

The Chelmsford Diocesan Board of Finance

Annual report and financial statements
For the year ended 31 December 2024

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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

1. 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

2024 was the second 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 builds 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 underpin diocesan decision making, including complex and difficult decisions. The approach has already shaped decision making in a number of complex areas including Parish Share and how parishes are well supported. It is also hoped that the values can 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. For example, the approach was at the heart of missional planning for Believing in Barking, a missional plan developed collaboratively with church leaders and volunteers in the Barking Episcopal Area, that has recently been awarded significant funding from the Church of England Strategic Mission and Ministry Investment Board.

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

The 3 primary objectives from 2023, which support the direction of travel set out in Travelling Well Together, continued in 2024.

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 for clergy serving in the Diocese
 - b. Reform of ministerial development and training to support local ordained and lay ministry, including through the 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. Continuing 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 continued development 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.

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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 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

In June 2024, Bishop Guli announced that the Rev'd Canon Dr Jessica Martin would become the next Dean of Chelmsford, starting in post in January 2025. Jessica would succeed the interim Dean, the Very Rev'd Paul Kennington who had served in this role since the previous Dean, the Venerable Nicholas Henshall left post in February 2023.

In September 2024, the Venerable Elwin Cockett retired as Archdeacon of West Ham after seventeen years of service. The Venerable Mike Power succeeded him as Archdeacon of West Ham in October 2024, vacating the post of Archdeacon of Southend.

In December 2024, Bishop Guli announced that the Rev'd Dr Sue Lucas would be the new Archdeacon of Southend from February 2025.

The Trustees would like to welcome Dean Jessica and Archdeacon Sue, along with all those who have started in new roles in our Diocese in 2024. They also want to place on record their thanks to all those who left roles in Chelmsford Diocese during 2024 including the Venerable Elwin Cockett and The Very Rev'd Paul Kennington.

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 2024. The continued roll out of the new Parish Share scheme was key to making sure that there are sufficient resources available to ensure we have the finances available to sustain our mission and ministry work. The aim of the 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 continued adoption of a Total Return Accounting Policy which has allowed Endowment funds to provide increased support towards stipend costs.
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. Throughout 2023 and 2024 work was undertaken to secure external funding to support mission and ministry in parishes, including securing a grant of £14.95 million to the Barking Episcopal Area to support missional work with deaneries and parishes.

Case Study I- Resourcing Mission and Ministry

Believing in Barking Barking Episcopal Area Programme 2025 – 2034



Following work undertaken between 2023 and 2025, it was announced in March 2025 that the Church of England Strategic Mission and Ministry Investment Board (SMMIB) had awarded £14.95 million to the Barking Episcopal Area to support missional work with deaneries and parishes, with £6.45 million for the first phase of work and a further £8.5 million in principle subject to the Archbishops' Council's and Church Commissioners' decisions about the future availability of Diocesan Investment Programme funding, and the Strategic Mission and Ministry Board's approval of detailed plans for the second phase. (In-principle awards are subject to the Diocese bringing back updated proposals for consideration and decision by the Strategic Mission and Ministry Investment Board)

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The funding has been awarded through the Diocesan Investment Programme to 'Believing in Barking', a missional plan developed over the past two years in partnership with local church leaders and volunteers across more than sixty parishes and church communities in the East London boroughs that are part of the Diocese of Chelmsford.

In keeping with the Diocese of Chelmsford's approach and values articulated in Travelling Well Together, the Believing in Barking plan has been developed by working with those who serve and lead in local church communities to ensure that the investment meets locally discerned needs and missional opportunities.

Believing in Barking will focus on supporting churches in four key areas:

- Working to encourage greater attendance and participation of children, young people and families in our church communities
- Supporting and developing intentional discipleship; growing, supporting and developing volunteers and leaders in our churches and increasing leadership diversity
- Supporting churches and church leaders in their work to help transform the communities they serve
- Developing sustainable structures to support local parish mission and ministry

The investment will support missional work in the many parishes that have contributed to the development of the plan as well as others in the Barking Area.

The Barking Episcopal Area is the first in Chelmsford Diocese to be awarded investment from the Strategic Mission and Ministry Investment Board (SMMIB). Investment applications are currently being prepared with local church leaders and volunteers in the Bradwell and Colchester Episcopal Areas.

Believing in Barking is one part of a wider approach to supporting local parish mission and ministry that continues across Chelmsford Diocese, and seeks to resource and support all parishes whether they are direct beneficiaries of SMMIB funding or not.

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 2024, there were three main achievements in the wellbeing field. Firstly, the creation of a network of small wellbeing groups and learning communities, most of which are presently facilitated by the charity Kintsugi Hope; external facilitation will cease in summer 2025, but we hope these groups will continue to meet and self-guide. We presently have exactly 50 ministers in these groups. Secondly, a rethink of grants, so that each ordained/licensed minister (and active minister with Permission to Officiate) have at least £200 a year to spend on courses, conferences or retreats and £230 a year to spend on coaching; there is a pool of diocesan coaches keeping pace on capacity, and six reflective pastoral supervisors are being trained via Wesley House Cambridge. Thirdly, the Diocese has trained a pool of 50 people in basic conflict transformation approaches and vocabulary in 2024. This year, we plan to train 13 of them, via Bridge Builders, with coaching from an external consultant, to be a diocesan resource in this area.
- The 'Discerning Mission, Leading for Change' programme continues to offer those within the first few years of positions of pastoral charge a safe space to reflect, with their peers, on the complex challenges and opportunities of their roles. In April 2024 a new cohort of 9 incumbents began the nine sessions of in person and online gatherings. These have been 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.

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- In 2024 Chelmsford Diocese celebrated the ordination of 13 new deacons (stipendiary and non-stipendiary), and 12 candidates started training in September 2024 across a range of Theological Education Institutions (TEIs).
- The Initial Ministerial Education 2 (IME2) curriculum continues to evolve in the light of evaluations from previous participants, and thanks to the offer of new topics from colleagues from across the Diocese whose gifting in specialist areas of interest in ministry have been used. The key focus for all sessions is that they provide material to enable the curates to evidence their ability to meet the National Qualities Framework for Curacy. On 28 September 2024, 18 curates were ordained priest at four services across the Diocese.
- In 2024 there were 7 new Licensed Lay Ministers (LLMs) licensed, and we welcomed 2 transfers from other Dioceses. There were 9 students selected to begin training for LLM ministry in September 2024. Unfortunately, the learning provider for LLMs, St Mellitus College, withdrew their training offer after the selection of LLMs had happened in June 2024 because of low numbers of Ordinands. This meant, at short notice, those selected for LLM training in 2024 had nowhere to train. The Diocese, with the help of the newly appointed LLM Training Co-ordinator Dr Christine Rose, created a 1-year formation training pathway, during which the students have a series of seminars and formation sessions delivered by Diocesan staff and complete a 4-week placement in a church or worshipping community of a tradition different from their home church. The training includes 'how to write theological reflections', a preaching workshop and a leading worship workshop. It was anticipated that they would then begin training with St Mellitus College in September 2025. In December 2024 St Mellitus announced the closure of St Mellitus Chelmsford from June 2026, with the College continuing to teach out those students already enrolled but not taking on any new students. This has left the Diocese needing to find a new training provider for LLMs going forward. The LLM students who were selected in June 2024 will begin training with ERMIC in September 2025, but a permanent training provider has yet to be identified.
- 57 people graduated from the Course in Christian Studies (CCS) in July 2024. There were 106 new starters in January 2024, following the re-write and re-launch of CCS. 87 of these have completed year and received their certificates in February 2025.
- 30 people achieved their Pastoral Assistant Part 1 certificates and were awarded them in July 2024, with a further 11 achieving the certificate which was awarded in early 2025. A further 6 people completed and were awarded their Pastoral Assistant Part 2 certificates in 2024. There is now a total of 72 Pastoral Assistants across the Diocese
- There are a total of 123 Authorised Local Preachers in the Diocese with 11 being newly authorised in 2024.
- In 2024 the diocesan course in spiritual companionship ran in 4 centres around the diocese, Manor Park (Barking Episcopal Area) South Shoebury and Chelmsford (Bradwell Episcopal Area) and Bulmer (Colchester Episcopal Area). 20 people received the Bishop's Certificate in Spiritual Companionship. Of these some used their learning to enhance present ministry in their parish or in their workplace, and others discerned to join the network of Spiritual Companions. Over the year a total of 39 people took at least one module on the course.

Case Study 2 – Chaplaincy to Gypsy, Roma and Traveller people



The Revd Becca Rogers, Associate Priest at Victoria Docks Ascension Church has been Chaplain to Gypsy, Roma and Traveller people since October 2022. Becca writes about her chaplaincy role and the support she provides:

Working as a chaplain with Gypsy, Roma and Traveller people has been a huge learning curve for me. I had worked with many marginalised groups previously, but had not had much experience with travelling people before.

I visit sites, enjoy long conversations over cups of tea and offer pastoral and spiritual support. I also love learning about this ancient culture, which has been in our country for over 600 years, and yet, which our modern-day society has little room for. Gypsy, Roma and Traveller people suffer the worst health, education and well-being outcomes of any racial group in this country.

They are the most likely people to experience hate crime and to keep their identities hidden for fear of discrimination. Getting to know them personally has opened my eyes not only to a new culture, but also to how many barriers they face just for who they are.

In visiting sites I have found a real openness to God, faith and spirituality. Never before have I had so many prayer requests in one visit! I've also been asked whether I am the 'first female Catholic priest' because, particularly Irish Travellers, are much more used to male priests. Visits are never boring, and I always come away challenged and having learned something new.

Over the next couple of years we are running a project to encourage churches to have more engagement with the Travellers in their parishes and vice versa. The funding is for Greater London, so if you are based there and interested, do get in touch - beccarogers1982@gmail.com.

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This is a resilient people group, with so much to bring and teach us, and also a group in need of support and help. I'm excited to see what God will do.

Supporting clergy and others who live in Diocesan properties AR

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:

- 812 helpdesk enquiries responses and 680 works orders raised
- 2 owned properties prepared, and one purchased for curates
- 38 vacancy works projects and moves delivered for newly appointed clergy
- 4 properties prepared for let on the private market
- 18 parishes provided with custodian support for land and property related issues and transactions.
- 267 Landlord gas safety checks completed
- 120 electrical safety tests and upgrades completed
- 62 periodic inspections were completed and works orders raised for properties for planned external maintenance
- 17 house sales completed generating over £10.4m of capital
- 5 house purchases at a cost of £4.3m capital
- £800k of revenue generated through rental of 52 properties
- 5 closed churches managed
- 236 glebe properties managed, 40 directly
- 2 retrofit projects completed to PAS 2035 standard at Great Chesterford and Warley Christchurch as part of the Church of England's work towards Net Zero Carbon

Support for children, young people and families ministry

The Diocesan Parish Share consultation identified mission and ministry with young people as a priority for parishes across our Diocese. Those who lead youth and children's work in parishes continued to be supported in 2024 by our Mustard Seed Team:

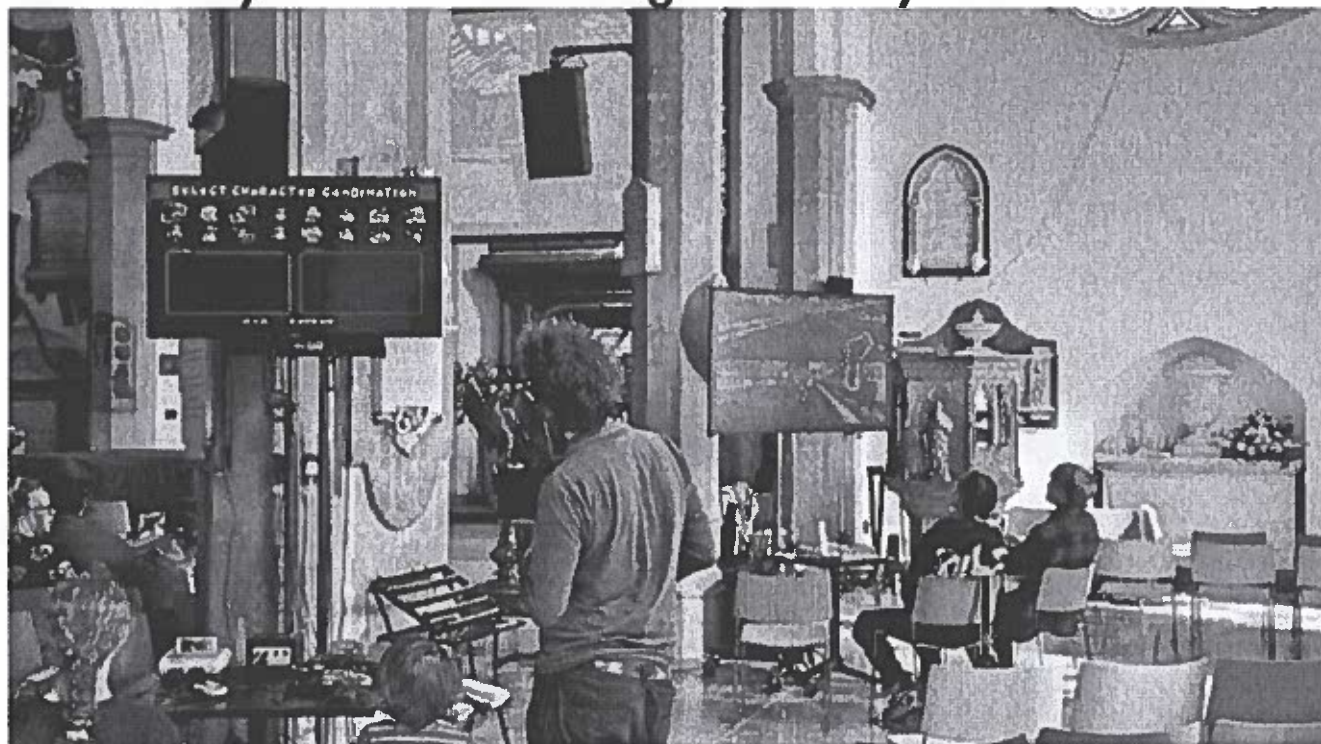
- Matt Williamson joined the team in October 2024, supporting the Colchester Episcopal Area.
- In 2024 the Catalyst, a training course for prospective and current Youth Workers, delivered by Ridley Hall with The Mustard Seed Team design, was launched with a cohort of 9 from the Diocese completing the course and a second cohort of 10 starting the next course
- Launchpad – a Youthscape programme working with clergy who have little or no youthwork happening in their churches – was launched and will run in 2025 in the Colchester Episcopal Area, with 10 participants in each cohort.
- Other training courses run by the Mustard Seed Team included courses on baptism, Holy Communion and Confirmation and Additional Needs for Children and Youth Workers. The team continue to deliver training through the Pastoral Assistants course, DMLC and IME2, building connections with 20-30 churches. Three annual retreats are run across the diocese, welcoming 60 CYF workers.
- The team supported the Bradwell Pilgrimage for Schools in July with over 300 children visiting the site during the 4 day pilgrimage. Other education initiatives include securing funding for the setting up of the Growing Faith Hub; supporting the Year 6 Leavers days in the Cathedral; work with pre-schools

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and nurseries; supporting toddler groups and Prayerfully Learning Together, setting up prayer spaces in 7 schools and researching how this impacts children, staff and homes.

- Support for parishes across the diocese has continued with, amongst other things, guidance on employment of children and youth workers, visiting toddler groups, supporting new and experienced children, family and youth workers.
- The two Youth Synod hubs have each met three times with Bishop Lynne, Barking Episcopal Area, and Bishop Roger, Colchester Episcopal Area. Around 20 young people attend each time and have covered lots of topics, including prayer in schools.

Case Study 3 – Retro Gaming at St Mary's Walthamstow



In April 2024 St Mary's Church in Walthamstow was home to a retro gaming event which saw the local community come together to enjoy their favourite video games on consoles old and new.

With consoles ranging from the original Atari to a Spectrum +2&3 to a NES to a PS5... and everything in between, there was something for everyone!

The retro gaming events, organised by The Revd Alan Moss, who was at that time Associate Priest, have been held at St Mary's since April 2022. They are a regular feature of the Church's activity programme during school holidays.

The free events often see around 400 families attend who have fun playing the likes of Mario Kart and Sonic on big screens in church. They are also an opportunity to build relationships and have conversations with those in the local community who may not usually come to church.

Talking about the retro gaming events, Alan said: "I have been running these retro gaming days for several years across London and Essex.

"Sometimes hundreds of people come along and sometimes just a few but every time is worth it. Its success is not in the numbers but in the heart of what it aims to do, bringing families and communities together around a

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common joy... this opens hearts.

"The retro gaming days are for the whole community, poor or rich, broken or fixed, whoever stumbles in, and I love doing them.

"The point is always about drawing community together and building connections by simply creating space. Be it a space for gaming, hot chocolate, laughter, or even just a space to chat and be listened to.

"Whatever we have and whatever we are passionate about we can use to love our neighbours... sometimes it works and sometimes it doesn't but trying new things and taking risks is always worth the effort."

Schools

Our 139 Church Schools are integral to the life of our Diocese. Our focus remains on creating flourishing children in flourishing schools. A full report completed by the Diocesan Board of Education (DBE) on the 2023/2024 academic year is available at: <https://www.cdbe.org.uk/about-us/diocesan-board-of-education>

- The Diocesan Board of Education operates under the Diocesan Boards of Education Measure 2021. Its strategy day in September 2024 set priorities for the upcoming year, including strengthening equality, diversity and inclusion.
- The DBE support 139 Church of England schools, working with eight local authorities.
- Engagement with the DBEs Partnership Agreement has increased, with 96% of schools subscribing, ensuring regular advisory support.
- Church Schools within the Diocese continued to perform well, with 91% rated 'Good' or 'Outstanding' by Ofsted, exceeding the national average.
- Both Ofsted and SIAMS outcomes reflect strong leadership with 100% of SIAMS-inspected Church Schools meeting Church School standards.
- The DBE received £1.645 million in capital funding from the DfE. This has been used for essential school infrastructure projects including decarbonisation initiatives, roof replacements, security upgrades and Hydromx installation.
- Religious Education: Schools have received guidance to develop religious literacy and to build strong RE curriculums from a dedicated RE Lead and team of School Advisers.
- Collective Worship: Events such as the Primary Leavers Service at Chelmsford Cathedral and termly network meetings helped strengthen worship in schools.
- Early Years: The DBE supported Church toddler groups and preschools and Church School Nurseries, providing training and resources to ensure high quality early education.
- Governance remained a core focus with training for school leaders and foundation governors.
- The DBE encouraged children to engage with social justice initiatives, partnering with Christian Aid, Oxfam and Citizens Essex. Highlights included student-led climate justice artwork being displayed in Parliament, a Pupil Justice Summit focusing on leadership and advocacy skills and a Diocese wide Creative Advocacy Exhibition in Chelmsford Cathedral.

The DBE continues to focus on key priorities that promote education that is inclusive, faith driven and focused on pupils' success, ensuring children and young people can thrive in a supportive learning environment.

[illegible]

"The Lord's Prayer is the prayer that connects Christians of every denomination, not just in this country but globally. It is the prayer that Jesus himself taught his disciples and it expresses our deepest needs and longings

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to God, for ourselves and for the world. It's a unifying prayer but it's also a profoundly personal one and so it's important for every Christian to be able to say the words in their own language. I hope The Lord's Prayer Project has helped demonstrate our unity, not just as Christians, but as human beings across different cultures, languages and experiences, and that it has helped pupils in our schools learn more about one another and encourage conversations about the importance of faith in our communities."

Katrina Carroll, Assistant Director of Education in Chelmsford Diocese added:

"It was fantastic to see the hard work and creativity of pupils and to hear The Lord's Prayer written in the many languages represented across the diocese and within our schools. We hope that this project has helped individuals to feel recognised and valued whilst opening everyone's eyes to the presence of Christianity as a global faith."

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. 2024 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.
- Continued exploration of what sustainability looks like for New Christian Communities post SDF funding.
- 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.
- Whilst we had plans for a new Missional Enabler (diocesan wide) post, the decision was made not to go ahead with this post as each episcopal area were given funding through the capacity application to the Church of England Strategic Mission and Ministry Investment Board (SMMIB), for their own missional enabler post.
- Sustainability continues to be a challenge on some projects, and where possible SDF projects are being rolled into our SMMIB applications.
- Continued tighter budget tracking has allowed us to target specific areas within projects that need additional support to continue their missional work, including the redistribution of Beam Park funding to five estate ministries, showing that small investments can facilitate a big impact to churches to increase their missional reach.

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 2024:

- 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 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. In

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2024, 39 churches registered for the awards, 32 received bronze awards, 22 silver and one gold. In April 2024, Chelmsford Diocese achieved Bronze Eco Diocese status.

- The Diocesan Racial Justice Officer, working with our Diocesan Racial Justice Advocates has continued to lead work to implement the Chelmsford Diocese 2021 report, From Action to Real Change, raising awareness across the Diocese through visits to churches, a new Racial Justice Newsletter, media appearances, diocesan video sermons and the Change Makers campaign, profiling people who have delivered Christ Centred Change in their local communities,
- 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 5 – Christ Church achieve Gold Eco Church Status



Worshippers at Christ Church, celebrate their Gold Eco Church award with Colchester MP Pam Cox

In 2024, Christ Church, Ireton Road, Colchester became the third church in Chelmsford Diocese to achieve Gold Eco Church status.

Christ Church join St John's Moulsham and Chelmsford Cathedral in achieving the gold standard with **A Rocha UK**.

To achieve the award, the team at Christ Church demonstrated high levels of sustainable practices across all areas of church life, including buildings, land management, worship and teaching, community engagement and personal lifestyles.

In a time of increasing awareness of the global climate and nature emergency, the Church of England is committed to carbon net zero by 2030 and Christ Church is committed to taking steps towards

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reducing the carbon footprint and environmental impact of the church and all its members and community.

Rev'd Chris Smith of Christ Church and St Botolph's said,

"I am so pleased that Christ Church's commitment to caring for creation has been recognised. Inspired by Jesus' instruction to love as He has loved us, Eco Church is one of the ways we are learning to express His incredible love, and I am grateful to everyone who has worked to make caring for people and nature part of our church culture.

"Christ Church began the Eco Church journey just before the covid lockdown. Once meeting outdoors was permitted, we started gardening in small groups – and the eco team was born. Increasing the nature value of our garden to welcome in more biodiversity was a wonderful start to the journey. From bird boxes and a herb garden to native trees and a flower meadow, we have continued adding to our garden ever since.

"Now every aspect of church life, from a major building project to our worship and teaching, children's work, community outreach, fair trade, ethical finance and personal lifestyles are thought through with sustainability at the heart of decision making."

Kate Clifton, Eco Church leader and Colchester Deanery Environment Advocate said:

"Looking back to lockdown gardening groups, I could never have imagined the transformation we have experienced at Christ Church. It's a credit to everyone, that the church has embraced sustainability in every way – and literally built it in to our church through better insulation, energy efficiency, reducing and recycling all kinds of waste, as well as living lightly and ethically in our home lives. We are not complacent however – realising there is always more we can do, including planning for a completely carbon neutral church by 2030.

"All this underpins our desire to celebrate God's creation, and care for our neighbours, local and global. We would like to thank the wider community of Christ Church and the churches who have helped us with wisdom and encouragement along our way."

The Bishop of Colchester and Diocesan Lead for the Environment, the Rt Rev'd Roger Morris said:

"It is so good to see churches leading the way in the transformation of our built environment. But this is about so much more than buildings. This Gold Award reflects a commitment and a passion to address the very real and present issue of climate change, and for that commitment and passion to impact every area of our lives. We can all do something to safeguard the integrity of creation and sustain and renew the life of the earth. Christ Church are to be commended on what they have achieved, but I am even more excited by their dedication to press on and to become a Net Zero Carbon Church."

A Rocha UK said:

"Christ Church has involved children in planting seeds and making bird boxes which help create a welcoming green space to support wildlife and biodiversity, and their Sunday 'Flames' group regularly has lots of fun with Creation-based activities both inside and outside.

"They have just recently done their annual mow of one of the wild areas of their small plot of land and new species have been discovered growing there. The assessors particularly noted a lovely area left with broken logs to encourage stag beetles, demonstrating part of their commitment to care for

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the environment and Christian responsibility to nurture and protect God's earth.

"We look forward to hearing more in due course about how their Gold Eco Church Award is not an end but rather a springboard to sowing seeds and mobilising as many people as possible to take positive actions in response to the climate and nature emergency."

Case Study 6 – Racial Justice Advocates and Racial Justice Panel Commissioned at Chelmsford Cathedral



On Thursday 7th November 2024, Bishop Guli commissioned our diocesan Racial Justice Advocates and our Racial Justice Advisory Panel at a service at Chelmsford Cathedral.

The Racial Justice Advisory Panel was a key recommendation from the Chelmsford Diocese **Racial Justice Task and Finish Group Report - From Action to Real Change** and their role is to manage, oversee, coordinate, report and advise on all matters relating to racism, ethnic diversity and inclusion in our diocese.

Our Racial Justice Advocates come from a range of local contexts across the Diocese and support the work of our Racial Justice Officer, the Rev Sharon Quilter.

Safeguarding

Safeguarding in the Church of England was the focus of considerable public attention in 2024 following the publication of the Makin Report into the Church of England's handling of disclosures of serious abuse perpetrated by the late John Smyth. The criticism and failures outlined in the report led to the resignation of the Archbishop of Canterbury.

The Makin report was published just two weeks after David Tudor, a Rector in Chelmsford Diocese was prohibited from ministry by a Bishop's Disciplinary Tribunal for the Diocese of Southwark following a full and recent admission of guilt to disclosures of serious sexual abuse that were brought as a disciplinary complaint, relating to a period in the 1980s when he was a priest in the Diocese of Southwark and included serious

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sexual abuse involving a 15-year-old and a 16-year-old. David Tudor had been suspended from ministry in the Church of England since 2019. Commenting about the Tribunal outcome, Bishop Guli said:

"I am deeply sorry for the profound hurt and harm David Tudor's behaviour has caused and I welcome the Tribunal's decision to remove him from office and prohibit him from ministry for life.

"It has taken enormous courage from those who came forward to report David Tudor's abuse that led to a formal complaint being investigated under the Clergy Discipline Measure. I am extremely grateful to them for doing so and I know this lengthy process has caused considerable distress and anxiety. Anxiety and distress that could have been avoided, at least in some part, if David Tudor had made his admissions before now.

"I am also grateful to the teams of safeguarding professionals in Chelmsford Diocese, Southwark Diocese and at the Church of England who continue to work together to support those who have been affected and liaise with the relevant statutory authorities.

"There will be important lessons that must be learned about how this matter has been handled over many years and I welcome the fact that there will now be a national independent safeguarding practice review."

In December 2024, the BBC's File on 4 programme broadcast interviews with victims and survivors of David Tudor's abuse and others who had been involved in the case who were critical of how it had been handled over many years, including by the Archbishop of York when he was Bishop of Chelmsford between 2009 and 2020. The programme was followed by considerable media attention about the handling of the case.

Following the media coverage, the Trustees of the Chelmsford Diocesan Board of Finance submitted a serious incident report to the Charity Commission and remain in contact with them. Two further Serious Incident Reports have also been made in early 2025 ahead of the filing of this report. The first relates to January 2025 media coverage of accusations made against Bishop John Perumbalath concerning his time as Bishop of Bradwell. The second report was made in advance of a BBC Radio 4 Sunday programme broadcast in March 2025 when the Diocese was informed by the BBC that a former Chelmsford Diocese ordinand would raise concerns about how his reporting of allegations from the 2010s was handled by the Church of England. Trustees have complied fully with all Charity Commission enquiries into these incidents.

The CDBF Trustees also responded to the Charity Commission after they wrote to all diocesan bishops, including the Bishop of Chelmsford, following the Makin Review and other high profile developments relating to Church of England safeguarding. The letter was sent ahead of the February 2025 General Synod decision on the Future of Church of England safeguarding and sought to understand from the Bishop and her fellow CDBF Trustees whether, following any changes made or agreed by General Synod, there are any remaining structural, procedural or constitutional arrangements under ecclesiastical law that they consider conflict with, or prevent the Bishop and her co-trustees from fulfilling their safeguarding duties as charity trustees (Legal Impediments).

In April 2025, an Independent Safeguarding Practice Review into the handling of the David Tudor case was jointly commissioned by the National Safeguarding Team, the Diocese of Chelmsford and the Diocese of Southwark. Bishop Guli has pledged the full support of the Diocese of Chelmsford and a commitment to learning from the Review's outcomes.

The public focus and criticism of the Church of England's handling of safeguarding cases has had a significant impact on the work of safeguarding professionals, parish safeguarding officers and other church leaders who continue to work hard to ensure our churches are safe places. Speaking about that impact, following the publication of the Makin report, Bishop Guli said:

"I'm deeply aware that there will be many in our parishes who may be feeling despondent, disorientated, angry and confused. I want to encourage you to be gentle with one another, hold one another in prayer and keep your eyes firmly fixed on Christ who is ever before us. Safeguarding is fundamental to our life of discipleship and we must continue striving to create communities where we hold one another accountable, treat one another with love and respect, and challenge unhealthy power structures. I want to express my profound thanks to all those who, across the Diocese, are working to create safe spaces in which all God's children are valued equally."

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During 2024, the Diocesan Safeguarding Team continued to:

- 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 2024, the DST migrated into the National Safeguarding Case Management System. This has made differentiating between a 'case' and a piece of duty (advice and consultancy) problematic because everything is classed as a case in the new system. Like for like comparisons with previous years is therefore not possible. At the end of 2024 the team had 192 concerns open with 343 recorded throughout the year. 42 of the open cases have safeguarding agreements due to a worshipper posing a potential risk and, therefore, requiring safeguarding risk assessments to be undertaken at the Parish. 63% of calls in 2024 were primarily from priests and parish safeguarding officers and 14% were from statutory agencies such as the police or probation.
- E-learning training is available to anyone in the Diocese and in 2024, 1,880 people completed the Basic Awareness Course and 1,504 completed the Foundation Course. 341 people completed the Safer Recruitment and People Management e-learning course. 1,126 people completed the mandatory Domestic Abuse course and 131 people completed the optional Modern Slavery Course.
- 556 people attended diocesan Zoom leadership courses; 56 PSOs attended the induction course
- 2 Face to Face training sessions were held in 2024, one in May where 15 people attended and one in September where 27 people attended

Case Study 7 – Giving thanks for those involved in the work of safeguarding in our diocese



On Monday 7th October, people from across Chelmsford Diocese gathered at Chelmsford Cathedral for a service of Thanksgiving, Prayer and Recommitment for those involved in the work of safeguarding in our diocese.

The annual service provides an important opportunity to give thanks for our Parish Safeguarding Officers, Diocesan Safeguarding Team, clergy, lay ministers and leaders, and all those involved in this important ministry in the life of our diocese.

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Communications

The Diocesan Communications Team continued to provide support to parishes and worshipping communities in 2024 through:

- One to one support for parishes and church leaders in handling challenging situations involving media or social media.
- Providing media support to the Bishop of Chelmsford and the Bishop's Leadership Team
- 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.

Diocesan House of Retreat Pleshey

Internal and external redecoration of the Diocesan House of Retreat continued in 2024. A large number of repairs to piping and electrical wiring and equipment were conducted too. A new automatic Pressurisation unit has been fitted for the central heating. HydroMx, nanotechnology, was also installed to all campus heating systems, improving the carbon footprint of the house.

The conference and meeting facilities were improved with a bean-to-cup coffee machine in the Evelyn Underhill suite. New comfortable lounge chairs, new conference chairs, coffee table, pinboards and general tables were installed, Old chairs were recycled and went to St Faiths, Newton Longville, Oxford and an Army Chaplain in Chippenham, Wilts.; Tables to St Peters Littlebury Green, Saffron Walden and Moulsham St Lukes.

The Retreat House is once again grateful to The Benefact Trust for their grant in 2024 which allowed so much of this work to be completed and meant that the income from charges for hospitality and meeting spaces and from monthly or one-off donations and legacies, has for a second year running met all other working expenses and pay roll.

Housekeeping, Kitchen, Grounds and Administration teams were bolstered and now have additionally sourced external agencies that can be called on in emergencies.

A Labyrinth has been installed (on the lawn behind Parsonage Cottage) featuring grass pathways and brick lining. All bricks used were either existing from the grounds or were donated.

The House has therefore played a key role in the diocese and wider church in supporting people in parishes and worshipping communities to experience retreats and quiet days, including other denominations, assisted with part funding for retreatants who would not otherwise be able to afford to attend, offered subsidised meeting space and accommodation for charities and hosted Church of England clergy ordination discernment panels.

Case Study 8 – Chelmsford Diocese Deaf Church Retreat at Pleshey



“In March 2024, 17 people went expectantly to Pleshey Retreat House for our Annual Day of fellowship, learning and pausing together.

“Our day was led by Sue Whalley, Baptist Minister. She is Deaf herself and so the day was led in British Sign Language with interpreters providing the English for people who could hear.

“Sue took the theme of Rocks. She carefully wove aspects of her own story into three topics: The Rock of faithfulness; The Rock of sin and forgiveness; The Rock of resurrection and hope. She gave us much to think about, including – how did the women who went to the tomb, think that they were going to open it?!

Janice Taylor, a participant at the retreat shares her experience of the day:

“This wasn’t my first experience of Pleshey, in fact, my first experience was over 30 years ago when I first became a Christian! But this time, my daughter and I were returning to Pleshey as part of the Deaf community, which felt very welcoming and supportive. This retreat day was a great opportunity to go to a holy place and take time out from everyday life. It was a lovely space to be reflective and creative alongside other people, who I met for the first time. I can honestly say it was a real joy being able to relax, as I understood what was going on and felt really included. We were treated to Sue’s teaching, a chance to walk the beautiful grounds, and also got creative with painting stones and writing poetry. There were many lovely blessings as we shared this time together, especially with the fantastic food provided too! I must say since that day I have felt a little more confident and brave! I have been sharing my experience back at my home church as well as with our women’s ministry. It is great to come back from a retreat with a great experience, and we look forward to the next opportunity!”

The Rev’d Canon Stephanie Gillingham
Chelmsford Diocese Lead Minister to the Deaf Community

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 X).

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 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 2025

As the CDBF approached 2025, planning continued to be shaped by the approach and values set out in Travelling Well Together.

- Planning continues to address significant and long-term challenges facing the diocese, articulated in the paper 'Sustaining Ministry' that was presented to the Chelmsford Diocesan Synod in March 2025. Sustaining Ministry reflects our commitment to participative change and sets out a process of consultation to help us discern together as a whole diocesan family, how we will be an enduring missional presence

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across Essex and East London as we respond to the challenges of numbers of people, resources, and finances, and how we embrace considerable missional opportunities.

- The Parish Support Conversation, which started in Autumn 2023, and which seeks to draw alongside people in parishes and worshipping communities, to discern how our churches can be well supported in the future, will roll out further, building on the work of the Church Buildings Support Conversation to focus on new areas of parish and diocesan life.
- Work continues with Parishes and Deaneries to develop and implement missional proposals and plans supported by investment from the Church of England's Strategic Mission and Ministry Investment Board across all three Episcopal Areas.
- As the Diocese prepares for its INEQE Independent Safeguarding Audit in 2027, work continues to ensure that our churches are environments where everyone feels safe, valued and respected.

Other key planning priorities

As we approached 2025, there were also a number of significant events and activities that shaped planning.

- The Diocese will continue to implement the proposals of the Racial Justice Task and Finish Group.
- The Diocese will continue to implement the road map to Carbon Net Zero by 2030 as agreed by the Church of England General Synod.
- The Prayers of Love and Faith, and how they might be used in the Church of England in the future remains a subject of considerable concern and division. Some people are frustrated by further delays and feel that the Church of England has not gone far enough by introducing the prayers, others are concerned that red lines have already been crossed. These are not issues that will be resolved in Chelmsford Diocese alone, but the Bishop's Leadership Team remain committed to promoting and encouraging a way of travelling well together, despite the differences in what we believe, and despite the inevitable pain those differences cause. Over recent years the Bishop's Leadership Team has focused on bringing people together from wide ranging views across the diocese, to listen to their concerns and anxieties and to hear thoughts and ideas about how reassurance might be provided and how we might continue to live well together despite our differences. One consequence of these conversations was the introduction of a diocesan statement of reassurance from Bishop Guli and members of the Bishop's Leadership Team in early 2025.

6. Financial review

Financial Performance

The CDBF recorded a deficit of £825k 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 £1,367k. The improved performance mainly arose because of lower expenditure on stipends due to higher than expected vacancies, savings on employment costs and improved income from the rental of surplus houses. During 2024 in line with our Total Return Accounting policy (see note 14 on page 62) there was a transfer of £3.0m (2023: £3.0m) 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 £3.0m (2023: £2.6m) the net parish share shortfall increased compared to 2023. The share requested totalled £16.2m (2023: £15.8m) a 2.5% increase on 2023. In cash terms £13.2m (2023: £13.2m) was received in Parish Share, which was 82% of the amount requested (2023: 84%). The increase in shortfall is of concern and we will need to see the shortfall reduce in future years in order to deliver a balanced budget.

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

Income across all funds, before other recognised gains and losses totalled £22.3m (2023: £26.4m) and expenditure amounted to £26.9m (2023: £24.6m).

The Statement of Financial Activities (SOFA) for the year shows a net deficit of £4.6m (2023: surplus of £1.8m) before net gains and losses on the revaluation and sale of investments and the revaluation of fixed assets. Net gains on investments totalled £7.7m (2023: net gains of £4.6m) and there was a net loss on revaluation of fixed assets of £15.7m (2023: net loss of £9.7m).

There was a net cash outflow of £5m (2023: inflow £4.2m). During the year we used surplus cash to repay loans totalling £5.6m. In addition, there were fixed asset sales of £11m (2023: £10m), offsetting the £6.3m of net cash used in operating activities (2023: £4.8m). CDBF continued to benefit from tight financial control and cashflow management in 2024.

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 five properties for housing stipendiary ecclesiastical office holders.
- Sale of fifteen properties surplus to operational requirements and three properties where a replacement property has been purchased.
- Sale of one plot of glebe land.

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. 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 20 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 £359.9m (2023: £372.6m) it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £273.2m (2023: £291.6m). 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.

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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 £5.3m. This policy was last reviewed and agreed by the Trustees in May 2024. The Finance Executive is charged with oversight of the reserves policy.

After transfers, free general reserves at the year-end were in surplus by £5.0m (2023: surplus £5.9m) being the value of the General Fund. This is slightly under the reserve target of £5.3m. 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 slightly below the reserve target, 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 2024 total designated reserves were £36.1m (2023: £35.4m).

The Trustees approved two new designated funds during the year; the Development Projects Fund and the Clergy Conference Fund (see note 19).

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 2024 restricted funds totalled £12.5m (2023: £12.8m) and endowment funds totalled £306.2m (2023: £318.5m). Neither are available for the general purposes of the CDBF.

Liquidity Policy

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

The CDBF aims to hold £2m cash in instant access accounts to meet its cash needs. 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.

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 Reviewed and updated by the Finance Executive in 2024 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 14).
- Relevant benchmarks include a minimum target total return of CPI + 4% 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 2024	Proportion of portfolio	Income yield in year	Total return in year
	£000			
CCLA Managed CBF Investment Fund	37,532	59.21%	2.71 %	5.09 %
Cazenove Segregated portfolio	25,839	40.77%	1.81 %	11.20 %
Other funds	13	0.02%		
Total	63,385	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 2024, 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 2024 (2023: 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 2024

Parish Share payments comprise the largest proportion of income for the Diocese. 81% of Parish Share requested was received in 2024, which was lower than hoped for but reflects the challenges Parishes are facing with increased costs due to high inflation, and reduced income as congregations faced increases in the cost of living. It is expected that, as parishes and deaneries move towards ministry plans which are financially sustainable, the new scheme, implemented in 2023, will help to 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 £17.9m at 31 December 2024 (2023: £18.4m), are available from the CDBF on request, and are summarised in note 26.

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 strategy incorporating a 5 year budget, 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 2024

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 cyber security audit and training, an improved DAC support provision, advice on appointment of architects, a Heritage Support Officer and our DAC staff and members. In 2024 we also recruited a Church Building Support Officer and our Church Buildings Support Conversation got underway.

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. A Net Carbon Zero Officer was appointed in the year and we also began working as part of a regional group for mutual support and learning.

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.

Trustees' Report for the year ended 31 December 2024

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 462 parishes.

During the year CDBF acquired a trading subsidiary, MCO Investments Ltd, Company Number 09614431, which owns a property from which the charity will run an Area Office. As the results of the subsidiary are immaterial, they have not been consolidated into the Charity's financial results, but the value of the 100% shareholding in the subsidiary has been recognised in the Investments section of the Balance Sheet (See note 13).

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.

Trustees' Report for the year ended 31 December 2024

Structure and governance (continued)

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

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

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.

Structure and governance (continued)

Bishop's Council and Finance Committee

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

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

Trustee recruitment, selection and induction

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

Trustees' Report for the year ended 31 December 2024

Attendance at Trustee Meetings

	Number of meetings eligible to attend	Number of meetings attended	Percentage of eligible attended
Mrs Isabel Adcock (until 16/11/24)	5	4	80%
The Rt Revd Adam Atkinson	6	5	83%
The Revd Katherine de Bourcier (until 18/6/24)	3	2	66%
The Ven Christopher Burke	6	6	100%
Mr Philip Carnelley	6	4	66%
The Ven Elwin Cockett (until 30/9/24)	4	1	25%
Mrs Florence Conaty (from 16/11/24)	1	1	100%
The Ven Jonathan Croucher	6	3	50%
The Rt Revd Lynne Cullens	6	3	50%
Mrs Mary Durlacher	6	5	83%
Canon Roger Ennals (until 16/11/24)	5	4	80%
The Rt Revd Gulnar Francis-Deqhani	6	4	66%
Ms Wilhelmina Joan Goulbourn (from 21/10/24)	2	2	100%
The Revd John Fry (until 15/4/24)	2	2	100%
Canon Robert Hammond	6	4	66%
Mrs Lesley Judd (until 16/11/24)	5	5	100%
The Very Revd Paul Kennington	6	4	66%
Revd Dr Susan Joy Lucas (from 16/11/24)	1	1	100%
The Rt Revd Roger Morris	6	6	100%
Mr Jeffrey Mushens	6	5	83%
Mrs Michelle Obende (until 16/11/24)	5	1	20%
Revd Canon Christian Okeke (from 16/11/24)	1	1	100%
The Ven Ruth Patten	6	5	83%
The Ven Kate Peacock	6	5	83%
The Ven Michael Power	6	6	100%
Mrs Jill Readings	6	4	66%
The Revd Canon Nicholas Rowan	6	5	83%
Canon Adrian Smith (until 16/11/24)	5	3	60%
Mr Brian Smith (until 16/11/24)	5	5	100%
Ms Hazel Thomas	6	4	66%
Mr John Tipping	6	2	33%
Mr John Winterbotham (until 15/4/24)	2	1	50%

Structure and governance (continued)

Remuneration of key management personnel

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

Delegation of day to day delivery

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

Funds held on behalf of schools

The DBE (as incorporated within the CDBF) receives 10% contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The DBE administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the DBE and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £1.543m and £1.410m respectively (2023: £4.804m and £3.542m).

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.

Trustees' responsibilities (continued)

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

Following an audit services tender exercise in 2024 the reappointment of Haysmacintyre LLP as auditors to the CDBF will be proposed at the Annual General meeting. On the 18 November 2024 the company's auditor changed it's name from Haysmacintyre LLP to HaysMac LLP.

Trustees' Report for the year ended 31 December 2024

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	The Rt Revd Gulnar Francis-Deqhani
Chair	Mr Jeffrey Mushens
Vice-Chair	Vacant
Area Bishops	The Rt Revd Roger A B Morris The Rt Revd Adam Atkinson The Rt Revd Lynne Cullens The Ven Christopher Burke The Ven Elwin W Cockett (until 30/9/24) The Ven Ruth Patten The Ven Michael Power The Ven Jonathan Croucher The Ven Kate Peacock
Archdeacons	The Revd Cannon Dr Jessica Martin(from 5/01/25) The Very Revd John Paul Kennington (until 5/01/25) Canon Robert I Hammond The Revd Canon Jane Richards (not a trustee due to remuneration by the Board)
The Dean	
Interim Dean	
Lay Vice-President	
Clergy Vice-Presidents	

Elected or appointed to fill a vacancy

Mrs Isabel Adcock (until 16/11/24)	Mr Philip Carnelley
Canon Roger J Ennals (until 16/11/24)	Mrs Mary Durlacher
The Revd John Fry (until 15/4/24)	Mrs Lesley V Judd (until 16/11/24)
Mrs Michelle A K Obende (until 16/11/24)	The Revd Canon Nicholas E Rowan
Canon Adrian J Smith (until 16/11/24)	Ms Hazel Thomas
Mr John H Winterbotham (until 15/4/24)	Ms Wilhelmina Joan Goulbourn (from 21/10/24)
Mr John Tipping	Revd Canon Christian Okeke (from 16/11/24)
Mrs Jill Elizabeth Readings	Mr Duraisamy Daniel Jebanesan (from 6/1/25)
Revd Dr Susan Joy Lucas (from 16/11/24)	Miss Vevet Norine Deer (from 6/01/25)
Mrs Florence Conaty (from 16/11/24)	Mrs Julia Thomas (from 6/1/25)
Mr Brian Smith (until 16/11/24)	
The Revd Katherine de Bourcier (until 18/6/24)	

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

Trustees' Report for the year ended 31 December 2024

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
Director of Communications & Media	Canon Thomas Geldard
Director of Education	Carrie Prior
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	HaysMac 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 One Angel Lane London EC4R 3AB
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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: 13 May 2025

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 2024 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 2024 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 35, 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 HaysMac LLP, Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 18/06/2025

The Chelmsford Diocesan Board of Finance

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2024

		Unrestricted funds		Restricted	Endowment	Total	Total
		General	Designated	Funds	Funds	Funds	Funds
		2024	2024	2024	2024	2024	2023
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations:							
Parish contributions	2	13,208	0	0	0	13,208	13,232
Other donations and legacies	2	1,342	222	2,652	0	4,216	7,815
Charitable activities	3	1,500	9	5	16	1,530	1,494
Investments	4	347	148	375	1,573	2,443	2,055
Other Trading activities:							
Parsonage rents receivable		925	0	0	0	925	808
Other Income	5	0	0	0	0	0	1,007
Total income		17,322	379	3,032	1,589	22,322	26,411
Expenditure on							
Raising funds:							
Investment management	6	0	0	29	338	367	336
Charitable activities	7a	21,271	378	3,559	0	25,208	24,310
Other Expenditure	7b	0	596	302	456	1,354	0
Total expenditure		21,271	974	3,890	794	26,929	24,646
Net surplus / (deficit) before investment gains		(3,949)	(595)	(858)	794	(4,607)	1,765
Net gains / (losses) on investments	13	0	118	559	7,014	7,691	4,576
Net surplus / (deficit) before transfers		(3,949)	(477)	(299)	7,809	3,084	6,341
Transfer between funds	19	3,124	2,930	0	(6,054)	0	0
Net surplus / (deficit) before other gains and losses		(825)	2,453	(299)	1,755	3,084	6,341
Gains/(losses) on revaluation of fixed assets	12	(10)	(1,686)	(15)	(14,028)	(15,739)	(9,708)
Net movement in funds		(835)	767	(314)	(12,273)	(12,655)	(3,367)
Total funds brought forward		5,868	35,376	12,823	318,489	372,556	375,923
Total funds carried forward		5,033	36,142	12,509	306,216	359,900	372,556

The notes on pages 46 to 75 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2024**

SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2024

	Total 2024 £'000	<i>Total 2023 £'000</i>
Total income	20,733	24,902
Total expenditure	(26,135)	(24,326)
Operating profit	(5,402)	576
Net gains (losses) on investments	677	1,045
Net income for the year	(4,725)	1,621
Other comprehensive income:		
Revaluation of fixed assets	(1,711)	(884)
Net assets transferred from Endowment	6,054	3,727
Total comprehensive income	(382)	4,464

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 46 to 75 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2024**

BALANCE SHEET

For the year ended 31 December 2024

Company number: 137029

		2024		2023	
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	12		273,786		292,172
Investments	13		78,956		69,863
			<u>352,742</u>		<u>362,035</u>
Current assets					
Assets held for sale	12	6,053		10,880	
Debtors: amounts falling due after more than one year	16	219		242	
Debtors: amounts falling due within one year	16	2,741		1,825	
Cash at bank and in hand		<u>3,291</u>		<u>8,282</u>	
		12,304		21,229	
Creditors: amounts falling due within one year	17	<u>(2,438)</u>		<u>(2,391)</u>	
Net current assets			9,866		18,838
Total assets less current liabilities			<u>362,608</u>		<u>380,872</u>
Creditors: amounts falling due after more than one year	18		<u>(2,708)</u>		<u>(8,317)</u>
Net assets			<u>359,900</u>		<u>372,556</u>
Funds					
Endowment Funds (including asset revaluations of £162.99m (2023 £179.43m))	19		306,216		318,489
Restricted Funds (including asset revaluations of £0.33m (2023 £.34m))	19		12,509		12,823
Designated Funds (including asset revaluations of £11.69m (2023 £14.83m))	19		36,142		35,376
General Funds (including asset revaluations of £1.44m (2023 £1.45m))	19		5,033		5,868
Total Funds			<u>359,900</u>		<u>372,556</u>

The financial statements were approved and authorised for issue by the Trustees on 13 May 2025 and signed on their behalf, by:


Mr Jeffrey Mushens, Chair

The notes on pages 46 to 75 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2024
STATEMENT OF CASH FLOWS

	2024		2023	
	£'000	£'000	£'000	£'000
Net Cash used in from operating activities		(6,320)		(4,857)
Cashflow from investing activities				
Dividends, interest and rent from investments	2,443		2,055	
Interest paid	(395)		(567)	
Proceeds from the sale of tangible fixed assets	4,158		3,169	
Proceeds from the sale of held for trading assets	6,811		7,253	
Proceeds from the sale of investments	2,753		4,239	
Proceeds from the sale of closed churches	0		11	
Proceeds from the sale of closed schools	0		99	
Purchase of tangible fixed assets for the use of the CDBF	(4,641)		(3,846)	
Purchase of fixed assets investments	(4,155)		(2,944)	
Net Cash used in investing activities		6,974		9,469
Cash flows from financing activities				
New loans received by CDBF	0		0	
Loans repaid by CDBF	(5,645)		(367)	
Net Cash provided by financing activities		(5,645)		(367)
Total movement in year		1,329		9,102
Change in cash and cash equivalents in the reporting period		(4,991)		4,245
Cash and cash equivalents at 1 January		8,282		4,036
Cash and cash equivalents at 31 December		3,291		8,282
Reconciliation of net income to net cash used in operating activities				
	2024		2023	
	£'000		£'000	
Net income for the year ended 31 December	(12,655)		(3,367)	
Adjustments for:				
Depreciation	94		92	
Loss on revaluation of fixed assets	14,697		9,708	
Loss on the revaluation of VLL	0		121	
Dividends, interest and rent from investments	(2,443)		(2,055)	
Interest paid	395		567	
Gifts of non cash assets	0		(1,578)	
Loss on sale of functional assets	388		(1,007)	
Loss on the revaluation of held for sale assets	1,042		0	
Losses on sale of held for sale assets	664		0	
Losses (gains) on revaluation of investments	(7,693)		(4,571)	
Gains on sale of investments	1		(6)	
Decrease/(increase) in debtors	(893)		1,983	
Increase/(decrease) in creditors	82		(4,744)	
Net cash used in operating activities		(6,320)		(4,857)

**Notes to the financial statements
For the year ended 31 December 2024**

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 for gains and expenditure on charitable activities for losses.
- 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 2024**

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) 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 for gains and expenditure on charitable activities for losses.
- iv) 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.
- v) 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.
- vi) 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 27. The pension costs charged as expenditure represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102.
- vii) Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is received.
- viii) 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 2024

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. Freehold properties are included in the balance sheet at their fair value.

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.

Assets held for sale

Assets held for sale are not depreciated, are measured at the lower of carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position.

(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 2024**

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 further detail see note 14.

**Notes to the financial statements
For the year ended 31 December 2024**

I. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

(h) Capital expenditure on Voluntary Aided schools

Contributions to capital expenditure from Department for Education and school governors are not recognised in the Statement of Financial Activities. Details of the turnover related to this activity are included in note 25.

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

- i) 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.
- ii) 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.
- iii) 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.

(j) Basis of consolidation

The accounts for the CDBF have been prepared on a company only basis.

During the year CDBF acquired a trading subsidiary, MCO Investments Ltd, Company Number 09614431, which owns a property from which the charity will run an Area Office. As the results of the subsidiary are immaterial, they have not been consolidated into the Charity’s financial results, but the value of the 100% shareholding in the subsidiary has been recognised in the Investments section of the Balance Sheet (See note 13).

Notes to the financial statements For the year ended 31 December 2024

2. INCOME FROM DONATIONS

Parish Contributions

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2024	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Parish share assessment for the year	16,261	0	0	0	16,261	15,803
Shortfall in contributions	(3,095)	0	0	0	(3,095)	(2,611)
Payments in excess of assessment	7	0	0	0	7	17
Arrears for previous years	35	0	0	0	35	23
	13,208	0	0	0	13,208	13,232

All parish contributions in 2023 were unrestricted

Other Donations

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2024	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	13	0	21	0	34	3,195
Ministry Support Funding	1,248	0	0	0	1,248	1,519
Benefact Trust	0	222	0	0	222	258
Church Planting	0	0	1,453	0	1,453	1,097
Training for Ministry	0	0	(188)	0	(188)	325
City Churches Fund	0	0	601	0	601	844
Strategic Capacity Fund	0	0	237	0	237	169
Strategic Ministry Fund	0	0	38	0	38	83
Other Grants	82	0	490	0	572	325
	1,342	222	2,652	0	4,216	7,815
Total donations	14,551	222	2,652	0	17,424	21,047

In 2023, £1,889,000 of other donations were unrestricted and £5,926,000 was restricted.

Training for Ministry - The Archbishops Council requested the return of surpluses in 2024 resulting in a negative income of £188k. The Archbishops Council would like these returned so that they can be used for other ways to fund other initiatives to facilitate ordinand formation such as RMF innovation grants.

Notes to the financial statements

For the year ended 31 December 2024

3. INCOME FROM CHARITABLE ACTIVITIES

Parish Contributions

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2024	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees and chaplaincy income	803	0	0	0	803	768
Printing	90	0	0	0	90	93
Miscellaneous income	323	9	5	16	353	371
Diocesan Retreat House	284	0	0	0	284	262
	1,500	9	5	16	1,530	1,494
<i>Total in 2023</i>	<i>1,469</i>	<i>25</i>	<i>0</i>	<i>0</i>	<i>1,494</i>	

4. INCOME FROM INVESTMENTS

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2024	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends	7	143	246	1,090	1,486	1,483
Interest	335	5	73	0	413	44
Rent	5	0	56	483	544	528
	347	148	375	1,573	2,443	2,055
<i>Total in 2023</i>	<i>36</i>	<i>123</i>	<i>215</i>	<i>1,681</i>	<i>2,055</i>	

5. OTHER INCOME

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2024	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Gains on disposal of assets	0	0	0	0	0	1,007
	0	0	0	0	0	1,007
<i>Total in 2023</i>	<i>2</i>	<i>1,078</i>	<i>99</i>	<i>(172)</i>	<i>1,007</i>	

**Notes to the financial statements
For the year ended 31 December 2024**

6. FUND RAISING COSTS

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	Funds	Funds
	2024	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Investment management costs	0	0	29	338	367	336
<i>Total in 2023</i>	0	0	25	311	336	

7a. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000
Resourcing ministry and mission	16,229	309	2,272	0	18,810
Grant Funding of activities	1,743	0	331	0	2,074
Support costs	2,900	32	482	0	3,414
Expenditure on Diocesan Retreat House	295	37	0	0	332
Expenditure on Education	104	0	474	0	578
	21,271	378	3,559	0	25,208

	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
Diocesan Retreat House	263	70	0	0	333
Expenditure on Education	255	0	310	0	565
	20,487	551	3,263	9	24,309

**Notes to the financial statements
For the year ended 31 December 2024**

7b. OTHER EXPENDITURE

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000
Loss on disposal of assets	0	596	302	456	1,354
	0	596	302	456	1,354

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000
Loss on disposal of assets	0	0	0	0	0
	0	0	0	0	0

**Notes to the financial statements
For the year ended 31 December 2024**

8. ANALYSIS OF GRANTS

		Grants to Individuals	Grants to Institutions	Total Funds	Total Funds
		2024 £'000	2024 £'000	2024 £'000	2023 £'000
Grants made		160	1,914	2,074	2,057
Total in 2023		218	1,839	2,057	
Reconciliation of grants payable					
				2024 £'000	2023 £'000
Accrued at 1 January				247	404
Grants payable for the year				2,074	2,057
Grants paid during the year				(2,064)	(2,214)
Total				257	247
Payable as follows:					
in less than 1 year				257	247
By fund type					
	No.	Individuals £'000	Institutions £'000	2024 £'000	2023 £'000
From unrestricted funds for National Church responsibilities					
Contributions to Archbishops' Council	5	0	1,239	1,239	1,227
From unrestricted funds					
PCC feasibility study	1	0	8	8	25
Churches Together organisations	0	0	0	0	(25)
Mission Opportunity grants to parishes	29	0	318	318	0
Interfaith working	2	0	4	4	14
Bishops discretionary grants	3	0	17	17	4
Ordinands in Training	9	131	0	131	185
Clergy for training	112	26	0	26	19
Total from unrestricted funds	161	157	1,586	1,743	1,449
Total from designated funds					
PCCs for mission projects.	0	0	0	0	108
From restricted funds					
Overseas mission projects	1	0	21	21	3
Grants for parish building projects	29	0	103	103	4
PCCs for mission projects	8	0	198	198	185
Education grants	8	3	6	9	307
Total from restricted funds	46	3	328	331	500
Total	207	160	1,914	2,074	2,057
Total in 2023		218	1,839	2,057	

**Notes to the financial statements
For the year ended 31 December 2024**

9. ALLOCATION OF SUPPORT COSTS

	2024	2023
	£'000	£'000
Resourcing ministry and mission	3,203	2,872
Education	211	190
Total	3,414	3,062

10. NET INCOME

This is stated after charging	2024	2023
	£'000	£'000
Auditors' remuneration (including VAT)		
Audit Fees	42	38
Other Fees	4	3
Operating lease costs in the year	228	194
Depreciation charge	94	92
Interest paid	395	567

**Notes to the financial statements
For the year ended 31 December 2024**

11. STAFF COSTS

	2024	2023
	£'000	£'000
Staff costs were as follows:		
Wages and salaries	2,761	2,338
National Insurance contributions	269	221
Pension costs (note 27)	335	299
	<u>3,365</u>	<u>2,858</u>

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

	2024	2023
	No.	No.
Support for parish ministry	85	78
Diocesan Retreat House	11	11
Secretaries to Archdeacons	6	6
	<u>102</u>	<u>95</u>

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

	2024	2023
	No.	No.
Support for parish ministry	69	63
Diocesan Retreat House	5	5
Secretaries to Archdeacons	3	4
	<u>77</u>	<u>72</u>

The number of higher paid employees was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	0

During the year the charity made employment termination payments totalling £0 (2023: £4,887)

**Notes to the financial statements
For the year ended 31 December 2024**

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 2024 they were:

Chief Executive & Diocesan Secretary	Michaela Southworth
Dean of Mission, Ministry & Education	The Revd Robert Merchant
Director of Finance	Paul Setterfield
Director of Communications & Media	Thomas Geldard
Director of Education	Carrie Prior
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 £894,984 (2023: £816,679)

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.

	2024	2023
	£'000	£'000
Stipends	8,288	8,430
National Insurance contributions	711	702
Pension costs - current year	1,802	2,052
- deficit reduction	0	0
	<u>10,801</u>	<u>11,184</u>

The stipends of the Diocesan Bishop and three Suffragan Bishops are funded by the Church Commissioners and are in the range £39,953 - £51,910p.a. (2023: £39,950 - £48,970p.a.). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2024 was in the range £39,058 - £41,792 (2023: £37,370 - £39,058 p.a.). Other clergy who were Trustees were paid £31,049 p.a. (2023: £29,502 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 £1,962 for 2 trustees (2023: £1,280) in respect of General Synod duties, and other duties as Trustees. 9 trustees received £20,296 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 2024

12. TANGIBLE FIXED ASSETS

	Freehold properties	Office Equipment	Other Fixed assets	Total
	2024	2024	2024	2024
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 2024	291,597	315	771	292,684
Additions	4,490	152	0	4,641
Disposals	(4,530)	(29)	(27)	(4,586)
Revaluation adjustment	(14,697)	0	0	(14,697)
Transfer to assets held for sale	(3,690)	0	0	(3,690)
At 31 December 2024	<u>273,170</u>	<u>438</u>	<u>744</u>	<u>274,352</u>
Depreciation				
At 1 January 2024	0	206	304	511
Charge for the year	0	64	30	94
On disposals	0	(29)	(11)	(40)
At 31 December 2024	<u>0</u>	<u>241</u>	<u>324</u>	<u>565</u>
Net book value				
At 31 December 2024	<u>273,171</u>	<u>196</u>	<u>419</u>	<u>273,786</u>
At 31 December 2023	<u>291,597</u>	<u>108</u>	<u>467</u>	<u>292,172</u>

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

	2024	2023
	£'000	£'000
Cost	<u>96,718</u>	<u>95,539</u>

The land and buildings were revalued on 31 December 2024 by Strutt & Parker LLP, Chartered Surveyors on a fair value basis.

**Notes to the financial statements
For the year ended 31 December 2024**

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:

	2024	2023
	£'000	£'000
Revaluation of fixed assets	(14,697)	(9,708)
Revaluation of assets held for sale	(1,042)	0
Net loss per Statement of Financial Activities	<u>(15,739)</u>	<u>(9,708)</u>

The analysis of assets held for sale

	2024	2023
	£'000	£'000
Balance bf 1 January 2024	10,880	10,527
Proceeds from the sale of held for trading assets	(6,811)	(7,253)
Losses on disposal of held for trading assets	(664)	(429)
Revaluation of held for sale assets	(1,042)	0
Held for sale for 2024	3,690	8,035
Balance cf 31 December 2024	<u>6,053</u>	<u>10,880</u>

Proceeds from the sale of tangible fixed assets

	2024	2023
	£'000	£'000
Net book value of freehold property fixed assets disposed at 1 January 2024	(4,546)	(1,843)
Gains and losses on disposal of assets	389	(41)
Proceeds from the sale of freehold property tangible fixed assets	<u>(4,158)</u>	<u>(1,884)</u>

Notes to the financial statements For the year ended 31 December 2024

13. FIXED ASSET INVESTMENTS

	Listed Investments	Unlisted Investments	Investment Subsidiary	Investment Property	Total	Total
	2024	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2024	23,673	35,500	0	10,690	69,863	65,004
Additions	2,542	1,200	413	0	4,155	4,522
Disposals	(2,755)	0	0	0	(2,755)	(4,233)
Revaluation gain	2,387	846	0	4,460	7,693	4,571
Market Value at 31 December 2024	25,848	37,546	413	15,150	78,956	69,863
Historic Value at 31 December 2024	20,526	26,063	413	4,113	51,115	48,769

Investments held by fund

	Unrestricted funds		Restricted Funds	Endowment Funds	Total Funds
	General	Designated			
	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000
At 31 December 2024					
Listed investments	0	0	4,078	21,770	25,848
Unlisted investments	0	5,243	6,125	26,177	37,545
Investment subsidiary	413	0	0	0	413
Investment property	0	0	785	14,365	15,150
Total	413	5,243	10,988	62,312	78,956
	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	0	4,267	10,124	55,472	69,863

The analysis of net gains on investments is as follows:

	2024	2023
	£'000	£'000
Realised (loss) gain	(1)	5
Unrealised gains on revaluation	7,693	4,571
Net gains per Statement of Financial Activities	7,692	4,576

Notes to the financial statements For the year ended 31 December 2024

MCO Investments Ltd.'s last published set of financial statements were as at 31 May 2024, which pre-dates the date at which CDBF purchased the company (6th August 2024). At this date MCO Investments Ltd had fixed assets of £365k, current assets of £34k, and current liabilities of £340k, with net assets and accumulated reserves totalling £49k. As part of the purchase agreement intercompany debts of £316k were repaid immediately before completion, leaving just the fixed asset property as the sole asset within the company. The Investment held at £413k includes purchase and legal fees associated with the purchase of the subsidiary. From the date of completion there have been no intercompany transactions between CDBF and MCO Investments Ltd.

14. TOTAL RETURN ACCOUNTING

The unapplied total return brought forward at the 1 January 2024 was £10.582m for SCF and £1.276m for PEF a combined valued of £11.858m. 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 2024 the CPI index used was 2.6%.

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 2024:						
Base value of the permanent endowment	73,373	0	73,373	2,032	0	2,032
Unapplied total return	0	10,582	10,582	0	1,276	1,276
Total	73,373	10,582	83,953	2,032	1,276	3,308
Movements in the year:						
Additional sale proceeds of glebe land sale	0	0	0	0	0	0
Losses on revaluation of clergy houses	0	(2,022)	(2,022)	0	0	0
Gains/(losses) on disposal of assets	0	(151)	(151)	0	0	0
Investment returns: dividends received	0	1,072	1,072	0	96	96
Investment returns: Glebe rents	0	421	421	0	0	0
Investment return: realised and unrealised gains	0	6,938	6,938	0	77	77
Investment management costs	0	(338)	(338)	0	0	0
Unapplied total return allocated to income in the year	0	(2,938)	(2,938)	0	(116)	(116)
Add indexation of base level of endowment	1,887	(1,887)	0	52	(52)	0
Net movements in the year	1,887	1,094	2,981	52	5	57
As at 31 December 2024:						
Base value of the permanent endowment	75,260	0	75,260	2,084	0	2,084
Unapplied total return	0	11,676	11,676	0	1,281	1,281
Valuation as at 31 December 2024	75,260	11,676	86,935	2,084	1,281	3,365
Analysis of Withdrawal to income						
To General Fund (see note 19 analysis of transfers)		2,938			116	
Withdrawal to income		2,938			116	
Closing balance	75,260	11,676	86,935	2,084	1,281	3,365

Notes to the financial statements
For the year ended 31 December 2024

15. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2024	Cashflows	Other Non- Cash Changes	At 31 Dec 2024
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash and cash equivalents	8,282	(4,991)	0	3,291
	8,282	(4,991)	0	3,291
Borrowings				
Debt due within one year	(396)	396	(360)	(360)
Debt due after one year	(8,317)	5,249	360	(2,708)
	(8,713)	5,645	0	(3,068)
Total	(431)	654	0	223

16. DEBTORS

	Total 2024 £'000	<i>Total 2023 £'000</i>
Due after more than one year		
Loans to parishes	182	193
Equity loans	37	49
Other loans	0	0
	219	<i>242</i>
	Total 2024 £'000	<i>Total 2023 £'000</i>
Due within one year		
Parish share	426	363
Charitable activities debtors	143	146
Other loans and debtors	785	158
Grant income accrued	345	175
Prepayments and accrued income	1,042	983
	2,741	<i>1,825</i>

**Notes to the financial statements
For the year ended 31 December 2024**

17. CREDITORS: Amounts falling due within one year

	Total	<i>Total</i>
	2024	<i>2023</i>
	£'000	<i>£'000</i>
Bank and equity loans	360	<i>396</i>
Trade creditors	501	<i>480</i>
Other taxation and social security	102	<i>84</i>
Closed Schools - amounts held pending determination	476	<i>578</i>
Devolved Formula Capital	0	<i>27</i>
Schools Condition Allocations	458	<i>8</i>
Pension contributions (note 27)	40	<i>202</i>
Other creditors	128	<i>237</i>
Accruals and deferred income	116	<i>133</i>
Grants accrued (note 8)	257	<i>247</i>
	2,438	<i>2,391</i>

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

	Total	<i>Total</i>
	2024	<i>2023</i>
	£'000	<i>£'000</i>
Bank loans	2,121	<i>7,718</i>
Equity loan	587	<i>599</i>
	2,708	<i>8,317</i>

National Westminster Bank Plc has made available mortgage facilities to fund the purchase of houses for curates. The total loan balance stands at £2.481m (2023: £8.114m) at the year end. The loan is divided between £2,121m falling due after more than one year and £0.360m included in creditors falling due within one year. This figure includes a provision for monthly capital repayments and a lump sum repayment in January 2025 following the sale of a property. The loan rate is 1.83% above base.

During 2024 a total of £5,645m was repaid from the sale of charged properties and to reduce the outstanding debt balance.

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

Notes to the financial statements
For the year ended 31 December 2024

19. SUMMARY OF FUNDS MOVEMENTS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2024 £'000	Income 2024 £'000	Expenditure 2024 £'000	Transfers in/(out) 2024 £'000	Gains/ (losses) 2024 £'000	Balance at 31 December 2024 £'000
Designated funds						
Houses	28,517	5	(598)	0	(1,686)	26,238
Benefact Trust	367	228	(208)	(57)	0	330
Designated Stipend Capital Fund	4,558	116	0	2,809	95	7,578
Closed Churches	521	3	(125)	0	0	399
Diocesan Pastoral Account	41	0	0	0	0	41
Mission Opportunities	300	0	0	0	0	300
Friends of the Retreat House	19	0	(12)	0	0	7
Designated Youth Work	1,052	27	0	(30)	23	1,072
Development Projects Fund	(0)	0	(31)	31	0	0
Clergy Conference	(0)	0	0	177	0	177
	<u>35,376</u>	<u>379</u>	<u>(974)</u>	<u>2,930</u>	<u>(1,568)</u>	<u>36,142</u>
General funds						
General funds	<u>5,868</u>	<u>17,322</u>	<u>(21,271)</u>	<u>3,124</u>	<u>(10)</u>	<u>5,033</u>
Total Unrestricted Funds	<u>41,244</u>	<u>17,701</u>	<u>(22,245)</u>	<u>6,054</u>	<u>(1,578)</u>	<u>41,175</u>
Endowment Funds						
Stipends Fund Capital	83,954	1,492	(489)	(2,938)	4,916	86,935
Parsonage Houses	231,227	0	(305)	(3,000)	(12,006)	215,916
Permanent Endowment	3,308	96	0	(116)	77	3,365
	<u>318,489</u>	<u>1,588</u>	<u>(794)</u>	<u>(6,054)</u>	<u>(7,013)</u>	<u>306,216</u>
Restricted Funds						
Diocesan Board of Education	5,753	273	(673)	0	400	5,753
London Over the Border	1,885	40	(64)	0	92	1,953
City Church Fund	1,650	622	(862)	0	0	1,410
St Monica's Trust	3,180	160	(136)	0	52	3,256
Lent Appeal	0	21	(21)	0	0	0
Refugee Appeal	42	0	0	0	0	42
Church Planting project	0	1,453	(1,453)	0	0	0
Training for Ministry	293	(188)	(41)	0	0	64
Strategic Capacity	1	365	(346)	0	0	20
Strategic Ministry Fund	0	38	(38)	0	0	0
Historic England	7	19	(26)	0	0	0
Other Small Grants	12	229	(230)	0	0	11
	<u>12,823</u>	<u>3,032</u>	<u>(3,890)</u>	<u>0</u>	<u>544</u>	<u>12,509</u>
Total Funds	<u>372,556</u>	<u>22,321</u>	<u>(26,929)</u>	<u>0</u>	<u>(8,047)</u>	<u>359,900</u>

Notes to the financial statements
For the year ended 31 December 2024

19. SUMMARY OF FUNDS MOVEMENTS (continued)

STATEMENT OF FUNDS – PRIOR 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	521
Diocesan Pastoral Account	0	180	(142)	3		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)			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>

Notes to the financial statements
For the year ended 31 December 2024

19. SUMMARY OF FUNDS MOVEMENTS (continued)

SUMMARY OF FUNDS – CURRENT YEAR

	Balance at 1 January 2024 £'000	Income 2024 £'000	Expenditure 2024 £'000	Transfers in/(out) 2024 £'000	Gains/ (losses) 2024 £'000	Balance at 31 December 2024 £'000
Designated funds	35,376	379	(974)	2,930	(1,568)	36,142
General funds	5,868	17,322	(21,271)	3,124	(10)	5,033
	<u>41,244</u>	<u>17,701</u>	<u>(22,245)</u>	<u>6,054</u>	<u>(1,578)</u>	<u>41,175</u>
Endowment funds	318,489	1,588	(794)	(6,054)	(7,013)	306,216
Restricted funds	12,823	3,032	(3,890)	0	544	12,509
	<u>372,556</u>	<u>22,321</u>	<u>(26,929)</u>	<u>(0)</u>	<u>(8,047)</u>	<u>359,900</u>

SUMMARY OF FUNDS – PRIOR 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>

ANALYSIS OF TRANSFERS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted funds		Restricted Funds	Endowment Funds
	General 2024 £'000	Designated 2024 £'000	2024 £'000	2024 £'000
Total return transfer to general funds from endowment fund (note 14)	3,054	0	0	(3,054)
From Designated stipend fund to supplement revenue	160	(160)	0	0
Funds from the sale of Parsonage houses where no replacement is required transferred to the Diocesan Pastoral Account	0	3,000	0	(3,000)
From the general to designated clergy conference fund	(177)	177	0	0
Other transfers of less than £50,000 each	87	(87)	0	0
	<u>3,124</u>	<u>2,930</u>	<u>0</u>	<u>(6,054)</u>

Notes to the financial statements
For the year ended 31 December 2024

19. SUMMARY OF FUNDS MOVEMENTS (continued)

ANALYSIS OF TRANSFERS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted funds		Restricted	Endowment
	General	Designated	Funds	Funds
	2023	2023	2023	2023
	£000	£000	£000	£000
Total return transfer to general funds from the endowment fund (note 14)	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>

Designated Funds:

Houses Fund
Benefact Trust

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

Mission Opportunities Fund
Designated Stipend Capital

This fund represents monies allocated for new mission initiatives.
This 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)

Development Project Fund

This fund represents monies allocated to resource new development opportunities.

Clergy Conference Fund

This fund represents monies set aside for the cost of a future clergy conference event in our diocese.

**Notes to the financial statements
For the year ended 31 December 2024**

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.

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.

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.

Strategic Ministry

Funding to support additional stipendiary curacies from 2020 to provide financial support for growing the number of curates.

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 2024**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	Funds
	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	2,256	31,405	380	239,745	273,786
Fixed asset investments	413	5,243	10,988	62,312	78,956
Assets held for sale	0	2,208	0	3,845	6,053
Debtors due after more than one year	219	0	0	0	219
Current assets	3,115	244	2,344	330	6,032
Creditors due within one year	(850)	(370)	(1,203)	(15)	(2,438)
Creditors due in more than one year	(120)	(2,588)	0	0	(2,708)
Defined benefit pension scheme liabilities	0	0	0	0	0
	5,033	36,142	12,509	306,216	359,900

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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

21. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

22. 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 2023 at the balance sheet date there is a commitment of £409k related to the proposed demolition. The cost of the proposed demolition will be partially met from the Closed churches fund which had a balance of £399k at the end of 2024.

**Notes to the financial statements
For the year ended 31 December 2024**

23. OPERATING LEASE COMMITMENTS

Total of future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£'000	£'000
Buildings where the lease expires		
Within 1 year	35	96
Between 2 and 5 years	0	3
Other operating leases where the lease expires		
Within 1 year	1	3
Between 2 and 5 years	2	3

24. RELATED PARTY TRANSACTIONS

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

25. CAPITAL EXPENDITURE ON VOLUNTARY AIDED SCHOOLS

CDBF received funding on behalf of schools from the Department for Education totalling £1,628,000 (2023: £1,821,000) and from school governing bodies amounting to £201,000 (2023: £407,500) to finance building work. The reduction was mainly due to no longer receiving the Devolved Formula Capital funding as this is now paid directly to the schools or trusts.

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

26. 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.

	2024	2023
	£'000	£'000
CBF Church of England Investment Fund income shares	11,099	10,830
CBF Church of England Investment Fund accumulation shares	879	883
CBF Church of England Fixed Interest Securities Fund shares	250	243
CBF Church of England Global Equity Income Fund income shares	69	64
CBF Church of England UK Equity Income Fund income shares	42	42
CBF Church of England Property Fund shares	128	125
COIF income and accumulation shares	820	784
Other common investment fund holdings (M&G)	894	914
Direct holdings in UK equities	726	726
CBF Church of England Deposit Fund	2,962	3,778
Total	17,869	18,389

**Notes to the financial statements
For the year ended 31 December 2024**

27. 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, which were £1,790 in 2024 (2023: £2.040m). The valuation showed the scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £0 (2023: £0).

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA_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 2024**

27. 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.

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

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

The CDBF formerly participated in the Defined Benefits Scheme section of CWPF for lay staff, which is now closed to future accrual. 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.

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

The scheme is a multi-employer scheme as described in section 28 of FRS 102. It is not possible to attribute 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 (2024: £0, 2023: £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 2024 (2023: £0).

**Notes to the financial statements
For the year ended 31 December 2024**

27. PENSIONS (continued)

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. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

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

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

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

	December 2024	December 2023	December 2022
Discount rate	N/A	N/A	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.

Notes to the financial statements

For the year ended 31 December 2024

27. PENSIONS (continued)

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 (2024: £335,000, 2023: £299,000).

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

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

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time. The legal structure of the scheme is such that if another employer fails, 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%. There is no change to this rate for 2025/26.

The CDBFT employer's pension costs paid to the TPS in the year amounted to £18,402 (2023 £18,000). 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:

	2024	2023
	£'000	£'000
Amounts falling due within one year		
Church of England Funded Pensions Scheme	4	164
Church Workers Pensions Fund DBS	45	36
Church Workers Pensions Fund - Pension Builder Classic and PB2014	0	2
Total	49	202
	2024	2023
	£'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