worshipping communities in 2022 through:

- One to one support for parishes and church leaders in handling challenging situations involving media or social media.
- Providing guidance, training and support to help parishes use effective communications, including digital communications in their mission and ministry.
- Sharing information, news and resources with parishes through Diocesan Communications including:
  - The weekly newsletter The View
  - The quarterly prayer diary We Pray
  - Weekly Video sermons
  - The Diocesan website
  - Social media channels
- Facilitating engagement and participation in consultations and diocesan events including the Parish Share Consultation, Diocesan services and gatherings.

## **Case study 9 The Studio at Lifestreams St Cedd's**



The Studio project is based at Saint Cedd's, one of the Lifestreams Churches in Westcliff-on-sea. It was established during the latter part of the pandemic and aims to connect with local people. It's advertised through the local NextDoor app - an app which helps to connect neighbours and build community - using the strapline 'connect online...meet in person' to encourage people to venture out in a safe environment to share refreshments or take part in activities in and around the church. The Revd Colin Baldwin, Priest-in-Charge at Saint Cedd's explains more about the project: "The Studio bridges a gap between television programming and the internet, making it real for people picking up on local, national and global issues.



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"We have tackled various subjects and interviewed various people including someone living with a stroke, another with terminal cancer, parents with children with autism, local Councillors and a Rabbi. "We have loads of ideas and plan for a 'Loose Women' type session based on the ITV show. We don't quite know where God will lead us, but we are excited to see the connections being made." The Studio is usually presented live on Thursdays at 1:30pm, broadcast on Facebook live and YouTube - search for 'LifeStreamsUK' on these platforms. The team consists of new part-time community worker, Liz, Digital Lead, Joe backed up by volunteer Dave and the clergy team at Lifestreams.

## **4. Related parties and volunteers**

### **Other related parties include:**

- The Archbishops' Council to which the CDBF pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.
- The Church Commissioners which acts on behalf of clergy with HM Revenue and Customs. The CDBF pays for clergy stipends through the Church Commissioners.
- The CDBF is in receipt of grant funding from the Church Commissioners (via the Archbishops' Council) for ministry support and special projects e.g. the Turnaround and Church Planting projects.
- The Church of England Pensions Board, to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- The Vine Schools Trusts, and the Chelmsford Diocesan Educational Trust, which while separate and independent of the CDBF, have certain responsibilities in relation to church schools in the diocese and work with the DBE.
- The Guy Harlings Trust, which provides office facilities free of charge under licence to the CDBF and the Cathedral Dean and Chapter and makes grants towards the upkeep of the premises.
- The PCCs within the diocese.
- St Mellitus College Trust, a Theological Education Institution which receives financial support from the CDBF and to which the CDBF pays fees for training of ordinands.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements and in particular note 24 to the financial statements.

### **Volunteers**

CDBF is dependent on the huge number of people involved in church activities both locally and at diocesan level. The number of active volunteers (or volunteer hours) given to the mission and ministry of the Church is an indicator of the health of a Church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the Church particularly at times of crisis. Within this context, the CDBF greatly values the considerable time given by committee members and other volunteers across the diocese in pursuit of the mission of the CDBF. We particularly thank them for the additional support they have given during this challenging year.

There are many people who are unpaid but who hold official positions within the life of the church that carry authorisation, licence, or Permission to Officiate. This includes Churchwardens, who serve each local parish church, locally authorised preachers, pastoral carers, evangelists, and funeral ministers, plus Licensed Lay Ministers and Readers and our self-supporting ordained ministers.

## 5. Planning for 2023

As the CDBF approached 2023, the significant changes and development work that had been started in 2021 and 2022 continued.

- The period of listening and discernment that began when Bishop Guli became Diocesan Bishop in 2021 was reaching a point where a new direction of travel for the Diocese could be articulated through the document, [Travelling Well Together](#) which was published in February 2023.
- The [new parish share scheme](#) that had been developed following a major diocesan consultation was being rolled out
- The Diocese continued to address the significant financial challenges that had been compounded by the COVID 19 pandemic and subsequent economic challenges.

These changes and this work shaped the approach to planning for 2023:

### Travelling Well Together

The approach set out in [Travelling Well Together](#) and in particular the move beyond top down initiatives and towards a focus on parishes and worshipping communities discerning their own priorities for mission and ministry appropriate to their own context, requires a different approach to supporting parishes.

Plans were put in place to undertake a listening and engagement exercise in 2023 to understand from parishes and worshipping communities how they can be best supported. The listening exercise will begin in Autumn 2023 and continue into 2024. The outcomes of the listening exercise are likely to shape plans for staffing and structures in the future.

The publication of Travelling Well Together is not an end point and discussions and conversations will continue to shape diocesan direction of travel.

### Resourcing mission and ministry in parishes and worshipping communities

At the same time, building a sustainable financial base for mission and ministry in our parishes and worshipping communities remains a top priority and 2023 which sees the roll out of the new parish share scheme. The aim of the new share scheme is to increase mutual support between parishes and to reduce the overall shortfall which has had a significant impact on the capacity of the CDBF to fund local parish ministry.

Other financial planning was undertaken to support the implementation of the Finance Action plan, launched in 2020, to:

- a. Strengthen reserves
- b. Increase revenue
- c. Reduce costs
- d. Improve the cash position
- e. Capacity to deliver the plan

Plans focused on:

- Growing income from parish share by continuing to explain its essential purpose in funding and supporting local parish ministry and by devolving agency to deaneries.
- Continuing to identify additional funding streams.
- Scrutinising our property portfolio to identify opportunities to improve our financial position (whilst continuing to prioritise harnessing our properties for mission and ministry).
- Continuing to identify opportunities to reduce expenditure.

## Trustees' Report for the year ended 31 December 2022

- Continuing to utilise Total Return Accounting to increase the amount of investment return that can be withdrawn from the Stipends Endowment Fund. This has allowed Endowment funds to provide increased support towards stipend costs than under the previous policy of utilising income only. See note 26 on page 68.

As we approached 2023, there were also a number of significant events and activities that shaped planning. During 2023:

- The Diocese will continue to implement the recommendations from the Safeguarding [Past Cases Review 2](#) which were published in October 2022.
- The Diocese will continue to implement the proposals of the [Racial Justice Task and Finish Group](#).
- The Diocese will continue to implement the road map to [Carbon Net Zero](#) by 2030 as agreed by the Church of England General Synod.
- The General Synod vote on the House of Bishops' response to Living in Love and Faith took place in February 2023 and as anticipated, this has continued to be a painful process for many people in our church communities. The ongoing commitment of Bishop Guli and the Bishop's Leadership Team is to promote a way of travelling well together, despite the differences in what we believe and despite the inevitable pain those differences cause.

## 6. Financial review

### Financial Performance

The CDBF recorded a surplus of £1,492k for the year on its general funds before gains on revaluation of assets. The improved performance mainly arose because of the adoption of Total Return Accounting (see note 26 on page 68) which enabled a transfer of £3.1m from endowment to unrestricted funds to support the costs of stipendiary ministry in parishes. Further improvements were due to better use of restricted income and funds to pay stipendiary ministry costs, and a grant of £0.5m received from the Archbishop's Council to compensate COVID losses.

Parish Share, the money given by parishes to the CDBF to fund the mission and ministry of the diocese, is the main incoming resource for the CDBF providing two thirds of its income.

At £2.2m (2021: £2.6m) the net parish share shortfall was slightly lower than the previous year. In cash terms £13.7m (2021: £13.5m) has been received in Parish Share, an increase of 0.7%. The percentage of requested Share collected rose slightly to 86.1% (2021: 84.2%). At £2.2m (2021: £2.6m) the net parish share shortfall was lower than the previous year but these results are closely related to the lower amount initially requested, £16.1m (2021: £16.4m).

The CDBF has met all its financial obligations to continue resourcing the diocese as required, including the provision, development and support of ministry, the provision and maintenance of houses for the clergy, National Church responsibilities and enriching and facilitating many other aspects of church life throughout Chelmsford Diocese.

Income across all funds, before other recognised gains and losses totalled £23.8m (2021: £24.8m) and expenditure amounted to £24.1m (2021: £22.9m).

The Statement of Financial Activities (SOFA) for the year shows a net deficit of £0.4m (2021: surplus of £2m) before net gains and losses on the revaluation and sale of investments and the revaluation of fixed assets. These net gains totalled £19.9m (2021: £29.2m) and after these adjustments the net increase in all funds amounted to £19.5m (2021: £31.2m). Gains (or losses) are dependent on market volatility and the majority of the gains, of £17.7m, (2021: £25.4m) are ascribed to Endowment Funds and are therefore not available to spend.

The overall financial result for 2022 is encouraging, however some of the improvements in performance, such



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as the Archbishop's Council COVID losses grant, are not expected to repeat in future years and we have to recognise that investment returns may not be as strong.

Net cash outflow of £5.2m (2021: inflow £0.6m) arose as £2.9m net cash was used in operating activities and net £1.4m for investing activities. CDBF continued to benefit from tight financial control in 2022.

**Significant Property Transactions**

The Asset Investment and Management Policy adopted by the Trustees governs the management of operational and investment property. This Policy was updated in 2017 and approved in its updated form by the Trustees. The vast majority of the residential property portfolio is held for operational purposes. It is managed to achieve required quality standards at a consistent and efficient average annual cost of ownership.

Significant operational property transactions in the year comprised:

- Purchase of one property for housing stipendiary ecclesiastical office holders.
- Sale of eight properties surplus to operational requirements.
- Sale of one glebe land holding.

Glebe land and property is held for investment purposes. The overall strategy is to retain a land holding, to seek to leverage value through long term development, and to dispose of less lucrative holdings and direct exposure to commercial property. During the year the CDBF agreed the sale of one land holding providing £0.03m of additional investment funds on completion. The usual cycle of rent reviews and lease renewals on glebe land continued as advised by the CDBF's land agents.

The Diocesan Stipends Capital Fund is available for providing and improving benefice and glebe property and when invested provides income and capital growth for clergy stipends under the Total Return Accounting Policy (see note 26).

Residential properties are valued on the basis of a certified annual valuation.

**Balance Sheet Position**

The Trustees consider that the balance sheet together with details in note 18 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £375.9m (2021: £356.5m) it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £307.4m (2021: £288.8m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds, and cannot necessarily be used for the general purposes of the CDBF.

**Reserves Policy**

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, and based on the Charity Commission recommendation, the Trustees consider that an appropriate level of free general reserves is three months gross general fund expenditure, currently £5m. This policy was last reviewed and agreed by the Trustees in May 2020. The Finance Executive is charged with oversight over the reserves policy and with improving the free general reserves to meet the increased policy requirement.

After transfers, free general reserves at the year-end were in surplus by £6.2m (2021: surplus £4.6m) being the value of the General Fund excluding fixed assets. The Trustees previously recorded that free general reserves would fall if parish share shortfall did not materially improve. The adoption of a Total Return Accounting Policy, together with the other circumstances described in the Financial Performance section above, has significantly improved the level of free general reserves. Although the balance of free general reserves at year end is above the three months general fund operating expenditure target, it is expected that reserves will be required to fund operating deficits in future years, and as a result the trustees consider that the CDBF has sufficient resources to meet its day to day operational needs.

## Trustees' Report for the year ended 31 December 2022

### Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in note 17. At 31 December 2022 total designated reserves were £34.2m (2021: £28.4m).

The Trustees approved two new designated funds during the year; the Designated Stipend Capital Fund, The Closed Churches Fund (see note 17).

### Restricted and endowment funds

As set out in note 17, CDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2022 restricted funds totalled £9.2m (2021: £10.3m) and endowment funds totalled £326.3m (2021: £313.1m). Neither are available for the general purposes of the CDBF.

### Liquidity Policy

The CDBF has regular and predictable cash inflows (principally from parish share) and outflows (principally stipend, salary and pension payments). Less frequent cash movements include grant payments, which are also predictable. The largest cash movements relate to property transactions which are infrequent and normally have a clear lead time.

The CDBF aims to hold £2m cash in instant access accounts to meet its cash needs. Where cash balances fall below £1.2m or exceed £3.5m, the Finance Executive will review the position and consider large forecast cash movements such as housing transactions, then take action as required, for example drawing down or adding to investments, a proportion of which are kept in near liquid holdings such as pooled funds with weekly dealing, with such transactions reported to Finance Executive.

### Grant making policy

Contributions 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 9). Grants are paid to other charities e.g. PCCs and charitable projects which appear to CDBF to support the furtherance of its objects. The General Fund budget includes regular grants. Other grants are approved according to the terms of reference of the relevant fund.

### Investment Policy

The Trustees approved an integrated Asset Investment and Management Policy in 2014 developed under the oversight of the Investment Committee. The Policy was updated by the Investment Committee in 2017 and approved by the Trustees. This policy distinguishes between investment and operational assets and sets out the policy framework for both. In relation to investment assets the key principles in the policy may be summarised as follows:

- The overall objectives are to create sufficient income and capital growth to enable the CDBF to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance and enhancement of the value of assets while they are retained.
- Investment funds shall be operated and compared on a total return basis
- Relevant benchmarks include a target total return of CPI + 4.5% over the long term (previously RPI +3%)
- The CDBF requires its investment assets to be managed in compliance with the Church of England ethical guidelines, and ethical considerations shall form part of the dialogue with the Investment Managers. The Trustees will consider mixed-motive investment proposals which are expected to deliver financial returns and further the purposes of the charity

## Trustees' Report for the year ended 31 December 2022

- The CDBF is assumed to be a perpetual charity and is able to take a long term view on investments, balanced against the short term needs of the charity for liquidity and resources to best realise its operational purposes.

The Trustees regularly review and retender Investment Managers. The last review was in 2016 and concluded with the reappointment of CCLA Investment Management Ltd and appointment of Cazenove Capital Management (a trading style of Schroder & Co. Limited).

	Funds at 31 December 2022	Proportion of portfolio	Income yield in year	Total return in year
	£000			
CCLA Managed CBF Investment Fund	33,176	60.4%	2.34 %	(9.16) %
Cazenove Segregated portfolio	21,734	39.5%	1.97 %	(9.50) %
Other funds	62	0.1%		
Total	54,972	100.0%		

### Fundraising

The CDBF is aware of the Charities (Protection and Social Investment) Act 2016 and the Trustees fully support the aims of this legislation. The majority of the CDBF's income comes from other charitable bodies and it undertakes very little direct fundraising activity involving individual donors. Examples include one-off appeals (e.g. the Lent Appeal) which are promoted generally through communications rather than targeting specific individuals; and the Friends of the Retreat House scheme where Retreat House guests are invited without pressure or obligation to join the 'Friends'. The CDBF considers the origin of unsolicited donations and legacies, does not share or purchase any donor data with or from third parties and, in 2022, did not engage with independent professional fundraisers. The CDBF did not receive any complaints in relation to fundraising or raise any matter with regulators in 2022(2021: none).

### 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 12 months from the date of approval of these financial statements.

Parish Share payments comprise the largest proportion of income for the Diocese. 87% of Parish Share requested was received in 2022, which was a significant achievement given the challenges Parishes were facing post COVID and with rising costs. During the year a large consultation process was entered into with Parishes regarding Parish Share apportionment for 2023. The consultation told us that Parish Share should be transparent and should enable parishes to mutually support each other. A new Parish Share scheme was agreed by Synod and has been implemented in 2023. It is expected that, as parishes and deaneries move towards ministry plans which are financially sustainable, the new scheme will achieve a higher parish share recovery rate which will ensure diocesan financial viability moving forwards.

Other factors that directors have considered relating to going concern include:

- Impact of Parishes unwilling or unable to pay Parish Share due to affordability and doctrinal differences. It is not expected that this will have a material long term impact upon the CDBF finances. In the near term, it is expected that parish share payments will increase under new scheme which will mitigate any non payments from individual parishes. In the longer term if share contributions fall, cost reductions (such as reductions in stipendiary posts) will be necessary. This issue will remain under review.
- The costs of building maintenance, specifically linked to clergy housing and schools, and in the case of school capital works the schools ability to cover their contributions without the requirement for loans from the DBF. Increased budgets are planned for clergy housing improvements and there is close management of school capital works to ensure that funding is directed where most needed.

## Trustees' Report for the year ended 31 December 2022

- The costs associated with the diocese becoming net carbon zero by 2030 in line with the CofE General Synod decision made in 2020, which are expected to be significant over the next 5-10 years. A plan is being developed to identify what work is required and to identify sources of funding to carry out works to properties maintained by the diocese.
- Inflation & Investment returns will need to be kept under close review to ensure that over time investment returns outstrip inflation to maintain sufficient unapplied total return balances on our endowments in order to support planned drawdowns under our total return accounting policy to support stipends. Although inflation has been high over the past 12-18 months it is expected that inflation will fall and investment performance has been positive, so there is no immediate concern.
- Non-financial risks associated with governance, major non-compliance, change in government policy and safeguarding – There is confidence that controls are in place and that the diocese can manage any non-financial risks sufficiently.

Having reviewed the funding facilities available to CDBF together with the expected future cash flows, the trustees have a reasonable expectation that charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the charity's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

### 7. Custodian Trustee

The CDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the CDBF does not control them, and they are segregated from the CDBF's own assets by means of separate bank accounts. Such funds are predominantly managed by CCLA Investment Management Ltd or M&G Investments as determined by the managing trustees. The CDBF reserves the right to charge the managing trustees an administration fee where alternative investment managers are used in recognition of the additional complexity such arrangements cause. Further details of financial trust assets, whose market value amounted to £17.7m at 31 December 2022 (2021: £17.8m), are available from the CDBF on request, and are summarised in note 25.

Where properties are held as custodian trustee, the deeds are identified as such.

### 8. Principal Risks and Uncertainties

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. The Finance Executive periodically reviews the risk register in detail. The Trustees are invited to review the risk register at least annually, leading to formal discussion and approval of the strategic risk register, setting out risks and mitigation strategies. At a recent Bishop's Council meeting the Trustees agreed to review the risk register quarterly. The responsibility for delivery of the identified mitigation strategies is delegated to the executive staff or Bishops and Archdeacons as appropriate. A programme of internal audit is overseen by the Audit Committee and complements the CDBF's risk management activities.

The Trustees confirm that the major risks, to which CDBF is exposed, as identified by the Trustees and staff, have been reviewed and that systems and procedures have been established to manage those risks. The register identifies six strategic risks with a pre-mitigation rating of 'high'. These risks and the associated mitigation strategies are as follows:

#### 1) Missional Failure

This risk recognises a variety of issues which could lead to the church failing to fulfil its missional purpose. Across the Church of England, we are experiencing decline in congregations, particularly as we emerge from the COVID-19 pandemic, closure of some church buildings with others facing significant costs. Different theological understandings continue to present challenges to unity within the Diocese.

Whilst the cause and presence of these factors exist outside the boundaries of Chelmsford Diocese, there are

**Trustees' Report for the year ended 31 December 2022**

mitigations that we are taking or can take locally including mutual support between parish clergy, a Diocesan focus on prioritising and supporting local parish ministry, a new approach to Parish Share a church buildings group and guidelines and resources for parishes.

Additionally we have a Racial Justice Workstream and new 'Mustard Seed' children, young people and families workstream to focus on improving representation and missional growth. There is an SDF project management board and we provide training for our clergy, lay leaders and congregations to be confident evangelists.

**2) Financial**

This risk encompasses the threat posed by a long term structural deficit, the risk of failure to amend or improve the parish share scheme, the risk posed by the significant pension liability in the clergy scheme and risk of poorly managed development opportunities or failure to optimise property land resources for mission.

The mitigations in place are a finance action plan, sufficiently resourced finance team, a review of the parish share model for 2023 and additional time limited resources to support the Property Team.

**3) Incident or accusations of serious misconduct**

Whilst there is no expectation of any accusations of serious misconduct, or any reason to think that such accusations would arise, it is important that we consider the implications of an event such as a senior staff member being found guilty of (or accused of) serious misconduct, an incident or accusations of serious misconduct in a parish current or historic.

The mitigations include oversight provided by the Diocesan Bishop and Chief Executive, links with Deaneries and Parishes, support from diocesan staff including our safeguarding team, racial justice officer and panel and communications team. We also have a bullying and harassment policy and have annual Visitations.

**4) Governance**

This risk recognises the implications of a potential governance failure, where CDBF trustees are not able to fulfil their role, failure of trust in Synodical process or senior leadership, serious PCC failure that may result in liability for the CDBF or serious governance failure in a "near relation".

To mitigate this risk we are doing or will take the following measures including our Standing Committee considering our synodical processes and culture, actively recruitment of people to serve on our trustee body and committees, make use of the ability to fulfil the duties of a PCC under CRR in the event of parish failure and raise greater awareness of the impact of failure of "near relations"

**5) Operational Risks**

This risk recognises the implications to the CDBF of operational failure resulting from lack of capacity, key person risks, physical risks e.g. terrorist incident, loss of tenure of office buildings (e.g. fire), serious data protection or IT issues/breaches and failure to adequately maintain church buildings.

Mitigation against such operational risks include the Clergy Wellbeing Covenant, greater sharing of knowledge among teams, 'Manuals' and guidelines for key staff, data protection training for all staff the appointment of a Data Protection Lead and creation of an oversight group, IT upgrade providing improved security and capability, DAC advice on appointment of architects, a Heritage Support Officer and our DAC staff and members.

**6) External Risks**

This risk category recognises that there are factors external to the church that could have significant implications for our mission and ministry including climate change and other serious incidents which would affect the whole of our society e.g. another pandemic, sustained fuel or food shortage, civil unrest.



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Whilst mitigations here are challenging we are working towards meeting the Church of England net carbon zero goal by 2030 and making use of our experience gained during current pandemic including use of virtual resources to adapt.

## **Structure and governance**

### **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 representatives from each Diocese and it agrees and lays before Parliament Measures for the governance of the Church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for stipendiary ecclesiastical office holders and employees. Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. Our Diocese is divided into 23 deaneries, each with its own Synod and within each parish there is a Parochial Church Council (PCC) which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod. In this diocese, as part of our re-imagining ministry priority, parishes are on a journey to working together collaboratively, often in Mission and Ministry Units with common mission priorities and shared resources where appropriate.

Whilst each Diocese is separate with a clear responsibility for a specific geographical area, and each diocesan board of finance is a separate legal entity, being part of the Church of England requires and enables working together in a national framework and with national church institutions.

### **Organisational structure**

The Diocese of Chelmsford was created in 1914. It spans the whole of Essex and five boroughs of East London. It covers an area of 1,531 square miles with an overall population in excess of three million.

The diocese is divided into three Episcopal areas by an Area Scheme under which the Diocesan Bishop, the Bishop of Chelmsford, has delegated certain authority to the Bishops of Barking, Bradwell and Colchester in relation to the Archdeaconries in those areas. Since 2013 there are seven Archdeaconries. Each Archdeaconry is subdivided into deaneries, there being a total of 23 deaneries across the Diocese. The deaneries are further subdivided into 467 parishes



## Structure and governance (continued)

### Diocesan governance

The statutory governing body of the Diocese of Chelmsford 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, the Dean and Archdeacons; clergy members elected by the Houses of Clergy in Deanery Synods; lay persons elected by the Houses of Laity in Deanery Synods; up to five persons who may be co-opted by each of the House of Clergy and the House of Laity and a maximum of eight members nominated by the Diocesan Bishop. The Diocese is governed by Standing Orders which were updated in June 2012.

The Diocesan Synod meets two or three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Bishop's Council, the Bishop's Council Standing Committee or the Finance Committee.

### Company Status

The company, The Chelmsford Diocesan Board of Finance (CDBF), was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 16 July 1914 as a charitable company limited by membership guarantees (No. 137029) and its governing instrument is the Memorandum and Articles of Association which were most recently amended by Special Resolution in June 2012. Revised Articles of Association were approved for submission to the Charity Commission in November 2018 and we continue to await determination by the Commission. CDBF is registered with the Charity Commission (No. 249505).

Every eligible member of Diocesan Synod is a member of CDBF for company law purposes and has a personal liability limited to £1 under their guarantee as a company member in the event of it being wound up.

### Decision-making structure

Corporate priorities and the overall financial strategy for the Diocese (in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Chelmsford) are set by the Diocesan Synod and the CDBF. The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Trustees. The Trustees, meeting within the context of the Bishop's Council, hold up to six meetings during the year to formulate and coordinate policies on mission, ministry and finance.

Certain executive functions of CDBF are undertaken by the Finance Committee, whose members are the Trustees and Directors of CDBF. The Finance Committee's terms of reference are as follows:

- Determine policy, in particular for: Ministry numbers, Clergy Stipends, Capital Budget, Revenue budget levels, Grant making and Investments.
- Monitor such policy decisions.
- Approve referral of Budgets to the Diocesan Synod.
- Approve and sign the annual report and financial statements after receiving a report from the Audit Committee.
- Agree remuneration of the Auditor each year.
- Receive a report from the Finance Executive at each meeting.
- Receive minutes from all Sub-Committees.
- Handle any business referred by the CDBF, Diocesan Synod or Bishop's Council.
- Create and dissolve Sub-Committees as required.
- Appoint members of Sub-Committees and its representatives on other Diocesan bodies.

## Structure and governance (continued)

### Committee structure

The Finance Committee's remit is set out above; it is supported by its sub-committees:

<b>Finance Executive</b>	handles routine business on behalf of the Finance Committee and develops the budget and other proposals for Finance Committee's consideration.
<b>Audit Committee</b>	responsible for assisting the Finance Committee in the discharge of its responsibilities for financial reporting and internal control.
<b>Houses Committee</b>	responsible for making decisions concerning the operational management of all clergy houses for which the CDBF has responsibility.
<b>Investment Committee</b>	responsible for recommending policy and making decisions concerning the management of Glebe property and Investments.
<b>Remuneration and Governance Committee</b>	determines remuneration policy and annual salary awards, and oversees the effectiveness of governance across the CDBF.
<b>Diocesan Mission and Pastoral Committee</b>	(membership of which is co-terminus with the Bishop's Council) is responsible for pastoral reorganisation, taking account of clergy numbers and the need for new patterns of ministry.
<b>Diocesan Advisory Committee</b>	advises on matters concerning churches and places of worship such as the granting of faculties, 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.
<b>Diocesan Board of Education</b>	promotes education, religious education and religious worship in schools in the Diocese. It also promotes and advises governors of church schools in the Diocese.

### Bishop's Council and Finance Committee

Bishop's Council consists of 17 ex officio members, 3 clergy elected by the House of Clergy from among their number (1 from each Episcopal area), 9 lay persons elected by the House of Laity from among their number (3 from each Episcopal area), 3 lay persons appointed by and from the membership of each Area Mission & Pastoral Committee (1 from each Episcopal area) and a maximum of 6 members nominated by the Diocesan Bishop.

Finance Committee consists of the Chair and Vice Chair of CDBF (who are also members of Bishop's Council) and those other members of the Bishop's Council not otherwise disqualified from membership such as persons remunerated by the CDBF.

### Trustee recruitment, selection and induction

Trustees are members of the Finance Committee and are selected as set out above. Trustees are offered an induction when first appointed. Trustee training is arranged at the start of each triennium and subsequently as appropriate. An element of Trustee training is typically included in the programme for the annual day meeting. While some senior staff have job titles incorporating the title 'Director', they are not directors of the company for the purposes of company law. All Trustees are required to maintain their entry in the record of declarations of interest.

**Trustees' Report for the year ended 31 December 2022**

**Attendance at Trustee Meetings**

	Number of meetings eligible to attend	Number of meetings attended	Percentage of eligible attended
Mrs Isabel Adcock	5	3	60%
The Revd Katherine de Bourcier	5	2	40%
The Ven Christopher Burke	5	5	100%
Mr Philip Carnelley	5	3	60%
The Ven Elwin Cockett	5	3	60%
The Rt Revd Lynne Cullens (from 20/3/23)	4	4	100%
Mrs Mary Durlacher	5	4	80%
Canon Roger Ennals	5	5	100%
The Rt Revd Gulnar Francis-Deqhani	5	5	100%
The Revd John Fry	5	5	100%
Canon Robert Hammond	5	5	100%
Mr Frank Hawkins	5	2	40%
The Very Revd Nicholas Henshall	5	3	60%
The Ven Vanessa Herrick	5	3	60%
Mrs Lesley Judd	5	3	60%
The Rt Revd Roger Morris	5	5	100%
Mr Jeffrey Mushens (from 26/2/23)	4	4	100%
Mrs Michelle Obende	5	3	60%
The Ven Ruth Patten	5	3	60%
The Rt Revd Dr John Perumbalath	5	4	80%
The Ven Michael Power (from 26/6/22)	3	3	100%
The Revd Canon Jane Richards	5	5	100%
The Revd Canon Nicholas Rowan	5	5	100%
Canon Adrian Smith	5	5	100%
Mr Brian Smith	5	4	80%
The Ven Elizabeth Snowden (until 15/10/22)	4	4	100%
Mr John Tipping	5	5	100%
Mr John Winterbotham	5	5	100%

**Trustees' Report for the year ended 31 December 2022**

**Remuneration of key management personnel**

The Remuneration & Governance Committee reviews the emoluments of senior employees on an annual basis. The Committee's membership is the Chair of the CDBF, the Bishop of Chelmsford, and the Lay and Clergy Vice Presidents of Synod. The Committee also determines any cost of living pay increase for employed staff and reviews other matters relating to employee remuneration as required.

**Delegation of day to day delivery**

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

**Funds held on behalf of schools**

The DBE (as incorporated within the CDBF) receives 10% contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The DBE administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the DBE and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £1.777m and £2.763m respectively (2021: £1.737m and £0.828m).

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England School properties are accounted for in the restricted Church Schools fund and are managed by the CDBF in consultation with the DBE and held in a CDBF restricted fund detailed in the accounts.

## Trustees' Report for the year ended 31 December 2022

### Trustees' responsibilities

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

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

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

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CDBF and enable them to ensure that the financial statements comply with the Companies Act 2011. They are also responsible for safeguarding the assets of the CDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Statement of disclosure to the auditors

So far as the Trustees are aware:

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

### Appointment of Auditors

The re-appointment of haysmacintyre as auditors to the CDBF will be proposed at the Annual General Meeting.

## Administrative details

Company registration number  
Charity registration number  
Registered Office

137029 (England & Wales)  
249505  
53 New Street, Chelmsford CMI IAT  
Tel: 01245 294400  
[www.chelmsford.anglican.org](http://www.chelmsford.anglican.org)

### Trustees

In accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting for Charities (Second Edition, effective 1 January 2019), the Companies Act 2006 and applicable accounting standards, the Trustees (for the purposes of charity law) and directors (for the purposes of company law) during the year and/or as at the date of signing were:

#### Ex Officio

**President**  
**Chair**  
**Vice-Chair**  
**Area Bishops**

The Rt Revd Gulnar Francis-Deqhani  
Mr Jeffrey Mushens (from 20/2/23)  
Mr Frank Hawkins (also acting Chair until 20/2/23)  
The Rt Revd Roger A B Morris  
The Rt Revd Dr John Perumbalath  
The Rt Revd Lynne Cullens from 20/3/23

#### **Archdeacons**

The Ven Christopher Burke  
The Ven Elwin W Cockett  
The Ven Vanessa Herrick (until 31/03/23)  
The Ven Ruth Patten  
The Ven Michael Power (from 26/06/22)  
The Ven Elizabeth Snowden (until 15/10/22)  
The Very Revd Nicholas J Henshall (until 23/2/23)  
The Very Revd John Paul Kennington (from 24/2/23)

**The Dean**  
**Interim Dean**

Canon Robert I Hammond  
The Revd Canon Jane Richards (until 30/1/23)

**Lay Vice-President**  
**Clergy Vice-Presidents**

#### **Elected or appointed to fill a vacancy**

Mrs Isabel Adcock  
Canon Roger J Ennals  
The Revd John Fry  
Mrs Michelle A K Obende  
Canon Adrian J Smith  
Mr John H Winterbotham  
Mr John Tipping  
Mrs Jill Elizabeth Readings (from 18/1/23)

Mr Brian Smith  
The Revd Katherine de Bourcier  
Mr Philip Carnelley  
Mrs Mary Durlacher  
Mrs Lesley V Judd  
The Revd Canon Nicholas E Rowan  
Ms Hazel Thomas (from 26/1/23)

No Trustee had any beneficial interest in the company during the year.



## Administrative details (continued)

### Senior Staff

The day to day management of the Chelmsford Diocesan Board of Finance is delegated to the Chief Executive. The officers who served during the year and at the date of signing are:

<b>Chief Executive &amp; Diocesan Secretary</b>	Michaela Southworth
<b>Director of Communications &amp; Media</b>	Thomas Geldard
<b>Head of Property</b>	Alex Reeve
<b>Director of Education</b>	The Revd Timothy Elbourne (to 31/01/22) Rob Merchant (01/02/22 to 31/01/23) Carrie Prior (from 01/02/23)
<b>Director of Finance</b>	Emma Butler (to 13/05/22) Paul Setterfield (from 06/03/23)
<b>Head of Finance</b>	Margaret Essery (to 31/03/22)
<b>Dean of Mission, Ministry &amp; Education</b>	The Revd Rob Merchant
<b>Head of Service Delivery</b>	Nathan Whitehead
<b>Head of Safeguarding</b>	Amanda Goh
<b>HR Manager</b>	Rachel Towns
<b>Programme Manager</b>	Dawn Weddell
<b>General Manager Retreat House Pleshey</b>	Graham Dowling (from 30/05/22)

### Professional Advisers

<b>Auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
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<b>Solicitors and Registrars</b>	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB
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<b>Bankers</b>	Barclays Bank plc 40-41 High Street Chelmsford CMI 1BE	National Westminster Bank Plc 4-5 High Street Chelmsford CMI 1FZ
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<b>Investment Managers</b>	Cazenove Charities 12 Moorgate London EC2R 6DA	CCLA Investment Management Ltd 85 Queen Victoria Street London EC4V 4ET
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<b>Glebe Property Agents</b>	Strutt & Parker Coval Hall Chelmsford CMI 2QF
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In approving this Trustees' Report, the Trustees are also approving the Strategic Report included above within their capacity as company directors.

BY ORDER OF THE TRUSTEES

  
Mr Jeffrey Mushens  
Chair of the Chelmsford Diocesan Board of Finance  
Date: 25/05/2023

## Independent auditors' report to the members of The Chelmsford Diocesan Board of Finance

### Opinion

We have audited the financial statements of The Chelmsford Diocesan Board of Finance for the year ended 31 December 2022 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent auditors' report to the members of The Chelmsford Diocesan Board of Finance

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

**Independent auditors' report to the members of The Chelmsford Diocesan Board of Finance**

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

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals;
- Challenging assumptions and judgements made by management in their critical accounting estimates in particular valuation of property assets and investment properties; and
- Reviewing the assumptions and judgements used by the professional actuary in relation to the charitable company's pension valuation.

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

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Halsey (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors  
10 Queen Street Place  
London  
EC4R 1AG

Date: 9 June 2023



# The Chelmsford Diocesan Board of Finance

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2022

		Unrestricted funds		Restricted	Endowment	Total	Total
		General	Designated	Funds	Funds	Funds	Funds
		2022	2022	2022	2022	2022	2021
	Note	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>							
Donations:							
Parish contributions	2	13,675	0	0	0	13,675	13,544
Other donations and legacies	2	2,432	295	3,030	0	5,757	7,076
Charitable activities	3	1,401	0	0	0	1,401	1,276
Investments	4	4	6	207	1,438	1,655	1,523
Other Trading activities:							
Parsonage rents receivable		738	0	0	0	738	722
Other Income	5	16	490	20	0	526	701
<b>Total income</b>		<b>18,266</b>	<b>791</b>	<b>3,257</b>	<b>1,438</b>	<b>23,752</b>	<b>24,842</b>
<b>Expenditure on</b>							
<b>Raising funds:</b>							
Investment management	6	0	0	27	264	291	230
Charitable activities	7	19,848	713	3,242	46	23,849	22,651
<b>Total expenditure</b>		<b>19,848</b>	<b>713</b>	<b>3,269</b>	<b>310</b>	<b>24,140</b>	<b>22,881</b>
<b>Net surplus / (deficit) before investment gains</b>		<b>(1,582)</b>	<b>78</b>	<b>(12)</b>	<b>1,128</b>	<b>(388)</b>	<b>1,961</b>
Net gains / (losses) on investments	13	10	(10)	(1,100)	(4,181)	(5,281)	5,685
<b>Net surplus / (deficit) before transfers</b>		<b>(1,572)</b>	<b>68</b>	<b>(1,112)</b>	<b>(3,053)</b>	<b>(5,669)</b>	<b>7,646</b>
Transfer between funds	17	3,064	2,550	0	(5,614)	0	0
<b>Net surplus / (deficit) before other gains and losses</b>		<b>1,492</b>	<b>2,618</b>	<b>(1,112)</b>	<b>(8,667)</b>	<b>(5,669)</b>	<b>7,646</b>
Gains on revaluation of fixed assets	12	60	3,124	65	21,663	24,912	23,505
Actuarial gains/(losses) on defined benefit pension schemes	21	0	0	0	230	230	0
<b>Net movement in funds</b>		<b>1,552</b>	<b>5,742</b>	<b>(1,047)</b>	<b>13,226</b>	<b>19,473</b>	<b>31,151</b>
<b>Total funds brought forward</b>		<b>4,645</b>	<b>28,436</b>	<b>10,275</b>	<b>313,094</b>	<b>356,450</b>	<b>325,299</b>
<b>Total funds carried forward</b>		<b>6,197</b>	<b>34,178</b>	<b>9,228</b>	<b>326,320</b>	<b>375,923</b>	<b>356,450</b>

The notes on pages 40 to 70 form part of these financial statements.

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**

**For the year ended 31 December 2022**

	<b>Total</b>	<i>Total</i>
	<b>2022</b>	<i>2021</i>
	<b>£'000</b>	<i>£'000</i>
Total income	<b>22,314</b>	<i>22,724</i>
Total expenditure	<b>(23,831)</b>	<i>(22,528)</i>
Operating Profit	<b>(1,517)</b>	<i>196</i>
Net (losses) on investments	<b>(1,100)</b>	<i>650</i>
Net income for the year	<b>(2,617)</b>	<i>846</i>
Other comprehensive income:		
Revaluation of fixed assets	<b>3,249</b>	<i>3,150</i>
Net assets transferred from Endowment	<b>5,614</b>	<i>2,441</i>
Total comprehensive income	<b>6,246</b>	<i>6,437</i>

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

The notes on pages 40 to 70 form part of these financial statements.

**Notes to the financial statements  
For the year ended 31 December 2022**

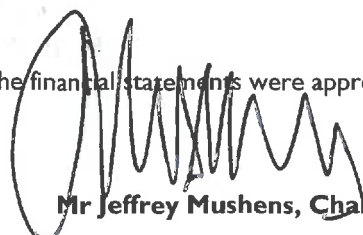
**BALANCE SHEET**

**For the year ended 31 December 2022**

**Company number: 137029**

		2022		2021	
	Note	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible assets	12		308,004		289,525
Investments	13		65,004		64,377
			<u>373,008</u>		<u>353,902</u>
<b>Current assets</b>					
Assets held for sale	12	10,527		7,265	
Debtors: amounts falling due after more than one year	14	278		341	
Debtors: amounts falling due within one year	14	3,772		2,997	
Cash at bank and in hand		<u>4,036</u>		<u>9,202</u>	
		18,613		19,805	
<b>Creditors: amounts falling due within one year</b>	15	<u>(6,739)</u>		<u>(16,403)</u>	
<b>Net current assets</b>			11,874		3,401
<b>Total assets less current liabilities</b>			384,882		357,303
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(8,959)</u>		<u>(874)</u>
<b>Net assets excluding pension scheme liabilities</b>			375,923		356,429
Defined benefit pension scheme liabilities	21		<u>0</u>		<u>21</u>
<b>Net assets including pension scheme liabilities</b>			<u>375,923</u>		<u>356,450</u>
<b>Funds</b>					
Endowment Funds (including investment revaluation reserve of £206.44m (2021 £187.84m))	17		326,320		313,094
Restricted Funds (including investment revaluation reserve of £2.29m (2021 £3.42m))	17		9,228		10,275
Designated Funds (including investment revaluation reserve of £17.49m (2021 £14.78m))	17		34,178		28,436
General Funds (including investment revaluation reserve of £1.46m (2021 £1.29m))	17		6,197		4,645
<b>Total Funds</b>			<u>375,923</u>		<u>356,450</u>

The financial statements were approved and authorised for issue by the Trustees on 25 May 2023 and signed on their behalf, by:

  
**Mr Jeffrey Mushens, Chair**

The notes on pages 40 to 70 form part of these financial statements.

**Notes to the financial statements**  
**For the year ended 31 December 2022**  
**STATEMENT OF CASH FLOWS**

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Net Cash used in from operating activities</b>		<b>(2,854)</b>		<b>(542)</b>
<b>Cashflow from investing activities</b>				
Dividends, interest and rent from investments	1,655		1,523	
Interest paid	(393)		(166)	
Proceeds from the sale of tangible fixed assets	896		5,283	
Proceeds from the sale of held for trading assets	2,728		3,664	
Proceeds from the sale of investments	3,621		4,777	
Proceeds from the sale of closed churches	490			
Purchase of tangible fixed assets for the use of the CDBF	(856)		(1,771)	
Purchase of fixed assets investments	(9,529)		(10,151)	
<b>Net Cash used in investing activities</b>		<b>(1,388)</b>		<b>3,159</b>
<b>Cash flows from financing activities</b>				
New loans received by CDBF	8,085			
Loans repaid by CDBF	(9,009)		(1,972)	
<b>Net Cash provided by financing activities</b>		<b>(924)</b>		<b>(1,972)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(5,166)</b>		<b>645</b>
<b>Cash and cash equivalents at 1 January</b>		<b>9,202</b>		<b>8,557</b>
<b>Cash and cash equivalents at 31 December</b>		<b>4,036</b>		<b>9,202</b>
<b>Reconciliation of net income to net cash used in operating activities</b>				
	2022		2021	
	£'000		£'000	
<b>Net income for the year ended 31 December</b>	<b>19,473</b>		<b>31,152</b>	
<b>Adjustments for:</b>				
Depreciation	92		93	
Gains on revaluation of fixed assets	(24,912)		(23,505)	
Dividends, interest and rent from investments	(1,655)		(1,523)	
Interest paid	393		166	
Gain on sale of functional assets	(178)		(682)	
Losses (gains) on revaluation of investments	5,741		(5,685)	
Gains on sale of investments	(460)		-	
Decrease in stock	-		22	
Decrease/(increase) in debtors	(712)		(758)	
Increase/(decrease) in creditors	(635)		178	
<b>Net cash used in operating activities</b>		<b>(2,854)</b>		<b>(542)</b>



**Notes to the financial statements**  
**For the year ended 31 December 2022**

**I. PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, except for freehold properties which are included at their fair value as determined under the applicable valuation method as detailed below, and fixed asset investments which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (Second Edition, effective 1 January 2019), the Companies Act 2006 and applicable accounting standards (FRS 102).

CDBF meets the definition of a Public Benefit entity as defined by FRS102.

The principal accounting policies and estimation techniques are as follows:

**(a) Income**

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

- i) Parish Contributions are recognised as income of the year in respect of which it is receivable.
- ii) Rent receivable is recognised as income in the period with respect to which it relates.
- iii) Interest and dividends are recognised as income when receivable.
- iv) Grants received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) Parochial fees are recognised as income in the year to which they relate.
- vi) Donations other than grants are recognised when receivable.
- vii) Gains on disposal of fixed assets for the CDBF's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- viii) Stipends fund income. The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**I. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**(b) Expenditure**

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

- i) Costs of raising funds are constrained to costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese, expenditure relating to the running of the diocesan retreat centre, and expenditure on education and Church of England schools in the diocese.
- iii) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the CDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) Support costs consist of central management, administration, and governance costs. The amount spent on raising funds and other activities are considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) Pension contributions - the CDBF participates in three pension schemes to provide pension benefits based on final pensionable pay, namely the Church of England Funded Pensions Scheme (clergy), the Church of England Defined Benefits Scheme part of the Church Workers Pension Fund, and the Teachers Superannuation Scheme. The CDBF also participates in the Church of England Pension Builder Scheme (formerly known as Defined Contributions Scheme) part of the Church Workers Pension Fund. Details of the schemes are set out in note 21. The pension costs charged as expenditure represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which CDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.
- vi) Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is received.
- vii) Employee termination benefits are accounted for on an accrual basis and in line with FRS 102.

**(c) Going concern**

Having reviewed the funding facilities available to CDBF together with the expected future cash flows, the trustees have a reasonable expectation that charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the charity's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

**Notes to the financial statements  
For the year ended 31 December 2022**

**I. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**(d) Tangible fixed assets and depreciation**

**Freehold properties**

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The CDBF has a policy of regular structural inspection, repair, and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

**Properties for the charity's own use**

All houses (excepting properties subject to value linked loans shown below) are included in the balance sheet at professional market valuation. Such houses are revalued annually.

**Properties subject to value linked loans**

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at an index linked current valuation basis.

**Parsonage houses**

The CDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The CDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value. Parsonage houses are revalued annually.

**(e) Other tangible fixed assets**

Depreciation is provided to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates: -

Solar PV panels	4% per annum straight line
Motor vehicles	25% per annum straight line
Computers	25% per annum straight line
Furniture and office equipment	20% per annum straight line

All capital expenditure over £1,000 is capitalised.

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**I. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**(f) Other accounting policies**

- i) Fixed asset investments - investment properties include agricultural holdings and commercial properties which are professionally valued annually. Other investments are included in the balance sheet at market value and the gain or loss on revaluation taken to the Statement of Financial Activities.
- ii) Financial Instruments - Other than equity loans which are initially recognised at the amount received, with the carrying amount adjusted in subsequent years to reflect the value based on the proportion of the current value of the relevant property and any accrued interest, the company only has financial assets and liabilities of a kind that qualify as basic financial instruments.
  - a) **Debtors** - Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.
  - b) **Cash** - Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
  - c) **Creditors** - Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.
  - d) **Leases** - The company has entered into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause.

**(g) Fund balances**

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

- Unrestricted funds are the CDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the CDBF. There are two types of unrestricted funds:
- General funds which the CDBF intends to use for the general purposes of the CDBF and
- Designated funds set aside out of unrestricted funds by the CDBF for a purpose specified by the Trustees.
- Restricted funds are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- Endowment funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the CDBF (Stipends Fund Capital and Parsonage Houses), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.
- In 2021 the trustees passed a resolution under s104 Charities Act 2011 to adopt Total Return Accounting as permitted by the Diocesan Stipends Measure (Amended) 2016'. For further detail see note 26.



**Notes to the financial statements**  
**For the year ended 31 December 2022**

**I. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

- “Special trusts” (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company’s own financial statements as charity branches. Trusts where the CDBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

**(h) Capital expenditure on Voluntary Aided schools**

Contributions to capital expenditure from Department for Education and school governors are not recognised in the Statement of Financial Activities. Details of the turnover related to this activity are included in note 24.

The CDBF contributes to the improvement, extension and building of schools not under its control by making grants to the school governors concerned, and these are shown as such in the Statement of Financial Activities.

The CDBF does not recognise the value of the company’s reversionary interest in the assets of closed schools until the ultimate proceeds of disposal have been received.

**(i) Judgements and estimates**

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

*Significant judgements*

- Valuation of Freehold properties and parsonage houses – All freehold properties and parsonage houses, including investment properties, but excluding those subject to value linked loans are revalued to their fair value annually using valuations provided by external professionals. Properties subject to value linked loans are revalued each year at the fair value based on the index linked current valuation basis.
- Valuation of liabilities arising from the charity’s obligation to meet deficit reduction payments for its multi-employer defined benefit pension scheme – These liabilities are revalued at each year end using discount rates which are reassessed annually.
- Residual value of Freehold properties – The Trustees consider that the residual value of freehold properties is sufficiently high that depreciation would not be material.

*Sources of estimation uncertainty*

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

Notes to the financial statements  
For the year ended 31 December 2022

2. INCOME FROM DONATIONS

Parish Contributions

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Parish share assessment for the year	15,885	0	0	0	15,885	16,868
Credit for fees and discounts	0	0	0	0	0	(738)
Shortfall in contributions	(2,208)	0	0	0	(2,208)	(2,593)
Payments in excess of assessment	0	0	0	0	0	0
Arrears for previous years	(3)	0	0	0	(3)	7
	<b>13,675</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,675</b>	<b>13,544</b>

All parish contributions in 2021 were unrestricted

Other Donations

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	38	0	102	0	140	105
Ministry Support Funding	1,827	0	0	0	1,827	1,997
Sustainability Funding	500	0	0	0	500	1,000
Benefact Trust	0	295	0	0	295	286
Church Planting	0	0	1,135	0	1,135	1,076
Training for Ministry	0	0	538	0	538	686
City Churches Fund	0	0	890	0	890	1,590
Strategic Capacity Fund	0	0	189	0	189	133
Strategic Ministry Fund	0	0	100	0	100	74
Other Grants	67	0	76	0	143	129
	<b>2,432</b>	<b>295</b>	<b>3,030</b>	<b>0</b>	<b>5,757</b>	<b>7,076</b>
<b>Total donations</b>	<b>16,107</b>	<b>295</b>	<b>3,030</b>	<b>0</b>	<b>19,432</b>	<b>20,620</b>

In 2021, £3,358,000 of other donations were unrestricted and £3,718,000 was restricted.

Notes to the financial statements  
For the year ended 31 December 2022

3. INCOME FROM CHARITABLE ACTIVITIES

Parish Contributions

	Unrestricted funds		Restricted Endowment		Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees and chaplaincy income	835	0	0	0	835	750
Printing and bookshop	2	0	0	0	2	64
Miscellaneous income	255	0	0	0	255	312
Diocesan Retreat House	309	0	0	0	309	150
	<b>1,401</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,401</b>	<b>1,276</b>
<i>Total in 2021</i>	<i>1,181</i>	<i>0</i>	<i>0</i>	<i>95</i>	<i>1,276</i>	

4. INCOME FROM INVESTMENTS

	Unrestricted funds		Restricted Endowment		Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends	4	0	206	1,034	1,244	1,026
Interest	0	6	1	0	7	3
Rent	0	0	0	404	404	494
	<b>4</b>	<b>6</b>	<b>207</b>	<b>1,438</b>	<b>1,655</b>	<b>1,523</b>
<i>Total in 2021</i>	<i>19</i>	<i>6</i>	<i>169</i>	<i>1,329</i>	<i>1,523</i>	

5. OTHER INCOME

	Unrestricted funds		Restricted Endowment		Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Gains on disposal of assets	16	490	20	0	526	701
	<b>16</b>	<b>490</b>	<b>20</b>	<b>0</b>	<b>526</b>	<b>701</b>

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**6. FUND RAISING COSTS**

	Unrestricted funds		Restricted Endowment		Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Investment management costs	0	0	27	264	291	230
<i>Total in 2021</i>	0	0	26	204	230	

**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted funds		Restricted Endowment		Total
	General	Designated	Funds	Funds	Funds
	2022	2022	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000
Resourcing ministry and mission	16,502	289	2,458	0	19,249
Grant Funding of activities	1,299	77	117	0	1,493
Support costs	1,547	45	357	0	1,949
Expenditure on Diocesan Retreat House	285	0	0	0	285
Expenditure on Education	215	0	310	0	525
Loss on disposal of assets	0	302	0	46	348
	<b>19,848</b>	<b>713</b>	<b>3,242</b>	<b>46</b>	<b>23,849</b>

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2021	2021	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000
Resourcing ministry and mission	14,930	672	2,509	149	18,260
Grant Funding of activities	1,509	0	37	0	1,546
Support costs	1,994	18	122	0	2,134
Diocesan Retreat House	190	0	0	0	190
Expenditure on Education	95	0	407	0	502
Loss on disposal of assets	0	19	0	0	19
	<b>18,718</b>	<b>709</b>	<b>3,075</b>	<b>149</b>	<b>22,651</b>

# Notes to the financial statements

## For the year ended 31 December 2022

### 8. ANALYSIS OF GRANTS

	Grants to Individuals 2022 £'000	Grants to Institutions 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Grants made	230	1,263	1,493	1,546
Total in 2021	5	1,541	1,546	

#### Reconciliation of grants payable

	2022 £'000	2021 £'000
Accrued at 1 January	546	630
Grants payable for the year	1,493	1,546
Grants paid during the year	(1,635)	(1,630)
Total	404	546
<b>Payable as follows:</b>		
in less than 1 year	404	546

By fund type	No.	Individuals £'000	Institutions £'000	2022 £'000	2021 £'000
<b>From unrestricted funds for National Church responsibilities</b>					
Contributions to Archbishops' Council	5	0	1,106	1,106	1,200
<b>From unrestricted funds</b>					
PCC feasibility study	1	0	(10)	(10)	5
Churches Together organisations	6	0	(45)	(45)	12
Interfaith working	4	0	18	18	20
Other institutional grants		0	0	0	0
Ordinands in Training	23	212	0	212	268
Clergy for training	37	18	0	18	5
<b>Total from unrestricted funds</b>	<b>76</b>	<b>230</b>	<b>1,069</b>	<b>1,299</b>	<b>1,510</b>
<b>Total from designated funds</b>					
PCCs for mission projects.	1	0	77	77	0
<b>From restricted funds</b>					
Overseas mission projects	0	0	0	0	17
Refugee support	1	0	1	1	2
PCCs for mission projects	26	0	116	116	14
Other LOB Funds	0	0	0	0	3
<b>Total from restricted funds</b>	<b>28</b>	<b>0</b>	<b>117</b>	<b>117</b>	<b>36</b>
<b>Total</b>	<b>105</b>	<b>230</b>	<b>1,263</b>	<b>1,493</b>	<b>1,546</b>



**Notes to the financial statements**  
**For the year ended 31 December 2022**

**9. ALLOCATION OF SUPPORT COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Resourcing ministry and mission	<b>1,767</b>	<b>1,942</b>
Education	<b>182</b>	<b>192</b>
Total	<b>1,949</b>	<b>2,134</b>

**10. NET INCOME**

<b>This is stated after charging</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration		
Audit Fees	<b>31</b>	<b>27</b>
Other Fees	<b>12</b>	<b>0</b>
Operating lease costs in the year	<b>168</b>	<b>57</b>
Depreciation charge	<b>92</b>	<b>93</b>
Interest paid	<b>393</b>	<b>166</b>

**Notes to the financial statements  
For the year ended 31 December 2022**

**11. STAFF COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs were as follows:		
Wages and salaries	<b>2,008</b>	<b>2,061</b>
National Insurance contributions	<b>194</b>	<b>197</b>
Pension costs (note 21)	<b>283</b>	<b>289</b>
	<b><u>2,485</u></b>	<b><u>2,547</u></b>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Support for parish ministry	<b>73</b>	<b>77</b>
Diocesan Retreat House	<b>9</b>	<b>10</b>
Secretaries to Archdeacons	<b>7</b>	<b>7</b>
	<b><u>89</u></b>	<b><u>94</u></b>

The average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Support for parish ministry	<b>60</b>	<b>67</b>
Diocesan Retreat House	<b>4</b>	<b>3</b>
Secretaries to Archdeacons	<b>4</b>	<b>5</b>
	<b><u>68</u></b>	<b><u>75</u></b>

The number of higher paid employees was:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	<b>2</b>
In the band £70,001 - £80,000	<b>0</b>	<b>1</b>
In the band £80,001 - £90,000	<b>1</b>	<b>0</b>

During the year the charity made employment termination payments totalling £35,400 (2021: £16,000)

**Notes to the financial statements  
For the year ended 31 December 2022**

**11. STAFF COSTS (Continued)**

**Remuneration of key management personnel**

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the diocese. During 2022 they were:

<b>Chief Executive &amp; Diocesan Secretary</b>	Michaela Southworth	
<b>Director of Communications &amp; Media</b>	Thomas Geldard	
<b>Head of Property</b>	Alex Reeve	
<b>Director of Education</b>	The Revd Timothy Elbourne	(to 31/01/22)
<b>Director of Education</b>	The Revd Robert Merchant	(from 1/02/22 to 31/01/23)
<b>Director of Education</b>	Carrie Prior	(from 1/02/23)
<b>Interim Director of Finance</b>	Emma Butler	(from 07/06/21 to 13/05/22)
<b>Director of Finance</b>	Paul Setterfield	(from 6/03/23)
<b>Head of Finance &amp; Company Secretary</b>	Margaret Essery	(to 31/03/22)
<b>Dean of Mission, Ministry &amp; Education</b>	The Revd Robert Merchant	
<b>Head of Service Delivery</b>	Nathan Whitehead	
<b>Head of Safeguarding</b>	Amanda Goh	
<b>HR Manager</b>	Rachel Towns	
<b>Programme Manager</b>	Dawn Weddell	
<b>General Manager Retreat House Pleshe</b>	Graham Dowling	(from 30/05/22)

Remuneration, pensions and expenses for these employees amounted to £700,000 (2021: £667,000)

**Clergy Stipends**

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Stipends	<b>8,327</b>	8,544
National Insurance contributions	<b>711</b>	711
Pension costs - current year	<b>2,491</b>	3,096
- deficit reduction	<b>310</b>	561
	<b>11,838</b>	12,912

The stipends of the Diocesan Bishop and three Suffragan Bishops are funded by the Church Commissioners and are in the range £38,050 - £46,640p.a. (2021: £37,670 - £46,180p.a.). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2022 was in the range £37,000 - £37,370 (2021: £37,000 p.a.). Other clergy who were Trustees were paid in the range of £22,410 - £28,232 p.a. (2021: £27,410 p.a.). The CDBF provides housing for the three Suffragan Bishops, the Archdeacons and the clergy who are Trustees. The Church Commissioners provide housing for the Diocesan Bishop.

No Trustee received remuneration for services as Trustee. The Trustees who received travelling and out of pocket expenses numbered was £0 for 10 trustees (2021: £0 for 12 Trustees) in respect of General Synod duties, and other duties as Trustees. 10 trustees received £14,450 for out of pocket expenses in their normal line of duty as archdeacon or member of clergy.

Notes to the financial statements  
For the year ended 31 December 2022

12. TANGIBLE FIXED ASSETS

	Freehold properties	Office Equipment	Other Fixed assets	Total
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 January 2022	288,832	913	833	290,578
Additions	589	57	0	646
Disposals	(980)	(687)	(23)	(1,690)
Revaluation surplus	24,641	0	0	24,641
Transfer to assets held for sale	(5,721)	0	0	(5,721)
At 31 December 2022	<u>307,361</u>	<u>283</u>	<u>810</u>	<u>308,454</u>
<b>Depreciation</b>				
At 1 January 2022	0	789	264	1,053
Charge for the year	0	59	33	92
On disposals	0	(688)	(7)	(695)
At 31 December 2022	<u>0</u>	<u>161</u>	<u>289</u>	<u>450</u>
<b>Net book value</b>				
At 31 December 2022	<u>307,361</u>	<u>122</u>	<u>521</u>	<u>308,004</u>
At 31 December 2021	<u>288,832</u>	<u>124</u>	<u>569</u>	<u>289,525</u>

If the freehold properties had not been included at valuation they would have been included under the historical cost convention as follows:

	2022	2021
	£'000	£'000
Cost	<u>96,219</u>	<u>98,394</u>

The land and buildings were revalued on 31 December 2022 by Strutt & Parker LLP, Chartered Surveyors on an open market existing use basis.

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**12. TANGIBLE FIXED ASSETS (continued)**

**Revaluations**

Two of the equity loans (note 18) are for the acquisition of freehold properties included above. The repayment terms are such that the amount repayable is quantified as a percentage of the sales proceeds. Accordingly, if the property is revalued the associated loan must also be restated.

The analysis of net gains on revaluations of fixed assets and loans is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Rvaluation of fixed assets	<b>24,641</b>	23,505
Revaluation of assets held for sale	<b>271</b>	0
Rvaluation of equity loans	<b>0</b>	0
Net gain per Statement of Financial Activities	<b>24,912</b>	23,505

**The analysis of assets held for sale**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Balance bf 1 January 2022	<b>7,265</b>	3,715
Proceeds from the sale of held for trading assets	<b>(2,728)</b>	(3,664)
Losses on disposal of held for trading assets	<b>(212)</b>	(51)
Additions to be held for sale	<b>210</b>	0
Revaluation of held for sale assets	<b>271</b>	0
Held for sale for 2023	<b>5,721</b>	7,265
Balance cf 31 December 2022	<b>10,527</b>	7,265

**Proceeds from the sale of tangible fixed assets**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Net book value of freehold property fixed assets disposed at 1 January 2022	<b>(995)</b>	(4,550)
Gains and losses on disposal of assets	<b>99</b>	(733)
Proceeds from the sale of freehold property tangible fixed assets	<b>(896)</b>	(5,283)

During the year, office equipment and other fixed assets with a net book value of £nil, cost at 1 January 2022 of £0.244m and depreciation at 1 January 2022 of £0.244m were disposed for £nil proceeds.



**Notes to the financial statements  
For the year ended 31 December 2022**

**13. FIXED ASSET INVESTMENTS**

	Listed Investments	Unlisted Investments	Investment Property	Total	Total
	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	24,624	29,692	10,061	64,377	53,318
Additions	2,528	7,000	0	9,528	10,151
Disposals	(3,160)	0	(0)	(3,160)	(5,003)
Revaluation loss	(2,258)	(3,454)	(29)	(5,741)	5,911
Market Value at 31 December 2022	21,734	33,238	10,032	65,004	64,377
Historic Value at 31 December 2022	19,284	25,372	4,113	38,625	51,085

**Investments held by fund**

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2022	2022	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000
At 31 December 2022					
Listed investments	0	0	3,407	18,327	21,734
Unlisted investments	0	0	4,425	28,813	33,238
Investment property	0	0	0	10,032	10,032
Total	0	0	7,832	57,172	65,004

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2021	2021	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000
At 31 December 2020					
Listed investments	0	0	4,186	20,438	24,624
Unlisted investments	0	0	5,613	24,080	29,693
Investment property	0	0	0	10,060	10,060
Total	0	0	9,799	54,578	64,377

The analysis of net gains on investments is as follows:

	2022	2021
	£'000	£'000
Realised gains	460	(226)
Unrealised (loss) gains on revaluation	(5,741)	5,911
Net gains per Statement of Financial Activities	(5,281)	5,685

**Notes to the financial statements  
For the year ended 31 December 2022**

**14. DEBTORS**

	<b>Total 2022 £'000</b>	<i>Total 2021 £'000</i>
<b>Due after more than one year</b>		
Loans to parishes	<b>248</b>	309
Equity loans	<b>29</b>	29
Other loans	<b>1</b>	3
	<b>278</b>	341
	<b>Total 2022 £'000</b>	<i>Total 2021 £'000</i>
<b>Due within one year</b>		
Parish share	<b>358</b>	401
Charitable activities debtors	<b>1,495</b>	1,219
Other loans and debtors	<b>628</b>	192
Grant income accrued	<b>406</b>	444
Prepayments and accrued income	<b>885</b>	741
	<b>3,772</b>	2,997

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**15. CREDITORS: Amounts falling due within one year**

	<b>Total</b>	<b>Total</b>
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts (note 16)	0	9,009
Trade creditors	666	369
Other taxation and social security	65	77
Closed Schools - amounts held pending determination	1,083	1,918
Devolved Formula Capital	569	571
Schools Condition Allocations	2,268	2,043
Pension contributions (note 21)	261	570
Other creditors	1,229	968
Accruals and deferred income	194	332
Grants accrued (note 8)	404	546
	<b>6,739</b>	<b>16,403</b>

**16. CREDITORS: Amounts falling due after more than one year**

	<b>Total</b>	<b>Total</b>
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	8,085	0
Equity loan	874	874
	<b>8,959</b>	<b>874</b>

National Westminster Bank Plc has made available mortgage facilities to fund the purchase of houses for curates. The total loan balance stands at £8.085m (2021: £9.009m) at the year end.

In May 2022 a facility of £8.085m was agreed. This facility, which is repayable in full at the end of 15 years, is secured on certain freehold properties.

Equity loans are made available by the Church Commissioners to assist with provision of housing for curates and other ministers. The terms are that the loan is repayable if the property is sold or ceases to be used for the purpose under which the loan was granted. The amount repayable to the Church Commissioners is the proportion of the current value of the property that the loan bore to the original purchase cost. Most loans incurred interest initially at 3% per annum but the rate thereafter varies with inflation: the average interest rate on these loans is 6%.

**Notes to the financial statements  
For the year ended 31 December 2022**

**17. SUMMARY OF FUNDS MOVEMENTS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 January 2022 £'000	Income 2022 £'000	Expenditure 2022 £'000	Transfers in/(out) 2022 £'000	Gains/ (losses) 2022 £'000	Balance at 31 December 2022 £'000
<b>Designated funds</b>						
Houses	28,101	6	(466)	(1,067)	3,124	29,698
Benefact Trust	324	295	(192)	0	0	427
Mission Opportunities	11	0	(11)	0	0	0
Designated Stipend Capital Fund	0	0	0	3,612	0	3,612
Closed Churches	0	490	(44)	5	(10)	441
	<u>28,436</u>	<u>791</u>	<u>(713)</u>	<u>2,550</u>	<u>3,114</u>	<u>34,178</u>
<b>General funds</b>						
General funds	<u>4,645</u>	<u>18,266</u>	<u>(19,848)</u>	<u>3,064</u>	<u>70</u>	<u>6,197</u>
<b>Total Unrestricted Funds</b>	<u>33,081</u>	<u>19,057</u>	<u>(20,561)</u>	<u>5,614</u>	<u>3,184</u>	<u>40,375</u>
<b>Endowment Funds</b>						
Stipends Fund Capital	88,468	1,341	(280)	(5,155)	(1,018)	83,356
Parsonage Houses	221,147	0	(30)	(337)	19,138	239,918
Permanent Endowment	3,479	97	0	(122)	(408)	3,046
	<u>313,094</u>	<u>1,438</u>	<u>(310)</u>	<u>(5,614)</u>	<u>17,712</u>	<u>326,320</u>
<b>Restricted Funds</b>						
Diocesan Board of Education	6,338	340	(332)	0	(879)	5,467
London Over the Border	1,980	43	(46)	0	(156)	1,821
City Church Fund	1,652	890	(901)	0	0	1,641
Lent Appeal	3	1	(1)	0	0	3
Refugee Appeal	45	1	(1)	0	0	45
Church Planting project	0	1,135	(1,135)	0	0	0
Restructuring	67	0	(67)	0	0	0
Training for Ministry	189	538	(476)	0	0	251
Strategic Capacity	1	188	(189)	0	0	0
Strategic Ministry Fund	0	100	(100)	0	0	0
Historic England	0	21	(21)	0	0	0
	<u>10,275</u>	<u>3,257</u>	<u>(3,269)</u>	<u>0</u>	<u>(1,035)</u>	<u>9,228</u>
<b>Total Funds</b>	<u>356,450</u>	<u>23,752</u>	<u>(24,140)</u>	<u>0</u>	<u>19,861</u>	<u>375,923</u>

# Notes to the financial statements For the year ended 31 December 2022

## 17. SUMMARY OF FUNDS MOVEMENTS (continued)

### STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 January 2021 £'000	Income 2021 £'000	Expenditure 2021 £'000	Transfers in/(out) 2021 £'000	Gains/ (losses) 2021 £'000	Balance at 31 December 2021 £'000
<b>Designated funds</b>						
Houses	25,197	6	(172)	0	3,070	28,101
Benefact Trust	476	286	(438)	0	0	324
Strategic Change	18	0	(18)	0	0	0
Mission Opportunities	104	0	(17)	(77)	0	10
Diocesan Retreat House Refurbishment	0	0	0	0	0	0
Turnaround Project	0	0	0	0	0	0
Closed Churches	0	0	0	0	0	0
Asbestos surveys	65	0	(65)	0	0	0
	<u>25,860</u>	<u>292</u>	<u>(709)</u>	<u>(77)</u>	<u>3,070</u>	<u>28,436</u>
<b>General funds</b>						
General funds	<u>2,178</u>	<u>18,545</u>	<u>(18,718)</u>	<u>2,585</u>	<u>55</u>	<u>4,645</u>
<b>Total Unrestricted Funds</b>	<u>28,038</u>	<u>18,837</u>	<u>(19,427)</u>	<u>2,508</u>	<u>3,125</u>	<u>33,081</u>
<b>Endowment Funds</b>						
Stipends Fund Capital	82,503	1,342	(204)	(2,334)	7,161	88,468
Parsonage Houses	202,820	681	(149)	0	17,795	221,147
Permanent Endowment	3,056	95	0	(107)	435	3,479
	<u>288,379</u>	<u>2,118</u>	<u>(353)</u>	<u>(2,441)</u>	<u>25,390</u>	<u>313,094</u>
<b>Restricted Funds</b>						
Diocesan Board of Education	5,996	247	(427)	0	522	6,338
Diocesan Retreat House	67	0	0	(67)	0	0
London Over the Boarder	1,832	41	(46)	0	153	1,980
City Church Fund	660	1,590	(598)	0	0	1,652
Lent Appeal	14	9	(20)	0	0	3
Refugee Appeal	39	6	0	0	0	45
Church Planting project	(27)	1,076	(1,049)	0	0	0
Restructuring	166	0	(99)	0	0	67
Training for Ministry	125	686	(622)	0	0	189
Strategic Capacity	9	88	(96)	0	0	1
One off SCF	0	0	0	0	0	0
SCF Project Lead Young People	0	45	(45)	0	0	0
Strategic Ministry Fund	0	74	(74)	0	0	0
Historic England	0	25	(25)	0	0	0
	<u>8,881</u>	<u>3,887</u>	<u>(3,101)</u>	<u>(67)</u>	<u>675</u>	<u>10,275</u>
<b>Total Funds</b>	<u>325,298</u>	<u>24,843</u>	<u>(22,881)</u>	<u>0</u>	<u>29,190</u>	<u>356,450</u>



**Notes to the financial statements**  
**For the year ended 31 December 2022**

**17. SUMMARY OF FUNDS MOVEMENTS (continued)**

**SUMMARY OF FUNDS – CURRENT YEAR**

	Balance at 1 January 2022 £'000	Income 2022 £'000	Expenditure 2022 £'000	Transfers in/(out) 2022 £'000	Gains/ (losses) 2022 £'000	Balance at 31 December 2022 £'000
Designated funds	28,436	791	(713)	2,550	3,114	34,178
General funds	4,645	18,266	(19,848)	3,064	70	6,197
	<u>33,081</u>	<u>19,057</u>	<u>(20,561)</u>	<u>5,614</u>	<u>3,184</u>	<u>40,375</u>
Endowment funds	313,094	1,438	(310)	(5,614)	17,712	326,320
Restricted funds	10,275	3,257	(3,269)	0	(1,035)	9,228
	<u>356,450</u>	<u>23,752</u>	<u>(24,140)</u>	<u>(0)</u>	<u>19,861</u>	<u>375,923</u>

**SUMMARY OF FUNDS – PRIOR YEAR**

	Balance at 1 January 2021 £'000	Income 2021 £'000	Expenditure 2021 £'000	Transfers in/(out) 2021 £'000	Gains/ (losses) 2021 £'000	Balance at 31 December 2021 £'000
Designated funds	25,860	292	(709)	(77)	3,070	28,436
General funds	2,178	18,545	(18,718)	2,585	55	4,645
	<u>28,038</u>	<u>18,837</u>	<u>(19,427)</u>	<u>2,508</u>	<u>3,125</u>	<u>33,081</u>
Endowment funds	288,379	2,118	(353)	(2,441)	25,390	313,094
Restricted funds	8,881	3,887	(3,101)	(67)	675	10,275
	<u>325,298</u>	<u>24,843</u>	<u>(22,881)</u>	<u>(0)</u>	<u>29,190</u>	<u>356,450</u>

**ANALYSIS OF TRANSFERS BETWEEN FUNDS – CURRENT YEAR**

	Unrestricted funds		Restricted Funds	Endowment Funds
	General	Designated		
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
Total return transfer to general funds to supplement revenue	3,218			(3,218)
Correction to Clergy Housing Insurance	(149)			149
Property Transfer; Board to Endowment		(740)		740
Property Transfer; Endowment to Board		3,285		(3,285)
General to Designated Youth Work	(5)	5		
	<u>3,064</u>	<u>2,550</u>	<u>0</u>	<u>(5,614)</u>

Notes to the financial statements  
For the year ended 31 December 2022

17. SUMMARY OF FUNDS MOVEMENTS (continued)

ANALYSIS OF TRANSFERS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted funds		Restricted	Endowment
	General	Designated	Funds	Funds
	2021	2021	2021	2021
	£000	£000	£000	£000
From mission opportunities to general fund	77	(77)	0	0
From restricted fund to general fund	67	0	(67)	0
Total return transfer to general funds to supplement revenue	2,995	0	0	(2,995)
From general fund to stipends endowment for reduction of pension deficit	(554)	0	0	554
	<u>2,585</u>	<u>(77)</u>	<u>(67)</u>	<u>(2,441)</u>

**Designated Funds:**

**Houses Fund  
Benefact Trust**

This fund represents monies allocated to clergy housing.

This fund represents grants received from Benefact Trust and is to be distributed at the discretion of the Bishop of Chelmsford. (Previously known as Allchurches Trust).

**Mission Opportunities Fund  
Designated Stipend Capital**

This fund represents monies allocated for new mission initiatives.

This will then operate in the same manner as the Stipends Endowment Fund. The funds are invested with our Investment Managers and accounted for on a total return basis.

**Closed Churches**

This fund represents proceeds from the sale of closed churches which have been set aside to cover future costs arising on other churches in the diocese closed for public worship.

**General Funds:**

**General Fund**

This fund is available for any purpose within the objects of the CDBF.

**Endowment Funds:**

**Stipends Fund Capital**

This fund is governed by the Diocesan Stipends Measure 1953. The income of the fund can only be used for clergy stipends

**Parsonage Houses**

This fund represents the value of all the benefice houses (parsonages) in the Diocese.

**Permanent endowments**

The income of these funds is available to be spent within the General Funds.

Notes to the financial statements  
For the year ended 31 December 2022

**17. SUMMARY OF FUNDS MOVEMENTS (continued)**

**Restricted Funds:**

**Diocesan Board of Education**

The Diocesan Board of Education is an unincorporated body constituted in accordance with the Diocesan Boards of Education Measure 1991 (No.2). This includes the pooled sale proceeds of closed church schools and the unspent balance of the grant received from the Hockerill Educational Foundation.

**Diocesan Retreat House**

The Diocesan Retreat House at Pleshey is operated as a separate activity. Under the terms of the trust for the Retreat House, all income must be expended within the centre and, therefore, this is treated as a restricted fund within CDBF's accounts.

**London Over the Border**

The Council is instituted to administer specific funds for the benefit of parishes within five specified deaneries of the Diocese.

**City Churches Fund**

This fund is available to parishes within five specified deaneries of the diocese, for the purposes of supporting the advancement of religion, repair of churches, and support of stipends.

**Lent Appeal**

This fund represents income from the Bishop's Lent Appeal.

**Refugee Appeal**

This fund represents income from the Bishop's Refugee Appeal.

**Church Planting Project**

This fund represents grants received from the Church Commissioners towards the cost of the on-going development of resource churches and a network of new church communities in 5 strategic mission priority areas.

**Restructuring (transition) Funding**

This fund represents grants received from the Church Commissioners to aid the Diocese to transition to new funding arrangements

**Training for Ministry**

This fund represents grants received from the Archbishops' Council to assist in the funding of training clergy.

**Strategic Capacity**

This fund represents grants received from the Archbishops' Council to assist in the funding Diocesan staff Supporting Parish Ministry and Worshipping Communities.

**Historic England**

Funding for a Historic Buildings Team. To help better care and promote our historic buildings and help PCC's develop strategies for long-term care, maintenance, and sustainability of their assets.

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2022	2022	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	2,197	39,636	430	265,741	308,004
Fixed asset investments	0	0	7,832	57,172	65,004
Assets held for sale	916	4,283	0	5,328	10,527
Debtors due after more than one year	278	0	0	0	278
Current assets	5,125	(919)	5,501	(1,899)	7,808
Creditors due within one year	(2,182)	(0)	(4,535)	(22)	(6,739)
Creditors due in more than one year	(137)	(8,822)	0	0	(8,959)
Defined benefit pension scheme liabilities	0	0	0	0	0
	<b>6,197</b>	<b>34,178</b>	<b>9,228</b>	<b>326,320</b>	<b>375,923</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2021	2021	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	2,733	36,727	365	249,699	289,525
Fixed asset investments	0	0	9,799	54,578	64,377
Assets held for sale	0	4,220	0	3,045	7,265
Debtors due after more than one year	341	0	0	0	341
Current assets	3,390	(2,765)	5,221	6,354	12,199
Creditors due within one year	(1,682)	(9,009)	(5,109)	(603)	(16,403)
Creditors due in more than one year	(137)	(737)	0	0	(874)
Defined benefit pension scheme liabilities	0	0	0	21	21
	<b>4,645</b>	<b>28,436</b>	<b>10,275</b>	<b>313,094</b>	<b>356,450</b>

**19. CONTINGENT LIABILITIES**

There were no contingent liabilities at the balance sheet date.

**20. CAPITAL COMMITMENTS**

There is a capital commitment related to the proposed demolition of St Peter's Church, Birch. At the balance sheet date there was a commitment of £92k towards the feasibility work related to the proposed demolition (£19k was expended in 2022). Until the feasibility work is finalised it is not possible to estimate the full costs of demolition, however, it is expected to be less than £1m.

**Notes to the financial statements  
For the year ended 31 December 2022**

**21. PENSIONS**

Chelmsford DBF participates in four pension schemes:

- A. Church of England Funded Pensions Scheme
- B. Church Workers Pension Fund DBS
- C. Church Workers Pension Fund Pension Builder
- D. Teachers Pension Scheme

The Church of England Funded Pensions Scheme (CEFPS) and the Church Workers Pension Fund (CWPF) are multi-employer last man standing defined benefit pension schemes for which the CDBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of FRS102 requires the CDBF to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the CDBF. A valuation of each scheme is carried out once every three years.

**A. Church of England Funded Pensions Scheme (CEFPS) - the Clergy defined benefit pension scheme**

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

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

The scheme is considered to be a multi employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to the specific Responsible Body and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2022: £2.408m, 2021: £2.515m), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total charge of £2.178m for 2022 (2021: charge of £2.522m).

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA\_VL 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% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).



**Notes to the financial statements**  
**For the year ended 31 December 2022**

**21. PENSIONS (continued)**

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions of 11.9% payable (as a percentage of pensionable stipends) between January 2018 and December 2020, followed by contributions of 7.1% between January 2021 and December 2022. 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.

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

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Balance sheet liability at 1 January	<b>540</b>	1,094
Deficit contribution paid	<b>(310)</b>	(561)
Interest cost (recognised in SOFA)	<b>0</b>	2
Remaining change to the balance sheet liability* (recognised in SOFA)	<b>(230)</b>	5
Balance sheet liability at 31 December	<b>0</b>	540

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

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

	<b>December 2022</b>	<b>December 2021</b>	<b>December 2020</b>
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5% pa	1.6% pa

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

**B. Church Workers Pension Fund (CWPF) - Lay Workers Defined Benefits Scheme**

The CDBF formerly participated in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The CWPF 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 (see section C below). The Defined Benefits Scheme ("DBS") section of the CWPF provides benefits for lay staff based on final pensionable salaries.

**Notes to the financial statements**

**For the year ended 31 December 2022**

The CDBF has not had any active members in the DBS since March 2018.

**21. PENSIONS (continued)**

**B. Church Workers Pension Fund (CWPF) - Lay Workers Defined Benefits Scheme (continued)**

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

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

The scheme is a multi-employer scheme as described in section 28 of FRS 102. It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS.

This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2022: £0, 2021: £0) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £0 for 2022 (2021: £0).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of DBS is carried out once every three years. The most recently finalised valuation was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay expenses of £9,900 per year.

	2022 £'000	2021 £'000
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SOFA)	0	0
Remaining change to the balance sheet liability* (recognised in SOFA)	0	0
Balance sheet liability at 31 December	<u>0</u>	<u>0</u>

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

**Notes to the financial statements**  
**For the year ended 31 December 2022**

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

	December 2022	December 2021	December 2020
Discount rate	0.00%	0.00%	0.00%

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

**C. Church Workers Pension Fund (CWPF) - Pension Builder Classic and Pension Builder 2014**

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

The CWPF has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

**Pension Builder Scheme**

The Pension Builder Scheme of the CWPF 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 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 (2022: £292,000, 2021: £280,000).

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

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 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, CDBF could become responsible for paying a share of that employer's pension liabilities.

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**D. Teachers' Pension Scheme (TPS)**

The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employees are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The CDBFT employer's pension costs paid to the TPS in the year amounted to £32,000 (2021 £30,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS102 the TPS is a multi employer scheme. The CDBF has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The employer contribution rate was increased to 23.6% in August 2019 following the TPS 2016 valuation. Prior to August 2019 the employer contribution rate was 16.48%.

The summary of all the schemes' liabilities at 31 December is:

	2022 £'000	2021 £'000
<b>Amounts falling due within one year</b>		
Church of England Funded Pensions Scheme	226	561
Church Workers Pensions Fund DBS	35	0
Church Workers Pensions Fund - Pension Builder Classic and PB2014	0	0
<b>Total</b>	<b>261</b>	<b>561</b>

	2022 £'000	2021 £'000
<b>Amounts falling due after more than one year</b>		
Church of England Funded Pensions Scheme	0	(21)
Church Workers Pensions Fund DBS	0	0
<b>Total</b>	<b>0</b>	<b>(21)</b>

**22. OPERATING LEASE COMMITMENTS**

At 31 December 2022 the total of future minimum lease payments under non-cancellable operating leases was:

	2022 £'000	2021 £'000
<b>Within 1 year</b>	<b>84</b>	<b>95</b>
<b>Between 2 and 5 years</b>	<b>22</b>	<b>75</b>
<b>After more than 5 years</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>106</b>	<b>170</b>

**Notes to the financial statements**  
**For the year ended 31 December 2022**

**23. RELATED PARTY TRANSACTIONS**

Apart from the trustee transactions disclosed in note 11, there were no other related party transactions in the financial year.

**24. CAPITAL EXPENDITURE ON VOLUNTARY AIDED SCHOOLS**

CDBF received funding on behalf of schools from the Department for Education totalling £1,817,000 (2021: £1,771,000) and from school governing bodies amounting to £185,000 (2021: £129,000) to finance building work.

These funds were then utilised to pay for school building improvement works. Neither the income nor the expenditure are included in these accounts.

**25. FUNDS HELD AS CUSTODIAN TRUSTEE**

CDBF acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the CDBF does not control them.

	2022	2021
	£'000	£'000
CBF Church of England Investment Fund income shares	9,914	10,175
CBF Church of England Investment Fund accumulation shares	993	1,238
CBF Church of England Fixed Interest Securities Fund shares	229	274
CBF Church of England Global Equity Income Fund income shares	56	65
CBF Church of England Property Fund shares	3	3
COIF income and accumulation shares	701	291
Other common investment fund holdings (M&G)	927	850
Direct holdings in UK equities	0	648
CBF Church of England Deposit Fund	4,939	4,288
Total	<u>17,762</u>	<u>17,832</u>

**26. TOTAL RETURN ACCOUNTING**

From the 1 January 2021 the Chelmsford Diocesan Board of Finance adopted a total return approach to investments and property with regard to the Stipend Capital Fund (SCF) the Permanent Endowment Fund (PEF) following consultation with the Diocesan legal advisors and auditors and in accordance with their advice.

The initial base values for implementing total return were determined at 1 January 2021 the SCF £60.511m and the PEF £1.678m.

The unapplied total return brought forward at the 1 January was £24.587m for SCF and £1.710m for PEF a combined valued at £26.279m. 3.5% was quoted and agreed as the annual percentage to transfer to the General fund to supplement revenue. The indexation of the base values is calculated using the National CPI index, in 2022 the CPI index used was 10.5%.

The movements during the last calendar year in the value of the unapplied total return are set out in the table below:

**Notes to the financial statements**  
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**26. TOTAL RETURN ACCOUNTING (continued)**

Total return accounting was supported by the Finance Committee on 3 November 2021. 3.5% was quoted and agreed.  
The transfer to General funds is in line with the agreed withdrawal under the total return policy.

	Stipend Capital fund			Permanent Endowment		
	Unapplied			Unapplied		
	Trust for	Total	Total	Trust for	Total	Total
	investment	Return	endowment	investment	Return	endowment
	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 1 January 2022:</b>						
Base value of the permanent endowment	63,881		63,881	1,769		1,769
Unapplied total return		24,587	24,587		1,710	1,710
Total	63,881	24,587	88,468	1,769	1,710	3,479
<b>Movements in the year:</b>						
Additional sale proceeds of glebe land sale		30	30			
Gains on revaluation of clergy houses		2,525	2,525			
Gains/(losses) on disposal of assets		(16)	(16)			
Investment returns: dividends received		1,003	1,003		98	98
Investment returns: Glebe rents		338	338			
Investment return: realised and unrealised losses		(3,803)	(3,803)		(409)	(409)
Investment management costs		(264)	(264)			
Actuarial gains on pension schemes		230	230			
Transfer of property to Board		(2,580)	(2,580)			
Transfer of property to Stipend		521	521			
Unapplied total return allocated to income in the year		(3,096)	(3,096)		(122)	(122)
Add indexation of base level of endowment	6,716	(6,716)	0	186	(186)	0
Net movements in the year	6,716	(11,828)	(5,112)	186	(619)	(433)
<b>As at 31 December 2022:</b>						
Base value of the permanent endowment	70,596		70,596	1,955		1,955
Unapplied total return		12,759	12,759		1,091	1,091
Valuation as at 31 December 2022	70,596	12,759	83,356	1,955	1,091	3,046
<b>Analysis of Withdrawal to income</b>						
To General Fund (see note 18 analysis of transfers)		3,096			122	
Withdrawal to income		3,096	0		122	0
Closing balance	70,596	12,759	83,356	1,955	1,091	3,046



Notes to the financial statements  
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**27. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Jan 2022	Cashflows	Other Non- Cash Changes	At 31 Dec 2022
	£'000	£'000	£'000	£'000
<b>Cash and cash equivalents</b>				
Cash and cash equivalents	9,202	(5,166)	0	4,036
Cash equivalents	0	0	0	0
	9,202	(5,166)	0	4,036
<b>Borrowings</b>				
Debt due within one year	(9,009)	9,009	0	0
Debt due after one year	(874)	(8,085)	0	(8,959)
	(9,883)	924	0	(8,959)
<b>Total</b>	(681)	(4,242)	0	(4,923)

**28. POST BALANCE SHEET EVENTS**

On 31 March 2023, we sold the St Mark's College, Audley End, for £1,050,000 which was held in Fixed Assets on the balance sheet at a value of £5,000.

