

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



**Annual Report and Financial Statements
For the year ended 31 December 2023**

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

A printed copy is available on request from Church
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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 2023.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the Diocese of 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 2021;
- 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 the second stage of the Diocesan Vision for Growth was launched, 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 strategic vision for growth.

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
 - Providing ministerial development reviews and continuing ministerial development for clergy

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- 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 by 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 of clergy and laity

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 2022 (the latest year for which figures are available) approximately 1,080 weddings or blessings, 2,930 funerals and 2,310 baptisms were carried out. Parishes have also engaged in many new projects to support their communities to combat issues ranging from hunger to loneliness, and provide a range of different worship patterns. 357 licensed clergy and 78 licensed readers minister across the 348 parishes and Bishop's Mission Orders in the Diocese, with 20 new stipendiary and seven new house for duty or self-supporting clergy appointments in 2023, including 14 newly ordained deacons, and one new reader licensed.

The Education Department appointed 149 foundation governors for church schools and helped to

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appoint 6 new head teachers.

Payment of stipends and pensions

During the year the CDBF paid stipends, pensions and other employment costs totalling £8.8 million for incumbents, curates and other clergy, increasing stipends above national recommendations. 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 26 against a budgeted rate of 22, one higher than in 2022, with the expected level of 22 at the start of the year rising as the year went on. This was due to a lack of suitable candidates for posts rather than any intention to lengthen vacancies. 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 vacancies.

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 February 2011; others chose to retain their freehold. 24 clergy remain on freehold tenure. 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 was restarted in 2023 following the deferment due to the Covid pandemic.

As with previous years, a significant amount of work was undertaken in respect of appointments and lettings in 2023, with more than 65 properties being made ready for incoming clergy and private tenants (to derive a rent).

Major projects in 2023 included the completion of the work to extend the parsonage house at Moulsecomb Vicarage, and the refurbishment of the vicarage at Middleton. We have also started the planning phase for a major project to refurbish the vicarage at All Saints Hove.

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. Curates are given support and guidance in the process of applying for posts of first responsibility.

Grants of over £243k were made to ordinands to support them and their families during their

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training. There are currently 16 ordinands in training.

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

MDR reviews are now back to a 2-year cycle. A question is now included about CMD undertaken since the previous review as well mentoring as a way of encouraging clergy to take responsibility for their ongoing ministerial formation and development.

A wide range of courses in theology, spirituality, wellbeing and practical skills were delivered – many via Zoom. The First Incumbents course (three-year cycle) continued, with a mix of Zoom and in person sessions. The first cohort completed the final year of the course, after which a review took place. The third cohort of clergy undertook the Galilee leadership programme. The diocesan Year of the Old Testament (seminars and reading course) was completed, and the Year of the New Testament prepared. Clergy mentoring training was also launched.

Pastoral care and welfare support

The WCF service moved forward this year in its proactive engagement with clergy. This included the Head of the service speaking at deanery chapters, 1-1 meeting, trainings and events, and working collaboratively with the Archdeacons, HR consultant, and the Bishop's Liaison Officer for the LGBTQI Communities.

17 counsellors across the diocese continue to provide mental health support to those who self-refer to the service. Several traumatic event debriefings have been facilitated, following incidents of actual or threatened violence, or loss of life. The second Clergy Wellbeing Day took place in September, it was fully booked with 70 clergy attending.

The need for "safe spaces" denoting an environment where participants can listen well to one another (1:1 or otherwise) appears necessary and desired. The Director for Apostolic Life convened a steering group to consider how we might support navigating conflict better and earlier, drawing on practice in other dioceses.

In addition, welfare grants totalling approximately £37k have been awarded to 53 clergy and their families in times of need.

Implementing improvements to pastoral organisation – DMPC

Four Mission and Pastoral schemes and orders (one Pastoral Reorganisation scheme, one church closure scheme, and two Bishop's Pastoral orders) were completed and a further eighteen cases were progressed.

Significant progress was also made in relation to finding new uses for several closed churches.

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Developing Christian presence for the future

Encouraging vocations

Training ADDOs (Assistant Diocesan Directors of Ordinands) who accompany those exploring a vocation to ordained ministry continues to be important. In November 2023 some of the team attended the national DDO consultation where the new shared discernment process was reviewed.

In April 2023, we hosted a vocations day for people to explore ordained ministry.

In June 2023, 14 Deacons were ordained. 14 candidates were ordained to the priesthood.

In September 2023, we sent three ordinands to train, making a total of 16 ordinands at the end of the year. Our overall numbers are lower which reflects the reduction in the national number of ordinands-in-training (halved in the last year).

We continue to prepare candidates for Candidates' Panels, which is an extension of the selection process and reviews a range of candidates' cases: transferring to a new category of ministry, moving to a new focus of ministry, resuming training after withdrawal, receiving ministers from other Churches, those who have completed training but not yet been ordained, and those with conditional recommendations.

There are currently seven candidates working formally through the discernment process, some of whom may start training in September 2024. More candidates are in the initial stages of discernment.

Supporting apostolic partnerships

The Apostolic Life team continues to closely support the four apostolic partnerships launched as part of the 2021 Strategic Development Funded (SDF) projects within the Brighton and Hove deaneries. Support during 2023 has been essential where church leader changes have occurred at a couple of the parishes.

The SDF project in Crawley awarded during 2022 got well underway with the launch of two new Apostolic Partnerships and the commencement of groundwork to support the planting of two new worshipping communities within 2 new local housing developments. As the leadership formation initiative "*Character School- Developing leaders in the way of Jesus*" enters its 2nd year, its curriculum content has been recognised as supporting those exploring ministry as an ALM.

Throughout the year, the diocese has continued to have conversations with the Vision and Strategy team at the National Church Institutions to further develop our diocesan strategy. This has resulted in a successful application of capacity funding to directly resource an additional three roles to directly support this activity with recruitment scheduled for early 2024. Further development is likely to lead to further funding from National Church within their Diocesan Investment Programme (DIP). The purpose of DIP is to focus investment on enabling the bold outcomes and strategic priorities of the Church's Vision & Strategy to become a reality in parishes and communities, prioritising investment in the most deprived and resource-poor contexts. During December we held our first Diocesan Strategic Group review to officially commence the journey of reviewing diocesan

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strategy to set the direction of travel and pace for forthcoming activities – the Bishops Staff forms most of this team with support from implementing personal and finance. Key themes being considered as part of the future strategy includes 1) Prayer and Worship, 2) Children, Youth and Families, 3) Leaders. Development of these themes will intentionally consider all worshipping communities across the diocese from rural through to city communities, with a focus on areas of deprivation.

Enabling church schools to reach out

Within the current SIAMS (Statutory Inspection of Anglican and Methodist Schools) schedule, schools are 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 worked alongside schools to determine what this looks like in a local context.

Our Growing Partnerships initiative is in full operation. The essence of this is to look at ways schools and worshipping communities can come together within the Household of Faith and work in partnership within our local communities. Feedback has been positive from all stakeholders. A short video is available on our website. Our School Effectiveness Officers also promote it through their visits and regular conversations and it is the subject of ongoing training and discussion.

We have been delighted to see the wide range of partnerships that have developed and the way each local relationship is unique. The ideas and concepts supporting Growing Partnerships have been shared with other dioceses who are adopting a range of elements within it.

Based on the positive outcomes of this initiative, we have developed an adapted version of Growing Partnerships to support clergy working with community schools in their parish. This was launched in November 2023.

The Education team also worked closely in 2023 with other partners in the Diocese including the Cathedral to develop our input into Black History Month and Race Awareness Week.

Our Annual Year 6 Leavers’ Celebrations continue to grow. In 2023 127 schools attended which is an increase of six schools compared to 2022. This involved over 3,600 children but once again we were delighted to welcome over 1000 adult friends and family to worship with us. It is a particular joy to see this aspect of our outreach and impact thriving.

Supporting clergy, lay leaders, parishes and chaplains

Parish development

2023 was a consolidation year for the process of deanery mission action planning, working with rural deans to help them to deliver the outcomes they identified. A number of parishes asked for help in developing vision for the future and reviewing their MAPs.

We ran a second cohort of our church growth course, Great is thy Faithfulness: Growing the Household of Faith. Based on the pilot we changed the format and reduced the number of parishes

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participating. This was delivered to eight parishes across six sessions during over six-month period. The feedback from the two cohorts has been encouraging and been yielding results.

Lay Vocations

The Living Faith course didn't run in 2023 but will return early in 2024. We have been exploring new ways for the course to be delivered and for it to become more accessible and local.

A new process of Reader Ministerial Development Review (MDR) was developed, modelled on material provided by the Central Readers Council and our own clergy MDR scheme. This was launched in January 2023 and has been well received. Following on from the review of Reader structures undertaken in 2022 a new policy to govern the ministry of Readers with PTO was introduced together with the new honorary designation of Reader Emeritus. We will monitor this for a year, listening carefully to feedback before considering whether any slight adjustments are appropriate.

In September 2023, one candidate was admitted and licensed as a Reader and six candidates were selected to begin training. 18 Readers became Reader Emeritus under the new scheme.

In 2023 43 candidates were commissioned as ALM's in the diocese for ministries of pastoral care, chaplaincy, worship leading and mission. Training continues to be well received.

There are currently 161 serving ALMs in the diocese. In 2024 we will – for the first time – be able to run all the electives on offer.

Continuing ministerial development for Readers and ALMs is now being provided through the CMD programme. This means that there are now regular CMD events some of which are designed specifically for Readers and ALMs and others are shared with clergy. In November 90 Readers and ALMs attended a one-day conference, entitled 'Equipped, Enabled, Empowered – a Vision for Lay Ministry'. The keynote speaker was Carrie Myers, Head of Lay Ministries for the national Church of England.

In November a new website 'Ministry Net' was launched, which aims to be an online community for those in lay ministry in the diocese. It is run by lay ministers for lay ministers and includes articles and discussion forums.

Youth and Children

2023 saw a revamping of the hub centres across the diocese with their remit being refined and leadership refreshed. The plan is to relaunch these in early 2024. We offered two retreats this year for salaried workers at Ashburnham Place – these were well attended with all the available places being taken.

The central church approached us to take part in a pilot training programme in partnership with CMS to develop professional youth workers. We offered two externally fully funded places on CMS's one-year programme to youth workers within the diocese who are in post but unqualified. These have been taken up and we are supporting them.

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We have completed our second year of the Duke of Edinburgh's Award with around 20 young people taking part in Bronze & Silver. A strong team of volunteers have been instrumental in supporting young people through their award, including helping to run the expeditions.

Maycamp welcomed 330 young people to Plumpton Racecourse with worship, teaching, games and activities. Several young people become Christians over the weekend and the feedback from youth groups has been very positive, pledging to bring another church group with them in 2024 that have not been before.

Link Up events for paid youth workers have continued in person, and now have a published programme of speakers aiming to support their professional development.

Communications

Due to the departure of the Digital Media Officer in August 2023 there was lower than usual output of video and podcast content in the second half of the year. To address the staffing issue plans were rescheduled to ease the pressure and create capacity to accommodate its usual mixed stream of content (diocesan, parish, school, and charity partner content). Social media posts remained consistent.

Early spring saw the completion of the Easyfundraising project – visiting five parishes to record stories about positive experience with Easyfundraising. On top of this was the planning and delivery of two vocation story videos to support Vocations Sunday and the work of the Diocesan Director of Ordinands.

Despite reduced staffing in the second half of the year, the team supported a full year of key diocesan events including the major Christian festivals, the diocesan ordinations services, and the Order of St Richard (OSR) ceremony. Nine OSR awardees and all 14 deacons were interviewed.

A newly forged partnership with Mothers Union and the Salvation Army at the Church Tent in the South of England show proved to be a huge hit with the most money ever raised at the show, through donations, over the three days. The Communications team oversees the planning of this event and is in attendance on all three days.

The team planned and delivered a key resource for parishes for the Autumn - working with the generous giving adviser - to produce a generous giving video. This involved interviewing nine clergy from eight parishes over three days. The video has made a positive impact on those that have seen it. To date it has received 765 views. Positive responses from parishes that have viewed the resource are being recorded for future use and encouragement.

Video recordings were made for the Bishop's Christmas and New Year messages. These received positive engagement via our YouTube channel and via the local media.

Lastly, the Bishop of Chichester recorded an audio interview to introduce the Year of the New Testament, uploaded to the diocesan SoundCloud platform and shared across all channels.

All the Lent course resources prepared in the autumn of 2023 were uploaded to the diocesan website, in line with the agreed scheduled deadline.

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A new partnership was agreed with St Olav bookshop in Chichester – as part of our ongoing plans to support the use of Christian bookshops. This book initiative will support the Year of the New Testament resources.

The ability to upload our own news stories to Sussex World newspapers has been helpful with 36 stories uploaded from April – December 2023. That equates to a story each week plus the faith column on top gives two published stories each week.

The ongoing efforts to advise and encourage parishes to take ownership of their own publicity means that there are far more stories out there in local and regional publications as well as increased activity on social media channels and radio. Much of this can be tracked using multiple methods such as algorithm tools however, that must be balanced with capacity and resourcing of time. An area of work to be further developed.

The Faith column in the Sussex World series of newspapers (print and online) continued throughout the year with a handover of responsibility from Rev Emma Ham-Riche. These are now put together and uploaded separately by Revd. Thomas Cottrell and continues to be a reliable source of communicating out key messages and church activity.

Reflections on Year of the Old Testament and looking ahead to Year of the New Testament were shared across the diocese and plans continue toward the planning for the 2025 clergy conference and the Year of Faith.

Efforts continued to support the work of Apostolic life which included supporting the delivery of social media training for Clergy as well as assisting with increasing registrations to events such as May Camp, The Wellbeing Day, and the rural conference.

Support for parishes continued throughout the year, reaching out to three parishes out of 16 identified as needing comms audit advice. This work is part of the Great is Thy Faithfulness project.

The Education team's school leaver events were heavily covered by communications and content shared across the diocese. Other school news has been highlighted further including two broadcasting events and partnership working.

The team continued to support the work of the racial justice team throughout 2023. This included sharing resources for racial justice week and Black History month as well as covering the visit of Bishop Leon Golding, Suffragan Bishop of Montego Bay in Jamaica, who was invited to the Diocese of Chichester for a five-day programme of visits to churches and schools to mark the 75th anniversary of the arrival of the Empire Windrush.

The team continued to support the diocesan environment goals by attending meetings and sharing good news stories such as all the good initiatives taking place in parishes, where churches are working towards a bronze, silver, or gold Eco Church award, and where energy saving efforts are being made to our church buildings. Notably Chidham's solar panels which made the national newspapers.

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The Coronation of Their Majesties King Charles III and Queen Camilla took place at Westminster Abbey in May and resources were shared with Parishes and Schools in line with official protocols.

Raising the profile of our partners and charities continued with coverage of key Mother's Union work, Family Support Work and raising the profile of Christian bookshops in Sussex.

Two issues of Faith in Sussex were planned and published (Summer and Winter). All our communications channels were regularly populated with a mix of diocesan and external campaigns, mostly planned throughout the year.

The fortnightly e-news, social media channels and website continue to connect the whole of the diocese. Regular communications to a range of stakeholders took place throughout the year on several topics, from Ad clerums to specific targeted Diocesan communications for events and activities.

Education

A key aspect of our work focussed on Growing Partnerships as detailed earlier. Training opportunities and briefings were provided for Headteachers, Foundation Governors and clergy. This remains an area where close partnership work with the Apostolic Life Team is proving valuable. As indicated earlier, a Growing Partnerships initiative for clergy working alongside community schools was also launched in November 2023 and is now in full circulation.

We hold termly briefings online with Heads and Governors. This serves to keep our schools informed and to keep growing the threads of a Diocesan School Family. Three sessions were offered in 2022 and in total 415 school leaders attended including Headteachers, Chairs of Governors and clergy. 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.

Our Governor Training programme proved very popular with 353 places being booked on a total of 18 training sessions. The areas covered included SIAMS, Safeguarding and Foundation Governor induction.

Safeguarding

The Safeguarding Team continues to provide support to parishes on a daily basis, assisting with safeguarding practice, leading on casework, and advising on the implementation of policy, , in addition to the advice which is maintained on the safeguarding website and through the Simple Quality Protects scheme. Face-to-face training was provided to over 500 people during the year. In 2023 the Diocese pioneered the use of a new online system to deliver safeguarding leadership training, which is now being implemented across the country.

In addition, the team continues to manage the DBS process for clergy, ordinands and readers in training, parish safeguarding officers and lead recruiters and others, and to support new lead recruiters to register to apply for DBS checks.

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The Diocese is a Pathfinder Diocese for the national project to implement the first recommendation for the Independent Inquiry into Child Sexual Abuse.

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.

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, providing 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 119 applications (95 requests for formal advice and 24 requests for informal advice). The Church Buildings team and DAC also assisted the Archdeacons in processing 186 permissions for minor works under the List B process. 16 DAC site visits were carried out.

The Fundraising Adviser provided tailored fundraising and project management advice to 88 parishes by email, phone, and in person, along with 5 other institutions. The figures break down by archdeaconry as: Brighton and Lewes (16), Chichester (36), Hastings (23), and Horsham (13). She made 24 site visits to churches, independently of DAC site visits, and made presentations to two deanery synods and two church buildings update sessions.

Parish Support on financial matters

The Department for Apostolic Life provides ongoing support to parishes through its training seminars and manuals, and by providing ad hoc in-depth advice throughout the year. Topics covered included the role of the PCC treasurer, trustee training, contactless/digital giving, good governance, will-writing and legacies, and annual report writing. All seminars were conducted on Zoom and in person at different times of day, which gave parish officers from across the diocese the chance to attend and participate.

The department continued to share manuals and accounting templates on the diocesan website, updating webpages as needed and to improve clarity. We responded to questions from incumbents, treasurers, PCC secretaries and churchwardens daily.

The digital roll out made possible by funding from the Archbishops' Council continued in 2023 to date over £90k in additional funding has been received by parishes. The 'try before you buy' digital roll out was expanded with four devices now available for parishes to test. So far 100% of parishes who have borrowed a device have gone on to purchase their own.

The Parish Giving Scheme continued to improve its offering and methods of engagement. By the end of the year 286 parishes had joined the scheme, with over 66,000 donations processed over the year for the Diocese, to a value of £6.3 million including Gift Aid. Over the year the one-off donation option has proved popular with over 50% of givers returning to make another gift. One

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off gifting represented an additional £100k.

Generous Giving

We have continued to support churches as they aim to create the right conditions for a spirit of generosity to develop. Many are now moving from the idea of a fundraising “event” - often in response to a financial crisis point in the life of the church – through to adopting the concept of a “journey of generosity”, seen as more of a “way we do church here”.

Training continues to be provided on inspiring church communities to engage in the practice and spiritual discipline of regular giving as part of our Christian discipleship. This has involved equipping leaders with the necessary tools and confidence to talk clearly and biblically about stewardship and generosity. In February the Bishop of Horsham hosted a training webinar for all incumbent clergy to help them feel more comfortable and inspired to preach and teach on generosity.

We have created a testimonial video featuring eight of the churches in our diocese, with church leaders sharing their experiences in an open and honest way. This seeks to encourage those who are still nervous about the best way to approach the subject of generosity and stewardship in their local context.

We continue an ongoing development programme across the diocese, meeting with incumbents and leadership teams, and promoting and supporting stewardship initiatives with individual PCCs, deanery chapters and deanery synods. Where possible we have taken the opportunity to preach on generosity when invited to do so.

The diocese continues to promote and benefit from the formal agreement with easyfundraising – which is a mechanism to “capture” donations made by participating companies when people shop for goods and services on-line. Currently 156 churches in the diocese are signed up to the programme and are receiving the benefit of the incremental revenue that this can bring. The support that easyfundraising team provide helps us to continue to promote the programme through contributions to e-news, Faith in Sussex and via other social media channels

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, GDPR and the like.

12 Autumn Deanery meetings were held in 2023. This year these were mainly joint meetings between either 2 or 3 deaneries and mainly in person. Two further Zoom meetings were offered to anyone across the diocese who had been unable to attend but wished to ask questions. These meetings once again 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 diocesan synods

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were held in person with hybrid options for those who couldn't attend in person in May and November.

Supporting schools

All our 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 proved popular with governors and headteachers alike, with additional bespoke sessions being arranged for groups of schools.

The numbers engaging across our range of training opportunities have grown considerably over the past twelve months with 869 training places taken in the academic year. The training programme offered for our Headteachers, school leaders and teachers saw 341 places booked on 24 different courses. In addition, 66 school leaders registered for our Headteachers' Conference. Our Governance training saw 329 places booked on a wide range of sessions.

Academisation remains an important part of the strategy of the department. A successful Academies Roadshow in November was very well attended and we are confident this has supported our School Leaders in developing their thinking. The amount of ongoing dialogue with our Trusts is very encouraging.

Many schools have advanced their plans regarding the policy of the current government to establish an education landscape built around strong Academy Trusts. Following a very successful Academy Roadshow run by our team, we have seen five new conversions and eight more are well advanced in the process of completion. A steady pipeline has been established and the DBE have completed a Diocesan Academy Strategy in line with national guidance that outlines our approach and policy in detail.

Our Academy Trusts are growing and it is important that we ensure that their growth is sustainable as we seek to support as wide a range of schools as possible. We now have four diocesan Multi-Academy Trusts in operation: the Bishop Luffa Learning Partnership, the Bishop Otter Academy Trust, the Diocese of Chichester Academy Trust and Hurst Education Trust. These trusts actively contribute to the work of the Strategic Partnership of Diocesan MATs which has been created to develop a coherent approach that essentially constitutes a Diocese of Chichester offer. Within this context we continue to explore a range of strong options to widen this provision. The DBE is working with a local federation to explore the possibility of establishing a MAT specifically for small schools and we are exploring further partnerships with strong Church Majority MATs based in neighbouring dioceses.

By the end of 2023, 91% of our schools were judged to be graded good or above by Ofsted. This compares with the national average of 88%.

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Facilitating of capital expenditure on schools

The Education Department continued to support the remaining 45 Voluntary Aided schools via capital funding from the government, under the scheme known as the School Condition Allocation, launched in 2020, which gives the diocese greater independence and greater flexibility to use the resource effectively, coupled with greater accountability. Projects at 25 schools were funded from the 2022-2023 allocation.

Safeguarding casework

Safeguarding casework remained busy in 2022 but at a lower level of intensity than in previous years. Chichester's Second Past Cases Review (PCR2) was completed in 2022 and accepted by the national PCR2 Project Board. The report commended the quality of safeguarding casework across the Diocese, although making various recommendations including that the Diocese continues to monitor the resourcing of the Safeguarding Team to ensure that good quality casework remains achievable. The Diocese has already responded to this recommendation by providing increased staffing levels for the Team.

The environment

In 2023 the Diocese of Chichester endorsed a road map to move us towards net carbon zero by 2030. This is consistent with the Church of England's national road map. Essentially there are two components to our road map. The first component is to work hard at reducing the carbon footprint created by our parsonage properties, our schools and our church buildings. This is an extremely challenging task. We currently emit 13,500 tonnes of carbon dioxide each year. We have successfully applied for funding from the national church to take on a program manager, a fundraiser and schools project manager to help us with the heavy lifting involved with reducing these emissions. Steve Collins will be starting as the programme manager on 1st February and we will be sharing him with the Diocese of Guildford and the Diocese of Portsmouth.

After many years offering huge encouragement to parishes across our diocese, Revd Debbie Beer has stepped down as Diocesan Environment Officer and is to be succeeded by Revd Buff Stone. Buff will continue the work started by Debbie of encouraging parishes and Christians across Sussex to think and act in ways that are environmentally liberating. This is the second component of our environmental strategy. Buff is creating a network of parishes and Christians throughout the diocese who can support and encourage one another towards attaining Eco Church awards, working with local communities (young people in particular), raising awareness of how to respond to the environmental crisis in ways that are authentically Christian, and pursuing this essentially missional work in the most creative of ways. There will be a diocesan environment day on 15th June 2024 at St Mark's Holbrook near Horsham.

Supporting the wider church and specific ministries

Support for parish projects within diocese

The Diocesan Mission Fund deployed part of the grant from the Benefact Trust as well as an amount from the Pastoral Fund to support outreach mission initiatives within the Diocese. It supports both new work and current activities that need further financial assistance. In the last

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year the Mission Fund has awarded £110,000 towards projects including Children and Families workers, Youth Workers, a welcome presence in busy rural parish and an education officer for a project with a parish around spiritual retreat and pilgrimage. All projects are linked closely to the Diocesan Strategy.

Grants are made to other connected charities, notably Chichester Diocesan Association for Family Support Work to support their work with disadvantaged families. 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

The Diocesan Overseas Committee (DOC) is responsible for maintaining the relationship with the overseas link partners. For many years the Diocese of Chichester has enjoyed companion links with six dioceses covering nine countries in West Africa and Kenya.

During the year the six West African dioceses supported by the Diocese – Gambia, Guinea, Freetown and Bo (Sierra Leone), Liberia and Cameroon – became the Internal Province of West Africa, having split from Ghana which is now known as The Internal Province of Ghana. We continue to also support five dioceses in the Anglican Church of Kenya (ACK).

The DOC's principal focus remains supporting Christians training for ministry. Three students whom we sponsor from ACK completed their studies at Carlile College, Nairobi. Adam Tomalin (originally from Hailsham) and his wife Nomfundo, continue at George Whitfield College, Muizenburg, South Africa working with Crosslinks. A student from The Gambia began studying at St. Nicholas Seminary, Ghana and two further students from ACK are to be supported at Carlile College. In April, the retiring Principal of Carlile College, Patience Wanzala, visited Chichester during Holy Week hosted by DOC member Margaret Lumley. She joined the Chrism Mass at Horsham and lunched with the Bishop of Horsham and clergy; the following day Patience visited Chichester Food Bank and saw Stonepillow's work with the homeless – both which our visitor much valued.

In June, a series of events were held across the Diocese to mark the 75th Anniversary of the first Windrush arrivals to the UK. Leon Paul Golding, Suffragan Bishop of Montego Bay in the Diocese of Jamaica, accompanied by the Bishop, met head teachers and chaplains, led special Windrush services in Brighton and the Cathedral and attended a reception at Burgess Hill.

A new Bishop of The Gambia, Obed Arist Kojo Baiden, was elected in June; Margaret Lumley represented the Diocese at the service. Bishop Kojo brings dynamism and energy to the Diocese after a long vacancy.

A Harvest Update summarising the DOC's work and providing opportunities to support it was issued in September and widely circulated.

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The DOC has five funds at its disposal. Whilst most are restricted, the World Church Experience Fund (WCEF) does have funds available for curates and those on EMDL travelling overseas, normally to one of our link dioceses. A modest grant was given to a curate joining a parish-based overseas mission.

There were no ecumenical conferences in 2023, though planning started for the Feuerstein Conference, being hosted by Chichester in 2024.

Support for particular ministries

The CDBF ceased to provide the Gatwick Airport Chaplain from January 2023 when responsibility for the post was taken over by the Diocese of Southwark.

The Council for the Promotion of the Common Good (CPCG) is made up of representatives from the clergy, laity and other denominations, and meets 3 times a year, usually twice online and once in person. At each meeting we consider our purpose in reflecting God's care for the individual, community life and the natural world. In addition to rural communities, racial justice and interfaith (separate details below), during 2023 we focused on several areas of work:

- The Together in Sussex Mission Action Plan
- The work being done to support Ukrainian refugees
- Local debt and money advice services
- Modern Day Slavery
- Projects supporting the wellbeing of families

When appropriate, speakers are invited to update the committee on their work; otherwise CPCG members share information and expertise.

Jo King attended a national disability conference in the autumn and at the time of writing we hope to appoint two voluntary disability officers.

Rural Officer

The Rural Officer for East Sussex has continued to offer support, encouragement, care and advice to the many rural churches and communities we have in East Sussex. Highlights in 2023 included two Rural Retreat Days at Penhurst Retreat Centre. Facilitated by the Bishop of Lewes and Archdeacon of Brighton and Lewes respectively, the aim of these informal gatherings was to offer encouragement, space and refreshment to clergy serving in rural communities. A Rural Conference held at Chichester Cathedral in the autumn attracted both laity and clergy from across the diocese; the focus being: 'Renewing Hope in Rural Mission and Ministry'. Events such as these, as well as addressing Deanery Synods and Chapters, have enabled the Rural Officer to share good practice and to create greater confidence in our shared vision. The Chaplaincy at Plumpton Agricultural College continues to develop, not least with the launch of a Christian Union now meeting weekly on site. In December the Rural Officer led a Carol Service at Hailsham Livestock Market, in partnership with RABI (Royal Agricultural Benevolent Institution) and FCN (Farmer's Community Network); these links, along with his involvement as a board member for the South of England Show, have enabled the Rural Officer to be a 'conduit' between the Church and other rural

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stakeholders.

Racial Justice

Racial Justice work continued to develop in 2023. Martha and Godfrey, the Racial Justice Officers have been raising awareness about racism and its effects at schools and churches within the diocese. Furthermore, during the year, the diocesan racial justice committee members led assemblies at different schools encouraging children to be welcoming and inclusive. To mark Racial Equality Week, special services were held on 12th February at St John's, Crawley led by the Bishop of Horsham and at St Peter's, Brighton led by the Bishop of Lewes. Perhaps the highlight of the year has been Bishop Leon's visit in June to mark the 75th anniversary of the arrival of Windrush. He arrived from Jamaica at the invitation of the Bishop of Chichester, who hosted events across the diocese. It was a time of reflection, learning, prayer and developing friendships which made Bishop Leon's visit memorable. Black History Month special service was held at the Chichester cathedral with the Rev Guy Hewitt, Director, Racial Justice Unit as the preacher; music was performed by the Christ's Hospital Gospel Choir which was indeed beautiful. It was well attended; the feedback has been very positive.

Martha stood down from the Racial Justice Committee in the summer and we would like to record our huge thanks for her immense contribution to its work. A new committee with more minority ethnic representation was formed in September 2023. The work on an application for funding from the national church for racial justice advocacy and awareness work, within the diocese, is in progress. The committee is committed to continue its good work in the new year 2024.

Interfaith

Godfrey, our Interfaith Adviser has been active visiting and encouraging the different Interfaith groups within the diocese. He had also represented the diocese at different events in Mosques, Synagogues, Gurdwaras and Temples in Brighton, Hove, Worthing and Crawley. It is clear from the scripture that crossing boundaries of religion and culture was central to Jesus' ministry. Following his model and ministry, we strive for good interfaith relations, especially in our world with so much hatred and exclusion. The diocese has continued to work with the Presence and Engagement team of the national church. On the 15th November, to mark Interfaith Week, we had an Interfaith Afternoon at the Church House, Hove led by the Bishop of Lewes. It proved to be a popular event which attracted thirty attendees. Most of them were school, hospital or prison chaplains but we had representations from Priests, Readers and ALMs too. The focus of the afternoon had been on being a passionate Christian and compassionate to people of other faiths and no faith at the same time. We hope that our work within the diocese will aid towards stamping out violence in the name of religion. Thank you to all who helped in this work in different ways during the year. It is much appreciated.

LGBTI

The Bishop's LGBTI Liaison Officer, a pioneering role created in 2017 to ensure that those who identify as LGBTI (both within and outside the Church) are affirmed and welcomed rather than simply tolerated, has continued to seek to build bridges of trust and relationships across divisions, to raise awareness, to provide for one to one and shared conversations with clergy and others, and to bring experience to bear on scripture, reason and tradition.

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Coming to a place of “good disagreement” is not always easy. The current debates in General Synod as part of the Living in Love and Faith process are perhaps the most difficult the Church of England is facing in the 21st century. The fallout particularly affects those clergy and others who identify as LGBTI. In response the Liaison Officer has dealt with the media and in partnership with Laura Steven, Head of Wellbeing for the Diocese, has facilitated a safe space for LGBTI clergy, partners, allies and friends to meet on an occasional basis for networking and support. The first of these took place in June 2023 with a further event planned in March 2024 following the February 2024 General Synod.

Throughout 2023 the Liaison Officer was involved in offering confidential support of those who are LGBTI and feel hurt by the Church, together with providing a sounding board for clergy across the theological spectrum dealing with these sensitive issues. The Officer has maintained an open dialogue with the Diocesan Bishop in raising awareness and offering both challenge and support when particular difficult issues have arisen.

Running an effective organisation

20 governing committee meetings were held, including the Bishop’s Council, the Operating Committee, Assets Committee, Audit Committee, Education Finance Committee and Remuneration Committee.

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. Great care continues to be taken with this management, with an ever increasing focus on ethical and environmental consideration.

The Diocese continues to seek opportunities to develop glebe land where appropriate. There has been progress in respect of multiple sites during 2023 which is encouraging.

The Property Department continues to focus on letting empty houses where it can. In 2023 rental income of c. £565k was generated from vacant parsonage houses and c. £218k from glebe houses and land.

FUTURE PLANS

The strategic aims established by Diocesan Synod in 2019 detailed on page 4 will continue to direct the activities of the CDBF. The Diocese will be working with the Church of England’s Vision and Strategy team to further develop strategic plans and seek Strategic Mission and Ministry Investment.

Resourcing a Christian Presence

A key challenge is to develop an operating model to enable ministry and mission to be resourced in a financially sustainable way in future. This will be the focus of the governance committees in 2024 and will inform the vision and strategy for the future. In turn this will shape any applications submitted to the National Church for grant funding.

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The deanery planning exercise is now becoming part of “business as usual” for the diocese and the outcome from this are helping to target programme and support to areas where it seen as most important. Examples of this is the range of new ALM electives that have arisen out from the process and an increase in collaborative working across deaneries. This will be built on in 2024 with encouragement for deaneries to be proactive in the updating and delivery of their DMAP.

The diocese’s major commitment continues to be the maintenance of a Christian presence across the parishes of Sussex. We will continue to encourage more vocations to the ordained ministry through events, mentoring, visibility of role models, and increasing team capacity, and we also plan to train and develop lay members of the Church, including expansion of the number of Authorised Lay Ministry electives, in response to needs identified in deanery and parish MAPs.

In response to the ongoing pressures placed on clergy following the Covid-19 pandemic, clergy welfare will remain a priority. Another Clergy Wellbeing Day (to which all clergy in the diocese will be invited) is being planned, pursuing the direction set out by the General Synod in their 2022 Covenant for Clergy Wellbeing. Further workshops are being developed in collaboration between the Head of Wellbeing for Clergy and Families and the Continuing Ministerial Development Officer, which will incorporate both theological and psychological perspectives. Further models of reflective practice for clergy are being proactively considered with a view to long-term development and financial sustainability.

Building on the strategic aims, we will be having three further themed years with events and opportunities for laity and clergy to deepen their knowledge and understanding of the faith and their Christian discipleship. Advent 2023 to the beginning of Advent 2024 is the Year of the New Testament.

Generous Giving

In 2024 we will continue to engage with parishes to support them in promoting the “journey of generosity”. This will include the successful practice of working closely with those who are moving from title post to first incumbency or joining the diocese from posts elsewhere – a strategy that has proved very fruitful in previous years.

We will also seek out new and exciting testimonials from those churches who are on the “journey of generosity” - to highlight what has worked well and what their “top tips” for success are. These will be made available through all the available comms channels including video, podcasting and articles in e-news, Faith in Sussex and through social media.

We will continue with our support and guidance for parishes wishing to take on new contactless giving methods, including our extended “try before you buy” project and customisable postcards including QR codes to online giving mechanisms. Supporting treasurers has never been more important, with pressure on volunteers including bank charges and branch closures; we will again offer detailed treasurer training seminars and continue to offer day to day help as needed.

A key focus for 2023 has been enabling churches to make more of the easy fundraising facility – to encourage those yet to sign up to do so, and for those already registered to increase the contributions received. This has been successful in encouraging wider participation than just the core church membership to include friends and family of the membership and local businesses,

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who, although they may not be attending church personally, value its presence within the local community. This will continue in 2024.

Education

Our team is strongly focussed on enabling our schools to offer the highest possible provision with a strong, distinctively Christian foundation. Our support is highly valued in a landscape that is seeing resources being more and more stretched. We are seeking to establish an effective and supportive network of MATs to offer our schools a secure and ambitious environment in which they can thrive whilst doing all we can to support our Local Authority partners working with the rest of our schools.

We see schools as having a central role within the work of the Household of Faith and we look forward to offering our expertise and local knowledge and exciting new missional initiatives emerge.

We continue to engage actively with the diocesan desire to achieve Carbon Net Zero and we have submitted a substantial bid to the Public Sector Decarbonisation Scheme.

Safeguarding

The Diocese of Chichester is now a Pathfinder Diocese for the national implementation of Recommendations 1 & 8 from the Independent Inquiry into Child Sexual Abuse (IICSA). Recommendation 1 relates to the increased autonomy of Diocesan Safeguarding Advisers (to be re-named Officers to reflect their ability to act on their own authority in certain key casework tasks). Recommendation 8 relates to the ongoing auditing and quality assurance of safeguarding work in Dioceses and Cathedrals.

This is an ongoing project that will exist until 2024 when Recommendations 1 and 8 will be implemented across every Diocese. Being a Pathfinder Diocese places Chichester at the forefront of one of the most significant change projects across the CofE regarding safeguarding. In addition to its status as a Pathfinder, the Chichester Diocesan Safeguarding Adviser is the Lead User amongst DSAs for the national project.

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 68.9% of the CDBF's income (2022: 69.3%).

The current year's Parish Share receipts represent 98.5% (2022: 98.8%) of the total pledges made for 2023. When the receipts for prior years are included the collection rate increases to 98.8% (2022: 99.2%). The Trustees are grateful to all parishes who pledged so generously and continued to meet those pledges despite the cost of living crisis, especially to those parishes that make their contribution payments by monthly instalments which enables the Diocese to manage cash flow

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efficiently. In 2023 a new parish share restricted fund was launched in response to the national Living in Love and Faith conversations for use by those parishes which hold an orthodox view of marriage. Parish share of £373k was paid into the fund. The total has been spent on stipends to support ministry in those parishes which hold an orthodox view of marriage. The restricted fund is being continued for 2024.

The total income for the year was £21.2m (2022: £19.7m). The changes to income in 2023 are due to the following factors:

- Parish share pledges for 2023 were £138k below those received in 2022, with a stable rate of payment, resulting in lower parish share income due to the cost of living crisis.
- Other donation and grant income is £1,413k higher than 2022. From 2023 the CDBF has adopted a new accounting policy in respect of the School Condition Allocation Funding which is received from the Department for Education for school building projects. The income of £1,745k is now recognised in full on receipt and is shown as expenditure once it has been allocated to a school project. There has also been a decrease in the grants received from the national church institutions. In 2022 the Diocese received one off grants from the Archbishops' Council of £106k for Clergy Hardship and £357k for Energy Costs for parishes in recognition of the substantial increase in energy prices as a result of the war in Ukraine. These grants were not repeated in 2023.
- Rental income was down from 2022 due to fewer properties being let in 2023 as houses are kept available while posts are advertised. Some notional rents were included in the 2022 reported figures.
- Other income of £540k reflects the proceeds of closed schools being transferred to the Uniform Statutory Trust. Net proceeds are only transferred once it has been confirmed that the DBF is entitled to the income.

The total expenditure for the year was £22.1m (2022: £18.9m). Significant changes included:

- Increase of £148k in contributions to the Archbishops Council due to the pooling adjustment on ordinands' maintenance.
- Decrease in clergy pension contributions of £289k as the contribution rate dropped following the latest valuation.
- The inclusion of the School Condition Allocation funding of £1,745k as expenditure. This represents the amount allocated and spent on school building projects in the year.
- Increase in clergy housing costs of £512k due to inflation on building materials and labour, alongside completing a large number of projects in the year which had been deferred from the pandemic.
- Mission fund grants are now recognised when awarded rather than paid resulting in increased reported expenditure of £345k in 2023. This is a timing difference.

Overall, net deficit of £794k was posted before investment gains. Realised gains of £1,228k were booked on investments and unrealised gains of £519k were reported on the investment portfolio and unrealised gains of £6.17m on the property portfolio. As a result, funds increased by £7.13m to £327.9m.

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A deficit budget has again been set for 2024. Parish Share is budgeted to remain at 2023 levels. The deficit will be met from reserves and restricted funds to minimise the impact on providing ministry where needed across the Diocese. During 2024 the DBF is embarking on work to develop plans to transition to a financially sustainable operating model.

Significant Property Transactions

Five properties (two parsonages and three glebe houses) were sold during the year for a total of £2.7m. Two properties (one parsonage and one glebe) were purchased during the year for £1.9m.

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 £327.9m (2022: £321.0m), it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £256.1m (2022: £247.9m). 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

The Chichester Diocesan Fund and Board of Finance (CDBF) exists to resource an Anglican presence in parishes across Sussex and to support Church of England schools in the Diocese. CDBF is highly reliant on income from Parish Share to fund its activities. Parish Share income fluctuates throughout the year and is dependent on the financial health of the parishes. CDBF has high levels of fixed expenditure, primarily clergy and staff payroll costs. Other expenditure such as clergy housing is planned and committed in advance. Therefore CDBF needs to hold sufficient free reserves to meet ongoing operational expenditure through periods when income levels fluctuate to ensure there is no significant disruption in activity.

Furthermore, the risks facing the DBF include decreases in Parish Share income as parishes face their own financial pressures, as well as the CDBF's costs increasing with inflation. The CDBF's free reserves are therefore required to meet commitments and maintain activities for the period needed to adapt the operating model should income decrease permanently.

Taking these factors into account the CDBF's reserves policy sets a target in the range of two to four months budgeted operating expenditure. The lower bound is set by reference to the likely

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fluctuations in income, and the upper bound reflects the time required to adapt the CDBF's activities in response to a permanent drop in income. The purpose of the target range is to provide short-term resilience while long-term solutions can be established.

Free reserves are part of our general fund and are defined as the unrestricted net current assets plus investment assets. At 31 December 2023 the range required under this policy was £3.1m - £6.2m (2022: £3.2m - £6.4m). Actual free reserves at that date totalled £5.3m (2022: £5.9m), as set out in note 20.

In the event of falling below this range, future budgets would be set in order to recover this position. If the CDBF had surplus funds then these would be applied to support front line ministry as soon as possible and sensible.

The level of reserves is currently within the target range. However, the CDBF is budgeting deficits for future years and so it is likely that the reserves will fall to the lower bound of the policy within the next two years.

Our designated funds are unrestricted and available to use for general purposes. However the largest is represented by properties and others are committed for particular purposes. They are therefore not available to deploy as free reserves.

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 periodically 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 2023 total designated reserves were £4.2m (2022: £7.6m), 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 2023 restricted funds totalled £21.3m (2022: £20.3m) and endowment funds totalled £297.0m (2022: £287.0m). 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 2023 is indicated in note 11. Grants were made to parishes to support mission projects, to Ordinands to support them in training, to Clergy to assist with new appointments and relocation and with welfare needs, and to church schools for capital funding from the schools condition allocations (SCA).

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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 broadly endorses the Church of England Ethical Investment Policy, but varies from it in terms of fossil fuel investments, 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 ethical policy continues to exclude fossil fuel companies not in line with the Paris Agreement. 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, and hence performance varies between managers. 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, note 15 summarises the movements in investments during the year and note 23 indicates the purposes of each fund.

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

	Funds at 31 December 2023	Proportion of Portfolio	Income yield in year	Total Return in year
	£'000s			
CCLA Managed				
CBF Investment Fund	2,700	6.22%	2.26%	13.87%
M&G Managed				
Charifund	14,195	32.69%	5.89%	3.55%
Charibond	21	0.05%	2.05%	-4.55%
Charles Stanley Managed	10,443	24.05%	4.04%	10.65%
J M Finn Managed	6,847	15.77%	3.77%	-4.30%
Cazenove	9,223	21.24%	2.24%	12.16%
	<u>43,429</u>	<u>100.00%</u>	<u>4.11%</u>	<u>6.03%</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 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 2023.

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, such as through the impact of the cost of living crisis or responses to the Church of England's Living in Love and Faith conversations:

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

Falling clergy and congregation numbers:

- Great care taken to make good clergy 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 two assistants, supported by two administrators 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 continuing impact of the Covid-19 pandemic, the cost of living crisis, and Living in Love and Faith conversations among other matters. Cashflow is continuously monitored, along with the impact of this and other crises 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 King 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 deputy chair of the Finance Committee after consulting with the chairs of the House of Clergy and House of Laity of Diocesan Synod.

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 deputy 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 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 House of Clergy and House of Laity of Diocesan Synod. The details of Trustees who served during the year, the majority of whom were elected in 2021 to serve from 1 January 2022, are set out on page 37.

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 majority of the members were elected in 2021 to serve from August 2021. 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, held as The Diocese of Chichester Consolidated Educational Endowments,

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are accounted for in the restricted Aided Church Schools fund and are managed by the CDBF in consultation with the Diocesan Board of Education.

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

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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 Will Hazlewood	4
The Rt Revd Ruth Bushyager	4
The Very Revd Stephen Waine	0*
The Ven Angela Martin	3
The Ven Martin Lloyd Williams	3
The Ven Luke Irvine-Capel	3
The Ven Dr Edward Dowler	3
Mrs Lesley Lynn	4
Mr Duncan Irvine	1*
Revd Canon Lisa Barnett	3
Revd Canon Mark Gilbert	0
Mr John Booth	2
Revd Philip Coekin	4
Mrs Milly Murphy	2
Mr Michael Julian Thomas	2
Mr Bradley Smith	0
Miss Alison Marchant	2
Mrs Valerie Burgess	4
Mrs Sara Stonor	3
Revd Andrew Woodward	4
Reverend Helen Garratt	4
Mrs Sharon Phillips	4
Miss Margaret Lumley	3
Revd Thomas Holbird	3

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 glebe assets).

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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 Church Property Measure 2018 (with regard to parsonages) 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.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration committee consisting of the Chair and Deputy 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. Annual payrises are recommended taking into account levels of inflation alongside affordability. Independent benchmarking of specific posts is undertaken whenever a post is filled, responsibilities substantially amended, or a review is requested. Benchmarking takes into account comparable jobs in the local area, in the sector nationally and in other dioceses.

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 his 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 £23.5m at 31 December 2023 (2022: £20.3m), 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.

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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 2023 is £1,343k (2022: £1,981k).

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 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.
- Parochial Church Councils which are responsible for running the parish churches. Financial transactions between PCCs and CDBF include parish share, parochial fees, loans and grants.
- Chichester Cathedral. The Archdeacon of Horsham is a trustee of the Cathedral. The CDBF paid for events held at the Cathedral during the year.
- Church of England schools who pay CDBF for the Partnership Agreement, consultancy and training.
- Chichester Diocesan Association for Family Support Work with whom the CDBF works and to whom grants are made. The Chair of the Finance Committee is a trustee of Family Support Work.
- Mother Agnes Trust, four of whose six trustees are members of, or secretary to, the Finance Committee. The Administrator of the Mother Agnes Trust is employed by CDBF and the employment costs are reimbursed by the charity. There is also a loan from the CDBF to the Mother Agnes Trust.
- Bishop Otter Trust, all of whose trustees are members of the CDBF Finance Committee. The Administrator of the Bishop Otter Trust is employed by CDBF and the employment costs are reimbursed by the charity.
- 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 parties with whom the DBF has transacted are the Multi Academy Trusts which manage 22 Church of England Schools in the Diocese as well as one Stand Alone Academy. These trusts are as follows:
 - The Diocese of Chichester Academy Trust (DCAT)
 - Bishop Otter Academy Trust (BOAT)
 - Hurst Education Trust (HE)
 - Bishop Luffa Learning Partnership (BLLP)

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- South Downs Education Trust (SDET)
- Bohunt Education Trust (BET)
- St Lawrence CE Primary School, Hurstpierpoint
- Tenax Education Trust

All of these are 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 their operation. The Director of Education, one of the DBF's key management personnel, is a Trustee of DCAT, HET, BOAT and Tenax and the Archdeacon of Chichester is the Chair of DCAT. During the year the DBF performed due diligence on schools intending to convert or join the any of these trusts. 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
- 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.

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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.

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ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2023. 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 W Hazlewood (Bishop of Lewes) The Right Reverend R Bushyager (Bishop of Horsham) The Venerable M Lloyd Williams (Archdeacon of Brighton & Lewes) The Venerable L Irvine-Capel (Archdeacon of Chichester) (Chair of House of Clergy) The Venerable Dr REM Dowler (Archdeacon of Hastings) The Venerable A Martin (Archdeacon of Horsham) The Very Revd S Waine (Dean of Chichester) (to 29.4.23) Mrs L Lynn (Chair of the Finance Committee) The Revd HLF Garratt (Dean of Women's Ministry) Mr J Booth (Chair of House of Laity)
Appointed by the Bishop:	Mrs S Stonor The Revd A Woodward
Elected by Diocesan Synod: Archdeaconry of Chichester	Mr B Smith The Revd Canon PM Gilbert Miss M Lumley
Archdeaconry of Horsham	Mrs V Burgess The Revd L Barnett Mr M Thomas
Archdeaconry of Brighton and Lewes	Mrs A Murphy The Revd T Holbird Mrs S Phillips
Archdeaconry of Hastings	The Revd P Coekin Miss A Marchant Mr D Irvine (to 19.12.23)

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Senior staff and advisers

Diocesan Secretary	John Preston (from 27 November 2023) Gabrielle Higgins (to 1 December 2023)
Finance Director	Catherine Dawkins
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
RSA Insurance, St. Mark's Court, Chart Way, Horsham RH12 1XL
AXA Insurance UK plc, 20 Gracechurch Street, London EC3V 0BG

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 Finance Committee

18 April 2024

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

For the year ended 31 December 2023

Opinion

We have audited the financial statements of **Chichester Diocesan Fund and Board of Finance (Incorporated)** for the year ended 31 December 2023 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 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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 2023

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 35, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

For the year ended 31 December 2023

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;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular reviewing the controls and procedures in place for these;
- Challenging assumptions and judgements made by management in their critical accounting estimates in particular valuation of property assets and investment properties; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. The key areas subject to estimation are fair values assigned for property assets and investment properties.

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

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

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

For the year ended 31 December 2023

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.

Vikram Sandhu

(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 2023

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General £'000	Designated £'000	Funds £'000	Funds £'000	2023 £'000	2022 £'000
Income and endowments from							
Donations							
Parish share	3a	13,080	-	373	-	13,453	13,657
Other donations	3b	143	50	3,098	-	3,291	1,878
Charitable activities	4	825	-	108	-	933	894
Other activities	5	581	-	12	-	593	757
Investments	6	942	1	1,349	-	2,292	2,161
Other	7	37	-	540	124	701	359
		<u>15,608</u>	<u>51</u>	<u>5,480</u>	<u>124</u>	<u>21,263</u>	<u>19,706</u>
Expenditure on							
Raising Funds	8	66	-	73	-	139	164
Charitable activities	9	16,322	480	5,116	-	21,918	18,934
		<u>16,388</u>	<u>480</u>	<u>5,189</u>	<u>-</u>	<u>22,057</u>	<u>19,098</u>
Net income/(expenditure) before investment gains/(losses)		<u>(780)</u>	<u>(429)</u>	<u>291</u>	<u>124</u>	<u>(794)</u>	<u>608</u>
Unrealised gains/(losses) on investments	15	135	1	522	(139)	519	(4,050)
Realised gains/(losses) on investments		-	-	192	1,036	1,228	(463)
Net gains/(losses) on investments		<u>135</u>	<u>1</u>	<u>714</u>	<u>897</u>	<u>1,747</u>	<u>(4,513)</u>
Net income/(expenditure)		<u>(645)</u>	<u>(428)</u>	<u>1,005</u>	<u>1,021</u>	<u>953</u>	<u>(3,905)</u>
Transfer between funds	13	61	50	13	(124)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	14	-	(2,979)	5	9,151	6,177	10,990
Net movement in funds		<u>(584)</u>	<u>(3,357)</u>	<u>1,023</u>	<u>10,048</u>	<u>7,130</u>	<u>7,085</u>
Total funds brought forward		<u>5,984</u>	<u>7,580</u>	<u>20,289</u>	<u>286,960</u>	<u>320,813</u>	<u>313,728</u>
Total funds carried forward	19	<u>5,400</u>	<u>4,223</u>	<u>21,312</u>	<u>297,008</u>	<u>327,943</u>	<u>320,813</u>

All activities derive from continuing activities. The notes on pages 47 to 86 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 2023

	Total 2023 £'000	Total 2022 £'000
Total incoming resources	21,139	19,706
Resources expended	<u>(22,057)</u>	<u>(19,098)</u>
Operating surplus/(deficit) for the year	(918)	608
Net gains on investments	<u>850</u>	<u>(2,079)</u>
Net gain/(loss) for the year	(68)	(1,471)
Other comprehensive income :		
Revaluation of fixed assets	<u>(2,974)</u>	<u>274</u>
Total comprehensive gain/(loss)	<u>(3,042)</u>	<u>(1,197)</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 2023

Company Number - 00133558		2023		2022	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	14		267,226		261,929
Investments	15		<u>48,609</u>		<u>47,441</u>
			315,835		309,370
CURRENT ASSETS					
Debtors	16	2,225		1,471	
Cash on deposit		10,038		6,963	
Cash at bank and in hand		<u>6,372</u>		<u>9,397</u>	
		18,635		17,831	
CREDITORS: amounts falling due within one year	17	<u>(6,527)</u>		<u>(6,380)</u>	
NET CURRENT ASSETS			<u>12,108</u>		<u>11,451</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			327,943		320,821
CREDITORS: amounts falling due after more than one year	18				
Pension scheme liabilities			-		(8)
Other creditors			-		-
NET ASSETS			<u>327,943</u>		<u>320,813</u>
FUNDS					
Endowment funds			297,008		286,960
Restricted income funds			21,312		20,289
Unrestricted income funds					
General funds			5,400		5,984
Designated funds			<u>4,223</u>		<u>7,580</u>
TOTAL FUNDS	19/20		<u>327,943</u>		<u>320,813</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 18 April 2024 and signed on behalf of the Board by:

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

.....
Mrs Lesley Lynn
 Chair of the Finance Committee

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

CASH FLOW STATEMENT

For the year ended 31 December 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities (see below)		(3,787)		(859)
Cash flows from investing activities				
Dividends / interest and rent from Investments	2,292		2,161	
Proceeds from the sales of:				
Tangible fixed assets	2,736		4,106	
Fixed assets Investments	5,000		1,224	
Purchase of:				
Tangible fixed assets	(1,865)		(2,417)	
Fixed assets Investments	(4,297)		(3,005)	
Net Cash provided by investing activities		3,866		2,069
Cash flows from financing activities				
Loans (repaid)	(29)		53	
Net cash used in financing activities		(29)		53
Change in cash and cash equivalents in the reporting period		50		1,263
Cash and cash equivalents at 1 January		16,360		15,097
Cash and cash equivalents at 31 December		<u>16,410</u>		<u>16,360</u>
Analysis of Cash and Cash equivalents				
Cash in Hand		6,372		9,397
Notice deposits (less than 3 months)		10,038		6,963
		<u>16,410</u>		<u>16,360</u>
Reconciliation of net movements in funds to net cash flow from operating activities				
Net expenditure before investment gains		(794)		608
Adjustments for				
(Gains) on the disposal of fixed assets		(124)		(334)
Depreciation charges		38		37
Investment income		(2,292)		(2,161)
Change in value of Value Linked Loans		-		-
(Increase)/Decrease in Debtors		(754)		918
Increase/(Decrease) in Creditors		139		73
Net Cash used in operating activities		<u>(3,787)</u>		<u>(859)</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 – Second Edition, effective 1st January 2019, the Companies Act 2006 and applicable accounting standards (FRS102).

c) Going concern

Although the global pandemic is largely behind us, the financial statements are approved during another period of economic uncertainty with high levels of inflation and a cost of living crisis. The trustees are mindful of the financial pressures on parishes and therefore the ability of PCCs to make their parish share contributions. Whilst a significant general fund deficit is budgeted for 2024, the trustees do not consider that 2024 or beyond would give rise to any inability of the charity to continue as a going concern.

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient liquid assets, including short term cash deposits and investments, which could be readily realised to meet liabilities should there be an unexpected curtailment of income. Further, the trustees consider that there are no material uncertainties over the charity's financial viability. Accordingly the trustees have assessed that the use of the going concern assumption is appropriate in preparing these 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 2023

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) School major repair and capital projects

CDBF receives Government grants in connection with major repairs and capital projects to Church Schools. Under the School Condition Allocation (SCA) funding scheme, monies are received and then allocated or spent. Projects are agreed by the Diocese, under the statutory and non-statutory guidance provided by the Department for Education (DfE). Because the CDBF has some limited discretion over the application of funds, it is our view that all income and expenditure under the SCA should be included in these accounts. Monies received have to be spent within a two-year time period or returned to the DfE. This accounting policy has been applied from 2023 following a change in the school funding system.

g) 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. This is carried out using an online valuation tool. 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 2023

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. 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. This is carried out using an online valuation tool. 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.

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. 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. This is carried out using an online valuation tool. 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.

h) 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

i) 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 2023

1. ACCOUNTING POLICIES (continued)

j) 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.

k) 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 and Parsonage Houses 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 those financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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 estimation are fair values assigned 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. In 2021, 2022 and 2023 the same tool was used to value an additional 20% of parsonage property and revalue 20% of glebe property. The average uplift in values identified by these valuations was then applied to the rest of the portfolio. 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

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

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	13,250	-	373	-	13,623	13,761
Shortfall in contributions	(199)	-	-	-	(199)	(163)
	13,051	-	373	-	13,424	13,598
Receipts for previous year	29	-	-	-	29	59
Total Income	13,080	-	373	-	13,453	13,657

Current year parish share receipts represent 98.5% of the total pledges (2022 – 98.8%), or, when receipts for previous years are included, 98.8% of the total pledges (2022 – 99.2%).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

3. DONATIONS (continued)

3b. Other donations

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Benefact Trust Grant	102	50	-	-	152	174
Archbishops Council	-	-	1,110	-	1,110	1,322
RME Block Grant	-	-	179	-	179	320
Grants from other organisations	17	-	6	-	23	1
Grant funding for school building projects	-	-	1,745	-	1,745	-
Donations	23	-	8	-	31	36
Legacies	1	-	50	-	51	25
	<u>143</u>	<u>50</u>	<u>3,098</u>	<u>-</u>	<u>3,291</u>	<u>1,878</u>

4. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Statutory fees for parochial services	559	-	-	-	559	593
Church Commissioners' guaranteed annuities	-	-	2	-	2	7
Parish trust Income	-	-	106	-	106	101
Generated Income	80	-	-	-	80	51
Church Schools Training & other	186	-	-	-	186	142
	<u>825</u>	<u>-</u>	<u>108</u>	<u>-</u>	<u>933</u>	<u>894</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

5. OTHER ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Parsonages	581	-	12	-	593	757
	<u>581</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>593</u>	<u>757</u>

6. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable & interest receivable	942	1	1,115	-	2,058	1,732
Rents receivable - Glebe	-	-	234	-	234	429
	<u>942</u>	<u>1</u>	<u>1,349</u>	<u>-</u>	<u>2,292</u>	<u>2,161</u>

7. OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	37	-	540	-	577	25
Gain/ (Loss) on sale of property	-	-	-	124	124	334
	<u>37</u>	<u>-</u>	<u>540</u>	<u>124</u>	<u>701</u>	<u>359</u>

8. FUNDRAISING COSTS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	66	-	62	-	128	128
Glebe repairs & improvements	-	-	11	-	11	36
	<u>66</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>139</u>	<u>164</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

9. CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Contributions to						
Archbishops' Council						
Training for Ministry	631	-	-	-	631	631
National Church						
Responsibilities	434	-	-	-	434	440
Grants and Provisions					-	-
Mission agency pension costs	20	-	-	-	20	26
Retired clergy housing costs	250	-	-	-	250	238
Pooling of ordinands						
maintenance grants	101	-	-	-	101	(47)
	<u>1,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,436</u>	<u>1,288</u>

Maintenance grants paid to ordinands are reported annually to Ministry Division of Archbishops Council and combined with similar grants paid by other Dioceses. An extra charge or credit is then made to the CDBF for the difference between the amount actually paid and its assessed share of the total national cost.

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000			£'000	£'000
Resourcing Ministry and						
Mission - Parish Ministry						
Stipends and National						
Insurance	6,177	52	959	-	7,188	7,002
Pension contributions	1,584	19	37	-	1,640	1,929
Defined benefit pension						
scheme movement (see Note 26)				-	-	(181)
Housing costs	3,353	1	512	-	3,866	3,354
Mission Fund grants		386		-	386	41
Removal & resettlement grants	291			-	291	251
Clergy welfare	10		123	-	133	173
Ministry Support	244	8	2	-	254	225
	<u>11,659</u>	<u>466</u>	<u>1,633</u>	<u>-</u>	<u>13,758</u>	<u>12,794</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

9. CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
	General £'000	Designated £'000				
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	380	14	242	-	636	666
Lay Ministry	110		5	-	115	125
Children and youth work	160		2	-	162	145
Apostolic Life	249			-	249	231
Common Good	10		6	-	16	16
Safeguarding	252			-	252	271
Diocesan Advisory Committee	103			-	103	87
Pastoral and Redundant Churches uses	72			-	72	74
Redundant churches	47			-	47	72
Communications	82			-	82	88
Strategic Mission projects			891	-	891	768
Chancellor & Registrar	102			-	102	70
Grants	63		533	-	596	636
	<u>1,630</u>	<u>14</u>	<u>1,679</u>	<u>-</u>	<u>3,323</u>	<u>3,249</u>
Support and Governance for parish ministry (note 10)	683	-	-	-	683	714
	<u>2,313</u>	<u>14</u>	<u>1,679</u>	<u>-</u>	<u>4,006</u>	<u>3,963</u>
Resourcing Ministry and Mission - Church Schools						
Church Schools department	744		59	-	803	798
School Condition Allocation Grants	-		1,745	-	1,745	-
Support and Governance for Church Schools (note 10)	170			-	170	91
	<u>914</u>	<u>-</u>	<u>1,804</u>	<u>-</u>	<u>2,718</u>	<u>889</u>
Total Charitable activities	<u>16,322</u>	<u>480</u>	<u>5,116</u>	<u>-</u>	<u>21,918</u>	<u>18,934</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

10. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Support				
Central services department	88	22	110	156
General office department	226	56	282	214
Finance department	191	47	238	205
IT department	122	30	152	169
Depreciation	30	8	38	37
	<u>657</u>	<u>163</u>	<u>820</u>	<u>781</u>
Governance				
External Audit	26	7	33	25
	<u>683</u>	<u>170</u>	<u>853</u>	<u>806</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

11. ANALYSIS OF GRANTS MADE

	<i>Number</i>	Individuals £'000	Institutions £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	<u>1</u>	-	1,436	1,436	1,288
From unrestricted					
The Chichester Diocesan Association for Family Support Work	1		36	36	36
St Bartz Trust - Youth work				-	-
Clergy Training	56	17		17	197
Clergy Moves	110	291		291	251
Clergy and families for Welfare				-	38
Other organisatons	<u>133</u>	<u>32</u>		<u>32</u>	<u>34</u>
	<u>300</u>	<u>340</u>	<u>36</u>	<u>376</u>	<u>556</u>
From designated					
PCCs for Mission projects	<u>28</u>	-	386	386	41
	<u>28</u>	<u>0</u>	<u>386</u>	<u>386</u>	<u>41</u>
From restricted					
PCCs for Mission projects	18		92	92	80
Clergy and families for Welfare	53	37		37	173
Overseas Partners	2		5	5	40
Aided Schools	3		22	22	9
School Condition Allocation Grants	30		1,745	1,745	-
Ordinands in training				-	315
Energy Cost Grants	24		46	46	311
Other Grants	<u>24</u>	<u>2</u>	<u>46</u>	<u>48</u>	<u>-</u>
	<u>154</u>	<u>39</u>	<u>1,956</u>	<u>1,995</u>	<u>929</u>
Totals	<u>483</u>	<u>379</u>	<u>3,814</u>	<u>4,193</u>	<u>2,814</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

12. STAFF COSTS

	2023	2022
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	2,154	1,994
National insurance contributions	213	212
Pension costs	330	312
	<u>2,697</u>	<u>2,518</u>

	2023	2022
	Number	Number
The average number of persons employed by the group during the year:		
Administration and financial management	20	23
Apostolic Life	16	14
Common Good	-	-
Property	7	7
Education - Church Schools	13	13
Safeguarding & inclusion	5	5
	<u>61</u>	<u>62</u>

	2023	2022
	Number	Number
The average number of persons employed by the group during the year: based on full-time equivalents:		
Administration and financial management	18	21
Apostolic Life	13	11
Common Good	-	-
Property	7	7
Education - Church Schools	9	9
Safeguarding & inclusion	4	4
	<u>51</u>	<u>52</u>

	2023	2022
	Number	Number
The numbers of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:		
£60,001 - £70,000	5	1
£70,001 - £80,000	<u>2</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 2023

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 2023 they were:

Diocesan Secretary and Company Secretary	John Preston (from 27 November 2023) Gabrielle Higgins (to 1 December 2023)
Diocesan Director for Apostolic Life	Rebecca Swyer
Diocesan Director of Education	Trevor Cristin
Diocesan Director of Property	Scott Ralph
Diocesan Finance Director	Catherine Dawkins

Remuneration (including Employer NI) and pensions for these employees/posts amounted to £463,760 (2022 - £441,843).

Termination payments

During the year termination payments totalling £25k were paid (2022 - £Nil).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £12,333 (2022 - £9,665) in respect of General Synod duties, duties as archdeacon or rural dean, and other duties as Trustees. In addition, six Trustees received grants totalling £17,893 (2022 - 7 Trustees £6,776) in respect of their role as parochial clergy. One trustee, who is also the Chair of the Audit Committee, holds two part time roles: parish priest and DBF employee as the LGBTQI Liaison Officer.

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 K F Bushyager	No	Yes
The Right Revd W P G Hazlewood	No	Yes
The Venerable L Irvine-Capel	Yes	Yes
The Venerable M Lloyd-Williams	Yes	Yes
The Venerable E Dowler	Yes	Yes
The Venerable A Martin	Yes	Yes
The Revd Canon PM Gilbert	Yes	Yes
The Revd P Coekin	Yes	Yes
The Revd H Garratt	Yes	No
The Revd A Woodward	Yes	Yes
The Revd T Holbird	Yes	Yes
The Revd Canon L Barnett	Yes	Yes

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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.

	2023 £'000	2022 £'000
Stipends	6,623	6,418
National insurance contributions	565	585
Pension costs - current year	1,640	1,929
Pension costs - deficit reduction contributions paid	-	257
	8,828	9,189

The stipends of the Diocesan Bishop and Suffragan Bishops are paid and funded by the Church Commissioners and are in the range £39,953 - £48,972 (2022 range £38,050 - £46,640). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2023 was £40,200 (2022 - £37,930) and other clergy who were Trustees were paid in the range £28,790 - £29,945 (2022 range £27,540 - £29,000).

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Administration charge - Aided Schools fund	48	-	(48)	-
Diocesan Levy on School Projects	13		(13)	
Mission Fund	-	50	(50)	-
Transfer Surplus Proceeds on Parsonage Sale			124	(124)
	61	50	13	(124)

Administration charge - Aided Schools fund. This reflects the administration charge of the Schools' Buildings Officer costs charged to the Aided Schools restricted fund.

Diocesan Levy on School Projects. This reflects an amount charged to schools for assisting with capital projects which is transferred to general funds from the Aided Schools Fund.

Mission Fund Annual transfer from the Pastoral Fund for the Mission Fund

Parsonage Sale. Surplus proceeds from the sale and replacement of parsonages are transferred to the Pastoral Fund

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

14. TANGIBLE FIXED ASSETS

	Freehold Property £'000	Leasehold Property £'000	Office Equipment £'000	Total £'000
Cost or valuation				
At 1 January 2023	261,587	292	824	262,703
Additions	1,794	-	71	1,865
Disposals	(2,723)	-	-	(2,723)
Revaluation	6,181	9	-	6,190
At 31 December 2023	<u>266,839</u>	<u>301</u>	<u>895</u>	<u>268,035</u>
Depreciation				
At 1 January 2023	-	-	772	772
Charge for the year	-	-	37	37
At 31 December 2023	<u>-</u>	<u>-</u>	<u>809</u>	<u>809</u>
Net Book Value				
At 31 December 2023	<u>266,839</u>	<u>301</u>	<u>86</u>	<u>267,226</u>
At 31 December 2022	<u>261,587</u>	<u>292</u>	<u>52</u>	<u>261,931</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 £1,380,457 (2022: £1,337,000). Properties are subject to a cycle of valuations and 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 2023

15. FIXED ASSET INVESTMENTS

	At 1 January 2023 £'000	Additions £'000	Disposal £'000	Transfer £'000	Change in Market Value £'000	At 31 December 2023 £'000
Unrestricted Funds						
Listed investments	1,522	5	(6)	-	135	1,656
Unlisted investments	5	-	-	-	-	5
Investment property	763	-	-	-	24	787
	<u>2,290</u>	<u>5</u>	<u>(6)</u>	<u>-</u>	<u>159</u>	<u>2,448</u>
Restricted Funds						
Listed investments	18,874	2,899	(1,989)	-	522	20,306
	<u>18,874</u>	<u>2,899</u>	<u>(1,989)</u>	<u>-</u>	<u>522</u>	<u>20,306</u>
Endowment Funds						
Listed investments	21,305	1,393	(1,598)	-	371	21,471
Investment property	4,976	-	(81)	-	(511)	4,384
	<u>26,281</u>	<u>1,393</u>	<u>(1,679)</u>	<u>-</u>	<u>(140)</u>	<u>25,855</u>
Total	<u>47,445</u>	<u>4,297</u>	<u>(3,674)</u>	<u>-</u>	<u>541</u>	<u>48,609</u>

Trustees are aware of the continuing impact of the COVID-19 pandemic and other Global events 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

	2023 £'000	2022 £'000
Concessionary (interest free) loans to Parishes	299	367
Loans to Parishes	158	392
School projects	625	-
Other Debtors and prepayments	1,143	712
	<u>2,225</u>	<u>1,471</u>
Included within the above are debtors amounts due after more than one year as follows:		
Concessionary (interest free) loans to Parishes	240	248
	<u>240</u>	<u>248</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

17. CREDITORS: amounts falling due within one year

	2023 £'000	2022 £'000
Loans due in one year		
Church Commissioners value-linked loans	1,470	1,553
Deferred income	75	81
School Building Projects	2,082	1,981
Other Taxes and social security	54	(6)
Other creditors and accruals	2,846	2,771
Clergy Pension Scheme	-	-
	<u>6,527</u>	<u>6,380</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. 1 (2022: 3) of these loans is for the benefit of a parish and has been used to purchase a house for a curate. 3 (2022: 4) of the loans have been used by the DBF for the purchase of houses for deserted spouses. As at 31st December 2023 the Board had no intention of disposing of any 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

	2023 £'000	2022 £'000
Pension Scheme liabilities (see note 26)		
Clergy Pension Scheme	-	-
Church Workers Pension Scheme - DBS	-	8
	<u>-</u>	<u>8</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

19. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2023 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2023 £'000
UNRESTRICTED FUNDS						
General	5,984	15,608	(16,388)	61	135	5,400
Designated Funds						
Property	6,736	-	-	-	(2,979)	3,757
Parish Mission	313	50	(385)	50	-	28
Other designated funds	531	1	(95)	-	1	438
	<u>7,580</u>	<u>51</u>	<u>(480)</u>	<u>50</u>	<u>(2,978)</u>	<u>4,223</u>
Restricted Funds						
Diocesan Pastoral	13,173	5	(560)	74	581	13,273
Diocesan Stipend	-	1,036	(1,036)	-	-	-
Clergy Welfare	1,176	110	(48)	-	5	1,243
Clergy Welfare (B Wild)	775	27	(75)	-	27	754
Jenkinson Trust	19	2	-	-	-	21
Training	-	36	(36)	-	-	-
University chaplaincy	45	4	(1)	-	-	48
Hayllar Trust	87	5	(2)	-	-	90
Poling Endowment	93	32	(16)	-	-	109
The Arnold Bequest	38	16	(16)	-	-	38
Clergy Widows	19	-	-	-	-	19
SDF	21	879	(769)	-	-	131
RME	9	179	(208)	-	-	(20)
Archdeacons' loans	1,908	40	(4)	-	53	1,997
Aided Church Schools	2,754	2,443	(1,792)	(61)	52	3,396
Diocesan Overseas Council	52	4	(6)	-	-	50
Parish Share Restricted Fund	-	373	(373)	-	-	-
Energy Cost	46	-	(46)	-	-	-
Other restricted funds	74	289	(201)	-	1	163
	<u>20,289</u>	<u>5,480</u>	<u>(5,189)</u>	<u>13</u>	<u>719</u>	<u>21,312</u>
Endowment Funds						
<u>Expendable</u>						
Parsonage/Benefice houses	206,705	124	-	(124)	8,147	214,852
Diocesan Stipends	67,334	-	-	-	1,753	69,087
Clergy Welfare	2,149	-	-	-	50	2,199
Elfinward	2,108	-	-	-	49	2,157
Terry's Cross	5,959	-	-	-	-	5,959
<u>Permanent</u>						
Jenkinson Trust	45	-	-	-	1	46
Training	857	-	-	-	20	877
University chaplaincy	756	-	-	-	24	780
Hayllar Trust	70	-	-	-	1	71
Poling Endowment	604	-	-	-	(2)	602
The Arnold Bequest	373	-	-	-	5	378
	<u>286,960</u>	<u>124</u>	<u>-</u>	<u>(124)</u>	<u>10,048</u>	<u>297,008</u>
Total funds	<u>320,813</u>	<u>21,263</u>	<u>(22,057)</u>	<u>-</u>	<u>7,924</u>	<u>327,943</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

20. SUMMARY OF ASSETS BY FUND

	Fixed assets		Current Assets £'000	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000			
UNRESTRICTED FUNDS					
General	87	1,651	4,596	(934)	5,400
Designated Funds					
Property	2,985	787	(15)	-	3,757
Parish Mission	-	-	349	(321)	28
Other designated funds	-	6	432	-	438
	<u>2,985</u>	<u>793</u>	<u>766</u>	<u>(321)</u>	<u>4,223</u>
Restricted Funds					
Diocesan Pastoral	-	16,396	(3,123)	-	13,273
Clergy Welfare	1,380	-	1,333	(1,470)	1,243
Clergy Welfare (B Wild)	-	713	41	-	754
Jenkinson Trust	-	-	21	-	21
Training	-	-	-	-	-
University chaplaincy	-	-	48	-	48
Hayllar Trust	-	-	90	-	90
Poling Endowment	-	-	109	-	109
The Arnold Bequest	-	-	38	-	38
Clergy Widows	-	-	19	-	19
SDF	-	-	131	-	131
RME	-	-	(20)	-	(20)
Archdeacons' loans	-	985	1,012	-	1,997
Aided Church Schools	-	2,209	4,989	(3,802)	3,396
Diocesan Overseas Council	-	-	50	-	50
Energy Cost	-	-	-	-	-
Other restricted funds	-	5	158	-	163
	<u>1,380</u>	<u>20,308</u>	<u>4,896</u>	<u>(5,272)</u>	<u>21,312</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	205,941	-	8,911	-	214,852
Diocesan Stipends	50,123	19,969	(1,005)	-	69,087
Clergy Welfare	-	2,012	187	-	2,199
Elfinward	-	1,976	181	-	2,157
Terry's Cross	5,959	-	-	-	5,959
<u>Permanent</u>					
Jenkinson Trust	-	45	1	-	46
Training	-	805	72	-	877
University chaplaincy	751	27	2	-	780
Hayllar Trust	-	68	3	-	71
Poling Endowment	-	602	-	-	602
The Arnold Bequest	-	353	25	-	378
	<u>262,774</u>	<u>25,857</u>	<u>8,377</u>	<u>-</u>	<u>297,008</u>
Total funds	<u>267,226</u>	<u>48,609</u>	<u>18,635</u>	<u>(6,527)</u>	<u>327,943</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

21. PRIOR YEAR SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2022 £'000
UNRESTRICTED FUNDS						
General	5,932	16,318	(15,934)	(233)	(99)	5,984
Designated Funds						
Property	6,483	-	-	-	253	6,736
Parish Mission	253	50	(41)	50	-	313
Other designated funds	540	-	(107)	100	(1)	532
	<u>7,276</u>	<u>50</u>	<u>(148)</u>	<u>150</u>	<u>252</u>	<u>7,580</u>
Restricted Funds						
Diocesan Pastoral	14,756	334	(135)	(50)	(1,732)	13,173
Diocesan Stipend	-	1,047	(1,047)	-	-	0
Clergy Welfare	1,138	91	(103)	-	50	1,176
Clergy Welfare (B Wild)	905	25	(68)	-	(88)	775
Jenkinson Trust	22	2	(5)	-	-	19
Training	-	35	(35)	-	-	-
University chaplaincy	40	6	(1)	-	-	45
Hayllar Trust	84	3	-	-	-	87
Poling Endowment	67	30	(5)	-	-	93
The Arnold Bequest	36	16	(14)	-	-	38
Clergy Widows	23	-	(4)	-	-	19
SDF	(2)	791	(768)	-	-	21
RME	3	320	(315)	-	-	9
Archdeacons' loans	1,960	34	(4)	-	(83)	1,908
Aided Church Schools	2,829	89	(11)	(48)	(105)	2,754
Diocesan Overseas Council	94	2	(44)	-	-	52
Clergy Hardship	-	106	(106)	-	-	-
Energy Cost	-	357	(311)	-	-	46
Other restricted funds	67	50	(41)	-	(1)	75
	<u>22,023</u>	<u>3,338</u>	<u>(3,016)</u>	<u>(98)</u>	<u>(1,958)</u>	<u>20,289</u>
Endowment Funds						
<u>Expendable</u>						
Parsonage/Benefice houses	198,002	-	-	-	8,703	206,705
Diocesan Stipends	67,253	-	-	181	(101)	67,333
Clergy Welfare	2,350	-	-	-	(201)	2,149
Elfinward	2,306	-	-	-	(198)	2,108
Terry's Cross	5,735	-	-	-	224	5,959
<u>Permanent</u>						
Jenkinson Trust	49	-	-	-	(4)	45
Training	938	-	-	-	(81)	857
University chaplaincy	732	-	-	-	24	756
Hayllar Trust	77	-	-	-	(7)	70
Poling Endowment	645	-	-	-	(41)	604
The Arnold Bequest	410	-	-	-	(37)	373
	<u>278,497</u>	<u>-</u>	<u>-</u>	<u>181</u>	<u>8,282</u>	<u>286,960</u>
Total funds	<u>313,728</u>	<u>19,706</u>	<u>(19,098)</u>	<u>-</u>	<u>6,477</u>	<u>320,813</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

22. PRIOR YEAR SUMMARY OF ASSETS BY FUND

	Fixed assets		Current	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000	Assets £'000		
UNRESTRICTED FUNDS					
General	49	1,517	5,223	(805)	5,984
Designated Funds					
Property	5,989	762	(16)	-	6,736
Parish Mission	-	-	312	-	312
Other designated funds	-	6	526	-	532
	<u>5,989</u>	<u>768</u>	<u>823</u>	<u>-</u>	<u>7,580</u>
Restricted Funds					
Diocesan Pastoral	-	16,072	(2,898)	-	13,173
Clergy Welfare	1,338	-	1,391	(1,553)	1,175
Clergy Welfare (B Wild)	-	701	73	-	774
Jenkinson Trust	-	-	19	-	19
Training	-	-	-	-	-
University chaplaincy	-	-	44	-	44
Hayllar Trust	-	-	87	-	87
Poling Endowment	-	-	93	-	93
The Arnold Bequest	-	-	38	-	38
Clergy Widows	-	-	19	-	19
SDF	-	-	22	-	22
RME	-	-	9	-	9
Archdeacons' loans	-	940	968	-	1,908
Aided Church Schools	-	1,157	5,627	(4,030)	2,753
Diocesan Overseas Council	-	-	52	-	52
Energy Cost	-	-	46	-	46
Other restricted funds	-	5	70	-	75
	<u>1,338</u>	<u>18,874</u>	<u>5,660</u>	<u>(5,583)</u>	<u>20,289</u>
Endowment Funds					
<u>Expendable</u>					
Parsonage/Benefice houses	197,542	-	9,163	-	206,705
Diocesan Stipends	50,323	20,444	(3,434)	-	67,334
Clergy Welfare	-	1,990	158	-	2,149
Elfinward	-	1,954	154	-	2,109
Terry's Cross	5,959	-	-	-	5,959
<u>Permanent</u>					
Jenkinson Trust	-	44	0	-	45
Training	-	796	61	-	857
University chaplaincy	728	27	1	-	756
Hayllar Trust	-	67	3	-	70
Poling Endowment	-	605	(1)	-	604
The Arnold Bequest	-	353	20	-	373
	<u>254,552</u>	<u>26,282</u>	<u>6,125</u>	<u>-</u>	<u>286,960</u>
Total funds	<u>261,929</u>	<u>47,441</u>	<u>17,832</u>	<u>(6,388)</u>	<u>320,813</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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 Benefact 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 ordained in 2021, a Parish Development Officer role which was also appointed to from 2021 to 2022 and a Deputy Diocesan Directors of Ordinands role which was appointed to from 2022. There are also funds being held for the Clergy Conference planned for 2025.
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">• to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees.• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese.• other purposes of the diocese or any benefice or parish in the diocese• to make grants or loans to any other diocese• to transfer funds to the diocesan stipends fund income or capital accounts.
Diocesan Stipend Income	This represents the income generated from the Stipends Capital Fund and is used to fund stipends within the diocese.
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.
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.
Training Income	This fund represents the income generated by the Training endowment fund. The income is used to support ordination training.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

23. DESCRIPTION OF FUNDS (continued)

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.
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.
Clergy Widows	Fund represents a legacy from Charles Peckham to provide financial grants or other benefits for widows of the clergy.
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 , which includes the consolidated fund of The Diocese of Chichester Consolidated Educational Endowments, 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. Also included are capital funds held on behalf of aided schools and funds donated by parishes for the benefit of those aided schools.
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.
Strategic Development Fund	The Diocese has been awarded funding from the Church Commissioners towards a number of 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 grants are received termly but grants to ordinands are paid annually and so there is a negative balance on the fund at 31 December due to these timing issues.
Clergy Hardship Fund	Funds made available by the Church Commissioners to support clergy and parish workers with increased heating costs. The funds are administered by CDBF
Parish Share Restricted Fund	Fund introduced in 2023 in response to the Living in Love and Faith conversations at General Synod. Parish Share which is paid into this fund will only be used to support ministry in parishes which are publicly affiliated with a network which holds an orthodox view of marriage.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

23. DESCRIPTION OF FUNDS (continued)

Other restricted funds	There are a number of smaller funds given for particular purposes and ministries. The amounts are spent in accordance with the restrictions.
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.
Diocesan Stipends Capital	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.
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 Endowment	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.
Arnold Bequest	To further the religious and other charitable work of the Church of England in Southgate.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

24. CAPITAL COMMITMENTS

At 31 December 2023 the CDBF had capital expenditure commitments authorised but not contracted for of £NIL (2022 - £NIL) and contracted for but not yet due of £NIL (2022 - £NIL).

25. OPERATING LEASES

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

	2023	2022
	£	£
	£'000	£'000
Other operating leases:		
Total amount payable within one year	6	6
Total amount payable in the second to fifth years inclusive	6	10
	<u>12</u>	<u>16</u>

Total lease payments recognised as an expense in the year were £12,848 (2022 - £12,929).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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. 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, which were £1,640,475 in 2023 (2022: £1,743,292), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £1,640,475 (2022: £1,562,292). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0.

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

26. PENSIONS (continued)

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

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

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

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

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

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

	2023	2022
Balance sheet liability at 1 January	0	438,000
Deficit contribution paid	0	(257,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	(181,000)
Balance sheet liability at 31 December	0	0

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

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

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

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 2023

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 two sections:

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

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 (2023: £6,843, 2022: £13,887) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total credit of £6,843 in 2023 (2022: £nil).

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 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers’ sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

26. PENSIONS (continued)

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay expenses of £6,500 per year. In addition, deficit payments of £7,387 per year have been agreed for 1.83 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements. Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2022. A liability has been recognised at earlier dates.

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:

	2023	2022
Balance sheet liability at 1 January	0	8,000
Deficit contribution paid	0	-7,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	0	-1,000
Balance sheet liability at 31 December	0	0

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

The liability reported on the balance sheet was £8,000 and the 2022 movement has been reflected in the 2023 accounts.

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

	December 2023	December 2022	December 2021
Discount rate	N/A	0.0%	1.3%

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 2023

26 PENSIONS (continued)

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

Since 1st 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

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2023: £366,069, 2022: £333,017).

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

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

The legal structure of the scheme is such that if another employer fails, the CDBF could become responsible for paying a share of the failed 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 2023

26. PENSIONS (continued)

D. Teachers' Pension Scheme (TPS)

The Diocese 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 £116,879 (2022: £93,462) and at the year-end £Nil (2020 - £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 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

27. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
		General	Designated	Funds	Funds	2022	2021
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish share	3a	13,657	-	-	-	13,657	13,024
Other donations	3b	201	50	1,627	-	1,878	1,353
Charitable activities	4	773	-	121	-	894	817
Other activities	5	742	-	15	-	757	696
Investments	6	920	-	1,241	-	2,161	1,928
Other	7	25	-	334	-	359	54
		16,318	50	3,338	-	19,706	17,872
Expenditure on							
Raising Funds	8	56	-	108	-	164	186
Charitable activities	9	15,878	148	2,908	-	18,934	17,742
		15,934	148	3,016	-	19,098	17,928
Net income/(expenditure) before investment gains/(losses)							
		384	(98)	322	-	608	(56)
Unrealised gains on investments	15	(99)	28	(1,957)	(2,022)	(4,050)	5,340
Realised (losses) on investments		-	-	(51)	(412)	(463)	(67)
Net gains/(losses) on investments		(99)	28	(2,008)	(2,434)	(4,513)	5,273
Net income/(expenditure)		285	(70)	(1,686)	(2,434)	(3,905)	5,217
Transfer between funds	13	(233)	150	(98)	181	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	14	-	224	50	10,716	10,990	25,235
Net movement in funds		52	304	(1,734)	8,463	7,085	30,452
Total funds brought forward		5,932	7,276	22,023	278,497	313,728	283,276
Total funds carried forward	19	5,984	7,580	20,289	286,960	320,813	313,728

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

28a. PRIOR YEAR NOTES TO ACCOUNTS – 3 DONATIONS

Parish Share

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	13,761	-	-	-	13,761	13,176
Shortfall in contributions	(163)	-	-	-	(163)	(195)
	<u>13,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,598</u>	<u>12,981</u>
Receipts for previous year	59	-	-	-	59	43
Total Income	<u>13,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,657</u>	<u>13,024</u>

Other Donations

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Benefact Trust Grant	124	50	-	-	174	173
Archbishops Council	28	-	1,294	-	1,322	586
RME Block Grant	-	-	320	-	320	505
Grants from other organisations	1	-	-	-	1	35
Donations	23	-	13	-	36	54
Legacies	25	-	-	-	25	-
	<u>201</u>	<u>50</u>	<u>1,627</u>	<u>-</u>	<u>1,878</u>	<u>1,353</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Statutory fees for parochial services	593	-	-	-	593	627
Church Commissioners' guaranteed annuities	-	-	7	-	7	8
Parish trust Income	-	-	101	-	101	101
Generated Income	51	-	-	-	51	14
Church Schools Training & other	129	-	13	-	142	67
	<u>773</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>894</u>	<u>817</u>

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

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Rents receivable - Parsonages	742	-	15	-	757	696
	<u>742</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>757</u>	<u>696</u>

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

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Dividends receivable & interest receivable	762	-	970	-	1,732	1,560
Rents receivable - Glebe	158	-	271	-	429	368
	<u>920</u>	<u>-</u>	<u>1,241</u>	<u>-</u>	<u>2,161</u>	<u>1,928</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	25	-	-	-	25	1
Gain/ (Loss) on sale of property	-	-	334	-	334	53
	<u>25</u>	<u>-</u>	<u>334</u>	<u>-</u>	<u>359</u>	<u>54</u>

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

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	67	-	61	-	128	155
Glebe repairs & improvements	(11)	-	47	-	36	31
	<u>56</u>	<u>-</u>	<u>108</u>	<u>-</u>	<u>164</u>	<u>186</u>

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

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council						
Training for Ministry	631	-	-	-	631	632
National Church Responsibilities	440	-	-	-	440	441
Grants and Provisions	-	-	-	-	-	54
Mission agency pension costs	26	-	-	-	26	28
Retired clergy housing costs	238	-	-	-	238	232
Pooling of ordinands maintenance grants	(47)	-	-	-	(47)	(121)
	<u>1,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,288</u>	<u>1,266</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Resourcing Ministry and Mission - Parish Ministry						
Stipends and National Insurance	6,338	64	600	-	7,002	7,034
Pension contributions	1,903	20	6	-	1,929	2,189
Defined benefit pension scheme movement (see Note 26)	(181)	-	-	-	(181)	20
Housing costs	2,953	23	378	-	3,354	2,129
Mission Fund grants	-	41	-	-	41	67
Removal & resettlement grants	251	-	-	-	251	294
Clergy welfare	65	-	108	-	173	124
Ministry Support	225	-	-	-	225	253
	<u>11,554</u>	<u>148</u>	<u>1,092</u>	<u>-</u>	<u>12,794</u>	<u>12,110</u>

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
	General £'000	Designated £'000				
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	319	-	347	-	666	902
Lay Ministry	86	-	39	-	125	111
Children and youth work	143	-	2	-	145	104
Apostolic Life	199	-	32	-	231	214
Common Good	13	-	3	-	16	10
Safeguarding	271	-	-	-	271	437
Diocesan Advisory Committee	87	-	-	-	87	78
Pastoral and Redundant Churches uses	74	-	-	-	74	59
Redundant churches	72	-	-	-	72	201
Communications	88	-	-	-	88	92
Mission projects (SDF)	-	-	768	-	768	515
Chancellor & Registrar	70	-	-	-	70	98
Grants	81	-	555	-	636	133
	<u>1,503</u>	<u>-</u>	<u>1,746</u>	<u>-</u>	<u>3,249</u>	<u>2,954</u>
Support and Governance for parish ministry (note 10)	714	-	-	-	714	625
	<u>2,217</u>	<u>-</u>	<u>1,746</u>	<u>-</u>	<u>3,963</u>	<u>3,579</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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

Resourcing Ministry and

Mission - Church Schools

Church Schools department	728	-	70	-	798	706
Support and Governance for Church Schools (note 10)	91	-	-	-	91	81
	<u>819</u>	<u>-</u>	<u>70</u>	<u>-</u>	<u>889</u>	<u>787</u>
Total Charitable activities	<u>15,878</u>	<u>148</u>	<u>2,908</u>	<u>-</u>	<u>18,934</u>	<u>17,742</u>

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

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Support				
Central services department	138	18	156	89
General office department	190	24	214	223
Finance department	182	23	205	190
IT department	150	19	169	146
Depreciation	33	4	37	34
	<u>693</u>	<u>88</u>	<u>781</u>	<u>682</u>
Governance				
External Audit	22	3	25	24
	<u>715</u>	<u>91</u>	<u>806</u>	<u>706</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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

	<i>Number</i>	Individuals £'000	Institutions £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	<u>1</u>	-	1,288	1,288	1,266
From unrestricted					
The Chichester Diocesan Association for Family Support Work	1	-	36	36	36
St Bartz Trust - Youth work	-	-	-	-	1
Clergy Training	199	197	-	197	30
Clergy Moves	95	251	-	251	294
Clergy and families for Welfare	34	38	-	38	-
Other organisations	<u>177</u>	<u>28</u>	<u>6</u>	<u>34</u>	<u>-</u>
	506	514	42	556	361
From designated					
PCCs for Mission projects	<u>7</u>	-	41	41	67
	7	0	41	41	67
From restricted					
PCCs for Mission projects	15	-	80	80	477
Clergy and families for Welfare	341	173	-	173	43
Overseas mission agencies	6	-	40	40	15
Aided Schools	1	-	9	9	-
Ordinands in training	52	315	-	315	332
PCCs for energy costs	107	-	311	311	-
AD Care of Churches	-	-	-	-	1
	<u>522</u>	<u>488</u>	<u>441</u>	<u>929</u>	<u>868</u>
Totals	<u>1,036</u>	<u>1,002</u>	<u>1,812</u>	<u>2,814</u>	<u>2,562</u>

29. POST BALANCE SHEET EVENTS

The cost of living crisis and high rate of inflation is continuing to have a significant impact. Volatility caused by this crisis, and other World events, is likely to continue to have an impact on the value of investment assets, along with property values and Pension Fund deficits. While the ultimate extent of these issues is currently still unknown, there have been no event or series of events since the year end which have had a material impact on values at the balance sheet date.

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

30. RELATED PARTY TRANSACTIONS

Church of England related parties include:

- the Archbishops' Council (Charity No 1074857), from which the CDBF receives grants and to which the CDBF pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, including General Synod.
- the Church Commissioners for England (Charity No 1140097), from which the CDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The CDBF pays for clergy stipends through the Church Commissioners
- the Church of England Pensions Board (Charity No 236627), to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees and makes contributions towards the provision of housing for clergy in retirement

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/John Preston, 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 and the staff costs were repaid in 2022. During 2021 Chichester DBF provided a loan facility to Mother Agnes Trust for £25,000 to enable them to meet a number of costs prior to the sale of land owned by the Trust. At 31st December 2021 £10,000 had been drawn against this facility, and £10,000 was repaid in 2022. The Administrator is employed by CDBF and the costs reimbursed by the Mother Agnes Trust.

The Bishop Otter Trust is an unincorporated charity of which The Right Revd Dr M Warner, the Ven E Dowler, the Ven M Lloyd Williams, the Ven L Irvine-Capel and the Ven A Martin are trustees. The Administrator is employed by CDBF and the costs reimbursed by the Bishop Otter Trust.

The Chichester Diocesan Association for Family Support Work is an unincorporated charity of which Mrs Lesley Lynn has been a trustee for part of the year. The Diocese makes an annual grant of £36,000 towards the work of this charity.

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 performed 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 2023

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:

	2023	2022
	£'000	£'000
CBF Church of England Investment Fund income shares	16,127	14,491
CBF Church of England Investment Fund accumulation shares	258	263
CBF Church of England Fixed Interest Securities Fund shares	1,551	1,461
CBF Church of England Property Fund shares	233	248
CBF Church of England UK Equity Shares	12	11
CBF Church of England Global Equity Shares	183	159
Other common investment fund holdings	373	1,372
Direct holdings in UK equities	1,676	395
CBF Church of England Deposit Fund	2,824	1,783
Cash at bank	245	155
Total assets held as custodian trustee	<u>23,482</u>	<u>20,338</u>