

The Chelmsford Diocesan Board of Finance

Annual report and financial statements
For the year ended 31 December 2023

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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 2023.

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

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

2023 was the first full year following the introduction of [Travelling Well Together](#), which sets out a new direction of travel and shared values for the Diocese of Chelmsford.

Introduced after a period of listening and discernment that began when the Rt Rev Dr Guli Francis Dehqani became Bishop of Chelmsford in 2021, 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.

The approach set out in 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

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 are 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 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.

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

The 3 primary objectives from 2022, which support the direction of travel set out in Travelling Well Together, continued in 2023.

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. Continued development and support for [our new long-term approach to Parish Share](#) (introduced from January 2023) in order to encourage greater mutual support between parishes and to increase funds to support local parish ministry, including through the introduction of a Mission Opportunity Fund to support missional work across parish boundaries within deaneries.

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, including through the development of [a new programme of support for ministerial wellbeing](#).
- 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. [Developing a successful capacity building bid to the Church of England Strategic Mission and Ministry Investment Board](#) (SMMIB) to enable the Diocese to work alongside parishes and deaneries to discern plans for future missional investment applications to the SMMIB from each Episcopal Area.
- f. [Beginning a Parish Support Conversation](#) to better understand how parishes and worshipping communities can be well supported in the context of the Travelling Well Together approach.
- g. Increasing the focus of Diocesan services on local parish support including Safeguarding, Parish finance, communications and property, including the introduction of a new [Parish Support Hub on the diocesan website](#) to help church leaders access support.
- h. Supporting parishes that are engaged in social action work, including in local communities, on the environment, economic deprivation, 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 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 the

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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.

Senior staffing changes

The appointment of Adam Atkinson as Bishop of Bradwell was announced on 19 June 2023, following the departure of Bishop John Perumbalath who became Bishop of Liverpool earlier in the year. Bishop Adam started in post in November 2023.

In August 2023, Bishop Guli announced the appointments of Jonathan Croucher as the new Archdeacon of Chelmsford, succeeding Elizabeth Snowden who retired in 2022 and Kate Peacock as Archdeacon of Stansted to succeed Robin King who had announced that he would be retiring in October 2023. Archdeacon Kate and Archdeacon Jonathan started in post in November 2023.

In January 2023 Archdeacon Vanessa Herrick announced that she would be retiring as Archdeacon of Harlow in March 2023. Following Archdeacon Vanessa's departure, Bishop Guli began a consultation about the future of the Harlow Archdeaconry. That consultation concluded in April 2024 and Bishop Guli announced that the Archdeacon of Harlow role would not be replaced, that the Deanery of Epping Forest and Ongar would become part of the Chelmsford Archdeaconry in the Bradwell Episcopal Area, and the Deanery of Harlow would become part of the Stansted Archdeaconry in the Colchester Episcopal Area.

The Trustees would like to welcome Bishop Adam, Archdeacon Kate and Archdeacon Jonathan, along with all those who have started in new roles in our Diocese in 2023. They also want to place on record their thanks to all those who left roles in Chelmsford Diocese during 2023 including Bishop John, Archdeacon Vanessa and Archdeacon Robin.

Resourcing Mission and Ministry in Parishes and Worshipping Communities

Building a sustainable financial base for mission and ministry in our parishes and worshipping communities was a top priority in 2023. The roll out of the new Parish Share scheme was key in ensuring that there are sufficient resources available to ensure we have the finances available to sustain our mission and ministry work. 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.

In addition, we undertook the following actions to improve our financial position to enable us to build a sustainable financial base for mission and ministry

1. Continuing to work towards the five key components of our financial plan:
 - a. Strengthen reserves
 - b. Increase revenue
 - c. Reduce costs
 - d. Improve the cash position
 - e. Capacity to deliver the plan
2. The sale of surplus properties to enable us grow our investments

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3. Investment of surplus cash in a high deposit account with CCLA, which has improved interest income and allows us easy access to cash reserves as necessary.
4. The adoption of a Total Return Accounting Policy which has allowed Endowment funds to provide increased support towards stipend costs. See note 26 on page 70.
5. 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.
6. We have been securing external funding to support mission and ministry in parishes, including securing a grant of £2.2m from the Church of England Strategic Mission & Ministry Investment Board (SMMIB) which will enable the Diocese to work alongside parishes and deaneries to plan for future missional investment applications to the SMMIB from each Episcopal Area

Case Study I - Serving local communities - Soul Food Brings the Community Together at St Andrew's Leytonstone



St Andrew's Church in Leytonstone began hosting the Soul Food Community Meal in partnership with Leytonstone Mutual Aid in 2022. Soul Food Community Meal has subsequently evolved and is now run by the community, for the community. Volunteers prepare and serve a free meal for all in a warm, friendly, safe space. The meal provides a space for people of all faiths, beliefs and ages to get to know their neighbours and to feel a sense of belonging in the local community.

Susan Toole, Chair of local Leytonstone Mutual Aid group said: "We joined with St Andrews to provide a hot three-course meal for our local community. The church provides the venue, the council supports us with funding, and our volunteers do the rest! We buy, prepare and serve the food. The local Women's Institute provide some splendid puddings too! Everyone, including our volunteers, eats the meal together. We have about 50 people each week attending to enjoy the food, warmth and good company. Some great friendships have been made and we've learnt lots of new skills - cooking, planning menus and teamwork. It has been fantastic to see our community coming together to do something useful and that's so enjoyable, too! SoulFood is for the people, by the people, with the people. We are more than a project – we are the Soul Food Community."

Alongside Soulfood, St Andrew's is open each week as 'Community Living Room' space. Every Monday morning the church provides free hot drinks, free WiFi with a hot desking area and children's play area for those in the local community to use.

In September 2023, Soul Food was recognised at the Waltham Forest Faith and Belief awards, winning the

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award for Promoting Inclusion and Community Cohesion. At the same awards ceremony, another of our churches in Waltham Forest deanery - Cornerstone Church, Leyton - won the Cost-of-Living award for setting up The Cornerstone Baby Bank. A baby bank provides pre-loved baby goods donated by the local community to families in need.

Case Study 2 – Serving communities - 200 gather at Thaxted Parish Church for the Annual Plough Sunday Service



More than 200 people gathered at Thaxted Parish Church on Sunday 15 January 2023 for the Diocesan Plough Sunday celebration, a special service to support the farming community. This was the largest ever congregation for the annual service which was followed by the Essex Young Farmers' Tractor Run.

Chelmsford Diocese Rural Adviser and Agricultural Chaplain, who works alongside church leaders in our parishes to support the farming community in our Diocese, is pictured above during the traditional blessing of the Plough outside Thaxted Parish Church. [Janet Nicholls was appointed as a Deputy Lieutenant of Essex in July 2023.](#) Commenting on Janet's appointment, the Bishop of Chelmsford, the Rt Rev Dr Guli Francis-Dehqani said "Janet's appointment as a Deputy Lieutenant of Essex is a great tribute to the high regard in which she is held and the significant contribution she has made in her ministry to the rural communities of our Diocese. I know that there are many people who have worked with and been supported by Janet, who will join me in warmly congratulating her."

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 2023, the fruit of a wide-ranging listening exercise on [ministerial wellbeing](#) was a full report, which was delivered to the Bishop's Leadership Team. An Implementation Group, chaired by the Bishop of Barking, the Rt Rev Lynne Cullens, is ensuring that we take action on the issues identified, notably by launching wellbeing groups and learning communities, relaunching work with conflict analysis and intervention, and ensuring that our processes before, during and after vacancies promote the wellbeing of all those involved.
- The Chelmsford Leadership Programme' has evolved into '[Discerning Mission, Leading for Change.](#)' Participants have said they appreciate a safe space to reflect, with their peers, on the complex challenges

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and opportunities of their roles. Input is framed around the three foci of Knowing God, Knowing Ourselves and Knowing our Context, with deep consideration of the shared values of the diocese. The group has valued meeting members of the Bishop's Leadership Team, diocesan specialists and experienced incumbents, with plenty of time for conversation and contextualisation.

- In 2023 we celebrated the ordination of 18 new deacons (stipendiary and non-stipendiary), and 27 candidates started training in September 2023 across a range of TEl's.
- With the introduction of a new National Quality Framework for Curacy, there was opportunity to further develop the IME2 curriculum to ensure that the revised competencies were reflected. This curriculum was introduced in September 2023 and to date the evaluations are positive from participants. We welcomed 18 new curates who were ordained deacon at Chelmsford Cathedral on 10th September. On 30 September, 26 curates were ordained priest at five services across the Diocese.
- In 2023, Bishop John Perumbalath was translated to Bishop of Liverpool and Caroline Harding, Lay Ministry Adviser, was appointed first as the interim then the permanent Warden of Readers. Since her appointment, Caroline has continued to encourage all areas of Lay Ministry in the Diocese, working closely with the Rt Rev Adam Atkinson since his appointment as Area Bishop of Bradwell with a portfolio for Lay Ministry. There are fewer Licensed Lay Ministers (LLMs) entering training, but Caroline and Bishop Adam are looking at training opportunities, to encourage all disciples of Christ from across all the diverse areas of the Diocese to step into this vital ministry. In 2023 we licensed five new Licensed Lay Ministers (LLMs), and welcomed two transfers from other dioceses. Only one new student began LLM training at St Mellitus College.
- 44 people graduated from the [Course in Christian Studies \(CCS\)](#) in July with four people receiving attendance certificates (66 started in 2021). There were no new starters in 2023 as the new course start date was moved to January 2024. The new course terms run from January to November.
- 20 people achieved their Pastoral Assistant Part 1 certificates which they were awarded in July 2023, with a further nine achieving the certificate to be awarded in 2024. A further four people completed and were awarded their Pastoral Assistant Part 2 certificates, with six expected to complete in 2024.
- There are a total of 144 Authorised Local Preachers in the Diocese. 17 of whom were newly authorised in 2023.
- 23 people completed at least one module of the four-module course, Spiritual Companionship, and six people completed the course and received Bishop's certificates. Others are due to complete in 2024. 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:

- 782 Helpdesk enquiries responses and 530 works orders raised
- 8 owned properties prepared and 3 lettings negotiated for curates
- 26 vacancy works projects and moves delivered for newly appointed clergy
- 4 properties prepared for let on private market
- 24 parishes provided with custodian support for land and property related issues and transactions.
- 278 Landlord gas safety checks completed
- 107 electrical tests and upgrades completed
- 84 periodic inspections were completed and 219 works orders raised for properties for planned external maintenance

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- Revenue was generated through rental of 50+ properties during interregnums as well as through property sales
- 12 house sales completed generating over £9m of capital
- 4 house purchases at a cost of £3.6m from capital
- £808,000 of revenue generated through rental of 40+ properties with net surplus of circa £476,000.
- 5 closed churches managed
- 236 glebe properties managed 40 directly
- New glebe tree surgery contract procured

Support for children, young people and families ministry

The Diocesan Parish Share consultation of 2022 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 2023 by our Mustard Seed Team:

- In 2023 over four days, the Mustard Seed Team with the Bradwell Schools Pilgrimage Planning group, welcomed over 200 children to the Bradwell Schools Pilgrimage for a day of worship and creativity at St Peter's Chapel, Bradwell-on-Sea.
- The team supported the Education Advisers with the Year 6 Leavers days at Chelmsford Cathedral, creating prayer stations for the children to reflect on their time at primary school and moving on to secondary school.
- The team hosted the Leaders' Lounge at the SOLID festival in July in partnership with Bar 'n' Bus. The space, refreshments and conversation were very well received by the children and youth leaders who popped in for 'a cuppa and a chat' throughout the weekend.
- A programme of training and retreats continued - a retreat in each Episcopal Area; training in person and virtually in a range of subjects including Adverse Childhood Experiences, Diversity, Reflective Practice and Welcoming and Engaging With children, young people and families.
- The new Youth Synod hubs have met with the Bishop of Barking, the Rt Rev Lynne Cullens and the Bishop of Colchester, the Rt Rev Roger Morris to discuss the role of a bishop and with the Rev Sandra Eldridge, Diocesan Environmental Officer to discuss environmental issues.
- Early years support continued. Ann Sharp (part of the Mustard Seed Team) has been supporting pre-schools and reception classes with environment, well-being, leadership and management. Ann has also been helping toddler groups in startup and providing guidance on how to develop prayers and Christian distinctiveness.

Case Study 3 New Youth Synod Hubs launched



On two Sunday afternoons in April 2023, around 20 young people were hosted by Bishop Roger and Bishop Lynne at the first meetings of our newly launched Youth Synod Hubs. The Hubs are organised by the

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Chelmsford Diocese Mustard Seed Team - the team who support our parishes and worshipping communities with children, families and youth ministry - and replace our previous Diocesan Youth Synod.

The Youth Synod Hubs meet once a term and their purpose is twofold: for young people and our bishops to connect directly with one another; and for young people's views and experiences to be fed into important decisions at diocesan level.

The initial afternoon meetings, in April 2023, started with a short bible reading and reflection, the group then took part in Lego and cat's cradle activities to help them think about the role of Bishops and the development of young people as future leaders and leadership skills. The sessions finished with a feast of pizza and homemade cakes. Emma Anderton, the Children, Families & Youth Missioner for the Barking Area of the Diocese said: "The young people who attended the hubs really enjoyed the chance to meet with the bishops and with one another. It gave them the opportunity to think about what we might discuss at future meetings.

"Our hope is that our new Diocesan Youth Hubs will enable our young people to share their experiences of life, faith and church which can then help shape diocesan plans and church at a local level too."

Case Study 4 – Youth café provides a space for young people in East London



Ascension Church, Custom House, is situated in one of the most deprived communities in East London. One of the ways the church reaches out to their community is through 'The Garden Café', located in a small parade of shops near the local DLR station and close to a local secondary school.

The church Youth Café provides a space of welcome, safety and hope for young people in those vulnerable hours between school and home. It's open every day providing young people with activities, hot meals, and the chance to develop their gifts and skills with volunteering opportunities.

The Rev Dave Chesney, Vicar at Ascension Church said: "We were all too aware of the problems caused by 'lost hours', where young people do not go directly home once leaving the school gates at the end of the day. Whilst we already reach out to young people in so many ways, we wanted to do something to help stem the rise in grooming by gangs, youth violence and anti-social behaviour. Our Youth Café is a place of protection, but it also shows our young people that there is another way to live."

The café is run by Ascension Church Youth workers Jodi and Torriecce, and welcomes 15-25 young people every day and is having a positive impact on their lives. Jodi explains: "The response from those attending the Youth Café has been really positive. One child has said it has helped them to socialise more with peers of their own age in a safe place, and another has told us it has helped them with their social wellbeing.

"Our Youth Café is a welcoming, safe space that young people from the local community can come along to, build friendships, learn new skills and have fun."

Schools

Our 138 Church Schools are integral to the life of our Diocese. Our Diocesan Education Team continued to support school leaders in 2023.

- A full annual report of the work of the Diocesan Board of Education was presented to Diocesan Synod on Saturday 25 November 2023. Please refer to this document for further details.
<https://www.cdbe.org.uk/about-us/diocesan-board-of-education>
- The DBE continues to focus on its duty to promote education. The DBE and Education Team members have been focusing on the core areas of school improvement, development of school leadership, supporting school governors and maintaining the school estate.
- 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. During 2023 Carrie Prior was appointed as the substantive Director of Education and Maire O'Regan joined the team to provide adviser capacity following the retirement of Heather Tetchner. Kathryn Willimont also joined the Operations Team filling the vacancy for an Education Support Officer.
- 93% of our church schools signed up to our Partnership Agreement offer in 2022/23. This strengthens our relationship and ensures our School Advisers are making regular contact and offering additional support.
- The Education Team have continued to provide bespoke support via our school advisers in areas of Governance, Collective Worship, Early Years, Religious Education and Courageous Advocacy.
- Ofsted undertook 63 Graded & Ungraded Inspections across the Diocese. Of those schools inspected 81% achieved or maintained their good judgement and 6% achieved or maintained their outstanding judgement. 20 schools received their SIAMS Inspection, with 70% achieving a good outcome and 25% achieving an excellent outcome.
- Our programme for learning and development remained free for Church Schools, in 2022/23 we had over 1,000 delegates signed up to 43 learning sessions, courses and multisession programmes with an attendance rate of 68%.
- In 2022/23 the School Condition Allocation grant of £1.641m was received from the Department for Education. A total of 22 projects have been carried out including full toilet refurbishments of three schools and a new roof and windows for one of our larger schools.
- In addition, we conducted a pilot trial with eight schools installing the Hydromx Heat transfer fluid into their heating systems. This gave encouraging results with the average gas usage reduction across the schools at 36%, with one school noting a reduction of 47%.
- Following guidance issued by the Department for Education the DBE actioned surveys of all 38 Voluntary Aided (VA) schools to establish whether RAAC is present in the school buildings. The outcomes of these surveys indicate RAAC is not present in the VA school buildings estate.

Case Study 5 Chelmsford Diocese Schools become courageous advocates at the Houses of Parliament



In mid-December, the 'Creative for the Climate' young people's art exhibition took place at the Houses of Parliament. The joint project run by Christian Aid, Oxfam, The Catholic Agency for Overseas Development, Send My Friend to School and the Climate Coalition invited schools from all over the country to explore the theme of climate justice as part of their learning in school.

Children then created artwork to demonstrate how they felt about all that they had learned.

Eight schools from Chelmsford Diocese submitted their work. Four pupils - from St Peter's Church of England Primary school in Sible Hedingham and Great Waltham Church of England Primary school - were then selected as part of a small team of young people from across the country, to curate the exhibition.

Following a workshop with Christian Aid in the morning, to learn how to deliver campaign messages strongly and respectfully, our curators guided MPs around the amazing art on display. 31 MPs visited the exhibition, which truly represented every corner of the UK and served to amplify young people's voices in Parliament.

Julie Sarti, Diocesan Schools Adviser commented: "Thank you to every school in our diocese that got involved in the Creative for Climate Justice Art Exhibition. Your artwork has delivered a strong and important message about the link between climate justice and social justice.

"That message was heard, loud and clear. Well done to Lucy, Daniel, Leo and Florence – you all did an amazing job curating the exhibition!"

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. 2023 saw:

- Continued strong governance and evaluation of our Strategic Development Fund (SDF) church plants in partnership with the Strategic Development Unit of the Church of England. This has laid the foundation for work which commenced at the end of 2023 for future funding applications, including the [successful bid to the Strategic Mission and Ministry Investment Board](#) (see Objectives 2e and planning for 2024)
- Continued exploration of options for the development of the School for Church Planting has led to the development of a new Missional Enabler (diocesan wide) post to support and develop new mission (which will be recruited to in 2024)
- Continued exploration of what sustainability looks like for New Christian Communities post SDF funding.

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- Tighter budget tracking, which has allowed us to identify underspends to target specific areas within projects that need additional support to continue their missional work.
- After careful consideration by the Area Team, Church E20 continues as a lay led project with significantly reduced funding, as they determine future mission through training led by Myriad.

Case Study 6 – Estate Churches Network



In July 2023, the Diocese of Chelmsford Estates Network met for their summer gathering at St John's Church in Stratford.

The network brings together all those, lay and ordained, who minister on estates across our diocese.

Attendees heard from guest speaker, the Reverend Beki Rogers, Principal of St Edmunds Theological Courses, Director of the London Centre for Spiritual Direction and Associate Rector at All Hallows Bow, an estate church she has co-led and grown over the last 13 years.

Beki spoke about 'Self Care and Sustaining Long Term Ministry on Estates'. There were also presentations from the Church Urban Fund and La Traviata; an opera experience aimed at socially and economically disadvantaged communities.

Speaking about the gathering, the Reverend Dan Scott, Vicar of Christchurch Three Mills in Stratford and Chair of the Diocese of Chelmsford Estates Network said:

"The Summer gathering of the Diocese of Chelmsford Estates Network was a great night.

"There was a real buzz as we gathered together with great contributions to our discussion about the development of the network, exploring how we can support and learn from each other and help ministry thrive in our neighbourhoods across our diocese."

Social and climate justice

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 2023:

- As the cost-of-living crisis continued, 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.
- Many parishes and worshipping communities continue to work alongside their local communities to welcome and support those who have been forced to flee their country of origin because of war, persecution, natural disaster and the effects of climate change. The Communities for Ukrainians project, established and coordinated by the Diocese of Chelmsford alongside Citizens UK, continued in 2023, with many who had fled Ukraine, living with people from our church communities across the Diocese. Work also continued to support those in our church communities who welcome refugees fleeing war and conflict across the world, including from Afghanistan, Syria and Iran.
- 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 UK Eco Church awards. Thirty Chelmsford Diocese churches received Eco Church awards in 2023 as well as the Chelmsford Diocesan Office. [In April 2024, Chelmsford Diocese achieved Bronze Eco Diocese status.](#)
- 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 7 – Supporting parishes and worshipping communities in the implementation of 'From Action to Real Change'



The Revd Sharon Quilter has served as the Racial Justice Officer for the Diocese of Chelmsford since September 2022. The appointment of a Racial Justice Officer was a key recommendation of the Chelmsford Diocese Racial Justice Task and Finish Group Report - 'From Action to Real Change' that was agreed by Diocesan Synod in November 2021.

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Sharon explains more about her role: "The remit of the role of Racial Justice Officer is quite broad. But the three main strands encompass raising awareness to bring about a cultural change; managing and reporting concerns about racism; and putting in place procedures for combating racism within the diocese. And that means overseeing the implementation of the recommendations in 'From Action to Real Change'.

"This is not something I can do on my own. It is a 'we thing' not a 'me thing' and requires working with others within the organisation to create an environment that is positive towards racial and ethnic diversity. To that end I am working on a network of Racial Justice Advocates and a Racial Justice Advisory Panel to help ensure, as a diocese, we all work together on this as well as support each other in this endeavour. But it also means promoting and celebrating the rich cultural diversity already present in our diocese. And when I say our diocese, I mean all who live, work and minister within our borders of Essex and East London.

"As we travel this journey together, I enjoy visiting different parts of the diocese engaging with others and sharing the plans, hopes and aspirations we have to bring about change.

"My role as Racial Justice Officer is to facilitate Christ-centred change. I can only do this working with our parishes and worshipping communities. Do get in touch if you'd like me to speak at your Deanery Synod meetings, share in worship or if you want to know more about Racial Justice in our Diocese."

[Chelmsford Diocese Racial Justice web pages.](#)

Case Study 8 - Refugee Ministry in Epping Forest and Ongar



Refugee engagement and resettlement is a key ministry across the Diocese of Chelmsford. Many of our parishes and worshipping communities work with local authorities and organisations to help resettle refugees and to support people who have been forced to leave their country of origin.

Churches within our Epping Forest and Ongar deanery have been responding to the needs of refugees housed locally. There are Iranian Christians housed in the area, so the churches have supplied Farsi Bibles and Farsi translations of service sheets to welcome those coming to church services.

The Revd Jaimée Summers, Team Curate at St John's Epping, who is leading the churches' response in the deanery, explains more about the work they have been doing to welcome refugees and asylum seekers. "Last Christmas, we worked with organisations like Voluntary Action Epping Forest and Care 4 Calais to deliver 90 sacks of presents and warm clothes to those who were housed in two hotels locally. We also organised a Christmas trip to a local farm and play area.

"We have helped families with paperwork to secure school places and now most children have places. We are also exploring options for offering free English lessons for the adults and providing help with transport."

Case Study 9 – All Saints Springfield one of thirty Chelmsford Diocese churches to receive eco-church awards in 2023



A Rocha UK's Eco Church award scheme helps churches demonstrate that the Gospel is good news for God's earth.

In 2023, eighteen churches in Chelmsford Diocese received the Eco Church Bronze Award and a further twelve received a Silver Award. The Chelmsford Diocesan Office was also awarded a bronze award.

One of the latest churches to receive a silver award is All Saints, Springfield (pictured), where the Eco Church group, having worked hard over the last few years to put sustainability and care for God's creation at the forefront of people minds, said:

"This is a real achievement by the whole church, and we would like to say a big 'thank you' to all our congregation and supporters for what they are doing to make our church and our community more environmentally-friendly and sustainable"

All Saints' Rector, the Rev Sally Croft, added: "I hope that we continue to be mindful of our actions upon this fragile balanced planet and work towards the next award, communicating our eco passion not only to our church family but the community in which we serve."

Case Study 10 – St Francis Community Pop Up Food Store



St Francis Community Church in Chelmsford has set up a pop-up 'social food store' for families who are struggling to afford food amid the cost-of-living crisis.

The store first launched at Ford End Village Hall in June 2023 and has since expanded to run sessions at St Andrew's Church in Melbourne.

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As well as being able to pick up essential food supplies, shoppers are warmly welcomed by volunteers who offer a listening ear and provide teas and coffees. St Francis Community Church part-fund the project with money received through the Church of England's Strategic Development Fund. It is also supported by Chelmsford City Council and Essex County Council who helped secure a grant of £20,000 from the Government's UK Shared Prosperity Fund which was used to purchase an old supermarket van to transport food. Additional funding has been secured through the Essex Association of Local Councils for the supply of winter warmer packs which provided families with winter essentials and Christmas treats in the run up to the festive season.

Ruth Pierce, Community Organiser, at St Francis Community Church, who was instrumental in setting up the pop-up food store commented: "Before launching the pop-up food store, I worked closely with the Chelmsford Food Alliance and Essex County Council to research the best locations. We found people living more rurally spend more money on transport to access food, impacting on already tight budgets. "It became clear there was a need for a mobile pop-up store that can travel close to where people live, rather than restricted to one central location. Our tagline is to offer 'a helping hand with your weekly shop' and we really want to support those in the local community and take the sting out of the weekly shop."

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:

- 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 2023, the Diocesan Safeguarding Team (DST) had 67 open cases across our 474 parishes. During that year, 18 new cases were opened, and 14 cases were closed. 72% 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 2023 the team received 359 duty calls, which is 55 more calls than 2022. 60% of the calls were about concerns for adults, 20% of the 359 calls were related to non-recent abuse, 28% of calls were from parish safeguarding officers and 55% of calls were from Clergy.
- E-learning training is available for anyone in the Diocese and in 2023, 1604 people completed the Basic Awareness Course and 1324 completed the Foundation Course. 234 people completed the Safer Recruitment and People Management e-learning course. 786 people completed the mandatory Domestic Abuse course and 52 people completed the optional Modern Slavery Course.

Case Study 11 – Giving thanks for all those involved in the work of Safeguarding in our Diocese



In October, people from across our diocese gathered at Chelmsford Cathedral to give thanks for those who are involved in the work of safeguarding.

Commenting after the service, The Right Reverend Dr Guli Francis-Dehqani, the Bishop of Chelmsford said: "Our annual Service of Thanksgiving, Prayer and Recommitment for those involved in the work of safeguarding is an important event in the life of our diocese.

"It is an opportunity to pray for those who have suffered from abuse in the church, to reflect on the times when the church has failed people and to give thanks for those in our diocese who work to make our churches safe.

"It was hugely encouraging to gather with so many people from our parishes and worshipping communities, including those such as our Parish Safeguarding Officers who are directly involved in safeguarding and others who wanted to show their support and give thanks for this important ministry".

Communications

The Diocesan Communications Team continued to provide support to parishes and worshipping communities in 2023 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 Support Conversation, Diocesan services and gatherings.

Parish Support Hub

In 2023, the Diocesan Communications Team introduced significant changes to the Diocesan website, with a particular focus on support for parishes and ministers. The new [Parish Support Hub](#), brings into one place resources and support for parishes across the Diocese. [The Support for Ministers hub](#) provides a similar service for lay and ordained ministers.

Diocesan House of Retreat Pleshey

The House and grounds at the Diocesan House of Retreat at Pleshey returned to a good standard in 2023. The outstanding building works and repairs were practically completed and focus moved to the redecoration of bedrooms and common spaces.

We are indebted to The Benefact Trust for their grant in 2023 which allowed so much of this work to be completed and meant that The Retreat House income from charges for our hospitality and meeting spaces and from monthly or one-off donations and legacies, has met all other working expenses and wage roll.

This 'trading' income has allowed the introduction of a bursary fund to assist retreatants who would not otherwise be able to afford to attend. The house has also been able to offer subsidised meeting space and accommodation for other charities.

4. Related parties and volunteers

Related parties include:

- The PCCs within the diocese
- Chelmsford Cathedral
- 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
- 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 (see page 73).

Volunteers

The 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

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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 2024

As the CDBF approached 2024, planning continued to be shaped by the approach and values set out in [Travelling Well Together](#).

- [The Parish Support Conversation](#), which started in Autumn 2023, and which seeks to draw alongside people in parishes and worshipping communities to collectively develop an understanding of how parishes and worshipping communities can be well supported in the future, will roll out further in 2024 with a pilot conversation focusing on support for the maintenance and care of church buildings.
- [The award of £2.2 million in capacity funding from the Church of England Strategic Mission and Ministry Investment Board \(SMMIB\)](#) will enable the Diocese to work alongside parishes and deaneries to plan for future missional investment applications to the SMMIB from each Episcopal Area.
- At the same time planning continued to address the significant and long term financial challenges facing the diocese.

Parish Support Conversation

In Autumn 2023 Chelmsford Diocese started a conversation about how parishes and worshipping communities across Chelmsford Diocese can be well supported in future. This conversation is an important next step in Travelling Well Together.

Travelling Well Together is not a top-down initiative or a diocesan strategy. It is, rather, an invitation to engage with an approach and a set of shared values that seek to empower churches and worshipping communities to discern for themselves how they are to be God's people in their own very different local contexts and as part of one diocesan family.

The move towards empowering and enabling local discernment and decision making, will also require a different approach to supporting parishes and worshipping communities. What's more, in keeping with the values of Travelling Well Together holding a diocesan wide conversation will help us to collectively shape this approach to supporting parishes and worshipping communities, rather than impose a top-down solution.

As is the case with Travelling Well Together, this is not a short-term project. It is important we take the time to get this right. We are particularly aware that those who serve in our parishes and in support roles, continue to feel stretched and under significant pressure. The conversation will be organised so that participation doesn't become an additional burden.

Stage 1 – Planning in Autumn 2023

An advisory group consisting of people from different roles and contexts across the diocese was brought together for 3 meetings between September and November 2023 to help shape and design the conversation and to explore its scope.

Chaired by the Archdeacon of Colchester, the Advisory Group consists of 19 people including clergy and licensed lay ministers from every episcopal area, deanery lay chairs from every episcopal area, a minister who

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serves in a chaplaincy role and a minister from a new worshipping community as well as members of diocesan staff.

The advisory group has helped to shape what we hope to learn and achieve from the conversation as we seek to ensure churches are supported well in the future.

Learning from the Advisory Group

Through their work, the Advisory Group identified a number of key learning outcomes to help steer the direction of the Parish Support Conversation:

Building trust and relationships

- A conversation rather than a consultation; this continues to be a challenging time for those who serve in our parishes, worshipping communities and in support roles. People and relationships have been strained. This conversation is an opportunity to build trust and relationships which is as important as learning about the practical needs and priorities of parishes and worshipping communities.

A conversation that is accessible and reaches new participants

- Given the continued pressures on people in parishes and worshipping communities, it is important that the conversation isn't a new burden for those who want to participate. People should therefore be able to engage with it, in their own time, through existing networks and meetings rather than new ones.
- We must also reach out to those whose voices haven't previously been heard in diocesan consultation exercises, providing a variety of easily accessible ways to participate, and by going to people rather than expecting them to come to us.

A sequenced approach which helps to develop a deep understanding of needs and priorities

- By starting with a conversational approach, asking open questions, listening to each other and praying together, we can develop a deeper understanding of the needs and priorities of parishes and worshipping communities than if we begin with questionnaires and surveys.
- There may, however, be a role for questionnaires and surveys at a later stage as we begin to ask more detailed questions about possible solutions to the needs that have been identified.

Communication and learning

- To be informed in our conversations, it will be important for participants to understand the support services that are currently provided and how they are resourced. We will also need to understand those things we don't have control of as a diocese because they are outside our auspices or because of financial or legal parameters. There is also a risk that the conversation could generate false expectations about what support might be possible with the resources that are available. A programme of communication will be required to support this work.
- To support each other well, it will be important for those who participate to understand each other and the challenges and resources we each work with in our own roles and ministry.
- We are aware that there are untapped resources across our diocese and people with wisdom, experience and skills that they would be happy to share with others. The conversation will provide an opportunity for people from different roles and contexts to meet with each other, where they might identify ways they can support each other. It is hoped that in some cases this may lead to the development of mutually supportive relationships or networks.

Stage 2 – the conversation in 2024

In line with Travelling Well Together and the learning from the Advisory Group (see above), this programme of work will not be a short-term consultation project with a defined start and end date but will be a long-term and evolving change of approach to inform decision making about parish support in the future.

Workstream 1 – introducing the conversation

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In the spring and summer of 2024, a programme of communications will further introduce the conversation, set out what will happen in 2024, and tell the story of how support is currently provided to parishes and worshipping communities. The purpose of these communications will be to:

1. Help people in parishes and worshipping communities better understand how to access the support that is currently provided, in particular by highlighting where support services can be accessed via the Diocesan Website and telling the story of how diocesan teams, area teams and networks, support parishes and worshipping communities. This will be delivered through regular diocesan communications, including stories in *The View* or *We Pray*
2. By helping people to understand how support is currently provided, this programme of communications will also help people to take part in conversations in an informed way.
3. We will work to increase the reach of our diocesan communications, by running a subscription campaign for *The View* and *We Pray*, so that more people beyond our clergy, churchwardens, lay ministers and lay chairs can become involved in the conversation.

Workstream 2 – Church building support conversation – pilot

A consultation had already been planned into how parishes are supported by the Diocesan Advisory Committee (DAC). This consultation will now be broadened to consider church building support more generally and organised in a conversational way which reflects the change in approach. The main goal will be to discern how resources can be used to ensure parish volunteers are adequately equipped in the care of their buildings. The Advisory Group will work with staff and other stakeholders to design the conversation, which will roll out to parishes and worshipping communities in Autumn 2024. The intention will be to learn from the approach that is taken so that it can be refined and used for conversations about other areas of parish support in 2025 and beyond.

Capacity funding to enable missional work with deaneries and parishes

In 2023, the Diocese prepared a funding application to the Church of England Strategic Mission and Ministry Investment board to enable missional work with deaneries and parishes across Essex and East London. [In March 2024, it was announced that the application had been successful and £2.2 million has been awarded to the CDBF to support this work.](#)

With support from the Bishop's Council and Bishop's Leadership Team, the application drew on the values outlined in *Travelling Well Together*, seeking to build our capacity to work alongside deaneries and parishes. The capacity funding will enable us to prayerfully discern together in creative partnership, plans for future missional investment applications to the SMMIB from each Episcopal Area of the Diocese.

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, the roll out of the new Parish Share scheme in 2023 was key in ensuring that there are sufficient resources available to ensure we have the finances available to sustain our mission and ministry work. 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.

In 2024 we continue with our financial plan to:

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

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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 through grant funding, including from the Strategic Mission and Ministry Investment Board
- 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.
- 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).

Other key planning priorities

As we approached 2024, there were also a number of significant events and activities that shaped planning.

- The Diocese continues 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.
- As conversations continue locally in the Diocese and nationally around the way ahead regarding Prayers of Blessing for those in same sex marriages and provision for those who cannot in conscience use the Prayers of Love and Faith, the Bishop of Chelmsford and the Bishop's Leadership Team are engaged in a series of listening exercises and will continue to discern how best to have conversations with groups and individuals, across a range of views, going forward. In this time of uncertainty as the Diocese and the wider Church of England discern a way forward, the Bishop's Leadership Team are committed to ensuring all voices are heard and to creating a space where people and parishes feel valued and supported and not pressured to act against their conscience.

6. Financial review

Financial Performance

The CDBF recorded a deficit of £349k for the year on its general funds before gains on revaluation of assets. Although there was a deficit for the year, this was better than the budgeted deficit of £1,120k. The improved performance mainly arose because of better use of restricted income and funds to pay stipendiary ministry costs, lower expenditure on stipends due to higher than expected vacancies, and improved income from the rental of surplus houses. During 2023 in line with our Total Return Accounting policy (see note 26 on page 74) there was a transfer of £3.0m (2022: £3.2m) from endowment to unrestricted funds to support the costs of stipendiary ministry in parishes.

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 £2.6m (2022: £2.2m) the net parish share shortfall was higher than the previous year. The share requested totalled £15.8m (2022: £15.9m) which was a reduction on the previous year. In cash terms £13.2m (2022: £13.7m) has been received in Parish Share, a decrease of 3.8%.

The CDBF has met all its financial obligations to continue resourcing the diocese as required, including the

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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 £26.4m (2022: £23.8m) and expenditure amounted to £24.6m (2022: £24.1m).

The Statement of Financial Activities (SOFA) for the year shows a net surplus of £1.8m (2022: deficit of £0.4m) before net gains and losses on the revaluation and sale of investments and the revaluation of fixed assets. Net gains on investments totalled £4.6m (2022: net loss of £5.3m) and there was a net loss on revaluation of fixed assets of £9.7m (2022: net gain of £24.9m).

Net cash inflow of £4.2m (2022: outflow £5.2m) arose as a result of fixed asset sales of £7.2m (2022: £2.7m), offsetting £3.3m net cash used in operating activities (2022: £2.9m). CDBF continued to benefit from tight financial control in 2023.

Significant Property Transactions

The Asset Investment and Management Policy adopted by the Trustees governs the management of operational and investment property. 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 four properties for housing stipendiary ecclesiastical office holders.
- Sale of twelve properties surplus to operational requirements.
- Sale of two plots of glebe land
- Sale of St Marks College

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 two land holdings providing £0.18m 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 £372.6m (2022: £375.9m) it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £291.6m (2022: £307.4m). 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 £5.1m. This policy was last reviewed

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and agreed by the Trustees in May 2023. The Finance Executive is charged with oversight over the reserves policy and with improving the free general reserves to meet the policy requirement.

After transfers, free general reserves at the year-end were in surplus by £5.9m (2022: surplus £6.2m) 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 in recent years. 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.

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 2023 total designated reserves were £35.4m (2022: £34.2m).

The Trustees approved three new designated funds during the year; the Diocesan Pastoral Account, the Mission Opportunities Fund and the Friends of the Retreat House (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 2023 restricted funds totalled £12.8m (2022: £9.2m) and endowment funds totalled £318.5m (2022: £326.3m). Neither are available for the general purposes of the CDBF.

During the year the St Monica's trust assets have been brought into the accounts by means of a gift included within the restricted donations (see note 2). The income from the trust's assets has been historically used to support the Diocese Education department. The trust's asset were under sole control of the Diocese and therefore it was decided to recognise the trusts assets within the financial statements.

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. In addition, up to £3m in additional cash is held in higher interest deposit accounts. Where cash balances are forecast to fall below £1m the CEO and Finance Director have delegated authority to liquidate investments to replenish liquidity to levels matching operational requirements with such transactions reported to Finance Executive. Where cash balances exceed £5m, the Finance Executive will consider the most appropriate use for the excess funds, including paying down loans or adding to investments. Where there is the recommendation to add to investments this is reviewed by Investment Committee prior to an investment being made.

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 8). 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.

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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 (See Note 26).
- Relevant benchmarks include a target total return of CPI + 4.5% over the long term.
- 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
- 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 2023	Proportion of portfolio	Income yield in year	Total return in year
	£000			
CCLA Managed CBF Investment Fund	34,693	59.10%	2.15 %	12.57 %
Cazenove Segregated portfolio	23,998	40.88%	1.99 %	9.90 %
Other funds	13	0.02%		
Total	58,704	100.0%		

Statement of raising funds

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 PCC's in the form of grants and parish share 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 follow the Church of England's 'Guide for Churches on Giving and Vulnerable People' to ensure that we follow best practice when receiving donations from individuals. 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 2023, 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 2023 (2022: 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.

Trustees' Report for the year ended 31 December 2023

Parish Share payments comprise the largest proportion of income for the Diocese. 84% of Parish Share requested was received in 2023, which was a significant achievement given the challenges Parishes were facing with increased costs due to high inflation, and reduced income as congregations faced increases in the cost of living. 2023 saw the implementation of a new Parish Share scheme which was designed to be more transparent and enables parishes to mutually support each other. 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 voluntary aided church schools. 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.
- 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 within endowments to sustain planned drawdowns which support stipends. Although inflation has been high over the past 2 years 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.

Trustees review the financial position of the charity and receive an update on going concern status at every Finance Committee meeting. CDBF have general fund reserves covering 3 months of operating expenditure and reserves are sufficient to cover projected operational deficits in the short term. CDBF have a 5-year financial plan and 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 £18.4m at 31 December 2023 (2022: £17.7m), 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 Audit Committee periodically reviews the risk register in detail. The Trustees are invited to review the risk register regularly and, in any event at least annually, leading to formal discussion and approval of the strategic risk register, setting out risks and mitigation strategies. 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, 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 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 better established approach to Parish Share, increased diocesan level support for churches to assist them to look after their buildings and guidelines and resources for parishes.

Additionally, we have a Racial Justice Workstream and 'Mustard Seed' children, young people and families workstream to focus on improving representation and missional growth. There is a project management board for projects who have received funding from the National Church 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, and ongoing review of the parish share scheme.

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

Trustees' Report for the year ended 31 December 2023

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, active recruitment of people to serve on our trustee body and committees, make use of the ability to fulfil the duties of a PCC under Church Representation Rules 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.

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.

Structure and governance (continued)

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. In 2024 it was decided to reduce the number of Archdeaconries for seven to six. Each Archdeaconry is subdivided into deaneries, there being a total of 23 deaneries across the Diocese. The deaneries are further subdivided into 467 parishes.

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 Synod 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.

Trustees' Report for the year ended 31 December 2023

- Receive minutes from all Sub-Committees.

Structure and governance (continued)

- 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.

Committee structure

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

Finance Executive	handles routine business on behalf of the Finance Committee and develops the budget and other proposals for Finance Committee's consideration.
Audit Committee	responsible for assisting the Finance Committee in the discharge of its responsibilities for financial reporting and internal control.
Houses Committee	responsible for making decisions concerning the operational management of all clergy houses for which the CDBF has responsibility.
Investment Committee	responsible for recommending policy and making decisions concerning the management of Glebe property and Investments.
Remuneration and Governance Committee	determines remuneration policy and annual salary awards, and oversees the effectiveness of governance across the CDBF.
Diocesan Mission and Pastoral Committee	(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.
Diocesan Advisory Committee	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.
Diocesan Board of Education	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

Trustees' Report for the year ended 31 December 2023

declarations of interest.

The Chelmsford Diocesan Board of Finance

Trustees' Report for the year ended 31 December 2023

Attendance at Trustee Meetings

	Number of meetings eligible to attend	Number of meetings attended	Percentage of eligible attended
Mrs Isabel Adcock	5	4	80%
The Rt Revd Adam Atkinson (from 29/9/23)	2	1	50%
The Revd Katherine de Bourcier	5	3	60%
The Ven Christopher Burke	5	5	100%
Mr Philip Cannelley	5	3	60%
The Ven Elwin Cockett	5	2	40%
The Ven Jonathan Croucher (from 4/11/23)	1	1	100%
The Rt Revd Lynne Cullens	5	4	80%
Mrs Mary Durlacher	5	5	100%
Canon Roger Ennals	5	4	80%
The Rt Revd Gulnar Francis-Deqhani	5	5	100%
The Revd John Fry (until 15/04/24)	5	4	80%
Canon Robert Hammond	5	3	60%
Mr Frank Hawkins (until 20/2/23)	0	0	0%
The Very Revd Nicholas Henshall (until 23/2/23)	1	0	0%
The Ven Vanessa Herrick (until 31/3/23)	1	1	100%
Mrs Lesley Judd	5	2	40%
The Very Revd Paul Kennington (from 24/2/23)	5	4	80%
The Rt Revd Roger Morris	5	5	100%
Mr Jeffrey Mushens	5	4	80%
Mrs Michelle Obende	5	0	0%
The Ven Ruth Patten	5	3	60%
The Ven Kate Peacock (from 4/11/23)	1	1	100%
The Rt Revd Dr John Perumbalath (until 20/1/23)	0	0	0%
The Ven Michael Power	5	5	100%
Mrs Jill Readings (from 18/1/23)	5	5	100%
The Revd Canon Jane Richards (until 30/1/23)	0	0	0%
The Revd Canon Nicholas Rowan	5	5	100%
Canon Adrian Smith	5	5	100%
Mr Brian Smith	5	4	80%
Ms Hazel Thomas (from 26/1/23)	5	4	80%
Mr John Tipping	5	4	80%
Mr John Winterbotham (until 15/1/24)	5	4	80%

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 £4.804m and £3.542m respectively (2022: £1.777m and £2.763m).

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' 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 appointment of auditors to the CDBF will be proposed at the Annual General Meeting.

Trustees' Report for the year ended 31 December 2023

Administrative details

Company registration number	137029 (England & Wales)
Charity registration number	249505
Registered Office	53 New Street, Chelmsford CMI IAT
	Tel: 01245 294400
	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 (until 20/2/23)
The Rt Revd Roger A B Morris
The Rt Revd Dr John Perumbalath (until 20/1/23)
The Rt Revd Adam Atkinson (from 29/9/23)
The Rt Revd Lynne Cullens from 20/3/23
The Ven Christopher Burke
The Ven Elwin W Cockett
The Ven Vanessa Herrick (until 31/3/23)
The Ven Ruth Patten
The Ven Michael Power
The Ven Jonathan Croucher (from 4/11/23)
The Ven Kate Peacock (from 4/11/23)
The Very Revd Nicholas J Henshall (until 23/2/23)
The Very Revd John Paul Kennington (from 24/2/23)
Canon Robert I Hammond
The Revd Canon Jane Richards (until 30/1/23)

Archdeacons

The Dean
Interim Dean

Lay Vice-President
Clergy Vice-Presidents

Elected or appointed to fill a vacancy

Mrs Isabel Adcock
Canon Roger J Ennals
The Revd John Fry (until 15/4/24)
Mrs Michelle A K Obende
Canon Adrian J Smith
Mr John H Winterbotham (until 15/4/24)
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.

Trustees' Report for the year ended 31 December 2023

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:

Chief Executive & Diocesan Secretary	Canon Michaela Southworth
Dean of Mission, Ministry & Education	The Revd Canon Rob Merchant
Director of Finance	Paul Setterfield, ACMA, CGMA (from 06/3/23)
Director of Communications & Media	Canon Thomas Geldard
Director of Education	The Revd Rob Merchant (to 31/1/23) Carrie Prior (from 01/2/23)
Head of Property	Alex Reeve
Head of Service Delivery	Canon Nathan Whitehead
Head of Safeguarding	Amanda Goh
HR Manager	Rachel Towns
Programme Manager	Dawn Weddell
General Manager Retreat House Pleshey	Graham Dowling

Professional Advisers

Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
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Solicitors and Registrars	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB
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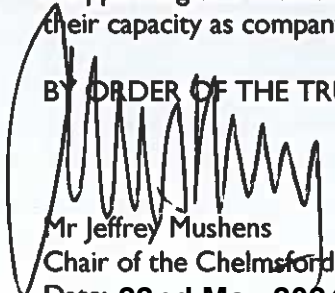
Bankers	Barclays Bank plc 40-41 High Street Chelmsford CMI 1BE	National Westminster Bank Plc 4-5 High Street Chelmsford CMI 1FZ
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Investment Managers	Cazenove Charities 12 Moorgate London EC2R 6DA	CCLA Investment Management Ltd 85 Queen Victoria Street London EC4V 4ET
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Glebe Property Agents	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: 22nd May 2024

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 2023 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 2023 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:

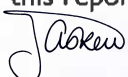
- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure 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

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. 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.



Jane Askew (Senior Statutory Auditor)

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

Date: 3 June 2024

The Chelmsford Diocesan Board of Finance

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2023

		Unrestricted funds		Restricted	Endowment	Total	Total
		General	Designated	Funds	Funds	Funds	Funds
		2023	2023	2023	2023	2023	2022
Note		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations:							
Parish contributions	2	13,232	0	0	0	13,232	13,675
Other donations and legacies	2	1,631	258	5,926	0	7,815	5,757
Charitable activities	3	1,469	25	0	0	1,494	1,401
Investments	4	36	123	215	1,681	2,055	1,655
Other Trading activities:							
Parsonage rents receivable		808	0	0	0	808	738
Other Income	5	2	1,078	99	(172)	1,007	526
Total income		17,178	1,484	6,240	1,509	26,411	23,752
Expenditure on							
Raising funds:							
Investment management	6	0	0	25	311	336	291
Charitable activities	7	20,487	551	3,263	9	24,310	23,849
Total expenditure		20,487	551	3,288	320	24,646	24,140
Net surplus / (deficit) before investment gains		(3,309)	933	2,952	1,189	1,765	(388)
Net gains / (losses) on investments	13	0	367	677	3,532	4,576	(5,281)
Net surplus / (deficit) before transfers		(3,309)	1,300	3,629	4,721	6,341	(5,669)
Transfer between funds	17	2,960	767	0	(3,727)	0	0
Net surplus / (deficit) before other gains and losses		(349)	2,067	3,629	994	6,341	(5,669)
Gains on revaluation of fixed assets	12	20	(869)	(35)	(8,824)	(9,708)	24,912
Actuarial gains/(losses) on defined benefit pension schemes	21	0	0	0	0	0	230
Net movement in funds		(329)	1,198	3,594	(7,830)	(3,367)	19,473
Total funds brought forward		6,197	34,178	9,228	326,320	375,923	356,450
Total funds carried forward		5,868	35,376	12,822	318,490	372,556	375,923

The notes on pages 44 to 74 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2023**

SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2023

	Total 2023 £'000	Total 2022 £000
Total income	24,902	22,314
Total expenditure	(24,326)	(23,831)
Operating Profit	576	(1,517)
Net gains (losses) on investments	1,045	(1,100)
Net income for the year	1,621	(2,617)
Other comprehensive income:		
Revaluation of fixed assets	(884)	3,249
Net assets transferred from Endowment	3,727	5,614
Total comprehensive income	4,464	6,246

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 44 to 74 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2023**

BALANCE SHEET

For the year ended 31 December 2023

Company number: 137029

		2023	2022
	Note	£'000	£'000
Fixed Assets			
Tangible assets	12	292,172	308,004
Investments	13	69,863	65,004
		<u>362,035</u>	<u>373,008</u>
Current assets			
Assets held for sale	12	10,880	10,527
Debtors: amounts falling due after more than one year	14	242	278
Debtors: amounts falling due within one year	14	1,825	3,772
Cash at bank and in hand		8,282	4,036
		<u>21,229</u>	<u>18,613</u>
Creditors: amounts falling due within one year	15	<u>(2,391)</u>	<u>(6,739)</u>
Net current assets		<u>18,838</u>	<u>11,874</u>
Total assets less current liabilities		<u>380,872</u>	<u>384,882</u>
Creditors: amounts falling due after more than one year	16	<u>(8,317)</u>	<u>(8,959)</u>
Net assets excluding pension scheme liabilities		<u>372,556</u>	<u>375,923</u>
Defined benefit pension scheme liabilities	21	<u>0</u>	<u>0</u>
Net assets including pension scheme liabilities		<u>372,556</u>	<u>375,923</u>
Funds			
Endowment Funds (including investment revaluation reserve of £196.47m (2022 £206.44m))	17	318,489	326,320
Restricted Funds (including investment revaluation reserve of £3.06m (2022 £2.29m))	17	12,823	9,228
Designated Funds (including investment revaluation reserve of £15.20m (2022 £17.49m))	17	35,376	34,178
General Funds (including investment revaluation reserve of £1.45m (2022 £1.46m))	17	5,868	6,197
Total Funds		<u>372,556</u>	<u>375,923</u>

The financial statements were approved and authorised for issue by the Trustees on 22 May 2024 and signed on their behalf, by:


Mr Jeffrey Mushens, Chair

The notes on pages 44 to 74 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2023**

STATEMENT OF CASH FLOWS

	2023	2022
	£'000	£'000
Net Cash used in from operating activities	(4,857)	(2,854)
Cashflow from investing activities		
Dividends, interest and rent from investments	2,055	1,655
Interest paid	(567)	(393)
Proceeds from the sale of tangible fixed assets	3,169	896
Proceeds from the sale of held for trading assets	7,253	2,728
Proceeds from the sale of investments	4,239	3,621
Proceeds from the sale of closed churches	11	490
Proceeds from the sale of closed schools	99	0
Purchase of tangible fixed assets for the use of the CDBF	(3,846)	(856)
Purchase of fixed assets investments	(2,944)	(9,529)
Net Cash used in investing activities	9,469	(1,388)
Cash flows from financing activities		
New loans received by CDBF	0	8,085
Loans repaid by CDBF	(367)	(9,009)
Net Cash provided by financing activities	(367)	(924)
Total movement in year	9,102	(2,312)
Change in cash and cash equivalents in the reporting period	4,245	(5,166)
Cash and cash equivalents at 1 January	4,036	9,202
Cash and cash equivalents at 31 December	8,282	4,036
Reconciliation of net income to net cash used in operating activities		
	2023	2022
	£'000	£'000
Net income for the year ended 31 December	(3,367)	19,473
Adjustments for:		
Depreciation	92	92
Loss on revaluation of fixed assets	9,708	(24,912)
Loss on the revaluation of VLL	121	0
Dividends, interest and rent from investments	(2,055)	(1,655)
Interest paid	567	393
Gifts of non cash assets	(1,578)	0
Gain on sale of functional assets	(1,007)	(178)
Losses (gains) on revaluation of investments	(4,571)	5,741
Gains on sale of investments	(6)	(460)
Decrease/(increase) in debtors	1,983	(712)
Increase/(decrease) in creditors	(4,744)	(635)
Net cash used in operating activities	(4,857)	(2,854)

The notes on pages 44 to 74 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2023**

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 they are 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 and losses on disposal of fixed assets for the CDBF's own use (i.e. non-investment assets) are accounted for as other income.
- 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 2023**

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 investment management costs of glebe and any other investment land or property.
- 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.
- 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 2023

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 fair value, which is considered to be their 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 and are recorded at their fair value.

(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 2023**

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 fair (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

**Notes to the financial statements
For the year ended 31 December 2023**

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

further detail see note 26.

- "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 2023

2. INCOME FROM DONATIONS

Parish Contributions

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Parish share assessment for the year	15,803	0	0	0	15,803	15,885
Shortfall in contributions	(2,611)	0	0	0	(2,611)	(2,208)
Payments in excess of assessment	17	0	0	0	17	0
Arrears for previous years	23	0	0	0	23	(3)
	13,232	0	0	0	13,232	13,675

All parish contributions in 2022 were unrestricted

Other Donations

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	15	0	3,180	0	3,195	140
Ministry Support Funding	1,519	0	0	0	1,519	1,827
Sustainability Funding	0	0	0	0	0	500
Benefact Trust	0	258	0	0	258	295
Church Planting	0	0	1,097	0	1,097	1,135
Training for Ministry	0	0	325	0	325	538
City Churches Fund	0	0	844	0	844	890
Strategic Capacity Fund	0	0	169	0	169	189
Strategic Ministry Fund	0	0	83	0	83	100
Other Grants	97	0	228	0	325	143
	1,631	258	5,926	0	7,815	5,757
Total donations	14,863	258	5,926	0	21,047	19,432

In 2022, £2,727,000 of other donations were unrestricted and £3,030,000 was restricted.

Notes to the financial statements
For the year ended 31 December 2023

3. INCOME FROM CHARITABLE ACTIVITIES

Parish Contributions

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees and chaplaincy income	768	0	0	0	768	835
Printing	93	0	0	0	93	2
Miscellaneous income	346	25	0	0	371	255
Diocesan Retreat House	262	0	0	0	262	309
	1,469	25	0	0	1,494	1,401
Total in 2022	1,401	0	0	0	1,401	

4. INCOME FROM INVESTMENTS

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends	8	117	205	1,153	1,483	1,244
Interest	28	6	10	0	44	7
Rent	0	0	0	528	528	404
	36	123	215	1,681	2,055	1,655
Total in 2022	4	6	207	1,438	1,655	

5. OTHER INCOME

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Gains (losses) on disposal of assets	2	1,078	99	(172)	1,007	526
	2	1,078	99	(172)	1,007	526
Total in 2022	16	490	20	0	526	

**Notes to the financial statements
For the year ended 31 December 2023**

6. FUND RAISING COSTS

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Investment management costs	0	0	25	311	336	291
Total in 2022	0	0	27	264	291	

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000
Resourcing ministry and mission	15,884	227	2,172	9	18,292
Grant Funding of activities	1,449	108	500	0	2,057
Support costs	2,636	145	281	0	3,062
Expenditure on Diocesan Retreat House	263	70	0	0	333
Expenditure on Education	255	0	310	0	565
Loss on disposal of assets	0	0	0	0	0
	20,487	551	3,263	9	24,309

	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
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
	19,848	713	3,242	46	23,849

Notes to the financial statements
For the year ended 31 December 2023
8. ANALYSIS OF GRANTS

		Grants to Individuals	Grants to Institutions	Total Funds	Total Funds
		2023	2023	2023	2022
		£'000	£'000	£'000	£'000
Grants made		218	1,839	2,057	1,493
Total in 2022		230	1,263	1,493	
Reconciliation of grants payable					
				2023	2022
				£'000	£'000
Accrued at 1 January				404	546
Grants payable for the year				2,057	1,036
Grants paid during the year				(2,214)	(1,179)
Total				247	404
Payable as follows:					
in less than 1 year				247	404
By fund type	No.	Individuals £'000	Institutions £'000	2023 £'000	2022 £'000
From unrestricted funds for National Church responsibilities					
Contributions to Archbishops' Council	5	0	1,227	1,227	1,106
From unrestricted funds					
PCC feasibility study	10	0	25	25	(10)
Churches Together organisations	7	0	(25)	(25)	(45)
Interfaith working	4	0	14	14	18
Other institutional grants	1	0	4	4	0
Ordinands in Training	23	185	0	185	212
Clergy for training	46	19	0	19	18
Total from unrestricted funds	96	204	1,245	1,449	1,299
Total from designated funds					
PCCs for mission projects.	14	0	108	108	77
From restricted funds					
Overseas mission projects	0	0	3	3	0
Refugee support	1	0	4	4	1
PCCs for mission projects	26	0	185	185	116
Education grants	14	14	293	307	0
Total from restricted funds	55	14	485	500	117
Total	165	218	1,839	2,057	1,493

**Notes to the financial statements
For the year ended 31 December 2023**

9. ALLOCATION OF SUPPORT COSTS

	2023	2022
	£'000	£'000
Resourcing ministry and mission	2,872	1,767
Education	190	182
Total	3,062	1,949

10. NET INCOME

This is stated after charging	2023	2022
	£'000	£'000
Auditors' remuneration		
Audit Fees	38	31
Other Fees	3	12
Operating lease costs in the year	194	168
Depreciation charge	92	92
Interest paid	567	393

Notes to the financial statements
For the year ended 31 December 2023

11. STAFF COSTS

	2023	2022
	£'000	£'000
Staff costs were as follows:		
Wages and salaries	2,338	2,008
National Insurance contributions	221	194
Pension costs (note 21)	299	283
	<u>2,858</u>	<u>2,485</u>

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

	2023	2022
	No.	No.
Support for parish ministry	78	73
Diocesan Retreat House	11	9
Secretaries to Archdeacons	6	7
	<u>95</u>	<u>89</u>

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

	2023	2022
	No.	No.
Support for parish ministry	63	60
Diocesan Retreat House	5	4
Secretaries to Archdeacons	4	4
	<u>72</u>	<u>68</u>

The number of higher paid employees was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	0
In the band £80,001 - £90,000	1	1

During the year the charity made employment termination payments totalling £4,887 (2022: £35,400)

**Notes to the financial statements
For the year ended 31 December 2023**

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 2023 they were:

Chief Executive & Diocesan Secretary	Michaela Southworth	
Dean of Mission, Ministry & Education	The Revd Robert Merchant	
Director of Finance	Paul Setterfield	(from 6/03/23)
Director of Communications & Media	Thomas Geldard	
Director of Education	The Revd Robert Merchant	(to 31/01/23)
	Carrie Prior	(from 1/02/23)
Head of Property	Alex Reeve	
Head of Service Delivery	Nathan Whitehead	
Head of Safeguarding	Amanda Goh	
HR Manager	Rachel Towns	
Programme Manager	Dawn Weddell	
General Manager Retreat House Pleshey	Graham Dowling	

Remuneration, pensions and expenses for these employees amounted to £816,679 (2022: £700,000)

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.

	2023	2022
	£'000	£'000
Stipends	8,430	8,327
National Insurance contributions	702	711
Pension costs - current year	2,052	2,491
- deficit reduction	0	310
	11,184	11,838

The stipends of the Diocesan Bishop and three Suffragan Bishops are funded by the Church Commissioners and are in the range £39,950 - £48,970p.a. (2022: £38,050 - £46,640p.a.). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2023 was in the range £37,370 - £39,058 (2022: £37,000 - £37,370 p.a.). Other clergy who were Trustees were paid £29,502 p.a. (2022: £28,232 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 was £1,280 for 2 trustees (2022: £0) in respect of General Synod duties, and other duties as Trustees. 10 trustees received £14,820 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 2023**

12. TANGIBLE FIXED ASSETS

	Freehold properties	Office Equipment	Other Fixed assets	Total
	2023	2023	2023	2023
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 2023	307,361	283	810	308,454
Additions	3,799	47	0	3,846
Disposals	(1,820)	(15)	(39)	(1,874)
Revaluation surplus	(9,708)	0	0	(9,708)
Transfer to assets held for sale	(8,035)	0	0	(8,035)
At 31 December 2023	<u>291,597</u>	<u>315</u>	<u>771</u>	<u>292,684</u>
Depreciation				
At 1 January 2023	0	161	289	450
Charge for the year	0	61	31	92
On disposals	0	(15)	(16)	(31)
At 31 December 2023	<u>0</u>	<u>206</u>	<u>304</u>	<u>510</u>
Net book value				
At 31 December 2023	<u>291,597</u>	<u>108</u>	<u>467</u>	<u>292,172</u>
At 31 December 2022	<u>307,361</u>	<u>122</u>	<u>521</u>	<u>308,004</u>

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

	2023	2022
	£'000	£'000
Cost	<u>95,539</u>	<u>96,219</u>

The land and buildings were revalued on 31 December 2023 by Strutt & Parker LLP, Chartered Surveyors on an open market existing use basis.

**Notes to the financial statements
For the year ended 31 December 2023**

12. TANGIBLE FIXED ASSETS (continued)

Revaluations

Two of the equity loans (note 16) 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:

	2023	2022
	£'000	£'000
Revaluation of fixed assets	(9,708)	24,641
Revaluation of assets held for sale	0	271
Net gain per Statement of Financial Activities	<u>(9,708)</u>	<u>24,912</u>

The analysis of assets held for sale

	2023	2022
	£'000	£'000
Balance bf 1 January 2023	10,527	7,265
Proceeds from the sale of held for trading assets	(7,253)	(2,728)
Losses on disposal of held for trading assets	(429)	(212)
Additions to be held for sale	0	210
Revaluation of held for sale assets	0	271
Held for sale for 2023	8,035	5,721
Balance cf 31 December 2023	<u>10,880</u>	<u>10,527</u>

Proceeds from the sale of tangible fixed assets

	2023	2022
	£'000	£'000
Net book value of freehold property fixed assets disposed at 1 January 2023	(1,843)	(995)
Gains and losses on disposal of assets	(41)	99
Proceeds from the sale of freehold property tangible fixed assets	<u>(1,884)</u>	<u>(896)</u>

Notes to the financial statements
For the year ended 31 December 2023

13. FIXED ASSET INVESTMENTS

	Listed Investments	Unlisted Investments	Investment Property	Total	Total
	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	21,734	33,238	10,032	65,004	64,377
Additions	2,944	793	785	4,522	9,528
Disposals	(2,687)	(1,546)	0	(4,233)	(3,160)
Revaluation gain	1,682	3,015	(125)	4,571	(5,741)
Market Value at 31 December 2023	<u>23,673</u>	<u>35,500</u>	<u>10,691</u>	<u>69,863</u>	<u>65,004</u>
Historic Value at 31 December 2023	<u>19,284</u>	<u>25,372</u>	<u>4,113</u>	<u>48,769</u>	<u>38,625</u>

Investments held by fund

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000
At 31 December 2023					
Listed investments	0	0	3,700	19,973	23,673
Unlisted investments	0	4,267	5,639	25,593	35,500
Investment property	0	0	785	9,905	10,690
Total	<u>0</u>	<u>4,267</u>	<u>10,124</u>	<u>55,472</u>	<u>69,863</u>

	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	<u>0</u>	<u>0</u>	<u>7,832</u>	<u>57,172</u>	<u>65,004</u>

The analysis of net gains on investments is as follows:

	2023	2022
	£'000	£'000
Realised gains	5	460
Unrealised (loss) gains on revaluation	4,571	(5,741)
Net gains per Statement of Financial Activities	<u>4,576</u>	<u>(5,281)</u>

**Notes to the financial statements
For the year ended 31 December 2023**

14. DEBTORS

	Total	<i>Total</i>
	2023	2022
	£'000	£'000
Due after more than one year		
Loans to parishes	193	248
Equity loans	49	29
Other loans	0	1
	242	278
	Total	<i>Total</i>
	2023	2022
	£'000	£'000
Due within one year		
Parish share	363	358
Charitable activities debtors	146	1,495
Other loans and debtors	158	628
Grant income accrued	175	406
Prepayments and accrued income	983	885
	1,825	3,771

Notes to the financial statements
For the year ended 31 December 2023

15. CREDITORS: Amounts falling due within one year

	Total	Total
	2023	2022
	£'000	£'000
Bank and equity loans	2,539	0
Trade creditors	480	666
Other taxation and social security	84	65
Closed Schools - amounts held pending determination	578	1,083
Devolved Formula Capital	27	569
Schools Condition Allocations	8	2,268
Pension contributions (note 21)	202	261
Other creditors	237	1,229
Accruals and deferred income	133	194
Grants accrued (note 8)	247	404
	4,534	6,739

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

	Total	Total
	2023	2022
	£'000	£'000
Bank loans	5,575	8,085
Equity loan	599	874
	6,174	8,959

National Westminster Bank Plc has made available mortgage facilities to fund the purchase of houses for curates. The total loan balance stands at £7.718m (2022: £8.085m) at the year end. The loan is divided between £5,575m falling due after more than one year and £2,143m included in creditors falling due within one year as the capital repayments begin in July 2024. The loan rate is 1.83% above base.

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. Where houses have been sold the mortgage has been reduced.

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%. One loan is held as a creditor falling due within one year and was repaid in January 2024.

Notes to the financial statements
For the year ended 31 December 2023

17. SUMMARY OF FUNDS MOVEMENTS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £'000	Income 2023 £'000	Expenditure 2023 £'000	Transfers in/(out) 2023 £'000	Gains/ (losses) 2023 £'000	Balance at 31 December 2023 £'000
Designated funds						
Houses	29,698	(184)	(128)	0	(869)	28,517
Benefact Trust	427	258	(60)	(258)	0	367
Designated Stipend Capital Fund	3,612	90	(0)	574	283	4,558
Closed Churches	441	118	(86)	49	0	522
Diocesan Pastoral Account	0	180	(142)	3	0	41
Mission Opportunities	0	0	(108)	408	0	300
Friends of the Retreat House	0	0	(11)	30	0	19
Designated Youth Work	0	1,022	(16)	(39)	85	1,052
	<u>34,178</u>	<u>1,484</u>	<u>(551)</u>	<u>767</u>	<u>(501)</u>	<u>35,376</u>
General funds						
General funds	<u>6,197</u>	<u>17,178</u>	<u>(20,487)</u>	<u>2,960</u>	<u>20</u>	<u>5,868</u>
Total Unrestricted Funds	<u>40,375</u>	<u>18,662</u>	<u>(21,038)</u>	<u>3,727</u>	<u>(481)</u>	<u>41,244</u>
Endowment Funds						
Stipends Fund Capital	83,356	1,415	(320)	(2,917)	2,421	83,954
Parsonage Houses	239,918	11	0	(703)	(7,999)	231,227
Permanent Endowment	3,046	84	0	(107)	285	3,308
	<u>326,320</u>	<u>1,509</u>	<u>(320)</u>	<u>(3,727)</u>	<u>(5,292)</u>	<u>318,489</u>
Restricted Funds						
Diocesan Board of Education	5,467	410	(683)	0	559	5,753
London Over the Border	1,821	37	(56)	0	83	1,885
City Church Fund	1,640	854	(844)	0	0	1,650
St Monica's Trust	0	3,180	0	0	0	3,180
Lent Appeal	4	(1)	(3)	0	0	0
Refugee Appeal	45	1	(4)	0	0	42
Church Planting project	0	1,097	(1,097)	0	0	0
Training for Ministry	251	325	(283)	0	0	293
Strategic Capacity	0	205	(204)	0	0	1
Strategic Ministry Fund	0	83	(83)	0	0	0
Historic England	0	33	(27)	0	0	7
Other Small Grants	0	16	(4)	0	0	12
	<u>9,228</u>	<u>6,240</u>	<u>(3,288)</u>	<u>0</u>	<u>642</u>	<u>12,823</u>
Total Funds	<u>375,923</u>	<u>26,411</u>	<u>(24,645)</u>	<u>0</u>	<u>(5,132)</u>	<u>372,556</u>

The negative income on the Houses Designated fund relates realised losses on the sale of fixed assets.

Notes to the financial statements For the year ended 31 December 2023

17. SUMMARY OF FUNDS MOVEMENTS (continued)

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 January	Income	Expenditure	Transfers in/(out)	Gains/ (losses)	Balance at 31 December
	2022	2022	2022	2022	2022	2022
	£000	£000	£000	£000	£000	£000
Designated funds						
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>
General funds						
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>
Total Unrestricted Funds	<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						
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>
Restricted Funds						
Diocesan Board of Education	6,338	340	(332)	0	(879)	5,467
London Over the Boarder	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>
Total Funds	<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 2023

17. SUMMARY OF FUNDS MOVEMENTS (continued)

SUMMARY OF FUNDS – CURRENT YEAR

	Balance at 1 January 2023 £'000	Income 2023 £'000	Expenditure 2023 £'000	Transfers in/(out) 2023 £'000	Gains/ (losses) 2023 £'000	Balance at 31 December 2023 £'000
Designated funds	34,178	1,484	(551)	767	(501)	35,376
General funds	6,197	17,178	(20,487)	2,960	20	5,868
	<u>40,375</u>	<u>18,662</u>	<u>(21,038)</u>	<u>3,727</u>	<u>(481)</u>	<u>41,244</u>
Endowment funds	326,320	1,509	(320)	(3,727)	(5,292)	318,489
Restricted funds	9,228	6,240	(3,288)	0	642	12,823
	<u>375,923</u>	<u>26,411</u>	<u>(24,645)</u>	<u>(0)</u>	<u>(5,132)</u>	<u>372,556</u>

SUMMARY OF FUNDS – PRIOR 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>

ANALYSIS OF TRANSFERS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted funds		Restricted Funds	Endowment Funds
	General	Designated		
	2023	2023	2023	2023
	£'000	£'000	£'000	£'000
Total return transfer to general funds from endowment fund (note 27)	3,024	0	0	(3,024)
Transfer from Designated stipend fund to supplement revenue	126	(126)	0	0
Disposal of Benefice properties in the year to the Diocesan Pastoral Account	0	703	0	(703)
Transfer from general to designated funds for Deanery grants	(150)	150	0	0
Other transfers of less than £50,000 each	(40)	40	0	0
	<u>2,960</u>	<u>767</u>	<u>0</u>	<u>(3,727)</u>

**Notes to the financial statements
For the year ended 31 December 2023**

17. SUMMARY OF FUNDS MOVEMENTS (continued)

ANALYSIS OF TRANSFERS BETWEEN FUNDS – PRIOR YEAR

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

Designated Funds:

Houses Fund

This fund represents monies allocated to clergy housing.

Benefact Trust

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

This fund represents monies allocated for new mission initiatives.

Designated Stipend Capital

This fund operates in the same manner as the Stipends Endowment Fund and is designated for expenditure on clergy stipends. 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.

Diocesan Pastoral Account

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

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

Friends of the Retreat House

This fund represents monies allocated for improvements to the Diocesan House of Retreat

Designated Youth Work

This fund represents monies allocated for youth work initiatives. This fund was created from the proceeds of the sale of St Marks College, Audley End. The gain from the sale of the college is accounted for in other income (see note 5)

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 2023**

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.

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.

St Monica's Trust

This fund contains the accumulated assets of the St Monica's Trust, which originated from the sale of a school site. The proceeds of the fund are used to support education activities across the diocese.

Notes to the financial statements
For the year ended 31 December 2023

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
	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	2,178	35,082	395	254,517	292,172
Fixed asset investments	0	4,267	10,124	55,472	69,863
Assets held for sale	0	5,275	0	5,605	10,880
Debtors due after more than one year	242	0	0	0	242
Current assets	4,715	(660)	3,142	2,910	10,107
Creditors due within one year	(1,135)	(403)	(839)	(14)	(2,391)
Creditors due in more than one year	(132)	(8,185)	0	0	(8,317)
Defined benefit pension scheme liabilities	0	0	0	0	0
	5,868	35,377	12,822	318,489	372,556

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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
	6,197	34,178	9,228	326,320	375,923

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. A feasibility study and demolition tender was carried out during the year at the balance sheet date there is a commitment of £409k related to the proposed demolition. The cost of the proposed demolition will be met from the Closed churches fund which had a balance of £522k at the end of 2023.

**Notes to the financial statements
For the year ended 31 December 2023**

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 (2023: £2.040m, 2022: £2.408m), there was no additional deficit charge during 2023 to be recognised as a liability as shown in the table below to be recognised in the SOFA, the total charge is £2.040m for 2023 (2022: charge of £2.178m).

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 from 2013 in line with the CMi2020 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7, 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 2023

21. PENSIONS (continued)

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

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

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

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

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

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

	2023	2022
	£'000	£'000
Balance sheet liability at 1 January	0	540
Deficit contribution paid	0	(310)
Interest cost (recognised in SOFA)	0	0
Remaining change to the balance sheet liability* (recognised in SOFA)	0	(230)
Balance sheet liability at 31 December	0	0

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

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

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

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

**Notes to the financial statements
For the year ended 31 December 2023**

21. PENSIONS (continued)

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 two sections:

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

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

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

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 (2023: £0, 2022: £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 2023 (2022: £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. The calculations for this are under way.

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

Notes to the financial statements
For the year ended 31 December 2023

	2023	2022
	£'000	£'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.

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

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

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 (2023: £299,000, 2022: £292,000).

**Notes to the financial statements
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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. Calculations for this are currently under way.

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

For the Pension Builder 2014 section, the valuation revealed a surplus of £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.

D. Teachers' Pension Scheme (TPS)

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers Pensions Regulations 2010 (as amended) and The Teachers Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer be credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The CDBFT employer's pension costs paid to the TPS in the year amounted to £18,000 (2022 £32,000). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

	2023	2022
	£'000	£'000
Amounts falling due within one year		
Church of England Funded Pensions Scheme	164	226
Church Workers Pensions Fund DBS	36	35
Teachers Pension Scheme	2	0
Total	202	261
	2023	2022
	£'000	£'000
Amounts falling due after more than one year		
Church of England Funded Pensions Scheme	0	0
Church Workers Pensions Fund DBS	0	0
Total	0	0

Notes to the financial statements
For the year ended 31 December 2023

22. OPERATING LEASE COMMITMENTS

At 31 December 2023 the total of future minimum lease payments under non-cancellable operating leases was

	2023	2022
	£'000	£'000
Within 1 year	99	84
Between 2 and 5 years	6	22
After more than 5 years	0	0
Total	<u>105</u>	<u>106</u>

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 £1,821,000 (2022: £1,817,000) and from school governing bodies amounting to £407,500 (2022: £185,000) 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.

	2023	2022
	£'000	£'000
CBF Church of England Investment Fund income shares	10,830	9,914
CBF Church of England Investment Fund accumulation shares	883	993
CBF Church of England Fixed Interest Securities Fund shares	243	229
CBF Church of England Global Equity Income Fund income shares	64	56
CBF Church of England UK Equity Income Fund income shares	42	0
CBF Church of England Property Fund shares	125	3
COIF income and accumulation shares	784	701
Other common investment fund holdings (M&G)	914	927
Direct holdings in UK equities	726	0
CBF Church of England Deposit Fund	3,778	4,939
Total	<u>18,389</u>	<u>17,762</u>

Notes to the financial statements

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26. TOTAL RETURN ACCOUNTING

From 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), and 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 2023 was £12.759m for SCF and £1.091m for PEF a combined valued of £13.850m. 3.5% was quoted and agreed as the annual percentage to transfer to the General fund to supplement revenue, this percentage will be reviewed annually taking into account investment performance and the balance of unapplied total return. The indexation of the base values is calculated using the National CPI index, as of December 2023 the CPI index used was 3.9%.

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

	Stipend Capital fund			Permanent Endowment		
	Unapplied			Unapplied		
	Trust for investment	Total Return	Total endowment	Trust for investment	Total Return	Total endowment
	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2023:						
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
Total	70,596	12,759	83,355	1,955	1,091	3,046
Movements in the year:						
Additional sale proceeds of glebe land sale	1		1			
Gains on revaluation of clergy houses		(825)	(825)			
Gains/(losses) on disposal of assets		(183)	(183)			
Investment returns: dividends received		1,147	1,147		84	84
Investment returns: Glebe rents		450	450			
Investment return: realised and unrealised losses		3,245	3,245		285	285
Investment management costs		(320)	(320)			
Unapplied total return allocated to income in the year		(2,917)	(2,917)		(107)	(107)
Add indexation of base level of endowment	2,775	(2,775)	0	77	(77)	0
Net movements in the year	2,776	(2,178)	598	77	185	262
As at 31 December 2023:						
Base value of the permanent endowment	73,373		73,373	2,032		2,032
Unapplied total return		10,582	10,582		1,276	1,276
Valuation as at 31 December 2023	73,373	10,582	83,954	2,032	1,276	3,308
Analysis of Withdrawal to income						
To General Fund (see note 18 analysis of transfers)		2,917			107	
Withdrawal to income		2,917	0		107	0
Closing balance	73,373	10,582	83,954	2,032	1,276	3,308

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

	At 1 Jan 2023	Cashflows	Other Non- Cash Changes	At 31 Dec 2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash and cash equivalents	4,036	4,245	0	8,282
	<u>4,036</u>	<u>4,245</u>	<u>0</u>	<u>8,282</u>
Borrowings				
Debt due within one year	0	0	(2,539)	(2,539)
Debt due after one year	(8,959)	367	2,419	(6,173)
	<u>(8,959)</u>	<u>367</u>	<u>(121)</u>	<u>(8,713)</u>
Total	<u>(4,923)</u>	<u>4,612</u>	<u>(121)</u>	<u>(431)</u>