

THE CHICHESTER DIOCESAN FUND AND  
BOARD OF FINANCE (INCORPORATED)



**Annual Report and Financial Statements  
For the year ended 31 December 2020**

**Company No: 00133558  
Registered Charity Number: 243134**

A printed copy is available on request from Church  
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# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## ANNUAL REPORT

For the year ended 31 December 2020

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**Mission Statement**

Our mission is growth in Christ: encouraging people in the Diocese of Chichester and the wider world to know, love, follow Jesus and to grow as his disciples in worship and witness to the truth of the gospel.

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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 2020.

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 Chichester cover the counties of East and West Sussex and the Unitary Authority of Brighton and Hove.

The principal object of the Chichester Diocesan Fund and Board of Finance (Incorporated) ("CDBF") is to promote, carry on, assist, benefit and advance the work of the Church of England in the Diocese of Chichester by acting as the financial executive of the Chichester 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 Church Property Measure 2018;
- ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
- iii. the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991;
- iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens 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 and the Bishop of Chichester (in respect of his responsibility for the provision of the cure of souls) and his Senior Staff. Significant time and effort is committed to communication between and with deaneries and PCCs, as well as with the church nationally, including an annual series of deanery consultations on the Diocesan Budget and the priorities for the forthcoming year.

In reviewing the charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

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### STRATEGIC REPORT

#### STRATEGIC AIMS

The main role of the CDBF is to identify and manage the financial aspects of the provision of ministry throughout the Diocese so as to provide appropriate personnel and financial resources to support both the nurturing of faith in new and existing Anglicans in Sussex and engagement with the community, as part of the Church's response to the mission of God in Sussex. The CDBF aims to achieve this by equipping the Diocesan Synod, its Councils and Committees, deaneries, parishes, chaplaincies and schools to further the mission and strategic priorities of the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of parishes, chaplaincies and schools.

At Pentecost in May 2015, the Diocesan Synod launched a five year Diocesan Strategy with the following three priorities modelled on the priorities of the Archbishops' Council's Renewal and Reform body of work:

1. Growth in holiness and numbers;
2. Re-imagining ministry;
3. Contributing to the Common Good.

At the end of 2019 we launched the second stage of the Diocesan Vision for Growth, which built on the previous aims, but identified four priorities for 2020-2025:

1. More Open: a sign of being One;
2. More Converted to Jesus Christ: a sign of being holy;
3. More Generous: a sign of being catholic;
4. More Engaged: a sign of being apostolic.

These aims focus on similar themes identified by the national Church of England in their draft strategic vision for growth. In each of the coming years, the diocese will focus on one of the Four Mores in order that Anglicans in Sussex can address these priorities. 2021 will focus on More Open, recognising the need for congregations to reflect more fully the communities they serve, in terms of age and other profiles.

#### OBJECTIVES FOR THE YEAR

The CDBF seeks to respond to its mission of growth in Christ and to its strategic aims by focusing on the following objectives for this and subsequent years:

- To resource a Christian presence in every parish by:
  - The appointment of stipendiary and self-supporting clergy, lay ministers and Christian leaders and governors in our schools
  - Enabling the laity in congregations to play their part in ministry
  - The payment of stipends and pensions
  - The provision and maintenance of housing which is safe, fit for purpose, and welcoming
  - The selection and training of ordinands and lay ministers, and the provision of financial support to those training for ministry

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- Providing ministerial development reviews and continuing ministerial development for clergy
  - Providing pastoral care and welfare support to clergy, including financial assistance where needed
  - Planning and delivering improvements to mission and pastoral organisation
- To develop the ability to ensure a Christian presence in future by:
  - Encouraging vocations to both lay and ordained ministry, especially young vocations, and developing apostolic pathways for all, in particular re-imagined forms of lay ministry
  - Supporting apostolic partnerships to reinvigorate communities and establish a presence in areas of new housing
  - Enabling church schools to reach out to families in their communities
- To support clergy, lay leaders, parishes and chaplains and enable their work by providing training, information, advice, guidance, services and good governance
- To support schools and in particular head teachers and governors to provide the best possible education and Christian witness through training and support services and the provision of assistance and advice
- To support schools with planning pupil places and ensuring their buildings are fit for purpose, facilitating capital expenditure and the expansion of schools where possible
- To provide support for parishes and individuals in all aspects of safeguarding casework, liaising with the public authorities as necessary
- To promote a care for the environment and a sustainable use of resources, and work towards becoming an Eco Diocese
- To support the Anglican church, nationally and internationally, and other particular ministries to groups and communities
- To run an effective organisation in order to deliver these objectives, including the provision of support to the senior clergy and management of assets.

## ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

### Resourcing a Christian presence

*Appointments, enabling the ministry of the laity, and payment of stipends and pensions*

The presence of clergy and lay ministers in the parishes and communities of the Diocese is an important part of delivering the Diocese's mission. They engage in a wide variety of community and church projects and in a normal year carry out over 1,200 weddings or blessings, 3,900 funerals and 2,500 baptisms. During the Covid-19 pandemic they have engaged in many new projects to support their communities to combat issues ranging from hunger to loneliness, adapted to different worship patterns, notably online worship, and deepened existing work, with a particular call for funeral ministry. Almost 375 licensed clergy and 100 licensed readers minister in the 353 parishes in the Diocese, with 34 new stipendiary and 16 new house for duty or self-supporting clergy appointments in 2020, including 17 newly ordained deacons, and 3 new readers licensed.

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The Education Department appointed 67 new foundation governors and reappointed 31 existing foundation governors for church schools and helped to appoint 6 new head teachers.

This year has seen the Education Department support a significantly increased number of interim leadership posts. A number of schools have adopted this strategy until they are able to undertake recruitment processes in person.

During the year the CDBF paid stipends, pensions and other employment costs totalling £9.8 million for incumbents, curates and other clergy, increasing stipends in line with national recommendations despite the financial challenges caused by Covid-19. The payroll is administered by a separate charity, the Church Commissioners for England, and the CDBF reimburses the costs, which form by far its largest financial commitment. The average rate of vacancies was 31, with an unusually high level of retirements towards the end of the year; this was above the budgeted rate of 26. Rural deans and churchwardens of vacant parishes work closely together to maintain worship and other community activities, aided by a large pool of retired and self-supporting ministers. The CDBF funds fees and expenses for those clergy during interregna.

Parish clergy are not employed by the CDBF, but the CDBF does have responsibilities in respect of their engagement. In addition to paying their stipends and National Insurance, paying into their pension funds, and housing them, it is responsible for training (see below). Under new terms of service, called Common Tenure, introduced in 2011, clergy have greater clarity on their rights and obligations and have access to Employment Tribunals and other useful services. These apply to all new appointments and some of those in post before 2012; others chose to retain their freehold. The CDBF's external HR consultants and employment lawyers provide HR services and advice in respect of clergy as well as lay staff to improve the care and service provided and supplement in house work.

### *Provision of housing*

The annual quinquennial repair programme for 2020 was deferred because of the Covid pandemic, we also suspended our improvement programme. The departments focussed switched to dealing with emergency repairs and supporting clergy and tenants through the lockdown.

20 properties were made ready for incoming clergy and private tenants (to derive a rent).

The pandemic also delayed the completion of the new vicarage at Chichester St Wilfrid, although this work is now all but complete.

### *Selection and training of ordinands and lay ministers*

The training of curates (IME 2) includes the development and running of a diocesan course, which is a Common Awards programme validated through the University of Durham via St. Augustine's College of Theology (our local training institution). Curates are formally assessed at the end of their training to ensure they have reached an appropriate level of competency, a process overseen by the Department for Apostolic Life.

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Grants of over £511k were made to ordinands to support them and their families during their training. There are currently 44 people in training.

The second year of Authorised Lay Ministry (ALM) training began in September 2019, training 57 people for community, family, pastoral and preaching ministries. The candidates were commissioned for these ministries in January 2020 at Chichester Cathedral. Sadly the 2020 programme of training for ALM was cancelled due to the pandemic and will resume in 2021.

#### *Ministerial Development Review (MDR) and Continuing Ministerial Development (CMD)*

MDR was suspended in spring 2020, due to lockdown and the absence of suffragan bishops. It will start again in May 2021, with most clergy undertaking their second review.

A wide range of courses in theology, spirituality and practical skills took place – many via Zoom. A new course for First Incumbents (three-year cycle) was begun and has continued by Zoom. The second cohort of clergy undertaking the Galilee leadership programme finished.

#### *Pastoral care and welfare support*

The Wellbeing for Clergy and Families (WCF) service continues to provide the wellbeing service for stipendiary and SSM clergy and their partners/spouses and families. We have delivered over 250 confidential short-term counselling episodes since the service was launched and we also facilitate 4 Reflective Practice Groups (RPGs) for clergy. We also have provided psychoeducational workshops for all clergy and annual CMD cohorts including Managing Stress, Managing Boundaries, and Managing Anxiety, and the Head of WCF is liaising with members of CONNECT, the support network for clergy partners and spouses.

In addition, welfare grants of approximately £62k have been awarded to 110 clergy and their families in times of need.

#### *Implementing improvements to pastoral organisation*

Due to the coronavirus restrictions, there were some delays to pastoral reorganisation, as the Church Commissioners advised that schemes should not be published for formal consultation during the first lockdown. Despite these delays, eleven Mission and Pastoral schemes and orders were completed in 2020: six pastoral reorganisation schemes, two bishop's pastoral orders to terminate defunct group ministries, two orders to amend the names of parishes and benefices, and a scheme to appropriate a small area of churchyard to the PCC. A further eleven cases were progressed.

Significant progress was also made in relation to finding new uses for closed church buildings. The church of St Elizabeth, Eastbourne was vested in the Church Commissioners and demolished, so that the site can be marketed for development, and agreement was reached for the church of St Bartholomew, Chichester, to be sold for use as a dance studio. Progress was also made towards finding new uses for six other closed churches.



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### Developing Christian presence for the future

#### *Encouraging vocations*

In 2020, the discernment process was paused briefly due to financial concerns brought about by the pandemic. However, 16 candidates were accompanied and subsequently recommended for training after attending national Temporary Online Discernment Panels.

The start of the new national Shared Discernment Process was delayed a year due to the crisis. Nonetheless, the diocesan discernment team worked on new local procedures needed for the national process and began assessing candidates against the new qualities.

Moving from using St Marylebone in London for psychotherapeutic assessments to local qualified assessors has been successful. This change not only reduces costs but improves the way assessments are integrated into our diocesan discernment process.

There have been some changes in the team. Our 0.5 Deputy DDO moved to another position in the diocese, and this post is now on hold. Our 0.5 Vocations Officer retired and was not replaced. We added an SSM ADDO to the team to further increase team diversity.

The first lockdown made moving some ordinands into the diocese from their TEIs challenging. Still, 17 deacons were ordained in an extensive sequence of parish-wide celebrations in September and October rather than June.

Vocations were encouraged on Vocations Sunday with a video from the DDO talking about Vocations and Crisis. The diocesan team continues to work with a good number of candidates including those from underrepresented groups.

Some ordinands have been in lockdown in residential colleges and others spent much of the year working online.

#### *Supporting apostolic partnerships*

A new post of Programme Delivery Manager was created to help drive the second SDF project forward and the Bishop of Horsham took over the leadership of the projects. This led to the application successfully completing stage 1 of the bid.

#### *Enabling church schools to reach out*

Within the current SIAMS (Statutory Inspection of Anglican and Methodist Schools) schedule, schools are being encouraged to demonstrate “courageous advocacy” and reach out to their local communities through engagement in both social action and charitable activities. Our School Effectiveness Team work alongside schools to determine what this looks like in a local context.

To develop this the Education Team have been developing our Growing Partnerships Document, which also picks up on the national Church of England Growing Faith initiative. This outlines key elements of how church and school can work in partnership effectively at a local level. This document has been ready to launch since March 2020 but due to the pandemic, it was not felt

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schools or churches would be as receptive as usual given the challenges they face. However, it has been made available to them and is on the diocesan website. A formal launch is planned for the Summer term of 2021.

#### **Supporting clergy, lay leaders, parishes and chaplains**

##### *Apostolic Life*

The Living Faith course began again in January 2020 and took place at three venues. The course was interrupted by the pandemic and moved online in the autumn of 2020. 43 people completed the course successfully, though numbers were inevitably impacted by the Covid crisis. We had planned a lay conference on the theme of 'Empowering Lay Ministry' for March 2020 but sadly this event had to be cancelled at short notice because of the pandemic.

##### *Youth and Children*

2020 started with continuing to implement the new youth and children's work strategy developed in 2019. Youth work training was put online and is accessible for anyone. Advising youth and children's workers on running youth and children's activities remotely and responding to the pandemic was a top priority in 2020. May Camp ran completely online and had hundreds of live participants with over a thousand hits in the following week.

##### *Communications*

2020 proved to be full of challenges on all levels of the communications agenda, in particular the challenge of supporting parishes in their mission and ministry and helping them to connect with their congregations in the new era of lockdown.

A whole range of online resources enabled the team to support parishes whether they could create their own content online or not.

Resources for Lent for the whole of Holy Week and Easter through to Pentecost were created at short notice to respond to the closure of churches both for worship and private prayer, with a constant stream of online worship, sermons and prayer.

156 videos were produced for our Youtube channel in 2020, including:

- Sunday sermons
- Live streamed services
- Ad hoc Video Messages
- Daily Lent reflections
- Vocations reflections
- Advent reflections
- Education End of year service
- Deanery presentations
- Remembrance

A highlight of the year was the Faith in Action video commissioned and created by the communications team to demonstrate how our churches responded to the challenges of online

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services during lockdown. It featured people and parishes from all traditions talking about how they have coped. This video currently has over 3,000 views and was highly commended by the Church institutions.

The regular communications from the weekly e-news and the Faith in Sussex magazine continue to be valued and connect the whole of the diocese.

Partnerships were further strengthened with the Church of England and charity partners to engage with national initiatives.

### *Parish development*

Covid-19 meant that most of the parish development initiatives were placed on hold. Time was invested instead in helping parishes understand the implication of the restrictions and coping with these.

### *Education*

The key aspect in this area is Growing Partnerships work. As indicated above, this has been delayed because of the pandemic. When launched, it is expected to provide support and training for clergy and school leaders together as well as engaging Apostolic Life in how ongoing support can be offered.

The annual Autumn briefings were held remotely this year. Three sessions were offered and in total 147 people attended including head teachers, chairs of governors and clergy. This is an increase of 50 people compared to 2019, which may well have been a result of the convenience of a remote session. These briefings gave an opportunity for the Education Team to give information about the future focus of the department as well as sharing the wider context of education issues such as the small schools agenda and academisation.

The training programme offered by the Education department has continued to support Head Teachers, governors and clergy with a variety of courses covering topics from Understanding Christianity to SIAMS and Church School governance. Most of this moved online this year and we have seen a noticeable increase in attendance. In 2020, 81 Governors attended training. 156 school leaders attended CPD training.

All new Foundation Governors are expected to attend safeguarding training.

The Education department has continued to establish relationships with external organisations such as Open The Book and Big Start Assemblies to ensure that schools and parishes are able to deliver collective worship sessions for children that are both engaging and innovative.

### *Safeguarding*

The Independent Inquiry into Child Sexual Abuse (IICSA) produced the final report into their investigation into the Church of England and the Church in Wales in 2020. This followed 2019's

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report into the specific case study involving the Diocese of Chichester. 2020's final report made many recommendations for the Church of England and the Church in Wales, including a primary recommendation which drew heavily from a paper submitted as evidence to IICSA by the Chichester Diocesan Safeguarding Adviser. Chichester Diocese's initial review of the IICSA recommendations did not reveal any major required changes; the practice currently employed across the Diocese already meets the requirements set out in the IICSA recommendations.

The Diocese entered the Covid-19 'lockdown' in March 2020 with approximately 99% of licensed clergy and over 90% of PTO clergy having met their full safeguarding training requirements. In September 2020 the Diocese implemented the new Safeguarding Leadership training programme to replace the 'C2' training previously used. Despite the inevitable challenges of lockdown and the suspension of training while the new training programme was awaited from the National Safeguarding Team, the Diocese is currently at 90% compliance for licensed clergy and 80% for PTO across all safeguarding training requirements.

Simple Quality Protects ('SQP'), the online parish safeguarding tool, launched in 2017, has had a very good take-up across the Diocese. During 2020, assessment events continued, often by video conference, and over 200 parishes have now completed the full requirements of Level 1, with almost all other parishes having very nearly completed.

The Diocese implemented the Past Case Review (2) protocol in 2020. PCR(2) is a major national project for the Church of England, involving a review of every case file, including all clergy files, by independent safeguarding professionals, to ensure that all necessary safeguarding actions have been taken. PCR(2) also involves written returns from every parish, to ensure that knowledge about safeguarding concerns held in parishes is also incorporated into the review. PCR(2) continues into 2021, and is anticipated to be completed by the summer of 2021.

### *Property*

The Property Department continues to support parishes and clergy by providing advice on the management and development of property. The department also provides guidance to parishes regarding the Charities Act and the process to obtain diocesan consent for property sales. It has made considerable efforts during the year to build the asset register to include parish property held by the CDBF as diocesan authority.

### *Church Buildings and DAC*

The Diocesan Advisory Committee for the Care of Churches has continued to fulfil its statutory role in the faculty jurisdiction system and has provided advice and guidance to the Chancellor, Archdeacons and parishes on issues relating to the care of church buildings.

The DAC issued written advice in relation to 130 applications (99 requests for Formal advice and 31 requests for Informal advice). The Church Buildings team and DAC also assisted the Archdeacons in processing 132 permissions for minor works under the List B process. Due to the coronavirus, site visits were not possible for much of the year and only 16 DAC site visits were carried out.

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The phased introduction of the Online Faculty System was accelerated due to the coronavirus; from March 2020, all faculty applications were moved online and this has been helpful in enabling parishes, the Church Buildings team, and the Registry to deal with applications remotely.

The Fundraising Adviser provided tailored fundraising and project management advice to 66 parishes and one Anglican pre-school by phone or email in 2020. She also visited five churches (independent of DAC site visits) and two parishes met with her at Church House. Because of coronavirus, grant-funding opportunities changed significantly and repeatedly throughout the year and keeping abreast of this fluid situation and updating parishes about the changes has comprised a large part of her work.

#### *Parish Resources and Stewardship*

Apostolic Life provides ongoing support to parishes through its training seminars and manuals, and by providing ad hoc advice throughout the year. Topics covered included accounting regulations for PCCs, essentials of charity law, Gift Aid, legacy giving and good stewardship. The pandemic meant few seminars took place in 2020, but a significant number of parishes sought advice and individual consultancy. The department shared its manuals and accounting templates on the diocesan website and responded to questions from parish treasurers, priests and churchwardens on an almost daily basis.

The 2019 Parish Finance Returns were released in 2020, which demonstrated a rise in average giving in the whole diocese rising from £12 to £14 per person per week by the end of 2019.

There was encouragement and advice about diversifying methods of giving, including the Parish Giving Scheme and contactless giving. At the beginning of 2019, 48 churches had obtained a digital device, and by the middle of 2020 that presence had grown to 89.

We also continued to promote legacy giving.

National church funding was also given for a new Generous Giving post, which will sit alongside the Parish Adviser for Finance Governance and Stewardship and will be an appointment in 2021.

#### *Finance*

The Diocese acts as custodian trustee for many trust funds; the Finance Department administers investments on behalf of almost 500 parish and chancel trusts and 65 school trusts.

#### *Governance*

The Governance team continued to advise parishes on matters of governance, record-keeping, and the like and in particular the impact of the pandemic on the holding of meetings and alternative methods of decision-making.

Governing committee meetings continued to be held online, with only two cancelled early in lockdown. 19 were held, including the Bishop's Council, the Operating Committee, Assets Committee, Audit Committee, Education Finance Committee and Remuneration Committee.

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Autumn Deanery meetings were also held online, with all 21 deaneries having a meeting for the first time in many years. These meetings offered a chance to reflect on and celebrate the work of all those in our deaneries and parishes, and to share and discuss key financial information. Two brief Diocesan Synod meetings were held online to transact essential business.

### **Supporting schools**

During 2020, the programme of continuing professional development and school-based reviews for the 155 schools in the diocese was remodelled. The previous system, whilst effective and wide reaching, was not sustainable as funding came to an end. The staff team was reshaped with an initial increase in the permanent team which was more than balanced in terms of cost by the savings to the consultancy budget. Moving forward, the education department will continue to work with a lean team with a tight communication and feedback system that offers a coherent and consistent message.

All schools have benefitted from the support of a named Diocesan Effectiveness Officer with the experience to support school improvement and effectiveness.

The programme of Continuing Professional Development offered by the department is designed to support school leaders, governors and clergy through a wide variety of topics that are relevant to school life. Courses offered around the SIAMS schedule have proved popular with governors and headteachers alike, with additional bespoke sessions being arranged for groups of schools.

Academisation remains an important part of the strategy of the department. Although the pace of academisation across the diocese is slow, the Diocese of Chichester Academy Trust have continued to grow and currently have eleven schools in their care with several more in the pipeline. The diocese is continuing to work on developing a new Multi Academy Trust in the area around Hurstpierpoint.

2020 also saw an unexpected conclusion to the West Sussex Consultation on Proposed School Closures. The Office of the Regional Schools Commissioner intervened and as a result, Clapham and Patching CE Primary School joined South Downs Educational Trust and Rumboldswyke CE Infant School joined Bishop Luffa Learning Partnership.

Steyning Grammar School also became an academy after a challenging process, joining the Bohunt Education Trust.

By the end of 2020, 91% of our schools were judged to be graded good or above by Ofsted. The number of good or better schools has steadily risen over the past four years, despite the Ofsted framework having increasingly raised expectations of schools. However, both Ofsted and SIAMS Inspections were paused indefinitely in March 2020 and will not restart until April 2021 at the earliest.

In 2020 the diocese supported 3 aspiring headteachers in Church schools to complete the Church of England Professional Qualification for Headship. This brings the total number of Heads to go through

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this scheme since its inception to 23. A further 14 are set to undertake the course in 2021, ensuring that there is a continuing future pipeline of leaders for Church Schools.

### **Facilitating of capital expenditure on schools**

The Education Department continues to support the remaining 49 Voluntary Aided schools via capital funding from the government, but the system has been completely revamped in 2020. The scheme is now known as the School Condition Allocation and it gives the diocese greater independence. With this comes greater accountability but also greater flexibility to use the resource effectively. In 2020/21 the diocese benefited from an additional allocation of £960k to take the total SCA funding for the year to just over £3m. In particular, this extra funding has allowed us to invest in two large projects to support the two remaining VA secondary schools.

### **Safeguarding casework**

The Safeguarding Team continues to work with Sussex Police and other statutory partners across Sussex, and with the Church's National Safeguarding Team, as required, and to assist churches across the Diocese in responding to issues they raise. Casework remains a significant part of the team's overall responsibilities. However, the amount of criminal investigations involving allegations of child sexual abuse by church officers has reduced very considerably since 2011, with this trend continuing into 2020 and 2021. Given that this reduction has continued despite the implementation of the PCR(2) protocol mentioned above, the Diocese should take this as a sign of encouragement.

### **The environment**

A new group, chaired by the Archdeacon of Brighton and Lewes, has been set up to coordinate and promote the Diocese's response to General Synod's February 2020 call to all parts of the Church of England to draw up a climate crisis plan of action to cut carbon emissions year-on-year, reaching net zero emissions by 2030. The Covid-19 pandemic has slowed down the diocese's progress towards Eco Diocese status, but the number of churches joining Eco Church has continued to grow.

### **Supporting the wider church and specific ministries**

#### *Support for parish projects within diocese*

The Diocesan Mission Fund deployed part of the grant from the AllChurches Trust as well as an amount from the Pastoral Fund to support outreach mission initiatives within the Diocese. It supports both new work and developments of current activities that need further financial assistance. In the last year the Mission Fund has awarded £23,000 towards projects including parish children's & families worker and a series of small grants which enabled a young person to begin youth work training and to a church with equipment for live streaming across a number of churches. All projects are linked closely to the Diocesan Strategy.

Grants are made to other connected charities, notably Chichester Diocesan Association for Family Support Work and St Bartz Trust to support their work with disadvantaged families and youth work respectively. A smaller grant was made to the Church Urban Fund to support the Together in Sussex

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project. Together in Sussex is a joint venture between the Church Urban Fund and the Diocese of Chichester to support churches and others to bring positive change to their wider community. This occurs by enabling reflection on the needs of the parish and providing a broader understanding of what else is available in the community, linking groups and individuals where possible. An analysis of grants made by the CDBF to support the furtherance of its objects can be found in note 11 to the financial statements.

### *Support for the wider church nationally*

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of various national boards and councils including General Synod, and also to cover a proportion of the cost of national training for ministry and the provision of housing for retired clergy (see note 9 to the financial statements).

### *Support for the wider church internationally*

As the realities of the Covid 19 Pandemic set in, in April 2020 our Companion Links Officer, Reverend Christine Keyte, requested an online meeting with Canon Richard Bartlett, the Director of Mission Engagement for United Society Partners in the Gospel (USPG), with the proposal for a partnership in working and funding grants in our West African link Dioceses where USPG is already working. This partnership was approved by the Bishop's Council and USPG and we made a grant from the Harvest Appeal via USPG to the Dioceses of Bo and Freetown for Covid 19 support. The USPG grants committee meets once a week and with their on the ground network was able to follow up in terms of obtaining extra information required for the grant proposal quickly. The DOC has also approved emergency grants for computer equipment for two of our sponsored students from Kericho Diocese, so that they could continue to engage in online learning at St Paul's University in Limuru, Kenya when the university changed to an online platform due to the Covid 19 pandemic. A new student was sponsored for ordination training for ministry in the Diocese of Maralal and two of our sponsored students at Carlile College have graduated and moved on to curacy in Maralal and Baringo Dioceses. The Lambeth Conference planned for July 2020 has been postponed. It will be important to continue with the pre-conference planning for the rescheduled date of July 2022.

The major reflection this year for the Diocesan European Ecumenical Committee was the forthcoming Coburg Conference to be held in Bamberg. The theme of the conference will focus on what has happened as a result of the coronavirus, in particular because there has been criticism over the role of the churches during this pandemic.

### *Support for particular ministries*

The Chaplain to Gatwick Airport has continued to offer a Christian presence in a context which has been particularly hard hit by the effects of the pandemic. Direct diocesan support for other ministries has reduced to focus resources on parochial ministry, but parishes continue to be encouraged to develop their own locally appropriate projects.



# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

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### Running an effective organisation

The Diocese makes great efforts to be a good steward of its assets, and to manage its investments effectively, balancing the need to maximise the long term return from our assets with the need to generate income to reduce the pressure on parishes. Following the change in church law allowing the capital accounts of Diocesan Stipends Funds to be invested on a total return basis, the Assets Committee adopted a new investment policy taking into account this new approach, and appointed Cazenove in December 2016 to manage part of the investment portfolio on a total return basis.

Negotiations continue to progress on options for glebe land, and in 2020 we signed options on three glebes: Frant, Rotherfield and Fishbourne. The Property Department also continues to focus on letting empty houses where it can, generating rental income of c. £469k for parsonage houses and c. £256k for glebe houses and land.

Due to the pandemic and the Government's stay-at-home order, the majority of staff have exclusively worked from home since the end of March 2020. Our IT systems have enabled effective business continuity, and all staff have been able to work from home on this long-term basis. The DBF was granted cyber essential accreditation in February 2020, which demonstrates our commitment to cybersecurity and helps to guard us against the most common cyber threats. We continue to maintain a positive partnership with our IT supplier and will be working with them in 2021 to roll out a softphone telephone system which will further improve our business continuity.

### FUTURE PLANS

Future plans remain subject to the impact and consequences of the Covid-19 pandemic. Churches were closed for significant parts of 2020 and many have not re-opened at the date of this report. This had a major impact on income, particularly from parish share, and future effects remain to be seen. Expenditure plans have been reviewed as a result, with the situation and its impact on cashflow being continuously monitored.

A particular focus for 2021 will be a diocesan wide deanery planning exercise to consult on, and make decisions about, the mission and ministry needs of the diocese, the resources that can be found to fund them, and the best way to deploy ministers in light of those needs and resources while closing the funding gap.

Notwithstanding the impact of lockdown, the strategic aims established by Diocesan Synod in 2019 detailed on page 4 will continue to direct the activities of the CDBF. Although the planned use of 2020 to roll out the strategy as a whole was thwarted, there will be a focus in 2021 on being More Open, the first of the Four Mores of the strategy, with the following years being dedicated to each More in turn. A key part of the focus on being More Open will be a community audit which will feed into the deanery planning exercise, drawing on the Mission Action Plans parishes have worked on over the last decade, the One Thing each parish focussed on in the last five years, and the needs of the community which the pandemic has laid bare.

A more focussed parish development programme will be developed and run in 2021. This will be assisted by the appointment of a new 0.5 Parish Development post, funded by the national church. A newly appointed Generous Giving Adviser, also funded by the national church, will support the deanery planning exercise by helping parishes refocus their approaches to this essential part of Christian discipleship in order to resource diocesan work and commitments.

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The diocese's major commitment continues to be the maintenance of a Christian presence across the parishes of Sussex. As well as encouraging more vocations to the ordained ministry we plan to train and develop lay members of the Church, including the staff and governors of our church schools, as part of our strategic intention to re-imagine ministry. Ensuring that our parishes and schools are safe and welcoming places remains a priority.

The Education team will be focussing on the continued viability and breadth of MAT opportunities available to our schools. This will involve the measured growth of the Diocese of Chichester Academy Trust, the Bishop Otter Academy Trust, Hurst Education Trust and the Bishop Luffa Learning Partnership. We will continue to support them to ensure that they are strong and effective Multi-Academy Trusts for our schools to join. We will also be focussing on our school and parish approach to mission through our Growing Partnerships document.

Much has been learned during the pandemic which will change our operations permanently: the online worship and other engagement developed by churches has reached many who would not come to a church building, and diocesan staff have taken advantage of the improvements in information technology that have been implemented over the last couple of years to enable provision of services remotely, and that learning will continue to be used even when workplaces can re-open.

Our central structures are designed to support the vision and the priorities of the diocese and, as such, are kept under review to ensure that they are fit for that purpose.

## FINANCIAL REVIEW

### Financial Performance

The main incoming resource for the Diocese is Parish Share, the money given by the parishes to the Diocese to fund its mission and ministry and in particular the costs of clergy stipends, pensions and housing. This provides 73.6% of the CDBF's income (2019: 75.6%).

The current year's Parish Share receipts represent 92.7% (2019: 98.7%) of the total pledges made for 2020. Additionally when the receipts for prior years are included the collection rate increases to 93.6% (2019: 99.7%). The Trustees are grateful to all parishes who pledge so generously and, even during the COVID-19 pandemic, continue to meet those pledges, especially to those parishes that make their contribution payments by monthly instalments which enables the Diocese to manage cash flow efficiently.

The total income for the year was £17.8m (2019: £18.4m). The changes to income in 2020 are due to:

- The impact of the coronavirus pandemic on in particular parish share income which fell by £834k. The ability of parishes to maintain the levels of payment that they have was an extraordinary effort, particularly with churches closed for a significant period of time, the loss of income from the hire of facilities and the inability for many fundraising activities to take place. We are very grateful to them for this. Parish fee income fell by £92k with the events which generate these fees, especially weddings, not being possible. Investment

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

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### For the year ended 31 December 2020

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income was also adversely affected by the crisis, falling by £458k. The Diocese was able to access grants of £84k from the Job Retention Scheme by furloughing a number of members of staff for varying periods of time during the year.

- The Diocese received £600k of sustainability funding from Archbishops Council. With the agreement of the Council, this grant has been designated to fund two additional curates to be ordained in 2021 and also the appointment of a Parish Development Officer.
- An increase of £31k in rental income from vacant parsonages.

The total expenditure for the year was £17.7m (2019: £16.8m). This increase in expenditure of £0.9m was principally due to the credit in 2019 of £2.615m on the Clergy pension scheme principally relating to the change in calculation of the balance sheet liability made by the Pensions Board. The equivalent movement in 2020 was £35k. Without those movements total expenditure for the year would be £17.735m (2019: £19.415m). Other significant changes included:

- A decrease of £121k in the amount payable to the Archbishops' Council in respect of Chichester's share of national responsibilities, particularly with regard to the pooling arrangements for Ordinand maintenance.
- A general decrease in expenditure resulting from the consequences of the coronavirus pandemic. Some of the savings were planned with the prospect of income being severely reduced. This included the deferment of works to property following quinquennial inspections. This deferment is for a period of two years and takes advantage of the work that the property department has done over several years to maintain and improve the condition of our properties. This measure alone has resulted in a reduction in housing costs for the year of £777k. This expenditure will have to re-commence in 2022.
- At the start of the pandemic, all departments were asked to examine their expenditure plans and make savings where possible. A number of events had to be cancelled as a result of the pandemic and travel costs in particular were greatly reduced as face to face meetings were cancelled or held online.

Overall the net surplus before investment gains was £0.12m. Taking account of realised and unrealised losses on investments of £3.9m, and unrealised gains on revaluations of property fixed assets of £1.1m, the resulting decrease in funds was £2.67m which decreased the total assets of the CDBF from £285.9m to £283.2m.

A deficit budget has been set for 2021. Parish Share and investment income are not expected to increase in line with inflation while expenditure does continue to rise with inflation.

#### Significant Property Transactions

Six properties (three parsonages, two glebe houses and one DBF property) were sold during 2020 for a total of £2,939k. Three properties (two parsonages and one glebe property) were purchased during the year for £1.971k.

Several properties are currently also being marketed for sale.

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The CDBF will consider the disposal of property for the following reasons:

- to replace unsuitable parsonages;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

### Balance sheet

The Trustees consider that the balance sheet together with 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 net assets at balance sheet date totalled £283m (2019: £286m), it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £229m (2019: £229m). Much of the remainder of the assets shown in the balance sheet is held in restricted funds and cannot be used for the general purposes of the CDBF.

### Reserves policy

#### *Free reserves*

Having considered financial risk, liquidity requirements and the timing of cash flows throughout the year and in particular the fact that 73.6% of diocesan income comes from contributions from parishes who have their own cash flow challenges, the Trustees' policy is to hold a balance of readily realisable assets in the general fund equivalent to a minimum of 2 months' budgeted expenditure. At 31 December 2020 the amount required under this policy totalled £3.0m (2019: £3.1m). Actual free reserves as at 31 December totalled £5.7m (2019: £5.5m). The Trustees are aware, particularly in the light of the COVID-19 pandemic, that levels of parish contributions may reduce in future years and that, even with the current surplus above the minimum level detailed above, there could be a deficit against the policy level of free reserves. Longer term forecasting indicate that it will take a number of years to bring the operational budget back into surplus and so Trustees are of the opinion that the current surplus of the level of free reserves above the desired minimum is prudent. The ultimate impact of the COVID-19 crisis on asset values, income levels and ultimately on free reserves remains unclear.

#### *Designated funds*

The Trustees may, with the approval of the Board, 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 its intended use is set out in notes 19, 20 and 23. At 31 December 2020 total designated reserves were £6.7m (2019: £6.3m), the majority of which is tied up in fixed assets.

#### *Restricted and endowment funds*

As set out in note 19, 20 and 23 the CDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2020 restricted funds totalled £19.9m (2019: £22.1m) and

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endowment funds totalled £251m (2019: £252m). Neither are available for the general purposes of the CDBF.

### Grant making policy

The Memorandum of Association of the CDBF explicitly permits the CDBF to make grants in pursuance of its objects. The nature of grants made in 2020 is indicated in note 11. The principal grants were made to parishes to support mission projects.

### Investment policy

The CDBF is empowered by its memorandum of association to invest monies not immediately required for its purposes. Responsibility for the management of diocesan assets is delegated (through the Finance Committee) to the Assets Committee which oversees investment policy, monitors performance and reviews strategy with its advisers.

The CDBF is subject to the Charities Acts, the Trustee Investment Act 2000 and Measures passed by the General Synod of the Church of England.

There are no restrictions on the CDBF's power to invest subject only to the Acts and Measures set out above plus Charity Commission guidance CC14 and the ethical policy referred to below. Specific Trustee permission is required for investments in Private Equity, Hedge Funds, Commodities or Derivatives.

The CDBF endorses the Church of England Ethical Investment Policy and requires its investment managers to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography, tobacco, thermal coal or tar sands. The CDBF's investment objectives are to maintain and enhance the real value of the Fund over the long term, whilst producing an annual income which grows at least in line with inflation and having due regard for the possible need for liquidity.

The risk profile is medium high with a commensurate level of volatility in capital value being acceptable. The permitted asset classes are detailed within the DBF's investment policy as recommended by the Assets Committee. The base currency of the portfolio is sterling. The minimum acceptable credit rating for bond issuing or deposit taking institutions is BB.

The portfolio is split among a number of investment managers who each have a different brief in order to achieve diversification and spread risk. Each manager operates on a discretionary basis with a normal weighting in favour of equities. Managers may be appointed to perform principally to an Income target (while maintaining capital value) or a Total Return basis. It is expected that funds will be fully invested. Benchmarks are agreed with each Investment Manager.

In addition, the CDBF acts as trustee of a number of trust funds, which are invested in accordance with the related trusts.

Note 20 provides details of the assets of each fund, together with the related purposes, and note 15 summarises the movements in investments during the year.

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The investments held at year end and their return during the year are set out in the following table:

	Funds at 31 December 2020 £'000s	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	502	1.30%	2.96%	9.77%
M&G Managed				
Charifund	13,176	34.14%	3.84%	-13.5%
Charibond	25	0.07%	2.29%	2.29%
Charles Stanley Managed	9,568	24.79%	2.62%	-24.35%
J M Finn Managed	7,273	18.84%	3.14%	2.33%
Cazenove	8,051	20.86%	2.33%	4.27%
	<u>38,595</u>	<u>100.00%</u>		

### Fundraising

Chichester DBF is aware of the Charities (Protection and Social Investment) Act 2016, the Fundraising Code of Practice and the Charity Commission's guidance on fundraising. The trustees fully support the aims of the legislation and guidance. The majority of the DBF's income comes from other charitable bodies and it undertakes very little direct fundraising activity involving individual donors. The main exceptions are the annual Harvest Appeal and Lent Appeal which are promoted through general communications rather than targeting specific individuals. The DBF considers the origin of unsolicited donations and legacies when received. The DBF did not share or purchase any donor data with third parties and did not engage any professional fundraisers during the year. The DBF did not receive any complaints in relation to fundraising in 2020.

### 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. This is subject to review by the Trustees on an annual basis, and by the Audit Committee at each meeting, with responsibility for delivery of the mitigation strategies delegated to the Diocesan Secretary. The register is reviewed at least three times a year and is regularly updated.

The principal areas where the risk of either failure to act or the impact of the events is considered 'high' and the associated mitigation strategies are:

Significant loss of income or increase in expenditure:

- Improved forward planning;
- Close monitoring of income, expenditure, investments and cash flow;
- Close communication with parishes to maintain parish share payments;
- Exploration of alternative funding avenues.

Falling clergy and congregation numbers

- Great care taken to make good appointments;
- A larger team is in place to foster more vocations;

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- Increased training and support for clergy and parishes on discipleship courses, use of technology, evangelism, mission and outreach;
- Developing deanery deployment plans;
- Re-imagining ministry is a core part of the diocesan strategy with a strong focus on equipping and building confidence to energise lay ministry and development of self-supporting ministry;
- The diocese is engaged in Strategic Development Projects with financial support from the national church and other missional investment to promote growth in strength and depth both in particular places and across the diocese.

Safeguarding: Where there is an occurrence of child, vulnerable adult or domestic abuse by someone working for or on behalf of the Church.

- The CDBF employs a safeguarding adviser, a deputy and an assistant, supported by an administrator and an independent sexual violence adviser;
- The diocese has a strong independent safeguarding advisory panel to review and challenge its actions, and excellent relationships with statutory agencies, who are all represented on the panel;
- Policies are aligned with those of the national church;
- All parishes are required to undertake a full audit of their practices and take action as appropriate based on the findings;
- Training is compulsory for all relevant staff, office holders and volunteers;
- The CDBF has engaged a communications consultant in addition to its communications officer to handle matters which come into the public arena, including matters relating to non-recent abuse.

Trustees and Diocesan Officers continue to assess the risks and uncertainties brought about by the COVID-19 pandemic. Cashflow is continuously monitored, along with the impact of the crisis on income levels. A number of scenarios have been modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing, should it be required.

## STRUCTURE AND GOVERNANCE

### Summary Information about the structure of the Church of England

The Church of England is by law established and HM The Queen is its 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 its 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 Pensions Board administers the pension schemes for clergy, employees and lay workers. Within each diocese, the Diocesan Bishop exercises leadership supported by a Diocesan Synod and a senior staff of suffragan bishops and archdeacons. The Diocese of Chichester is divided into twenty-

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one deaneries, each with its own Synod and within each parish there is a parochial church council which shares responsibility with the parish priest for the mission of the church in that place, in a similar way to the Bishop with the Diocesan Synod.

Whilst each diocese is a separate entity with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables mutual support between dioceses.

### **Organisational structure**

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a company limited by guarantee (No. 00133558) and a registered charity (No. 243134) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Chichester. It was established in its present form in 1914. Every eligible member of Diocesan Synod is a member of the company for company law purposes and has a personal liability limited to £1 under their guarantee as a member in the event of the company being wound up.

Governance and policy of the CDBF are the responsibility of the Trustees acting as the Finance Committee, who are also directors of the company and trustees for the purposes of charity law. The Bishop of Chichester is the ex-officio president of the Diocesan Board of Finance, and appoints a chair and vice-chair of the Finance Committee after consulting with the chairs of the Diocesan Synod House of Clergy and House of Laity.

The members of the Finance Committee are the members of the Bishop's Council and Standing Committee of the Diocesan Synod from time to time. The Bishop of Chichester, the chair and vice-chair of the Finance Committee, the two suffragan bishops and the four archdeacons, the Dean of Chichester, the chairs of the Diocesan Synod House of Clergy and House of Laity, and the Deans of Women's Ministry and of Self-Supporting Ministry are ex-officio members, together with one member of the House of Clergy and two members of the House of Laity from each archdeaconry elected from and by the members of Diocesan Synod every three years and up to five additional members of Diocesan Synod co-opted by the Bishop after consulting with the chairs of the Diocesan Synod House of Clergy and House of Laity. The details of Trustees who served during the year, who were elected in 2018 to serve from 1 January 2019, are set out on page 29.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Council and Bishop's Senior Staff Team. The Synod membership is elected every three years; the current members were elected in 2018 to serve from November 2018. The Synod elects twelve of the Trustees of the Diocesan Board of Finance. Whilst the CDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 the CDBF is subject to the direction of Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England School properties are accounted for in the restricted Aided Church Schools fund and are managed by the CDBF in consultation with the Diocesan Board of Education.



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The CDBF is designated as *Diocesan Parsonages Board*, with responsibility for making decisions concerning the management of all clergy houses.

### 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 Chichester, are set by the Diocesan Synod and CDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary who is supported by a number of heads of department and their staff. The company meets once a year in general meeting to receive the annual report and financial statements and to appoint auditors. The company meets a second time each year to receive and agree the annual budget, prepared and approved by the Trustees.

The Trustees, meeting within the context of the Bishop's Council and Standing Committee of the Diocesan Synod, hold at least four meetings during the year to formulate and monitor the implementation of policies on mission, ministry and finance by:-

- Initiating proposals for action by the Synod and advising it on matters of policy
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with its Standing Orders
- Acting as the Trustees of the CDBF, including reviewing overall activities, assessing performance, and deciding investment and other policies
- Planning the business of the Synod, preparing agendas for its sessions, and circulating to members information about matters for discussion
- Advising the Bishop on any matters he may refer to the committee
- Initiating consideration of any restructuring of Synod Committees and Departments which may be necessary and the establishment of ad hoc review groups, their terms of reference and membership
- Carrying out such other functions as the Synod delegates to it
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod

The Trustees met four times during the year.

Trustee	Meetings Attended (*Trustee for part of year)
The Rt Revd Dr Martin Warner	3
The Rt Revd Richard Jackson	*0
The Rt Revd Will Hazlewood	*2
The Rt Revd Ruth Bushyager	*3
The Very Revd Stephen Waine	2
The Ven Martin Lloyd Williams	4
The Ven Luke Irvine-Capel	3
The Ven Dr Edward Dowler	3
The Ven Fiona Windsor	*0
Mr Philip Bowden	*1
Mrs Lesley Lynn	4
Revd Canon Mark Gilbert	4

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Mr John Booth	4
Revd Canon Ann Waizeneker	3
Revd Canon Julia Peaty	3
Revd James Hollingsworth	4
Revd Canon David Twinley	3
Revd Philip Coekin	4
Revd Martin King	4
Mr Martin Cruttenden	3
Mrs Milly Murphy	4
Mr Bradley Smith	4
Mr Jacob Vince	3
Miss Alison Marchant	4
Mrs Valerie Burgess	4
Mrs Lesley Webster	3
Mrs Sara Stonor	4

The Trustees are assisted in their work by four principal sub-committees:-

*Operating Committee:* monitors management accounts and the budget, the collection of Parish Share pledged by parishes, and the acquisition, use and disposal of parsonages and other assets, and exercises the authority delegated to it by the Trustees in areas such as approval of capital expenditure, grants and loans. It also undertakes the CDBF's responsibilities as Diocesan Authority with respect to parochial property under the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964.

*Audit Committee:* supports the Finance Committee in its responsibilities regarding issues of risk, control and governance and associated assurance.

*Assets Committee:* oversees investment policy, monitors performance and reviews strategy with its advisors. It also undertakes the CDBF's responsibilities under the Church Property Measure 2018 (with regard to property assets).

*Parsonages and Houses Committees:* two sub-committees, one for the east of the Diocese and one for the west, undertake the CDBF's responsibilities under the Parsonages Measure and the Repair of Benefice Building Measure 1972.

In 2019 an assessment of the CDBF's compliance with the Governance Code was undertaken. A good level of compliance was identified together with some areas for improvement.

### **Trustee recruitment, selection and induction**

Trustees are members of the Bishop's Council and Standing Committee of the Diocesan Synod and are selected as set out above. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest and loyalty.

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### Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration committee consisting of the Chair and Vice-chair of the Finance Committee, the Chair of the House of Clergy, the Chair of the House of Laity, and a suffragan bishop or archdeacon nominated by the Bishop of Chichester. The terms of reference for this group are established by the Bishop's Council and include recommending policy on remuneration to the Finance Committee and determining the remuneration for employees of the CDBF. In 2015, a full independent benchmarking exercise was carried out, taking into account comparable jobs in the local area, in the sector nationally, and in another Diocese. Further independent benchmarking of specific posts is undertaken whenever a post is filled, responsibilities substantially amended, or a review is requested.

### Delegation of day to day delivery

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

### Funds held as Diocesan Authority

The CDBF is Diocesan Authority (akin to custodian trustee) in respect 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 a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £21.33m at 31 December 2020 (2019: £20.24m), are available from the CDBF on request, and are summarised in note 31. Where properties are held as Diocesan Authority, the deeds are identified as such and held in safe custody by the CDBF's solicitor, Winckworth Sherwood.

### Funds held on behalf of schools

The Board of Education (as incorporated within the CDBF) receives 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 Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education 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 amount included in current assets and current liabilities as at 31 December 2020 is £1,902k (2019 £434k).

### Connected Bodies and Related Parties

- The Church Commissioners, which acts on behalf of clergy with HM Revenue and Customs and through which the CDBF pays for clergy stipends.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## ANNUAL REPORT

For the year ended 31 December 2020

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- 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.
- Chichester Diocesan Association for Family Support Work and St Bartz Trust with whom the CDBF works and to whom grants are made.
- Mother Agnes Trust whose trustees are all members of, or secretary to, the Finance Committee.
- Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of transactions merits more detailed disclosure, this is given in note 30 to the financial statements.
- The only related corporate party with whom the DBF has transacted is the Diocese of Chichester Academy Trust ('DCAT') which manages eleven Church of England Schools in the Diocese. DCAT is accountable to the DBE and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust (DoCET) via its members for its operation. The Director of Education, one of the DBF's key management personnel, is a Trustee of DCAT and the Archdeacon of Chichester is its Chair. During the year the DBF provided office facilities free of charge to DCAT as well as performing due diligence on schools intending to convert or join the Trust. DoCET is also a related party, which shares trustees with the DBF, but no transactions have taken place.

### Volunteers

The CDBF is dependent on a huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key 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 with the church particularly at times of crisis. The CDBF greatly values the considerable time given by all its committee members and other volunteers across the Diocese in pursuit of its mission.

### 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 company 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

# **THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)**

## **ANNUAL REPORT**

**For the year ended 31 December 2020**

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- 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 2006. They are also responsible for safeguarding the assets of the CDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the CDBF's website. Legislation in England and 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 AUDITOR**

So far as the Trustees are aware:

- a) there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

### **APPOINTMENT OF AUDITOR**

The re-appointment of Haysmacintyre LLP as auditor to the CDBF will be proposed at the Annual General Meeting.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## ANNUAL REPORT

For the year ended 31 December 2020

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### ADMINISTRATIVE DETAILS

#### Trustees

No Trustee had any beneficial interest in the company during 2019. The following Trustees served during the reporting year or were in post at the date of this report:

President:	The Right Revd Dr M Warner (Bishop of Chichester)
Ex-officio:	The Right Reverend R Jackson (Bishop of Lewes) (to 07.01.20) The Right Reverend W Hazlewood (Bishop of Lewes) (from 15.07.20) The Right Reverend R Bushyager (Bishop of Horsham) (from 15.07.20) The Venerable M Lloyd Williams (Archdeacon of Brighton & Lewes) The Venerable L Irvine-Capel (Archdeacon of Chichester) The Venerable Dr REM Dowler (Archdeacon of Hastings) The Venerable JF Windsor (Archdeacon of Horsham) (to 31.07.20) The Very Revd S Waine (Dean of Chichester) The Revd Canon J Peaty (Dean of Self Supporting Ministry) The Revd Canon A Waizeneker (Dean of Women's Ministry) The Revd Canon PM Gilbert (Chair of House of Clergy) Mr J Booth (Chair of House of Laity)
Appointed by the Bishop:	Mr P Bowden (Chair of the Finance Committee) (to 30.05.20) Mrs L Lynn (Vice Chair of the Finance Committee to 30.05.20 and Chair from 31.05.20) Mrs S Stonor
Elected by Diocesan Synod: Archdeaconry of Chichester	The Revd Canon D Twinley Mr B Smith
Archdeaconry of Horsham	The Revd M King Mrs V Burgess Mrs L Webster
Archdeaconry of Brighton and Lewes	The Revd J Hollingsworth Mr M Cruttenden Mrs A Murphy
Archdeaconry of Hastings	The Revd P Coekin Miss A Marchant Mr J Vince

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## ANNUAL REPORT

For the year ended 31 December 2020

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### Senior staff and advisers

Diocesan Secretary	Gabrielle Higgins
Finance Director	Catherine Dawkins (to 29 <sup>th</sup> February 2020)
Finance Director	Tim Redding (from 16 <sup>th</sup> March 2020)
Director of Education	Trevor Cristin
Director for Apostolic Life	Rebecca Swyer
Property Director	Scott Ralph

Registered Office: Diocesan Church House, 211 New Church Road, Hove, BN3 4ED

Bankers Barclays Bank plc, 90-92 High Street, Crawley, RH10 1BP

Independent Auditor Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Solicitors Winckworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB

Investment advisers CCLA Investment Management Ltd, 80 Senator House, 85 Queen Victoria Street, London, EC4V 4ET  
M&G Securities Ltd, M&G House, Victoria Road, Chelmsford, Essex CM1 1FB  
J M Finn & Co, 4 Coleman Street, London EC2R 5TA  
Charles Stanley & Co Ltd, 25 Luke Street, London EC2A 4AR  
Cazenove Capital, 31 Gresham Street, London EC2V 7QA

Insurers EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as company directors.

### ON BEHALF OF THE TRUSTEES

**The Right Revd Dr Martin Warner**  
President of the CDBF

**Mrs Lesley Lynn**  
Chair of the Trustees

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

**For the year ended 31 December 2020**

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## **Opinion**

We have audited the financial statements of **Chichester Diocesan Fund and Board of Finance (Incorporated)** for the year ended 31 December 2020 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## **For the year ended 31 December 2020**

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misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

- adequate accounting records have not been kept by the 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 28, 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## For the year ended 31 December 2020

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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.

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, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates in particular valuation of property assets and investment properties; and
- Reviewing the assumptions and judgements used by the professional actuary in relation to the charitable company's pension valuation.
- 

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)**

**For the year ended 31 December 2020**

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**Use of our report**

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

***Adam Halsey***

(Senior Statutory Auditor)

for and on behalf of Haysmacintyre LLP, Statutory Auditor

Date:.....

10 Queen Street Place  
London  
EC4R 1AG

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General	Designated	Funds	Funds	2020	2019
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from</b>							
Donations							
Parish share	3a	13,120	-	-	-	13,120	13,954
Other donations	3b	256	651	668	-	1,575	815
Charitable activities	4	690	-	121	-	811	868
Other activities	5	477	-	10	-	487	456
Investments	6	632	-	1,085	-	1,717	2,182
Other	7	6	-	115	-	121	185
		<u>15,181</u>	<u>651</u>	<u>1,999</u>	<u>-</u>	<u>17,831</u>	<u>18,460</u>
<b>Expenditure on</b>							
Raising Funds	8	76	-	83	-	159	458
Charitable activities	9	15,365	122	2,008	53	17,548	16,360
		<u>15,441</u>	<u>122</u>	<u>2,091</u>	<u>53</u>	<u>17,707</u>	<u>16,818</u>
<b>Net income/(expenditure) before investment gains/(losses)</b>		<u>( 260)</u>	<u>529</u>	<u>( 92)</u>	<u>( 53)</u>	<u>124</u>	<u>1,642</u>
Unrealised gains on investments	15	( 13)	73	( 1,212)	( 2,265)	( 3,417)	5,532
Realised gains on investments		( 2)	-	( 278)	- 240	( 520)	274
<b>Net gains/(losses) on investments</b>		<u>( 15)</u>	<u>73</u>	<u>( 1,490)</u>	<u>( 2,505)</u>	<u>( 3,937)</u>	<u>5,806</u>
<b>Net income/(expenditure)</b>		<u>( 275)</u>	<u>602</u>	<u>( 1,582)</u>	<u>( 2,558)</u>	<u>( 3,813)</u>	<u>7,448</u>
<b>Transfer between funds</b>	13	525	50	( 610)	35	-	-
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets	14	-	( 320)	( 35)	1,495	1,140	2,223
<b>Net movement in funds</b>		<u>250</u>	<u>332</u>	<u>( 2,227)</u>	<u>( 1,028)</u>	<u>( 2,673)</u>	<u>9,671</u>
<b>Total funds brought forward</b>		<u>5,488</u>	<u>6,342</u>	<u>22,101</u>	<u>252,018</u>	<u>285,949</u>	<u>276,278</u>
<b>Total funds carried forward</b>	19	<u>5,738</u>	<u>6,674</u>	<u>19,874</u>	<u>250,990</u>	<u>283,276</u>	<u>285,949</u>

All activities derive from continuing activities. The notes on pages 39 to 76 form part of the financial statements.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2020

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	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
<b>Total incoming resources</b>	17,831	18,456
<b>Resources expended</b>	<u>( 17,654)</u>	<u>( 16,818)</u>
<b>Operating surplus/(deficit) for the year</b>	177	1,638
Net gains on investments	<u>( 1,432)</u>	<u>2,857</u>
<b>Net gain/(loss) for the year</b>	( 1,255)	4,495
<b>Other comprehensive income :</b>		
Revaluation of fixed assets	<u>-</u>	<u>-</u>
<b>Total comprehensive gain/(loss)</b>	<u><u>(1,255)</u></u>	<u><u>4,495</u></u>

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

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## BALANCE SHEET

For the year ended 31 December 2020

Company Number - 00133558		2020	2019
	Note	£'000	£'000
<b>FIXED ASSETS</b>			
Tangible assets	14	229,543	229,454
Investments	15	43,703	49,801
		<u>273,246</u>	<u>279,255</u>
<b>CURRENT ASSETS</b>			
Assets held for resale			
Debtors	16	3,237	2,765
Cash on deposit		5,171	2,146
Cash at bank and in hand		8,274	6,752
		<u>16,682</u>	<u>11,663</u>
<b>CREDITORS: amounts falling due within one year</b>	17	<u>(6,269)</u>	<u>(3,804)</u>
<b>NET CURRENT ASSETS</b>		<u>10,413</u>	<u>7,859</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		283,659	287,114
<b>CREDITORS: amounts falling due after more than one year</b>	18		
Pension scheme liabilities		(383)	(1,165)
<b>NET ASSETS</b>		<u>283,276</u>	<u>285,949</u>
<b>FUNDS</b>			
<b>Endowment funds</b>		250,990	252,018
<b>Restricted income funds</b>		19,874	22,101
<b>Unrestricted income funds</b>			
General funds		5,738	5,488
Designated funds		6,674	6,342
<b>TOTAL FUNDS</b>	19/20	<u>283,276</u>	<u>285,949</u>

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 15<sup>th</sup> April 2021 and signed on behalf of the Board by:

.....  
**The Right Revd Dr Martin Warner**  
 President of the CBF

.....  
**Mrs Lesley Lynn**  
 Chair of the Trustees

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## CASH FLOW STATEMENT

For the year ended 31 December 2020

	2020		2019	
	£'000	£'000	£'000	£'000
<b>Net cash outflow from operating activities (see below)</b>		( 457)		( 5,111)
Cash flows from investing activities				
Dividends / interest and rent from Investments	1,717		2,182	
Proceeds from the sales of:				
Tangible fixed assets	3,099		5,822	
Fixed assets Investments	4,801		2,938	
<b>Purchase of:</b>				
Tangible fixed assets	( 1,971)		( 442)	
Fixed assets Investments	<u>( 2,642)</u>		<u>( 2,027)</u>	
<b>Net Cash provided by investing activities</b>		5,004		8,473
Cash flows from financing activities				
Loans (repaid)	<u>0</u>		<u>30</u>	
<b>Net cash used in financing activities</b>		<u>-</u>		<u>30</u>
<b>Change in cash and cash equivalents in the reporting period</b>		4,547		3,392
Cash and cash equivalents at 1 January		8,898		5,506
Cash and cash equivalents at 31 December		<u>13,445</u>		<u>8,898</u>
Analysis of Cash and Cash equivalents				
Cash in Hand		8,274		6,752
Notice deposits (less than 3 months)		<u>5,171</u>		<u>2,146</u>
		<u>13,445</u>		<u>8,898</u>
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
<b>Net expenditure before investment gains</b>		124		1,642
<b>Adjustments for</b>				
Losses/(gains) on the disposal of fixed assets		( 115)		( 31)
Depreciation charges		34		35
Investment income		( 1,717)		( 2,182)
Change in loans		6		-
Decrease (Increase) in Debtors		( 472)		( 352)
Increase (Decrease) in Creditors		1,683		(4,223)
<b>Net Cash used in operating activities</b>		<u>(457)</u>		<u>(5,111)</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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### 1. ACCOUNTING POLICIES

#### a) General information

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a charitable company limited by guarantee incorporated in England and Wales (company registration number 00133558) and registered with the Charity Commission (charity registration number 243134). The registered office address is Diocesan Church House, 211 New Church Road, Hove BN3 4ED. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1.

The CDBF meets the definition of a public benefit entity under FRS102.

#### b) Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in (f), 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 (SORP 2015), the Companies Act 2006 and applicable accounting standards (FRS102).

#### c) Going concern

The financial statements are approved during a period where there continues to be much uncertainty as a result of the international spread of a coronavirus (COVID-19). The ultimate impact of the COVID 19 pandemic remains unclear, although there is room for optimism with the rollout of a vaccination programme, and also the continued support of parishes in paying and pledging parish share. Diocesan Officers are modelling scenarios should there be a material effect on income and expenditure plans are being reviewed as a consequence of this.

However, having reviewed the funding facilities available to CDBF together with the expected future cash flows, along with a prudent estimation of longer term income levels and expenditure requirements, the trustees have a reasonable expectation that charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

#### d) Income

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

- i. **Parish Share** is recognised as income in the year in which it is received.
- ii. **Rent** is recognised as income in the period in which it is received.
- 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 when received.
- vi. **Donations** other than grants are recognised when receivable.
- vii. **Gains on disposal of fixed assets for the CDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other expenditure.



# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### For the year ended 31 December 2020

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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. The income is fully expended within the year of receipt and the legal restrictions are therefore satisfied.

#### e) 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** includes costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- ii. **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese, and expenditure on education through Church of England schools in the diocese.
- iii. **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the CDBF, in which case the grants are recognised when the conditions are fulfilled. Records of grants offered subject to such conditions which have not been met at the year-end are kept, but committed grants are not accrued as expenditure.
- iv. **Support costs** consist of central management, administration and governance costs. The amount of support costs spent on raising funds and other activities is 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 usage basis.
- v. **Pension contributions.** The CDBF's staff are members of the Church Workers Pension Fund or the Teachers Pension Scheme and clergy are members of the Church of England Funded Pensions Scheme (see note 26). The pension costs charged as resources expended represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes in which the CDBF participates is accrued at current value in creditors, distinguished between contributions falling due within one year and after more than one year. Movements in the value of these schemes are recognised in the Statement of Financial Activities.

#### f) Tangible fixed assets and depreciation

##### *Freehold properties*

The CDBF measures freehold property assets in accordance with an estimate of fair value as required by FRS 102. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. It is planned that twenty percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 1. ACCOUNTING POLICIES (continued)

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 parsonage 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. Through a process of regular visits by the Diocesan Property Department, the Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

#### *Properties 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 their fair value.

#### *Investment properties*

Glebe properties and assets which are held for investment purposes and rented out have been included at their fair value.

#### *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 fair value. Parsonage houses are revalued on a five year cycle, with 20% being valued each year on a rolling basis.

#### **g) Other tangible fixed assets**

All capital expenditure over £5,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any estimated disposal proceeds at prices at the time of the asset's acquisition) of fixed assets over their currently expected useful economic lives at the following initial rates:-

Fixtures and fittings - 25% per annum - reducing balance basis

Computer Equipment - 20% per annum - straight line basis

#### **h) Other accounting policies**

- i. Fixed asset investments** are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.
- ii. Leases.** The CDBF has entered into operating leases for the use of certain assets. The rental is charged as expenditure in the year to which it relates.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 1. ACCOUNTING POLICIES (continued)

#### i) Financial Instruments - assets and liabilities

- i. **Debtors:** Debtors are recognised at the settlement amount due
- ii. **Cash and cash equivalents:** Cash at bank and cash in hand includes cash held in 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.
- iii. **Creditors and provisions:** Creditors and provisions are recognised where the CDBF 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 normally recognised at their settlement amount after allowing for any trade discounts due.
- iv. **Value Linked Loans:** The CDBF has a number of loans for which the settlement proceeds are based on the value of the equity in a property. As this constitutes a non-basic financial instrument under FRS102 these loans have been recognised at fair value and are revalued at each reporting date. Any gains or losses arising at year end are recognised in the SOFA.
- v. **Concessionary Loans:** Loans obtained or made by the CDBF to further its charitable purposes at rates below the prevailing market rates are classified as concessionary loans and accounted for in accordance with section 34 of FRS 102. Such loans are initially recognised and measured at the amount received or paid and subsequently amended to reflect any repayments, interest and impairment.

#### j) 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:

- i. **General funds** which the CDBF uses for the general purposes of the CDBF
- ii. **Designated funds** which are 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 Stipends Fund Capital, Parsonage Houses and Aided Schools Fund 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.

"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.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the CDBF's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are fair values estimated for property assets and investment properties. In 2020, 20% of parsonage and 98% of glebe houses were valued using an on-line valuation tool which uses relevant market data to provide a valuation for each property. The DBF is responsible for the maintenance of the houses and employees visit the properties on a regular basis. Any improvements are capitalised at cost and added to the carrying value of the properties. The occupants of the houses notify the DBF promptly of any damage or disrepair. Any variances from actual fair market value and the estimated value of the portfolio will affect the value of tangible fixed assets reported on the balance sheet, and other gains and losses reported in the Statement of Financial Activities. Income and expenditure are not impacted except to the extent that profit or loss is calculated on the sale of a property. The trustees consider this methodology and the resulting balance sheet values to be an appropriate estimate of fair value for reporting purposes.

### 3. DONATIONS

#### 3a. Parish Share

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	14,010	-	-	-	14,010	13,999
Shortfall in contributions	(978)	-	-	-	(978)	(183)
	<u>13,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,032</u>	<u>13,816</u>
Receipts for previous year	88	-	-	-	88	138
Total Income	<u>13,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,120</u>	<u>13,954</u>

Current year parish share receipts represent 92.7% of the total pledges (2019 – 98.7%), or, when receipts for previous years are included, 93.6% of the total pledges (2019 – 99.7%). The principal cause of the reduction seen was the impact on parishes of the coronavirus pandemic.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 3. DONATIONS (continued)

#### 3b. Other donations

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
	General	Designated				
	£'000	£'000				
All Churches Trust Grant	122	50	-	-	172	171
Archbishops Council	16	600	93	-	709	170
RME Block Grant	-	-	568	-	568	419
Grants from other organisations	-	-	-	-	-	-
	103	-	-	-	103	9
Donations	15	1	7	-	23	46
	<u>256</u>	<u>651</u>	<u>668</u>	<u>-</u>	<u>1,575</u>	<u>815</u>

### 4. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
	General	Designated				
	£'000	£'000				
Statutory fees for parochial services	468	-	-	-	468	560
Church Commissioners' guaranteed annuities	-	-	11	-	11	13
Parish trust Income	-	-	110	-	110	93
Generated Income	27	-	-	-	27	83
Church Schools Training & other	195	-	-	-	195	119
	<u>690</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>811</u>	<u>868</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 5. OTHER ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Properties	477	-	10	-	487	456
	<u>477</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>487</u>	<u>456</u>

### 6. INVESTMENT INCOME

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable & interest receivable	632	-	835	-	1,467	1,925
Rents receivable - Glebe	-	-	250	-	250	257
	<u>632</u>	<u>-</u>	<u>1,085</u>	<u>-</u>	<u>1,717</u>	<u>2,182</u>

### 7. OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	6	-	-	-	6	154
Gain/ (Loss) on sale of property	-	-	115	-	115	31
	<u>6</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>121</u>	<u>185</u>

### 8. FUNDRAISING COSTS

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	72	-	71	-	143	147
Glebe repairs & improvements	4	-	12	-	16	311
	<u>76</u>	<u>-</u>	<u>83</u>	<u>-</u>	<u>159</u>	<u>458</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

9. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Contributions to</b>						
<b>Archbishops' Council</b>						
Training for Ministry	632	-	-	-	632	632
National Church Responsibilities	475	-	-	-	475	502
Grants and Provisions	53	-	-	-	53	54
Mission agency pension costs	23	-	-	-	23	7
Retired clergy housing costs	227	-	-	-	227	216
Pooling of ordinands maintenance grants	(82)	-	-	-	(82)	38
	<u>1,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,328</u>	<u>1,449</u>

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Resourcing Ministry and</b>						
<b>Mission - Parish Ministry</b>						
Stipends and National Insurance	6,567	-	770	53	7,390	7,574
Pension contributions	1,710	-	-	-	1,710	1,736
Defined benefit pension scheme movement (see Note 26)	(35)	-	-	-	(35)	(2,614)
Housing costs	2,061	-	179	-	2,240	3,017
Mission Fund grants	-	122	-	-	122	121
Removal, resettlement & grants	235	-	-	-	235	231
Clergy welfare	19	-	130	-	149	186
Ministry Support	223	-	2	-	225	230
	<u>10,780</u>	<u>122</u>	<u>1,081</u>	<u>53</u>	<u>12,036</u>	<u>10,481</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 9. CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Resourcing Ministry and Mission - support for Parish Ministry</b>						
Ordination Training	567	-	573	-	1,140	1,188
Adult Education	78	-	7	-	85	120
Children and youth work	101	-	-	-	101	172
Apostolic Life	174	-	-	-	174	257
Common Good	8	-	-	-	8	33
Safeguarding	319	-	-	-	319	229
Diocesan Advisory Committee	78	-	-	-	78	81
Pastoral and Redundant Churches uses	50	-	-	-	50	45
Redundant churches	132	-	-	-	132	104
Communications	92	-	-	-	92	108
Chaplains	-	-	-	-	-	-
Mission projects (SDF)	-	-	120	-	120	117
Chancellor & Registrar	81	-	-	-	81	69
Grants	67	-	152	-	219	223
	<u>1,747</u>	<u>-</u>	<u>852</u>	<u>-</u>	<u>2,599</u>	<u>2,746</u>
Support and Governance for parish ministry (note 10)	694	-	-	-	694	812
	<u>2,441</u>	<u>-</u>	<u>852</u>	<u>-</u>	<u>3,293</u>	<u>3,558</u>
<b>Resourcing Ministry and Mission - Church Schools</b>						
Church Schools department	728	-	75	-	803	804
Support and Governance for Church Schools (note 10)	88	-	-	-	88	68
	<u>816</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>891</u>	<u>872</u>
<b>Total Charitable activities</b>	<u>15,365</u>	<u>122</u>	<u>2,008</u>	<u>53</u>	<u>17,548</u>	<u>16,360</u>

### 10. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry	Education Church Schools	Total Funds 2020	Total Funds 2019
	£'000	£'000	£'000	£'000
<b>Support</b>				
Central services department	158	20	178	181
General office department	205	26	231	275
Finance department	179	23	202	212
IT department	102	13	115	158
Depreciation	30	4	34	35
	<u>674</u>	<u>86</u>	<u>760</u>	<u>861</u>
<b>Governance</b>				
External Audit	20	2	22	19
	<u>694</u>	<u>88</u>	<u>782</u>	<u>880</u>



THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

11. ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
<b>From unrestricted funds for national church responsibilities:</b>					
Contributions to Archbishops' Council	6	-	1,328	1,328	1,449
<b>From unrestricted</b>					
The Chichester Diocesan Association for Family Support Work	1	-	36	36	36
Together in Sussex	1	-	4	4	10
St Bartz Trust - Youth work	1	-	19	19	19
Clergy Training	27	8	-	8	12
Clergy Moves	47	234	-	234	231
Other organisations	-	-	-	-	11
	77	242	59	301	319
<b>From designated</b>					
PCCs for Mission projects	12	-	90	90	121
The Chichester Diocesan Association for Family Support Work	1	-	15	15	-
Other Organisations for Mission projects	1	-	16	16	-
Individuals for Mission projects	1	1	-	1	-
	15	1	121	122	121
<b>From restricted</b>					
PCCs for Mission projects	9	-	240	240	158
Clergy and families for Welfare	110	62	-	62	75
Overseas mission agencies	4	-	9	9	13
Aided Schools	3	-	69	69	-
Ordinands in training	59	511	-	511	553
AD Care of Churches	-	-	-	-	4
Other organisations	-	-	-	-	26
	185	573	318	891	829
<b>Totals</b>	<b>283</b>	<b>816</b>	<b>1,826</b>	<b>2,642</b>	<b>2,718</b>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 12. STAFF COSTS

	2020 £'000	2019 £'000
<b>Employee costs during the year were as follows:</b>		
Wages and salaries	1,874	1,881
National insurance contributions	193	186
Pension costs	290	259
	<u>2,357</u>	<u>2,326</u>
<b>The average number of persons employed by the group during the year:</b>		
	<b>2020 Number</b>	<b>2019 Number</b>
Administration and financial management	21	25
Apostolic Life	14	15
Common Good	-	-
Property	7	7
Education - Church Schools	14	13
Safeguarding & inclusion	7	6
	<u>63</u>	<u>66</u>
<b>The average number of persons employed by the group during the year: based on full-time equivalents:</b>		
	<b>2020 Number</b>	<b>2019 Number</b>
Administration and financial management	18	22
Apostolic Life	13	11
Common Good	-	-
Property	7	7
Education - Church Schools	10	10
Safeguarding & inclusion	5	4
	<u>53</u>	<u>54</u>
<b>The numbers of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:</b>		
£60,001 - £70,000	2	2
£70,001 - £80,000	1	2
	<u>1</u>	<u>2</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### For the year ended 31 December 2020

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#### 12. 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 2020 they were:

Diocesan Secretary and Company Secretary	Gabrielle Higgins
Diocesan Director for Apostolic Life	Rebecca Swyer
Diocesan Director of Education	Trevor Cristin
Diocesan Director of Property	Scott Ralph
Diocesan Finance Director	Catherine Dawkins (to 28 <sup>th</sup> February 2020)
Diocesan Finance Director	Tim Redding (from 16 <sup>th</sup> March 2020)

Remuneration (including Employer NI) and pensions for these employees/posts amounted to £419,253 (2019 - £411,003).

##### Termination payments

During the year termination payments totalling £1,914 were paid (2019 - £1,719).

##### Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £4,084 (2019 - £17,143) in respect of General Synod duties, duties as archdeacon or rural dean, and other duties as Trustees. In addition, one Trustee received a removal grant of £5,047 in respect of his role as a member of the clergy.

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

	Stipend	Housing
The Right Revd R Jackson (to 7/1/20)	No	Yes
The Right Revd R K F Bushyager (from 15/7/20)	No	Yes
The Right Revd W P G Hazlewood (from 15/7/20)	No	Yes
The Venerable L Irvine-Capel	Yes	Yes
The Venerable F Windsor (to 31/7/20)	Yes	Yes
The Venerable M Lloyd-Williams	Yes	Yes
The Venerable E Dowler	Yes	Yes
The Revd Canon PM Gilbert	Yes	Yes
The Revd A Waizeneker	Yes	Yes
The Revd J Hollingsworth	Yes	Yes
The Revd D Twinley	Yes	Yes
The Revd P Coekin	Yes	Yes
The Revd M King	Yes	Yes

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 12. STAFF COSTS (continued)

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.

	2020 £'000	2019 £'000
Stipends	6,816	6,991
National insurance contributions	576	581
Pension costs - current year	1,710	1,742
Pension costs - deficit reduction contributions paid	741	752
	<u>9,843</u>	<u>10,066</u>

The stipends of the Diocesan Bishop and Suffragan Bishops are paid and funded by the Church Commissioners and are in the range £37,670 - £46,180 (2019 range £36,930 - £45,270). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2020 was £36,648 (2019 - £36,110) and other clergy who were Trustees were paid in the range £27,295 - £28,767 (2019 range £25,980 - £26,890).

### 13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Transfer of net proceeds from sale of redundant parsonages	-	-	-	-
Movement on defined benefit pension scheme	(35)	-	-	35
Administration charge - Aided Schools fund	48	-	(48)	-
Mission Fund	-	50	(50)	-
Pastoral Fund transfer - housing costs	<u>512</u>	<u>-</u>	<u>(512)</u>	<u>-</u>
	<u>525</u>	<u>50</u>	<u>(610)</u>	<u>35</u>

**Redundant Parsonages.** The net proceeds resulting from the disposal of redundant parsonages can be transferred from the parsonage fund to the pastoral fund after due process has been completed.

**Defined benefit pension scheme movement.** Transfer of the movement to the Diocesan Stipends fund.

**Administration charge - Aided Schools fund.** This reflects the administration charge of the Capital Asset Programme Manager costs charged to the Aided Schools restricted fund.

**Pastoral Fund transfer – housing costs.** This reflects a contribution from the Pastoral Fund, agreed by Synod, towards the cost of maintenance of housing.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

14. TANGIBLE FIXED ASSETS

	Freehold Land £'000	Leasehold Property £'000	Office Equipment £'000	Total £'000
<b>At 1 January 2020</b>	228,746	573	699	230,018
Additions	1,973	-	(2)	1,971
Disposals	(2,988)	-	-	- 2,988
Reclassification	-	-	-	-
Revaluation	1,460	(320)	-	1,140
At 31 December 2020	<u>229,191</u>	<u>253</u>	<u>697</u>	<u>230,141</u>
<b>Depreciation</b>	-	-	-	-
At 1 January 2020	-	-	564	564
Disposals	-	-	-	-
Charge for the year	-	-	34	34
At 31 December 2020	<u>-</u>	<u>-</u>	<u>598</u>	<u>598</u>
<b>Net Book Value</b>				
At 31 December 2020	<u>229,191</u>	<u>253</u>	<u>99</u>	<u>229,543</u>
At 31 December 2019	<u>228,746</u>	<u>573</u>	<u>135</u>	<u>229,454</u>

All but one of the properties in the balance sheet are freehold and are vested in the CDBF, except for benefice houses which are vested in the incumbent. Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £1,152,184 (2019: £1,542,514). Properties are subject to a five-year cycle of survey and valuation and consequent repairs are charged as expenditure with the SoFA.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 15. FIXED ASSET INVESTMENTS

	At 1 January 2020 £'000	Additions £'000	Disposal £'000	Transfer £'000	Change in Market Value £'000	At 31 December 2020 £'000
<b>Unrestricted Funds</b>						
Listed investments	126	4	(15)	-	(12)	103
Unlisted investments	5	-	-	-	0	5
Investment property	588	-	-	-	73	661
	<u>719</u>	<u>4</u>	<u>(15)</u>	<u>-</u>	<u>61</u>	<u>769</u>
<b>Restricted Funds</b>						
Listed investments	20,330	1,456	(2,494)	-	(1,212)	18,080
	<u>20,330</u>	<u>1,456</u>	<u>(2,494)</u>	<u>-</u>	<u>(1,212)</u>	<u>18,080</u>
<b>Endowment Funds</b>						
Listed investments	24,313	1,181	(2,814)	-	(2,265)	20,415
Investment property	4,439	-	-	-	0	4,439
	<u>28,752</u>	<u>1,181</u>	<u>(2,814)</u>	<u>-</u>	<u>(2,265)</u>	<u>24,854</u>
<b>Total</b>	<u>49,801</u>	<u>2,641</u>	<u>(5,323)</u>	<u>-</u>	<u>(3,416)</u>	<u>43,703</u>

Trustees are aware of the continuing impact of the COVID-19 pandemic on the value of investment assets. The DBF is, however, a long-term investor and currently has no immediate plans to realise investments in order to raise cash.

### 16. DEBTORS

	2020 £'000	2019 £'000
Concessionary (interest free) loans to Parishes	446	441
Loans to Parishes	985	1,015
Loans to Schools	368	434
Other Debtors and prepayments	1,438	875
	<u>3,237</u>	<u>2,765</u>
<b>Included within the above are debtors amounts due after more than one year as follows:</b>		
Loans to Parishes	381	994
	<u>381</u>	<u>994</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 17. CREDITORS: amounts falling due within one year

	2020	2019
	£'000	£'000
Loans due in one year		
Church Commissioners value-linked loans	1,721	1,727
Deferred income	-	-
Payments received in advance from Education Funding authority	2,119	797
Loan repayment instalments due in less than one year		
Central Board of Finance other loans	-	100
Other Taxes and social security	2	45
Other creditors and accruals	1,927	635
Clergy Pension Scheme	500	500
	<u>6,269</u>	<u>3,804</u>

Value-linked loans (VLLs) represent amounts advanced to the CDBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Three of these loans are for the benefit of parishes and have been used to purchase houses for curates. Five of the loans have been used by the DBF for the purchase of houses for deserted spouses, of which one was sold just prior to the year end. The related loan was repaid early in the new year. As at 31st December 2020 the Board had no intention of disposing of any more of those properties funded via VLLs. As the timing of the repayment is uncertain the loans are shown as due within one year.

### 18. CREDITORS: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Loan repayment instalments due in more than one year		
Pension Scheme liabilities (see note 24)		
Clergy Pension Scheme	352	1,128
Church Workers Pension Scheme - DBS	31	37
	<u>383</u>	<u>1,165</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 19. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2020 £'000
<b>UNRESTRICTED FUNDS</b>						
General	5,488	15,181	(15,441)	525	(15)	5,738
<b>Designated Funds</b>						
Property	6,086	-	-	-	(247)	5,839
Parish Mission	241	50	(121)	50	-	220
Other designated funds	15	601	(1)	-	-	615
	<u>6,342</u>	<u>651</u>	<u>(122)</u>	<u>50</u>	<u>(247)</u>	<u>6,674</u>
<b>Restricted Funds</b>						
Diocesan Pastoral	15,071	-	(122)	(650)	(1,252)	13,047
Diocesan Stipend	-	952	(952)	-	-	-
Clergy Welfare	1,170	78	(83)	-	(87)	1,078
Clergy Welfare (B Wild)	940	23	(62)	-	(35)	866
Jenkinson Trust	19	2	0	-	-	21
Training	-	30	(30)	-	-	-
University chaplaincy	38	1	0	-	-	39
Hayllar trust	78	3	0	-	-	81
Poling endowment	18	25	0	-	-	43
The Arnold Bequest	40	14	(18)	-	-	36
Clergy Widows	27	-	(4)	-	-	23
SDF	-	93	(181)	88	-	-
RME	(46)	568	(546)	-	-	(24)
Archdeacons' loans	1,849	31	(3)	-	(53)	1,824
Aided Church Schools	2,713	173	(74)	(48)	(98)	2,666
Diocesan Overseas Council	114	2	(9)	-	-	107
Other restricted funds	69	4	(7)	-	-	66
	<u>22,101</u>	<u>1,999</u>	<u>(2,091)</u>	<u>(610)</u>	<u>(1,525)</u>	<u>19,874</u>
<b>Endowment Funds</b>						
<b>Expendable</b>						
Parsonage/Benefice houses	180,313	-	-	-	(1,259)	179,054
Diocesan Stipends	59,038	-	(53)	35	1,020	60,040
Clergy Welfare	2,365	-	-	-	(258)	2,107
Elfinward	2,321	-	-	-	(254)	2,067
Terry's Cross	5,167	-	-	-	-	5,167
<b>Permanent</b>						
Jenkinson	50	-	-	-	(6)	44
Training	943	-	-	-	(102)	841
University chaplaincy	663	-	-	-	(3)	660
Hayllar trust	77	-	-	-	(8)	69
Poling endowment	669	-	-	-	(95)	574
The Arnold Bequest	412	-	-	-	(45)	367
	<u>252,018</u>	<u>-</u>	<u>(53)</u>	<u>35</u>	<u>(1,010)</u>	<u>250,990</u>
<b>Total funds</b>	<u>285,949</u>	<u>17,831</u>	<u>(17,707)</u>	<u>-</u>	<u>(2,797)</u>	<u>283,276</u>

The restricted funds above for RME relate to a grant received from Ministry Division to be used to meet the cost of ordination training. Grants are made by reference to the age of ordinands in each year, in the expectation that younger ordinands will follow more expensive training pathways. Depending on the actual pathway chosen for each ordinand, expenditure may be more or less than the grant. Surpluses must be held in reserve to be spent on future ordinands in years where there is a deficit. Deficits may be made good from future years where there is a surplus. If deficits persist, the Ministry Division of the Church of England will review the position. If no further funding can be made available, the deficit must be met from general funds.



THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

20. SUMMARY OF ASSETS BY FUND

	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
<b>UNRESTRICTED FUNDS</b>					
General	98	101	6,467	(928)	5,738
<b>Designated Funds</b>					
Property	5,193	661	(15)	-	5,839
Parish Mission	-	-	220	-	220
Other designated funds	-	6	609	-	615
	5,193	667	814	-	6,674
<b>Restricted Funds</b>					
Diocesan Pastoral	-	15,399	(2,351)	-	13,048
Clergy Welfare	1,153	-	1,336	(1,411)	1,078
Clergy Welfare (B Wild)	-	676	190	-	866
Jenkinson Trust	-	-	21	-	21
University chaplaincy	-	-	39	-	39
Hayllar trust	-	-	81	-	81
Poling endowment	-	-	43	-	43
The Arnold Bequest	-	-	36	-	36
Clergy Widows	-	-	23	-	23
SDF	-	-	-	-	-
RME	-	-	(24)	-	24
Archdeacons' loans	-	891	933	-	1,824
Aided Church Schools	-	1,109	5,018	(3,461)	2,666
Diocesan Overseas Council	-	-	107	-	107
Other restricted funds	-	4	62	-	66
	1,153	18,079	5,514	- 4,872	19,874
<b>Endowment Funds</b>					
<u>Expendable</u>					
Parsonage/Benefice houses	172,007	-	7,047	-	179,054
Diocesan Stipends	45,294	19,261	(3,663)	(852)	60,040
Clergy Welfare	-	1,911	196	-	2,107
Elfinward	-	1,876	191	-	2,067
Terry's Cross	5,167	-	-	-	5,167
<u>Permanent</u>					
Jenkinson	-	43	1	-	44
Training	-	764	77	-	841
University chaplaincy	631	26	3	-	660
Hayllar trust	-	64	5	-	69
Poling endowment	-	572	2	-	574
The Arnold Bequest	-	339	28	-	367
	223,099	24,856	3,887	(852)	250,990
<b>Total funds</b>	<b>229,543</b>	<b>43,703</b>	<b>16,682</b>	<b>(6,652)</b>	<b>283,276</b>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 21. PRIOR YEAR SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2019 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2019 £'000
<b>UNRESTRICTED FUNDS</b>						
General	4,641	16,142	( 13,075)	( 2,557)	337	5,488
<b>Designated Funds</b>						
Property	6,086	-	-	-	-	6,086
Parish Mission	242	50	( 121)	70	-	241
Other designated funds	31	-	-	( 16)	-	15
	<u>6,359</u>	<u>50</u>	<u>( 121)</u>	<u>54</u>	<u>-</u>	<u>6,342</u>
<b>Restricted Funds</b>						
Diocesan Pastoral	12,553		( 1,519)	1,876	2,161	15,071
Diocesan Stipend	-	1,141	( 1,141)			-
Clergy Welfare	1,109	133	( 72)			1,170
Clergy Welfare (B Wild)	900	29	( 85)		96	940
Jenkinson Trust	18	2	( 1)	-	-	19
Training	-	46	( 46)			-
University chaplaincy	37	1	-	-	-	38
Hayllar trust	74	4	-	-	-	78
Poling endowment	9	31	( 22)			18
The Arnold Bequest	40	18	( 18)			40
Clergy Widows	45	-	( 18)			27
SDF	-	170	( 175)	5		-
RME	( 9)	419	( 456)			( 46)
Archdeacons' loans	1,703	37	( 3)		112	1,849
Aided Church Schools	2,415	210	( 21)	( 42)	151	2,713
Diocesan Overseas Council	117	9	( 12)	-	-	114
Other restricted funds	88	14	( 33)	-	-	69
	<u>19,100</u>	<u>2,264</u>	<u>( 3,622)</u>	<u>1,839</u>	<u>2,520</u>	<u>22,101</u>
<b>Endowment Funds</b>						
<b>Expendable</b>						
Parsonage/Benefice houses	180,473	4		( 1,951)	1,787	180,313
Diocesan Stipends	53,935			2,615	2,488	59,038
Clergy Welfare	2,056				309	2,365
Elfinward	2,018				303	2,321
Terry's Cross	5,167					5,167
<b>Permanent</b>						
Jenkinson	44				6	50
Training	820				123	943
University chaplaincy	659				4	663
Hayllar trust	67				10	77
Poling endowment	581				88	669
The Arnold Bequest	358				54	412
	<u>246,178</u>	<u>4</u>	<u>-</u>	<u>664</u>	<u>5,172</u>	<u>252,018</u>
<b>Total funds</b>	<u>276,278</u>	<u>18,460</u>	<u>( 16,818)</u>	<u>-</u>	<u>8,029</u>	<u>285,949</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 22. PRIOR YEAR SUMMARY OF ASSETS BY FUND

	Fixed assets		Current	Creditors	Net
	Tangible	Investments	Assets		Assets
	£'000	£'000	£'000	£'000	£'000
<b>UNRESTRICTED FUNDS</b>					
General	134	125	5,876	( 647)	5,488
<b>Designated Funds</b>					
Property	5,513	589	( 16)	-	6,086
Parish Mission	-	-	241	-	241
Other designated funds	-	5	10	-	15
	<u>5,513</u>	<u>594</u>	<u>235</u>	<u>-</u>	<u>6,342</u>
<b>Restricted Funds</b>					
Diocesan Pastoral		17,414	( 2,343)		15,071
Clergy Welfare	1,543		1,355	( 1,727)	1,171
Clergy Welfare (B Wild)		748	192		940
Jenkinson Trust			19		19
University chaplaincy			38		38
Hayllar trust			78		78
Poling endowment			18		18
The Arnold Bequest			40		40
Clergy Widows			27		27
SDF					-
RME			( 46)		( 46)
Archdeacons' loans		957	892		1,849
Aided Church Schools		1,207	2,473	( 967)	2,713
Diocesan Overseas Council	-	-	114	-	114
Other restricted funds	-	4	65	-	69
	<u>1,543</u>	<u>20,330</u>	<u>2,922</u>	<u>( 2,694)</u>	<u>22,101</u>
<b>Endowment Funds</b>					
<u>Expendable</u>					
Parsonage/Benefice houses	174,012	-	6,301	-	180,313
Diocesan Stipends	42,454	21,992	( 3,780)	( 1,628)	59,038
Clergy Welfare	-	2,322	43	-	2,365
Elfinward	-	2,279	42	-	2,321
Terry's Cross	5,167	-	-	-	5,167
<u>Permanent</u>					
Jenkinson	-	51	( 1)	-	50
Training	-	926	17	-	943
University chaplaincy	631	31	1	-	663
Hayllar trust	-	76	1	-	77
Poling endowment	-	668	1	-	669
The Arnold Bequest	-	407	5	-	412
	<u>222,264</u>	<u>28,752</u>	<u>2,630</u>	<u>( 1,628)</u>	<u>252,018</u>
<b>Total funds</b>	<u>229,454</u>	<u>49,801</u>	<u>11,663</u>	<u>( 4,969)</u>	<u>285,949</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 23. DESCRIPTION OF FUNDS

General	The general fund is the CDBF's unrestricted undesignated fund available for any of the CDBF's purposes.
Property	The fund value is set at the level equivalent to the net book value of corporate properties. Church House, Hove and various houses used by retired clergy make up the value of this fund.
Parish Mission	Fund made available from the AllChurches Trust and diocesan sources to support parish mission projects throughout the Diocese.
Other Designated Funds	The majority of these funds represents a grant received from the Church Commissioners to meet the costs of two additional curates to be ordained in 2021 and a Parish Development Officer role.
Diocesan Stipends	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held under the Church Property Measure 2018 to provide income for clergy stipends. It represents glebe property, accumulated sale proceeds of glebe property, and sale proceeds of some benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.
Clergy Welfare	Fund is governed by a 1993 Charity Commission scheme with income being used for the welfare of clergy, their spouses or other licensed staff who work or have worked in the diocese.
Clergy Welfare (B Wild)	Fund derives from the sale of a property, Lapwings, bequeathed for purposes connected with clergy welfare. The fund is used for the clergy wellbeing service.
Clergy Widows	Fund represents a legacy from Charles Peckham to provide financial grants or other benefits for widows of the clergy.
University Chaplaincy	Fund is governed by a trust deed dated 21 July 1961. The fund is to provide a house for the University of Sussex chaplain and to assist that chaplain in the fulfilment of his/her duties.
Jenkinson Trust	Fund represents a legacy from William Jenkinson. Income from the fund is used for necessitous Church of England gentlewomen or as the diocesan fund finds most fitting.
Hayllar Trust	Fund represents a legacy from Sidney Hayllar. Income from the fund is used to help clergy with personal costs such as education and personal support and general financial problems.
Poling Endowment	A fund to be used for the welfare of clergy and their families in need or hardship, serving, in training or retired, of the Diocese of Chichester.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 23. DESCRIPTION OF FUNDS (continued)

Archdeacons' Loans	The fund arose from three gifts and the proceeds of a fundraising campaign. The accumulated income is used to make interest free loans to parishes to help fund repairs to churches and church halls.
Aided Church Schools	The Aided Church Schools Fund represents the accumulated sale proceeds of redundant Church of England School properties. Its use is restricted by Section 287(2) of the Education Act 1993 to capital and maintenance work of Church of England schools in the diocese and education generally at Church of England schools in the diocese. The CDBF is trustee of these funds, which are managed in consultation with the Diocesan Board of Education.
Diocesan Overseas Council	The fund comprises the net income raised after grants made by the Diocesan Overseas Council. The Council promotes the Diocesan interest in, support for and engagement with mission work of the churches of the Anglican Communion in co-operation with the Church of England's Partnership for World Mission accredited mission agencies and partners. It raises funds mainly by way of the Harvest Appeal each year and in reaction to world mission appeals and projects.
Diocesan Pastoral	<p>The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese.</li><li>• other purposes of the diocese or any benefice or parish in the diocese</li><li>• to make grants or loans to any other diocese</li><li>• to transfer funds to the diocesan stipends fund income or capital accounts.</li></ul>
Strategic Development Fund	The Diocese has been awarded funding from the Church Commissioners towards three parish based mission projects in the Diocese. The funds received are restricted to be used on these projects.
RME Block Grant	A restricted grant received from Ministry Division to be used to meet the costs of ordination training.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 23. DESCRIPTION OF FUNDS (continued)

Parsonage/Benefice Houses	The parsonage/benefice property fund consists of resources restricted to provision of benefice houses in the diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the CDBF is obliged to maintain them, and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the CDBF.
Elfinsward	The fund was created by the sale of a former retreat house. The income from the fund is used to support stipends, communications work and retreat grants.
Terry's Cross	The fund represents the value of a house, originally given as a gift to the diocese, to provide accommodation for retired clergy and church workers.
Training	This fund has been built up by various bequests. The income is used to support ordination training costs and for modest discretionary grants to assist ordinands in need.

### 24. CAPITAL COMMITMENTS

At 31 December 2020 the CDBF had capital expenditure commitments authorised but not contracted for of £NIL (2019 - £NIL) and contracted for but not yet due of £173,414 (2019 - £82,429).

### 25. OPERATING LEASES

Future minimum rentals payable until the end of the lease under non-cancellable operating leases are as follows:

	2020	2019
	£	£
	£'000	£'000
<b>Other operating leases:</b>		
Total amount payable within one year	22	29
Total amount payable in the second to fifth years inclusive	10	18
	<u>32</u>	<u>47</u>

Total lease payments recognised as an expense in the year were £34,522 (2019 £47,882).

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 26. PENSIONS

The CDBF participates in four pension schemes.

- A. **Church of England Funded Pensions Scheme (CEFPS)** for stipendiary clergy administered by the Church of England Pensions Board.
- B. **Church Workers Pension Fund (CWPF)** for Lay workers administered by the Church of England Pensions Board.
- C. **Church Workers Pension Fund (CWPF) Pension Builder Classic** for Lay workers administered by the Church of England Pensions Board.
- D. **Teachers' Pension Scheme (TPS)** governed by the Teachers' Pension Scheme Regulations 2014.

#### A. Church of England Funded Pensions Scheme (CEFPS)

Chichester 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 each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £2,455,384, 2019: £2,487,841), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £1,679,384 for 2020 (2019: £(872,159)).

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 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 26. PENSIONS (continued)

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

	2020	2019
Balance sheet liability at 1 January	1,628,000	4,988,000
Deficit contribution paid	-741,000	-745,000
Interest cost (recognised in SoFA)	14,000	97,000
Remaining change to the balance sheet liability* (recognised in SoFA)	-49,000	-2,712,000
Balance sheet liability at 31 December	852,000	1,628,000

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

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

	December 2020	December 2019	December 2018
Discount rate	0.2%	1.1% pa	2.1% pa
Price inflation	3.1%	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6%	1.3% pa	1.6% pa

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



# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 26. PENSIONS (continued)

#### B. Church Workers Pension Fund (CWPF)

Chichester Diocesan Board of Finance (CDBF) participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

#### Defined Benefits Scheme

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2020: £13,287, 2019: £13,287) 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 £7,287 for 2020 (2019: £7,287).

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

A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £26.2m.

A valuation as at 31 December 2019 was under way as at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of £5,900 per year. In addition, deficit payments of £7,387 per year have been agreed for 7.00 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 26. PENSIONS (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2020	2019
Balance sheet liability at 1 January	37,000	43,000
Deficit contribution paid	-7,000	-7,000
Interest cost (recognised in SoFA)	0	1,000
Remaining change to the balance sheet liability*(recognised in SoFA)	1,000	0
Balance sheet liability at 31 December	31,000	37,000

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

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

	December 2020	December 2019	December 2018
Discount rate	0.40%	1.30%	2.10%

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

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 26 PENSIONS (continued)

#### C. Church Workers Pension Fund (CWPF) Pension Builder Classic

Since 1<sup>st</sup> October 2012 the CDBF has participated in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

#### Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2020: £226,667, 2019: £220,350).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

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**26. PENSIONS (continued)**

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

The CDBF participates in the Teachers' Pension Scheme ("the TPS") for a number of its staff. The pension charge for the year includes contributions payable to the TPS of £60,240 (2019: £38,967) and at the year-end £Nil (2019 - £Nil) was accrued in respect of contributions to this scheme.

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 being 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 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 27. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from</b>						
Donations						
Parish share	13,954	-	-	-	13,954	13,556
Other donations	151	50	614	-	815	807
Charitable activities	762	-	106	-	868	987
Other activities	423	-	33	-	456	603
Investments	823	-	1,359	-	2,182	2,049
Other	29	-	152	4	185	409
	<u>16,142</u>	<u>50</u>	<u>2,264</u>	<u>4</u>	<u>18,460</u>	<u>18,411</u>
<b>Expenditure on</b>						
Raising Funds	73	-	385	-	458	272
Charitable activities	13,002	121	3,237	-	16,360	19,191
	<u>13,075</u>	<u>121</u>	<u>3,622</u>	<u>-</u>	<u>16,818</u>	<u>19,463</u>
<b>Net income/(expenditure) before investment gains</b>						
	<u>3,067</u>	<u>( 71)</u>	<u>( 1,358)</u>	<u>4</u>	<u>1,642</u>	<u>( 1,052)</u>
Unrealised gains on investments						
	16	-	2,429	3,087	5,532	( 5,151)
Realised gains on investments						
	<u>321</u>	<u>-</u>	<u>91</u>	<u>(138)</u>	<u>274</u>	<u>902</u>
<b>Net gains/(losses) on investments</b>						
	<u>337</u>	<u>-</u>	<u>2,520</u>	<u>2,949</u>	<u>5,806</u>	<u>( 4,249)</u>
<b>Net income/(expenditure)</b>						
	<u>3,404</u>	<u>( 71)</u>	<u>1,162</u>	<u>2,953</u>	<u>7,448</u>	<u>( 5,301)</u>
<b>Transfer between funds</b>						
	( 2,557)	54	1,839	664	-	-
<b>Other recognised gains/(losses)</b>						
Gains/(losses) on revaluation of fixed assets						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,223</u>	<u>2,223</u>	<u>( 8,130)</u>
<b>Net movement in funds</b>						
	<u>847</u>	<u>( 17)</u>	<u>3,001</u>	<u>5,840</u>	<u>9,671</u>	<u>( 13,431)</u>
<b>Total funds brought forward</b>						
	<u>4,641</u>	<u>6,359</u>	<u>19,100</u>	<u>246,178</u>	<u>276,278</u>	<u>289,709</u>
<b>Total funds carried forward</b>						
	<u>5,488</u>	<u>6,342</u>	<u>22,101</u>	<u>252,018</u>	<u>285,949</u>	<u>276,278</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 28a. PRIOR YEAR NOTES TO ACCOUNTS – 3 DONATIONS

#### Parish Contributions

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

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General £'000	Designated £'000	Funds £'000	Funds £'000	2019 £'000	2018 £'000
Current Year pledges	13,999	-	-	-	13,999	13,769
Current year pledges - attributable to insurance						
Transfer to Deanery reserves		-	-	-	-	-
Shortfall in contributions	( 183)	-	-	-	( 183)	( 302)
	<u>13,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,816</u>	<u>13,467</u>
Receipts for previous year	<u>138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138</u>	<u>89</u>
Total Income	<u>13,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,954</u>	<u>13,556</u>

Current year parish share receipts represent 98.7% of the total pledges (2018 – 97.8%), or, when receipts for previous years are included, 99.7% of the total pledges (2018 – 98.4%)

#### Other Donations

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General £'000	Designated £'000	Funds £'000	Funds £'000	2019 £'000	2018 £'000
All Churches Trust Grant	121	50	-	-	171	170
Strategic Development Funding			170		170	165
RME Block Grant			419		419	225
Grants from other organisations	9	-	-	-	9	16
Donations	<u>21</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>46</u>	<u>231</u>
	<u>151</u>	<u>50</u>	<u>614</u>	<u>-</u>	<u>815</u>	<u>807</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

### 28b. PRIOR YEAR NOTES TO ACCOUNTS – 4 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2019	2018
	£'000	£'000			£'000	£'000
Statutory fees for parochial services	560	-	-	-	560	612
Church Commissioners' guaranteed annuities	-	-	13	-	13	16
Parish trust Income	-	-	93	-	93	94
Generated Income	83	-	-	-	83	130
Church Schools Training & other	119	-	-	-	119	135
	<u>762</u>	<u>-</u>	<u>106</u>	<u>-</u>	<u>868</u>	<u>987</u>

### 28c. PRIOR YEAR NOTES TO ACCOUNTS – 5 OTHER ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2019	2018
	£'000	£'000			£'000	£'000
Rents receivable - Properties	423	-	33	-	456	603
	<u>423</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>456</u>	<u>603</u>

### 28d. PRIOR YEAR NOTES TO ACCOUNTS – 6 INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	
	General	Designated			2019	2018
	£'000	£'000			£'000	£'000
Dividends receivable & interest receivable	823	-	1,102	-	1,925	1,765
Rents receivable - Glebe	-	-	257	-	257	284
	<u>823</u>	<u>-</u>	<u>1,359</u>	<u>-</u>	<u>2,182</u>	<u>2,049</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

28e. PRIOR YEAR NOTES TO ACCOUNTS – 7 OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	2	-	152	-	154	7
Gain/ (Loss) on sale of property	27	-	-	4	31	402
	<u>29</u>	<u>-</u>	<u>152</u>	<u>4</u>	<u>185</u>	<u>409</u>

28f. PRIOR YEAR NOTES TO ACCOUNTS – 8 FUND RAISING COSTS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	73	-	74	-	147	133
Glebe repairs & improvements	-	-	311	-	311	139
	<u>73</u>	<u>-</u>	<u>385</u>	<u>-</u>	<u>458</u>	<u>272</u>

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Contributions to Archbishops' Council</b>						
Training for Ministry	632	-	-	-	632	615
National Church Responsibilities	502	-	-	-	502	490
Grants and Provisions	54	-	-	-	54	53
Mission agency pension costs	7	-	-	-	7	6
Retired clergy housing costs	216	-	-	-	216	207
Pooling of ordinands maintenance grants	38	-	-	-	38	29
	<u>1,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,449</u>	<u>1,400</u>



**THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2020**

**28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)**

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General £'000	Designated £'000	Funds £'000	Funds £'000	2019 £'000	2018 £'000
<b>Resourcing Ministry and Mission - Parish Ministry</b>						
Stipends and national Insurance	6,736	-	838	-	7,574	7,457
Pension contributions	1,736	-	-	-	1,736	1,695
Defined benefit pension scheme movement	( 2,614)	-	-	-	( 2,614)	64
Housing costs	1,570	-	1,447	-	3,017	2,876
Mission Fund grants	-	121	-	-	121	258
Removal, resettlement & grants	231	-	-	-	231	546
Clergy welfare	23	-	163	-	186	270
Ministry Support	229	-	1	-	230	-
	<u>7,911</u>	<u>121</u>	<u>2,449</u>	<u>-</u>	<u>10,481</u>	<u>13,166</u>
<b>Resourcing Ministry and Mission - support for Parish Ministry</b>						
Ordination Training	693	-	495	-	1,188	1,044
Adult Education	112	-	8	-	120	128
Children and youth work	162	-	10	-	172	166
Apostolic Life	257	-	-	-	257	370
Common Good	33	-	-	-	33	53
Safeguarding	229	-	-	-	229	223
Diocesan Advisory Committee	81	-	-	-	81	58
Pastoral and Redundant Churches uses	45	-	-	-	45	37
Redundant churches	104	-	-	-	104	93
Communications	108	-	-	-	108	97
Chaplains	-	-	-	-	-	3
Mission projects (SDF)	-	-	117	-	117	222
Chancellor & Registrar	69	-	-	-	69	54
Grants	88	-	135	-	223	121
	<u>1,981</u>	<u>-</u>	<u>765</u>	<u>-</u>	<u>2,746</u>	<u>2,669</u>
Support and Governance for parish ministry	812	-	-	-	812	1,018
	<u>2,793</u>	<u>-</u>	<u>765</u>	<u>-</u>	<u>3,558</u>	<u>3,687</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Endowment Funds		Total Funds	Total Funds
	General £'000	Designated £'000	Funds £'000	Funds £'000	2019 £'000	2018 £'000
<b>Resourcing Ministry and Mission - Church Schools</b>						
Church Schools department	781	-	23	-	804	844
Support and Governance for Church Schools (note 10)	68	-	-	-	68	94
	<u>849</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>872</u>	<u>938</u>
<b>Total Charitable activities</b>	<u>13,002</u>	<u>121</u>	<u>3,237</u>	<u>-</u>	<u>16,360</u>	<u>19,191</u>

28h. PRIOR YEAR NOTES TO ACCOUNTS – 10 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry		Education Church Schools		Total Funds	Total Funds
	£'000	£'000	£'000	£'000	2019 £'000	2018 £'000
<b>Support</b>						
Central services department		161	20		181	211
General office department		275	-		275	278
Finance department		188	24		212	284
IT department		140	18		158	307
Depreciation		31	4		35	10
		<u>795</u>	<u>66</u>		<u>861</u>	<u>1,090</u>
<b>Governance</b>						
External Audit		17	2		19	22
		<u>812</u>	<u>68</u>		<u>880</u>	<u>1,112</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

28i. PRIOR YEAR NOTES TO ACCOUNTS – 11 ANALYSIS OF GRANTS MADE

	<i>Number</i>	Individuals £'000	Institutions £'000	Total Funds 2019 £'000	Total Funds 2018 £'000
<b>From unrestricted funds for national Church responsibilities:</b>					
Contributions to Archbishops' Council	<u>6</u>	<u>-</u>	<u>1,449</u>	<u>1,449</u>	<u>1,400</u>
<b>From unrestricted</b>					
The Chichester Diocesan Association for Family Support Work	1	-	36	36	36
Together in Sussex	1	-	10	10	10
St Bartz Trust - Youth work	1	-	19	19	18
Clergy Training	58	12	-	12	-
Clergy Moves	45	231	-	231	-
Other organisatons	<u>4</u>	<u>-</u>	<u>11</u>	<u>11</u>	<u>-</u>
	<u>110</u>	<u>243</u>	<u>76</u>	<u>319</u>	<u>64</u>
<b>From designated</b>					
PCCs for Mission projects	<u>14</u>	<u>-</u>	<u>121</u>	<u>121</u>	<u>258</u>
<b>From restricted</b>					
PCCs for Mission projects	6	-	158	158	29
Clergy and families for Welfare	86	75	-	75	102
Overseas mission agencies	7	-	13	13	13
Ordinands in training	51	553	-	553	281
AD Care of Churches	2	-	4	4	7
Other organisatons	<u>4</u>	<u>-</u>	<u>26</u>	<u>26</u>	<u>-</u>
	<u>156</u>	<u>628</u>	<u>201</u>	<u>829</u>	<u>432</u>
Totals	<u>286</u>	<u>871</u>	<u>1,847</u>	<u>2,718</u>	<u>2,154</u>

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 29. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

The COVID-19 pandemic is continuing to have a huge impact across the world. Global financial markets have suffered as a result, and while there has been significant recovery since the low point in March 2020, this volatility is likely to continue to have an impact on the value of investment assets, along with property values and Pension Fund deficits. The ultimate extent of this activity is currently still unknown.

The crisis also continues to have an impact on the operations of CDBF. The ability to hold a number of events remains in question and Diocesan Officers have prepared budgets with expenditure plans based on income levels which continue to be under pressure. Most employees have, however, been able to work effectively from home and every effort is being made to continue to provide as many of our services as possible.

Trustees will continue to monitor the changing operational landscape and impact on assets and related income.

### 30. RELATED PARTY TRANSACTIONS

The Mother Agnes Trust is an unincorporated charity of which The Right Revd Dr M Warner, the Ven E Dowler, Mrs S Stonor and Gabrielle Higgins, Diocesan Secretary of the CDBF, are trustees. Between 2004 and 2017 Chichester DBF paid the running expenses of the Magnet Centre in Hastings on behalf of the Mother Agnes Trust. The Magnet Centre transferred into new ownership in 2017. The total amount expended by CDBF on behalf of the Mother Agnes Trust as at 31 December 2020 in respect of the Magnet Centre is £375,841. In addition, the DBF paid the salary of the Clerk to the Trustees of the Mother Agnes Trust on behalf of the Trust until 31 January 2019. As at 31 December 2020 the amount expended by Chichester DBF in respect of staff costs was £35,304. Chichester DBF has invoiced these sums but will not pursue payment until the sale of land by the Mother Agnes Trust.

The only related corporate party with whom the DBF has transacted is the Diocese of Chichester Academy Trust ('DCAT') which manages eleven Church of England Schools in the Diocese. DCAT is accountable to the Diocese Board of Education ('DBE') and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust ('DoCET') via members for its operation. The Director of Education, one of the DBF's key management personnel, is a trustee of DCAT, and the Archdeacon of Chichester is its Chair.. During the year the DBF provided office facilities free of charge to DCAT as well as performing due diligence on schools intending to convert or join the Trust.

# THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

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### 31. FUNDS HELD AS CUSTODIAN TRUSTEE

The 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. The financial assets held in this way may be summarised as follows:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
CBF Church of England Investment Fund income shares	14,530	13,717
CBF Church of England Investment Fund accumulation shares	225	204
CBF Church of England Fixed Interest Securities Fund shares	1,829	1,794
CBF Church of England Property Fund shares	246	259
CBF Church of England UK Equity Shares	11	11
CBF Church of England Global Equity Shares	162	145
Other common investment fund holdings	1,368	1,861
Direct holdings in UK equities	238	363
CBF Church of England Deposit Fund	2,584	1,742
Cash at bank	134	143
Total assets held as custodian trustee	<u>21,327</u>	<u>20,239</u>