

Oxford Diocesan Board of Finance

Directors' Report and Financial Statements

For the year ended 31 December 2022

Company limited by guarantee (No. 142978 England and Wales)

Registered charity (No. 247954)

Registered & Principal Office:

Church House Oxford

Langford Locks

Kidlington

Oxford OX5 1GF

Table of Contents

	Page
Directors' Annual Report	2
Legal Objects	2
Strategic Aims and Objectives	2
Environment, Social and Governance	3
Achievements and Performance in the Year	4
Future Plans	9
Financial Review	10
Principal Risks and Uncertainties	13
Structure, Governance and Management	14
Administrative Details	21
Independent Auditor's Report	24
Statement of Financial Activities	29
Income and Expenditure Account	30
Balance Sheet	31
Statement of Cash Flows	32
Notes to the Financial Statements	33

Key to abbreviations:

CBF	Central Board of Finance	ODBE	Oxford Diocesan Board of Education
CEFPS	Church of England Funded Pension Scheme	ODBF	Oxford Diocesan Board of Finance
CEPB	Church of England Pensions Board	ODBST	Oxford Diocesan Bucks Schools Trust
CSUST	Church Schools Uniform Statutory Trust	ODST	Oxford Diocesan Schools Trust
CPI	Consumer Price Inflation	PACT	Parents and Children Together
CPIH	Consumer Price Inflation (Housing)	PCC	Parochial Church Council
DAC	Diocesan Advisory Committee	RPI	Retail Price Index
DT(O)L	Diocesan Trustees (Oxford) Limited	SOFA	Statement of Financial Activities
EIG	Ecclesiastical Insurance Group	SORP	Statement of Recommended Practice
ESG	Environment, Social & Governance	UKME	United Kingdom Minority Ethnic
FRS	Financial Reporting Standard		
ICV	Initial Carrying Value		
LPI	Limited Price Index		
MPC	Mission & Pastoral Committee		

DIRECTORS' ANNUAL REPORT

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

The directors and trustees are one and the same and in signing as trustees of the charity they are also signing the strategic report sections in their capacity as company 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 ODBF are to benefit the public by promoting and assisting the mission and other work of the Church of England in and beyond the boundaries of the Diocese of Oxford by raising, collecting and expending funds in connection with:

- (1) Training, funding and other support for ministry (both clerical and lay) within the Diocese of Oxford and in the wider Church of England, Anglican Communion, and other Christian churches with which the Church of England has ecumenical relationships or otherwise recognises as partners in its mission;
- (2) Provision for pensions for retired ministers (both clerical and lay) and support for their dependants;
- (3) Management of investments and historic assets in accordance with the Endowments and Glebe Measure 1976 and otherwise;
- (4) Support for the work of the Diocesan Board of Education and other trusts and related bodies involved with the work of schools in the Diocese of Oxford; and
- (5) Support for other charitable trusts established in connection with the work of parishes and other related bodies throughout the Diocese of Oxford.

ODBF also incorporates the functions and responsibilities of the Diocesan Parsonages Board.

The role of Diocesan Authority for parochial and other trusts is carried out by DT(O)L, a separate charitable company resourced by ODBF.

STRATEGIC REPORT - STRATEGIC AIMS AND OBJECTIVES

The Diocese promotes the work and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Oxford and elsewhere. Together, we are the Church, called and sent by God as disciples of Jesus Christ and filled with the Holy Spirit. We are a living, growing network of more than a thousand congregations, chaplaincies and schools. The strategy and approach of the Diocese is described as 'a common vision for a more Christ-like Church: contemplative, compassionate and courageous for the sake of God's world'.

STRATEGIC REPORT - STRATEGIC AIMS AND OBJECTIVES (Cont'd)

To support these aims the main role of the ODBF is to identify and manage the financial aspects of the provision of mission and ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the Christian mission and strategic priorities in the Diocese.

The aims and objectives are largely achieved by providing:

- Ministry in the parishes – by the appointment of stipendiary and non-stipendiary clergy and licensed lay ministers, the payment of stipends, the provision of houses for the clergy as necessary; by involvement in the selection and training of ordinands and lay ministers including the provision of financial support to those training for the ministry; by providing continuing ministerial training for clergy and lay ministers;
- Assistance to parishes – through the provision of parish development advisors in each archdeaconry; through good communications, HR and finance support; through support for work with children and young adults; through help with Christian giving and parish fundraising; through support for parishes in the administration of trusts; through assistance to churchwardens and treasurers and assistance with matters dealt with by the Diocesan Advisory Committee (DAC) in relation to church buildings;
- Strategic leadership and support in focus areas of Common Vision such as environmental action, new congregations, discipleship and poverty and inequality;
- Safeguarding resources, advice and case handling, and
- Support for church schools through training and support services and the provision of assistance and advice to head teachers and school governors through the annual grant to ODBE.

ENVIRONMENT, SOCIAL AND GOVERNANCE

We remain committed to working towards net carbon zero by 2035. Following the Church of England decision in 2020 that parishes, church schools and DBF property would be 'in scope', work is underway in all three areas. In particular, following an environment survey of all our vicarages Diocesan Synod in June 2022 agreed funding of £10 million towards achieving net zero at clergy housing.

Bishop's Council expressed its willingness in December 2020 for up to £5 million to be invested in developments which will predominantly be available for social housing. Work is actively underway in considering five possible sites (two at a more advanced stage) and it is hoped to reach by the end of 2023 the point where at least one can be approved.

ENVIRONMENT, SOCIAL AND GOVERNANCE (Cont'd)

Our Investment Committee receives at each meeting, and discusses with our investment managers, an ESG report on our investment portfolio. The most recent report highlights the following ESG aspects, with a continued performance improvement in the following key performance indicators:

- MSCI ESG (A global ESG benchmark) score of 8.9 (2021: 8.3). A portfolio score of greater than 7.1 is regarded as a leader in ESG engagement.
- The carbon intensity of the portfolio is 51% (2021: 46%) better than the MSCI benchmark. The reduction in carbon emissions in absolute terms is equivalent to 3,600 gallons of petrol.
- 68% (2021: 60%) of the portfolio has at least 30% female representation at Board level (59% MSCI benchmark).

A further review of our environmental action work is noted below, in the achievements for the year within the Common Vision strategy.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

Common Vision

It is set out below what was planned for 2022 and what ODBF, through its staff and volunteers, achieved during the year:

- 1. To continue to provide leadership and support across the Diocese that is realistic about the challenges as well as opportunities as we emerge from Covid-19.**

We continued to engage regularly with clergy and parishes on the challenges being faced and Bishop Steven completed a programme where he visited every deanery to listen to the experiences of clergy in a Chapter meeting and then met with lay people. Support was provided to parishes throughout the year both proactively and reactively by the area teams and Church House staff.

As regards finance, we continued to make expenditure savings where possible. Significant savings were made in the national Clergy Pension Scheme, as contribution rates relating to deficit reduction payments were materially reduced. Savings were also identified in finance and IT staffing.

We remain extremely grateful for the work of our Parishes in achieving their Parish Share allocations. Support was maintained for Parishes by holding a 0% increase in Share for 2022, and we received 95.2% of the total amount requested, which is remarkable in the economic circumstances.

The Church Commissioners via Archbishops' Council supplied grant funding to Dioceses to assist with the cost of living crisis. We were able to distribute over £550k to ministers and parishes, primarily to mitigate rising utility costs.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

- 2. To deliver a helpful and well-received 2022 Clergy Conference, working through lament & healing moving towards returning to the centre of calling and being sent out, empowered by God.**

The 2022 conference saw 289 clergy from across the whole Diocese and every Deanery gathered from 7-9 June 2022 at The Hayes Conference Centre, Swanwick. The conference title 'Wonderfully made' reflected the guiding passage from Psalm 139 from which the planning group shaped the conference. With the demands of covid experienced by all our clergy, the conference planning group set out to provide a space for re-connecting, retreat and healing, for growing and deepening friendship, for conversations and stories which took people deeper, space for playfulness, creativity and refreshment, for experiencing a varied programme and vitally a space which was unpressured.

What was striking was the significant number of clergy attending either their first clergy conference and/or had been in the Diocese less than 3 years. From a thorough evaluation of the event, the highlights of the programme for many were Bishop Steven's teaching sessions on 2 Corinthians, the quality, variety and depth of worship and the mix of the programme. However, of equal importance was the opportunity to network, the permission to take time for themselves, to rest and recover, to spend time in personal prayer and reflection. Clergy scored the conference as 8/10 in terms of the value to them personally and for their ministry.

- 3. To enable and realise significant impact for the sake of God's world through the focus areas of Common Vision and the Development Fund.**

There has been good progress made in each of the focus areas, which is to be celebrated given the challenging context of 2022. The cost of living crisis has brought front and centre our Net Zero plans and work to address poverty and inequality. Inevitably this has impacted the degree to which some parishes have felt able to engage with or respond in some areas and it was never expected that all parishes would engage with all the areas of diocesan focus.

If anything, the pandemic has heightened the awareness and urgency of our need to address the five common vision areas.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)**Environmental action**

In 2022, we developed a Net Zero Carbon Action Plan in support of the National Routemap to Net Zero, which was then approved by Diocesan Synod in March 2022. We established cross-functional Net Zero Working Group with representatives from the diocesan departments and ODBE and the diocesan multi-academy trusts to implement the delivery of the action plan across all areas of the diocese, schools and property and land.

Following a survey of 427 clergy houses, £10 million of funding was committed to environmental works to improve the carbon footprint of vicarages and help reach net zero.

The diocese progressed to achieve Bronze Eco Diocese status in July 2022, in recognition of the number of churches committed to environmental action as part of the A Rocha Eco Church framework. In addition, new deanery environmental leads have been recruited and a toolkit of resources developed both to aid parishes on the pathway to net zero.

174 churches completed energy audits in 2022, with subsidy support from the diocese, aiding their individual progress towards net zero, with tailored energy efficiency advice and decarbonisation pathways. All our Church of England schools have now completed an energy audit.

Christian formation and discipleship

A successful Come and See Lent initiative saw over 1,500 participants in 2022, with 77% of participants recommending it to others.

A milestone was reached in the Personal Discipleship Plan Encourager training programme, with over 500 Encouragers now trained and demand for the PDPs increased in the last quarter of the year.

Development of the Lay Formation Learning Hub began in 2022 to provide an in-house platform to host and deliver simple and accessible lay training and learning opportunities.

Growing new congregations

We have grown the number of emerging new congregations to 100 from eight established greenhouses with 69 teams supported by the new congregations team.

A new Resourcing Hub for Community Organising and Church Growth in Milton Keynes was launched in 2022 taking the number in the diocese up to seven.

The number of Greenhouses (learning communities to help grow new worshipping communities) has continued to grow, with several groups now resourcing and mentoring local

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)**Growing new congregations (Cont'd)**

teams exploring new congregations. A new intergenerational greenhouse launched in April and has eight parishes actively engaged with the ministry.

Children and young people

A new Discipleship Enabler for the Buckingham Area joined the diocese in 2022. This has enabled new and established relationship development with and support for the children, youth and families workers in the Archdeaconry

The Space Makers Contemplative Toolkit continues to be a success, in use at 100 schools in 2022. Education chaplaincy has seen growth this year, including a move into further education chaplaincy, with Chaplains now active in four FE colleges in the Thames Valley.

Addressing poverty and inequality

The invasion of Ukraine in February 2022 brought an unexpected addition to social justice action. Working in strategic partnership with Citizens UK, we launched the Homes for Ukraine initiative in March and successfully matched 230 Ukrainians with 78 hosts in the diocese and recruited an additional 350 plus volunteers to support the newly arrived guests.

As the cost-of-living crisis emerged, we developed a host of resources for parishes to aid them in their own cost- of-living management and to assist in their support to parishioners.

A partnership with SOFEA (a Didcot based charity) and Getting Oxfordshire Online commenced a project helping to tackle digital poverty through the donation of old digital devices.

The strategic partnership with Citizens UK developed to a new level and we facilitated the launch of the Thames Valley Citizens group this year. Further work with Citizens UK and the Living Wage Foundation, led to the diocese becoming an accredited Living Wage Employer in the Autumn.

Development Fund

Awards were made to 29 parishes in 2022 year at a total of £372,909, and the Development Fund continues to gain a steady increase in applications post-Covid. This included provision for a Minecraft church group for young people, counselling services for homeless people, feasibility studies to improve church facilities, and larger allocations to two resourcing hubs.

Following the peak of the covid-19 pandemic, the Internet Connectivity Fund remains active. In 2022, 18 churches in were in receipt of financial support to livestream and digitally record worship.

ACHIEVEMENTS AND PERFORMANCE IN THE YEAR (Cont'd)

- 4. To complete the Parish Share Review and make recommendations for change to Bishop's Council & Diocesan Synod, for a 2023 implementation.**

The Parish Share Review was completed on time in March 2022. Bishop's Council & Diocesan Synod approved the recommendations of the Review with effect from 1 January 2023. The autumn of 2023 will see a limited review of that implementation and any agreed amendments will come in effect from 1 January 2025.

- 5. To secure agreement for a costed programme for the first part of moving our property portfolio to net carbon zero by 2035, and to determine the related implementation strategy.**

Bishops Council and then Diocesan Synod agreed to allocate £10m to fund the first phase of the programme, the first diocese to make such a large commitment. The initial work to assess staffing requirements needed to implement the retrofit programme has been completed. Consultants were appointed to scope out a trial vicarage retrofit project. The brief and specification were agreed for that trial project with contractors starting work in early 2023. As David Mason indicated he will be stepping down as Director of Property later in 2023, the detailed scoping and implementation of the full roll-out will fall to his successor.

FUTURE PLANS

In addition to all the work operationally required and delivered from year to year, we plan in 2023:

1. To complete and implement the Review of Total Return;
2. To move seamlessly to new arrangements to support enhanced numbers of new congregations across parishes of all churchmanship;
3. To establish a (primarily on-line) Learning Hub to support lay training across the diocese;
4. To recruit a new Director of Property and enable the net carbon zero work on our vicarages to start in earnest from early 2024;
5. To submit an application for the new national funding streams for strategic projects (likely to be in the area of children, young people and schools);
6. To expand our work to enable environmental work to our church buildings;
7. To conclude on the initial actions from the 'Lament to Action' report and to successfully implement the initial work agreed by the Diocesan Disability Oversight Group.

FINANCIAL REVIEW

Financial Performance

The Statement of Financial Activities (SOFA) for the year shows net expenditure of £3.6M before investment and revaluation gains (2021: £5.5M). Investment losses, property and pension revaluation gains totalling £1.2M resulted in an overall decrease in funds of £2.4M (2021: £43.1M increase).

Glebe agricultural land increased in value by £0.5M and glebe listed investments decreased in value by £14.8M mainly due to market revaluation.

The valuations of the staff and clergy defined benefit pension schemes at the end of 2022 showed an increase of £631K (£43K decrease in 2021). There was 2% increase (£7.1M) in the value of properties in 2022 (9.3%, £31M increase in the value of properties in 2021).

ODBF continues to apply total return accounting, with a 7% (£8.2M) withdrawal to income in 2022, including investment manager fees. This has enabled, an additional £3.9M to be transferred to support general funds and an additional £4.3M to be spent: £3.9M on Common Vision strategy and £0.4M on investment management costs. The money for Common Vision is held in a designated fund whilst plans are being implemented (see note 16c and note 22).

Income in the SOFA totalled £27.4M (2021: £25.4M), an increase of £2.0M. Parish share, the money given by parishes to the Diocese to fund its mission and ministry, is the main income to the Diocese. Parish share income (net after rebates) totalled £18.7M (2021: £18.6M). Current year receipts before rebates increased by £0.2M from 2021 and 95.2% of apportioned share for the year was received (2021: 93.2%). The rate of increase in parish share for 2022 was set at 0% (2021: 0%). Income from donations include a grant of £219K (2021: £232K) from the Benefact Trust. The Diocese is most grateful for this grant which supported the work of Diocesan Advisory Committee.

Restricted income from charitable activities increased by £15K for funding ordinand training received from Archbishops' Council.

2022 expenditure in the SOFA totalled £30.9M (2021: £30.8M), an increase of £0.1M. 2022 is the fifth year of expenditure on Common Vision, using the designated fund set aside from total return, and this totalled £3.9M, including Development Fund grants. £1.0M committed expenditure on Diocesan support grants for less wealthy dioceses was recognised in 2021, including £0.25M paid in 2022 and £0.5M to be paid between 2023 and 2024.

Other recognised gains relating to endowment funds amounts to £684K which was related to revaluation of the clergy pension scheme.

Balance Sheet

Net assets totalling £520M (2021: £523M) consist principally of properties to house the clergy, valued at £356M, (2021: £350M) and glebe investments of £153M (2021: £153M) which are analysed in Note 16(b) and for which use of capital is restricted while the income, recognised on a total return basis, is

FINANCIAL REVIEW (Cont'd)**Balance Sheet (Cont'd)**

used to pay clergy stipends. Many of the remaining assets shown in the balance sheet are held as restricted funds, which cannot necessarily be used for the general purposes of the ODBF.

Investment performance

The majority of ODBF's investments are in Glebe funds – the income from which (under the Endowment and Glebe Measure 1976) is required to be used towards the cost of paying stipends.

Agricultural, commercial, amenity and residential land and buildings were valued at £41.0M at 31 December 2022 (2021: £32.2M), see note 16b. Rents receivable amounted to £0.8M (2021: £0.6M).

Glebe listed investments are managed by Newton Investment Management. Glebe listed investment holdings were valued at £106M at 31 December 2022 (2021: £120M). Over the rolling year for the portfolio the net return decreased by 8.8%.

Investment policies

Investment policy is delegated by the directors to the investment sub-committee, members of which make investment decisions after taking advice from professional investment advisers. ODBF's investment policies are based on two general key principles:

- Ethical investment - this includes ensuring that investments are held in companies that have high standards of corporate governance and behaviour and that act with openness, accountability, transparency and integrity in a responsible way towards all stakeholders and have good environmental policies; and
- Long-term consideration - the directors consider the long-term effect of their decisions very carefully.

The directors sought advice from the company's legal advisers before approving a withdrawal to income funds equivalent to 7% of the value of the Glebe funds in listed investments as at 1 January for each of the five years 2018 to 2022 and approved that this policy should be reviewed thereafter. During 2022 the withdrawal to income funds from the unapplied total return was £8.2M (2021: £7.5M).

FINANCIAL REVIEW (Cont'd)

Glebe Investments

Glebe investments are held in equities, fixed interest securities and cash, agricultural land, commercial and residential land and buildings. The portfolio is reviewed by the Investment Sub-Committee at least twice a year to ensure that the total return on investments is maximised whilst maintaining an appropriate asset allocation balancing risk and returns.

The policy is to sell agricultural holdings with planning consent, as favourable opportunities arise, and to reinvest for a better rate of return.

Short Term Investments

These funds are available for use in the short term as required for working capital. Deposit Funds are usually held as deposits with the Central Board of Finance.

Reserves policy

Free reserves

ODBF has very substantial ongoing responsibilities including the remuneration of some 370 stipendiary clergy, the upkeep of some 450 houses and the employment of some 80 full time equivalent staff. It is considered that, to meet substantial outgoings, the target general reserves at 1 January each year should be equivalent to three months gross expenditure from general funds in the forthcoming year. At 31 December 2022, ODBF's free reserves of £8.8M (2021: £9.0M) were equivalent to 3.1 months (2021: 3.2 months) of gross expenditure from general funds in the forthcoming year.

Tangible fixed assets property fund

This fund represents the net book value of the ODBF's tangible fixed asset properties plus any specifically related debtors less loans drawn down to finance the purchase of those properties.

Designated funds

The directors may designate additional unrestricted funds to be retained for an agreed purpose where this is considered to be prudent. Such designated funds are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each fund together with the intended use of the fund is set out in note 22. At 31 December 2022 total designated funds were £9.2M (2021: £7.2M), with the growth due to the transfer of £3.9M to the designated fund for the Common Vision strategy. A new designated fund of £550K was created at 31 December 2021 to provide funds for property related expenditure for 2022-2024, which would have otherwise been incurred during 2020 and 2021, but was deferred due to Covid-19 restrictions. £330K was utilised and transferred from designated fund to general fund in 2022.

FINANCIAL REVIEW (Cont'd)

Restricted and endowment funds

As set out in note 21, ODBF holds and administers a large number of restricted and endowment funds, including the Diocesan stipends fund and the parsonage house fund. As at 31 December 2022 restricted funds totalled £2.5M (2021: £2.3M) and endowment funds totalled £411.4M (2021: £422.9M).

Grant making policy

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (see note 7). Grants are paid to other connected charities and to other projects that are in furtherance of ODBF's charitable objectives. (See note 11).

Statement on raising funds

ODBF raises funds through Parish Share and on occasions receives other donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with Parochial Church Councils (PCCs), donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on PCCs, donors and supporters. It applies best practice to protect the data of individuals and never sells data and ensures that communication preferences can be changed at any time. ODBF manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. ODBF undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, ODBF received no formal complaints about its activities for raising funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk areas and the associated mitigation strategies are:

Significant under payment of Parish Share linked to decisions within the wider Church, or general economic circumstances mitigated by:

- Close partnership and regular communication between the Diocese, Deaneries and Parishes.
- Ongoing discussions between the Bishop's staff and other parties, building good relationships, and an openness to discuss doctrinal issues.

Macro-economic factors (high inflation, falls in investment markets, high interest rates, etc) negatively impacting on the Diocesan financial models, mitigated by:

- Strategic financial review. Forecasting to be on a 5-year rolling basis, with incorporated scenario planning.
- The strength of the ODBF balance sheet does allow for some flexibility around cash liquidity.

Current or historic safeguarding case of harm to children, young people or vulnerable adults resulting from inappropriate behaviour of a Church Officer mitigated by:

- Safeguarding policies and procedures in place, regularly used and monitored.
- Proactive engagement on training, learning, development and good practice.

PRINCIPAL RISKS AND UNCERTAINTIES (Cont'd)

- Disciplinary procedure used wherever appropriate; and active reaching out and support to victims.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Summary Information about the structure of the Church of England

The Church of England is the established church and HM The King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a See under the care of a Bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The National Church has a General Synod comprised of ex-officio and elected representations 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 and lay workers.

Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese of Oxford is itself divided into twenty-nine deaneries, each with its own Synod and within each parish there is a parochial church council which shares, with the parish priest, responsibility for the mission of the Church in that place.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

Organisational structure

Through an area scheme the Diocesan Bishop, the Bishop of Oxford, has delegated certain powers to the Bishops of Reading, Buckingham and Dorchester in relation to the archdeaconries of Berkshire, Buckinghamshire and Dorchester respectively. Each archdeaconry is subdivided into deaneries, there being a total of 29 deaneries across the Diocese, which are further subdivided into some 620 parishes.

The Diocese is governed by Standing Orders approved on 27 February 1988 and subsequent amendments, most recently in March 2021. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of ex officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, up to five persons co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod normally meets three times a year, determines major policy matters and approves an annual budget.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Organisational structure (Cont'd)**

Its role is also to act as a forum for discussion of Christian opinion, to advise the Bishop of Oxford on matters on which he may wish to consult, to deal with items referred by the General Synod of the Church of England or deanery synods, to make appointments to committees and to make provision for the financing of the Diocese. Many of Synod's responsibilities have been delegated to the Bishop's Council and Standing Committee.

Company status

Oxford Diocesan Board of Finance (ODBF) was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 10 February 1916 as a company (No. 142978 England and Wales) limited by guarantee and its governing documents are the Memorandum and Articles of Association, which were most recently amended slightly in March 2021. ODBF is a registered charity (No. 247954).

Every member of Diocesan Synod (unless they are an ODBF employee) is a member of ODBF and has a personal liability limited to £1 under their guarantee as members in the event of its being wound up. The members of the Standing Committee of Diocesan Synod and Bishop's Council are ODBF's Board of Directors.

Decision-making structure

Diocesan Synod has delegated the following functions to the Board of Directors:

- Planning the business of the Diocesan Synod including the preparation of agendas and papers;
- Initiation of proposals for action by the Diocesan Synod and provision of policy advice;
- Transacting the business of the Diocesan Synod when not in session;
- Management of the funds and property of the Diocese;
- Preparation of annual estimates of expenditure;
- Advising on action needed to raise the income necessary to finance expenditure;
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod;
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it;
- Appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod; and
- Carrying out any other functions which may be delegated by Diocesan Synod.

The Board of Directors has delegated responsibility for the day-to-day management of ODBF to the Diocesan Secretary who is supported by a number of heads of departments and their staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Committee structure

Following a review of diocesan governance during 2021, the following structures were adopted.

There are a number of committees that, though not sub-committees of the Board, can influence the operations of the Board.

Diocesan responsibilities for education are carried out by ODBE, a charitable company limited by guarantee.

Oxford Diocesan Board of Patronage, which is constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole patron or joint patron of a number of benefices.

Partnership in World Mission, which promotes world Christian mission, particularly through partnership with mission agencies and the Church worldwide.

Diocesan Committee for Interfaith Concerns, which provides oversight and strategic input on interfaith matters, as required.

Bishop's Council

The members of the Bishop's Council are the Board of Directors. In 2021 Bishop's Council consisted of 13 ex officio members, (including the Diocesan and Area Bishops and the four Archdeacons), 2 clerical and 3 lay members from each of the Berkshire, Buckingham and Dorchester archdeaconries, 2 clerical and 2 lay members from the Oxford archdeaconry, and 2 members nominated by the Diocesan Bishop.

The Bishop's Council also acts as the Diocesan Mission and Pastoral Committee, which is responsible for the task of approving pastoral reorganisation taking account of available clergy numbers and making use of new patterns of ministry.

The Bishop's Council as Board of Directors of ODBF has the following sub-committees:-

Buildings Committee, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by ODBF.

Diocesan Advisory Committee, which advises on matters affecting churches and places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Committee structure (Cont'd)**

Finance Committee, which is responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the directors prior to submission to Diocesan Synod and monitors expenditure and income.

Glebe Committee, which is responsible for determining policy and making major decisions concerning the management of glebe property for the benefit of the Diocesan Stipends Fund of the Diocese and now reports to the Finance Committee.

The Investment Committee reviews the Diocesan Stipends Fund investment portfolio and reports directly to the Finance Committee.

Audit Committee, which is responsible for assisting the directors in the discharge of their responsibilities for accounting policies, financial reporting and internal control, including liaison with the auditors, reviewing and proposing auditors for appointment and review of risk registers.

Human Resources Panel, which is responsible for personnel issues concerning staff.

The Audit Committee also serves ODBE and DTOL and the Human Resources Panel also serves ODBE.

Safeguarding Panel, is responsible for ensuring continuous improvement and ongoing best practice regarding safeguarding effectiveness.

Closed Churches Committee, oversees the process of church closure and identifies for those churches which are listed buildings or in conservation areas and which have been or are proposed to be closed, and to develop proposals for the future of these closed churches.

Common Vision Steering Group, provides strategic oversight, support and challenge for the Common Vision Programme.

Local Ministry Pathway, provides governance and oversight for the diocese's internal ordained and lay ministry training programme.

Rural Advisory Group, to ensure the issues and concerns of the diocese's rural church parishes are properly considered in the development and implementation of the Diocese of Oxford's plans, including its common vision strategy, for the Diocese.

Appointments Committee, only acts for DBF, all new appointments for DBF committees, where vacancies arise, go to the Appointments Committee for consideration and to make recommendations on prospective new members to Bishop's Council, for their approval.

Appointment of directors

Directors were either appointed ex officio on the basis of their position or are elected as clerical or lay members from each of the four archdeaconries or nominated by the Bishop of Oxford. The ex officio

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Appointment of directors (Cont'd)**

members are the Bishops, Archdeacons, the Dean of Christ Church Cathedral, the President and Vice Presidents of the Diocesan Synod and the Chairman and Vice Chairman of the Board of Finance.

Directors are given induction training when first appointed and receive ongoing training, as appropriate.

Some senior staff supporting the Diocesan Secretary have job titles incorporating the title 'Director' but they are not directors of ODBF for the purpose of company law.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net income and expenditure of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Related parties

- General Synod, Church Commissioners and Archbishops' Council
ODBF has to comply with Measures passed by the General Synod of the Church of England and makes certain annual grant payments to the Archbishops' Council towards the running costs of the

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)**Related parties (Cont'd)**

National Church. The stipends of the Diocesan and Area Bishops are borne by the Church Commissioners and are not reflected in the attached financial statements.

- Parochial Church Councils (PCCs) and Deaneries

ODBF is required by Measure to be custodian trustee in relation to PCC property, and ODBF delegates this to DT(O)L but ODBF has no control over PCCs, which are independent charities.

PCCs and deaneries are able to influence the decision-making within the Board of Finance and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

The accounts of PCCs and deaneries do not form part of these financial statements.

Connected Charities

The directors consider the following to be connected charities:

- Oxford Diocesan Board of Education (ODBE) – a charitable company with responsibility for some 285 Church schools across the Diocese, providing pastoral and professional support to all its schools and which has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.
- Diocesan Trustees (Oxford) Limited (DT(O)L) - which is a charitable company resourced by ODBF and which is responsible for ensuring that parish and educational properties and trust funds are used in accordance with the terms of trust. ODBF has transferred responsibility of being Diocesan Authority for parochial and other trusts to DT(O)L.
- Oxford Diocesan Schools Trust – which is a charitable company and is a Multi Academy Trust serving church and community schools across Oxfordshire and Berkshire.
- Oxford Diocesan Bucks Schools Trust - which is a charitable company and a Multi Academy Trust serving church and community schools across Buckinghamshire.
- Oxford Diocesan Council for the Deaf - which works with deaf and hard-of-hearing people to meet their spiritual, social and general needs and to give them a voice and full participation in church and society.
- Parents and Children Together (PACT) – a charitable company supporting families through adoption, therapeutic support and community projects.

The objectives of each organisation are congruent with ODBF's objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Public Benefit

The directors are aware of the Charity Commission's guidance on public benefit and have regard to that guidance in their administration of the charity.

The directors believe that, by promoting the work of the Church of England in the Diocese of Oxford, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical)

more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- Providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- Promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Statement of Disclosure to the Auditor

So far as each director is aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) he/she has taken all the steps that ought to have been taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

ADMINISTRATIVE DETAILS**DIRECTORS**

Members of the Bishop's Council and Standing Committee of the Board of Finance are the directors of the Board. All have served throughout the year except for those who were appointed or resigned as indicated below. The following were the directors and trustees at the date of this report:

The Right Revd Dr S J Croft	Ex officio, Bishop of Oxford, President of Synod
Sir H W H Sants	Ex officio, Chairman ODBF
Mr P Barrett	Lay member, Archdeaconry of Berkshire
The Revd Canon Dr GB Bayliss	Ex officio, Vice President of Synod
The Revd Canon J V Binns (from 31/01/2022)	Clerical member, Archdeaconry of Buckingham
Mr M N Burton	Lay member, Archdeaconry of Berkshire
The Ven J Chaffey	Ex officio, Archdeaconry of Oxford
The Right Revd GA Collins	Ex officio, Bishop of Dorchester
Mrs J Dziegiel	Ex officio, Vice Chairman ODBF
The Ven G C Elsmore	Ex officio, Archdeaconry of Buckingham
The Right Revd O Graham	Ex officio, Bishop of Reading
Ms G D Hamnett	Lay member, Archdeaconry of Oxford
The Revd Canon R J Lamey	Clerical member, Archdeaconry of Berkshire
Mr D M S Matovu (from 16/02/2022)	Nominated by the Bishop of Oxford
The Revd D W McFarland	Clerical member, Archdeaconry of Oxford
The Revd D J Meakin	Clerical member, Archdeaconry of Buckingham
Mr R G Merrylees	Lay member, Archdeaconry of Buckingham
The Revd J M Mintern	Clerical member, Archdeaconry of Berkshire
Dr S Northover	Lay member, Archdeaconry of Dorchester
Mr M Powell	Lay member, Archdeaconry of Dorchester
The Ven S Pullin	Ex officio, Archdeaconry of Berkshire
Mrs S E Scane	Nominated by the Bishop of Oxford
Mrs S F Scott	Lay member, Archdeaconry of Dorchester

ADMINISTRATIVE DETAILS (Cont'd)

The Revd S E Sharp	Clerical member, Archdeaconry of Dorchester
Mr J N Sykes	Ex officio, Vice President of Synod
Dr A Thomas-Betts	Lay member, Archdeaconry of Buckingham
The Ven D Tyler (from 1/10/2022)	Ex officio, Archdeaconry of Dorchester
The Right Revd Dr A T L Wilson	Ex officio, Bishop of Buckingham
Mrs K M Winrow	Lay member, Archdeaconry of Berkshire

Directors who were not re-elected/resigned during the year or by the date of this report:

The Ven J K French (to 30/09/2022)	Ex officio, Archdeaconry of Dorchester
Mr D Lillycrop (to 19/04/2023)	Lay member, Archdeaconry of Buckingham
The Very Revd Prof. M Percy (to 27/04/2022)	Ex officio, Dean of Christ Church Cathedral
The Revd R A Peters (to 19/04/2023)	Clerical member, Archdeaconry of Dorchester
Dr B Sollereeder (to 12/06/2022)	Nominated by the Bishop of Oxford

Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2022 comprised the Diocesan Secretary and Company Secretary, the Director of Mission & Ministry, the Director of Finance, the Director of Property, the Director of Human Resources & Safeguarding and the Director of Communications.

None of the directors of the company received any remuneration connected with their role as key management personnel. Key management personnel employed by ODBF are remunerated at rates that are deemed appropriate for the level of skills and experience they bring to their roles and at a rate commensurate with that of similar roles in comparable organisations. Remuneration is reviewed on an annual basis and approved by the company directors.

ADMINISTRATIVE DETAILS (Cont'd)

Registered Office	Church House Oxford, Langford Locks, Kidlington, Oxford OX5 1GF
Bankers	NatWest Bank plc, 32 Cornmarket Street, Oxford, OX1 3EZ
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Solicitors and Diocesan Registrar	Winckworth Sherwood LLP, 2 Chawley Park, Cumnor Hill, Oxford OX2 9GG
Investment advisers	Newton Investment Management Ltd, The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA
Glebe Agents	Carter Jonas, Anchor House, 269 Banbury Road, Oxford, OX2 7LL, Sidleys Chartered Surveyors, 6 King Edward Street, Oxford, OX1 4JL, and Bidwells, Seacourt Tower, West Way Oxford OX2 0JJ
Insurers	EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this directors' report, the directors are also approving the strategic report within their capacity as company directors.

This directors' report, incorporating the strategic report, was approved by the directors on 2 May 2023.
By order of the directors

Sir Hector Sants
Chair



INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Oxford Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its 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 charitable company 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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT (Cont'd)**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, including the strategic report, has 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 directors' report including the strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT (Cont'd)**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement in the directors' report, the directors 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 directors 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 directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the audit partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006, Church Assembly and General Synod Measures, data protection legislation, anti-bribery, employment, health and safety legislation, and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

INDEPENDENT AUDITOR'S REPORT (Cont'd)

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias;
- performed substantive testing of expenditure; and
- investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 (Cont'd)

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.

Catherine Biscoe (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2022

	Note	Unrestricted Funds				Total Funds 2022	Total Funds 2021
		General & Designated Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds		
		£'000	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:							
Donations	2	19,158	-	1,059	-	20,217	19,204
Charitable activities	3	2,457	-	700	-	3,157	2,801
Investments	4	1,092	-	203	2,679	3,974	3,257
Other sources	5	7	-	-	-	7	90
Total		22,714	-	1,962	2,679	27,355	25,352
Expenditure on:							
Raising and managing funds	6	395	-	-	430	825	895
Charitable activities	7	28,323	-	1,680	-	30,003	29,184
Other property costs	8	-	106	-	6	112	724
Total		28,718	106	1,680	436	30,940	30,803
Net (expenditure)/income before investment (losses)/gains:							
Net (losses)/gains on investments		(4)	-	(123)	(6,377)	(6,504)	17,422
Net (expenditure)/income		(6,008)	(106)	159	(4,134)	(10,089)	11,971
Total Return transfer	14a	7,852	-	-	(7,852)	-	-
Other transfers	14b	59	10	6	(75)	-	-
Net (expenditure)/income after Transfers		1,903	(96)	165	(12,061)	(10,089)	11,971
Other recognised gains:							
Gains on revaluation of tangible fixed assets	15	-	1,764	-	5,313	7,077	31,214
(Losses)/gains on defined benefit pension scheme	25	(53)	-	-	684	631	(43)
Net movement in funds		1,850	1,668	165	(6,064)	(2,381)	43,142
Total funds brought forward	20	16,156	81,393	2,344	422,892	522,785	479,643
Total funds carried forward		18,006	83,061	2,509	416,828	520,404	522,785

All activities derive from continuing activities. The notes on pages 33 to 72 form part of the financial statements. The prior year comparative Statement of Financial Activities (SOFA) for 2021 is shown in Note 26 on page 72.

INCOME AND EXPENDITURE ACCOUNT For the year ended 31 December 2022


	Total 2022 £'000	<i>Total</i> <i>2021</i> <i>£'000</i>
Income	24,676	22,958
Expenditure	<u>(30,504)</u>	<u>(30,101)</u>
Operating deficit for the year	(5,828)	(7,143)
Net (losses)/gains on investments	(127)	121
Transfers from endowment funds	<u>7,927</u>	<u>6,971</u>
Net income/(expenditure) for the year	1,972	(51)
Other comprehensive income:		
Revaluation of tangible fixed assets	1,764	6,808
Actuarial losses on defined benefit pension scheme	<u>(53)</u>	<u>(729)</u>
Total comprehensive income	<u>3,683</u>	<u>6,028</u>

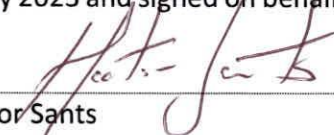
The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

OXFORD DIOCESAN BOARD OF FINANCE Company No. 142978 (England and Wales)
BALANCE SHEET as at 31 December 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	15		355,935		349,917
Investments	16		153,080		159,800
			<u>509,015</u>		<u>509,717</u>
CURRENT ASSETS					
Debtors due after more than one year	17	72		196	
Pension scheme surplus – staff scheme	25	-		77	
Debtors due within one year	17	1,977		1,833	
Cash on deposit and at bank		17,074		18,614	
			<u>19,123</u>		<u>20,720</u>
CREDITORS: amounts falling due within one year	18	<u>(5,072)</u>		<u>(4,224)</u>	
NET CURRENT ASSETS			<u>14,051</u>		<u>16,496</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>523,066</u>		<u>526,213</u>
CREDITORS: amounts falling due after more than one year					
Pension scheme liabilities – clergy scheme	25		-		(684)
Other creditors	19		(2,662)		(2,744)
NET ASSETS			<u>520,404</u>		<u>522,785</u>
FUNDS					
Endowment Funds					
(including asset revaluations of £236,103K (2021: £237,167K))			416,828		422,892
Restricted Income Funds					
(including asset revaluations of £323K (2021: £446K))			2,509		2,344
Unrestricted Income Funds:					
Tangible Fixed Asset Property Fund			83,061		81,393
(including asset revaluations of £47,773K (2021: £46,009K))					
Designated Funds			9,199		7,151
General Fund					
(including asset revaluation of £297K (2021: £301K))			8,807		9,005
TOTAL FUNDS	21		<u>520,404</u>		<u>522,785</u>

The notes on pages 33 to 71 form part of these financial statements. The financial statements were approved by the Directors and authorised for issue on 2 May 2023 and signed on behalf of the Directors by:


 The Right Reverend Dr. S. J. Croft
 Bishop of Oxford


 Sir Hector Sants
 Chairman

STATEMENT OF CASH FLOWS For the year ended 31 December 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Net cash used in operating activities (Below A)		(6,291)		(6,381)
Cash flows from investing activities				
Dividends, interest and rent from investments	3,766		3,257	
Interest Paid	-		(2)	
Proceeds from the disposal of:				
Tangible Fixed Assets	1,644		1,593	
Fixed Asset Investments	18,468		20,612	
Purchase of:				
Tangible Fixed Assets	(816)		(579)	
Fixed Asset Investments	(18,330)		(20,193)	
Net cash provided by investing activities		4,732		4,688
Cash flows from financing activities				
Loans repaid to ODBF	54		57	
New loans advanced by ODBF	(35)		(7)	
Net cash provided by financing activities		19		50
Change in cash and cash equivalents in the year		(1,540)		(1,643)
Cash and cash equivalents at 1 January		18,614		20,257
Cash and cash equivalents at 31 December (Below B)		17,074		18,614
Reconciliation of net movement in funds to net cash used in operating activities				
A. Net expenditure for the year before investment (losses) gains		(3,585)		(5,451)
Adjustments for:				
Depreciation charges		138		142
Dividends, interest and rent from investments		(3,766)		(3,257)
Interest paid		-		2
Losses (gains) on sale of functional assets		(7)		57
Decrease in debtors (ex loans)		57		232
Increase in creditors (ex loans)		848		1,350
Clergy pension scheme adjustment		-		12
Staff pension scheme adjustment		24		22
Recoupment of impairment		-		510
Net cash used in operating activities		(6,291)		(6,381)
B. Analysis of cash and cash equivalents				
Cash at bank and on deposit		17,074		18,614

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

The Oxford Diocesan Board of Finance (ODBF) is a company limited by guarantee (No. 142978 England and Wales) and a registered charity (No. 247954) governed by its Memorandum and Articles of Association.

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2022 with comparative information provided for the year to 31 December 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest £1,000.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the valuation of Diocesan houses
- the valuation of investment land and property
- the useful economic life of tangible fixed assets and residual values for the purpose of determining the annual depreciation charge, where required
- the underlying assumptions in the actuarial valuations of the defined benefit schemes
- the estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

1. Principal Accounting Policies (Cont'd)

The directors 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 monetary assets, including short term cash deposits, which could be readily realised to meet liabilities should there be an unexpected curtailment of income.

In the year ending 31 December 2023, the most significant areas of uncertainty that may affect the carrying value of assets held by the charity are the level of investment return and the performance of the investment market and land values.

Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations and legacies, including Parish Share income, income from listed and property (Glebe) investments, income directly related to charitable activities (including grants) and the surplus on disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income is deferred only when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Expenditure**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

2. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.
3. The charitable activities comprise expenditure on the charity's primary charitable purposes as described in the directors' report i.e. promoting the work of the Church in the Diocese including payments of grants. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

Tangible Fixed Assets**Properties**

All properties, including glebe and parsonage houses, are stated at valuation, except for redundant churches that are held at a nil valuation reflecting uncertainty as to their future retention and use, and Church House Oxford which is stated at cost less accumulated depreciation. Valuations are undertaken annually as at 31 December each year by the Director of Property with reference to advice from professional agents. All properties are subject to an annual impairment review by the Director of Property; properties are written down to net realisable value where that is lower than carrying value. The overall net gain or loss for the year on revaluation, if any, is shown in the statement of financial activities.

Additions are at cost but subject to an annual valuation adjustment at the end of the financial year.

Extensions to and significant adaptations to the fabric of buildings are capitalised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

1. Principal Accounting Policies (Cont'd)

With the exception of Church House Oxford (net book value £3.5M), no depreciation is provided on buildings as any charge would not be material due to the very long expected useful economic life and because their expected residual value is not materially less than their carrying value. ODBF has a policy of regular repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to suffer 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.

Depreciation is charged on Church House at an annual rate of 2.5% based on original cost with refurbishment work thereto being depreciated at 5% per annum based on cost.

Sales and purchases of properties are recognised on the date of exchange of contract.

The majority of transfers occur following pastoral reorganisation. A benefice house may be transferred to Diocesan glebe or general funds for disposal or to be held as a corporate property, as determined by the particular pastoral scheme. In the majority of such cases, houses are required as functional fixed assets for housing team vicars (in a team ministry) or other members licensed to a benefice and as such are held as corporate property under unrestricted designated funds.

Leasehold properties are all held on long leases.

Parsonage houses, also known as benefice houses, are legally vested in the incumbent. However, an incumbent is not free to dispose of the house for his/her own benefit, cannot make alterations or improvements to the property and is not responsible for maintaining the house. In spite of the complex tenure of parsonage houses, ODBF is responsible for the maintenance and insurance of the houses in the same way as for other houses and, therefore, they are recognised as tangible fixed assets of ODBF in the balance sheet.

Other tangible fixed assets

Computer and other office equipment and motor vehicles are included at cost less depreciation.

Depreciation is charged so as to write off the cost by equal instalments over their estimated useful lives.

	Rate per annum
Motor cars	25% of cost
Computers	33⅓% of cost
Other office equipment	5% to 25% of cost

Office furniture and small items of equipment costing less than £1k are written off as a revenue cost in the year of purchase.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value, these are recognised initially at transaction value and subsequently measured as described below.

Investments

Investments include agricultural holdings and commercial, residential and amenity properties, financial investments and cash deposits. Glebe investments are endowment funds and held with the intention of producing a sustainable income to help fund stipend payments whilst safeguarding capital values in the long term. The property investments are valued as at 31 December each year by the Director of Property based on valuations and advice from professional agents. Where formal planning consent has been given for the development of a site, the valuation takes the development potential of the site into account. No depreciation is applied to investment properties.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The Glebe permanent endowment fund comprises assets (including listed investments) which must be held as capital. From 1 January 2018, the charity has operated a total return approach to the management of the listed investment portfolio representing the Glebe permanent endowment fund. Using this approach, the charity is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return.

The charity is permitted to allocate from the unapplied total return element such sums as the directors consider appropriate provided the directors exercise their statutory duty to be even handed as between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets. The charity's objective is also to maintain the value of non-distributable funds in real terms.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)****Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. CBF deposits are highly liquid investments and are included in cash at bank and in hand.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Funds structure

The unrestricted funds include certain tangible fixed assets of the company, those assets designated or set aside by the directors for specific purposes and those assets which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The endowment funds comprise assets which normally must be held as capital (permanent) but, where permitted, may be applied towards meeting certain charitable aims (expendable). The income therefrom may be used either in accordance with the donors' wishes, if stipulated, or for general purposes.

Pensions

ODBF operates an occupational pension scheme through the Pensions Trust, which is a defined benefit scheme based on final salary and which closed to new entrants during 2006 and closed to future accrual in 2022. In 2007 ODBF began to operate a defined benefit scheme through the Church Workers Pension Fund scheme for new staff. It also operates a stakeholder scheme and contributes to personal pension schemes.

A separate pension scheme for clergy is administered by the Church of England Pensions Board (CEPB) and is a defined benefit scheme. Details of the staff and clergy schemes are set out in note 25.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**1. Principal Accounting Policies (Cont'd)**

The financial statements take account of the annual valuation of the defined benefit schemes undertaken by the pension fund's actuaries.

For the salaried staff defined benefit scheme, the change in the value of the pension asset or liability over the year has been analysed into the following components:

- current service cost
- net interest income or expenses
- actuarial gains and losses

The current service cost, net interest income and expenses are included in the Statement of Financial Activities. Actuarial gains and losses arising from updating the latest actuarial valuation to reflect conditions at the balance sheet date are included as other recognised gains or losses. More details are included in note 25.

ODBF's contributions to the defined contribution scheme, the stakeholder scheme, personal pensions and the normal contributions to the CEPB scheme are included as expenditure when payable.

Where deficit contributions are payable in addition to normal contributions, a liability is recognised for the present value of the future agreed deficit contributions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Income from Donations

	2022			2021		
	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Parish contributions	19,300	-	19,300	19,075	-	19,075
Share rebates and discounts	(568)	-	(568)	(486)	-	(486)
	<u>18,732</u>	<u>-</u>	<u>18,732</u>	<u>18,589</u>	<u>-</u>	<u>18,589</u>
Archbishops' Council	-	-	-	-	9	9
Benefact Trust	219	-	219	232	-	232
Other donations	207	1,059	1,266	94	280	374
Total Income	<u>19,158</u>	<u>1,059</u>	<u>20,217</u>	<u>18,915</u>	<u>289</u>	<u>19,204</u>

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

2022 Parish share receipts were £19,293K which represented 95.2% of the total apportioned (2021: 93.2%). £7K out of £19,300K total receipts related to 2021 receipts accounted for in 2022.

3. Income from Charitable Activities

	2022			2021		
	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	876	-	876	887	-	887
Training, events and similar	126	700	826	113	685	798
Housing income	1,319	-	1,319	1,043	-	1,043
School premises support	133	-	133	72	-	72
Other	3	-	3	1	-	1
	<u>2,457</u>	<u>700</u>	<u>3,157</u>	<u>2,116</u>	<u>685</u>	<u>2,801</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Income from Investments

	2022			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022
	£'000	£'000	£'000	£'000
Dividends receivable	1	185	2,471	2,657
Interest receivable	205	18	-	223
Rents receivable	785	-	-	785
Other investment income (e.g. solar panel)	101	-	208	309
	1,092	203	2,679	3,974
	2021			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021
	£'000	£'000	£'000	£'000
<i>Dividends receivable</i>	1	180	2,360	2,541
<i>Interest receivable</i>	23	-	-	23
<i>Rents receivable</i>	601	-	-	601
<i>Other investment income (e.g. solar panel)</i>	92	-	-	92
	717	180	2,360	3,257

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. Income from Other Sources

	2022				Total Funds 2022
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	
	£'000	£'000	£'000	£'000	
Surplus on disposal of motor vehicle	7	-	-	-	7
	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>

	2021				Total Funds 2021
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	
	£'000	£'000	£'000	£'000	
Surplus on disposal of properties	-	10	-	-	10
Disposal of closed church	-	-	3	-	3
Furlough grants	12	-	-	-	12
Other property income	-	31	-	34	65
	<u>12</u>	<u>41</u>	<u>3</u>	<u>34</u>	<u>90</u>

6. Expenditure on Raising and Managing Funds

	2022			2021		
	Unrestricted Funds	Endowment Funds	Total Funds 2022	Unrestricted Funds	Endowment Funds	Total Funds 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Glebe costs	264	430	694	244	518	762
Parsonage rental costs	101	-	101	132	-	132
Other	30	-	30	1	-	1
	<u>395</u>	<u>430</u>	<u>825</u>	<u>377</u>	<u>518</u>	<u>895</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**7. Expenditure on Charitable Activities**

	2022			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022
	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council				
Training for Ministry	902	-	-	902
National Church Responsibilities	566	-	-	566
Mission agency pension costs	39	-	-	39
Retired clergy housing	348	-	-	348
Grants and provisions	78	-	-	78
	1,933	-	-	1,933
Resourcing Ministry & Mission				
Parish Ministry:				
Stipends	9,705	-	-	9,705
National insurance	823	-	-	823
Pension contributions	3,213	-	-	3,213
Apprenticeship levy	44	-	-	44
Housing costs	5,251	-	-	5,251
Removal, resettlement, parish & clergy grants	307	-	-	307
Other parish expenses	1,081	-	-	1,081
	20,424	-	-	20,424
Support for parish ministry & training				
Ordinand grants	740	-	-	740
Diocesan training costs	840	603	-	1,443
Mission in the Diocese	2,063	405	-	2,468
DAC, MPC & DT(O)L	411	-	-	411
Communications	354	-	-	354
Bishops, Archdeacons & Area Offices	735	-	-	735
	5,143	1,008	-	6,151
Expenditure on grants				
Grants to Oxford Diocesan Board of Education (ODBE)	269	-	-	269
Grants to other organisations (see note 11)	554	672	-	1,226
	823	672	-	1,495
Total charitable activities	28,323	1,680	-	30,003

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**7. Expenditure on Charitable Activities (Cont'd)**

	2021			Total Funds 2020 £'000
	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	
	£'000	£'000	£'000	
Contributions to Archbishops' Council				
<i>Training for Ministry</i>	924	-	-	924
<i>National Church Responsibilities</i>	645	-	-	645
<i>Mission agency pension costs</i>	41	-	-	41
<i>Retired clergy housing</i>	340	-	-	340
<i>Grants and provisions</i>	79	-	-	79
<i>Pooling of ordinand maintenance grants</i>	(5)	-	-	(5)
	2,024	-	-	2,024
Resourcing Ministry and Mission				
<i>Parish Ministry:</i>				
<i>Stipends</i>	9,579	-	-	9,579
<i>National insurance</i>	782	-	-	782
<i>Pension contributions</i>	3,444	-	-	3,444
<i>Clergy pension adjustment (see note 25)</i>	-	-	12	12
<i>Apprenticeship levy</i>	45	-	-	45
<i>Housing costs</i>	4,000	-	-	4,000
<i>Removal, resettlement, parish & clergy grants</i>	263	-	-	263
<i>Other parish expenses</i>	963	-	-	963
	19,076		12	19,088
Support for parish ministry and training				
<i>Ordinand grants</i>	698	11	-	709
<i>Diocesan training costs</i>	672	654	-	1,326
<i>Mission in the Diocese</i>	2,039	342	-	2,381
<i>DAC, MPC & DT(O)L</i>	329	-	-	329
<i>Communications</i>	253	4	-	257
<i>Bishops, Archdeacons & Area Offices</i>	546	-	-	546
	4,537	1,011	-	5,548
Expenditure on grants				
<i>Grants to Oxford Diocesan Board of Education (ODBE)</i>	269	-	-	269
<i>Grants to other organisations (see note 11)</i>	2,142	113	-	2,255
	2,411	113	-	2,524
Total charitable activities	28,048	1,124	12	29,184

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Other Property Costs

	2022		
	Tangible Fixed Asset Property Fund £'000	Endowment Funds £'000	Total Funds 2022 £'000
Loss on disposal of properties	-	3	3
Valuation and related costs	106	3	109
	<u>106</u>	<u>6</u>	<u>112</u>

	2021		
	Tangible Fixed Asset Property Fund £'000	Endowment Funds £'000	Total Funds 2021 £'000
<i>(Gain)/Loss on disposal of properties</i>	<i>(1)</i>	<i>69</i>	<i>68</i>
<i>Valuation and related costs</i>	<i>553</i>	<i>103</i>	<i>656</i>
	<u><i>552</i></u>	<u><i>172</i></u>	<u><i>724</i></u>

9. Analysis of Expenditure Including Allocation of Support Costs

	2022			2021		
	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	Total Costs 2022 £'000	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	Total Costs 2021 £'000
Raising and managing funds (note 6)	737	88	825	824	71	895
Charitable activities (note 7):						
Contributions to Archbishops' Council	1,933	-	1,933	2,024	-	2,024
Resourcing parish ministry	19,872	552	20,424	18,647	441	19,088
Support for parish ministry and training	5,052	1,099	6,151	4,658	890	5,548
Grant to Board of Education	269	-	269	269	-	269
Grants to other organisations	1,226	-	1,226	2,255	-	2,255
Other property related costs (Note 8)	112	-	112	724	-	724
	<u>29,201</u>	<u>1,739</u>	<u>30,940</u>	<u>29,401</u>	<u>1,402</u>	<u>30,803</u>

See notes 6 to 8 for an analysis of the costs per category

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**10. Analysis of Support Costs**

	Unrestricted Funds	
	2022	2021
	£'000	£'000
Human resources and administration	277	292
Finance	395	315
Secretariat	203	201
ICT	325	202
Premises and other	330	207
Governance:		
External audit	40	23
Registrar and Chancellor	154	128
Synod costs	15	34
	<u>1,739</u>	<u>1,402</u>

11. Analysis of Grants Made

	2022	2021	2022	2021
	No.	No.	£'000	£'000
From unrestricted funds for National Church responsibilities:				
Contributions to Archbishops' Council (note 7)	1	1	1,933	2,024
From general and restricted funds to institutions: (Note 7)				
Parents and Children Together (PACT)	1	1	95	95
Development Fund Grants	29	41	373	927
Ecumenical and chaplaincy grants	3	3	41	52
Grants for parish building projects	22	34	29	36
Bishops discretionary grants	4	4	16	21
Oxford Diocesan Council for the Deaf	-	1	-	7
Diocesan Mutual Support grant	-	1	-	1,000
Hardship Funds and Energy Grants	705	-	647	-
Other grants	23	33	25	117
	<u>787</u>	<u>118</u>	<u>1,226</u>	<u>2,255</u>
Grant to ODBE from unrestricted funds	<u>1</u>	<u>1</u>	<u>269</u>	<u>269</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Staff Costs

	2022 £'000	2021 £'000
Staff costs during the year were as follows:		
Wages and salaries	3,319	3,104
National Insurance contributions	357	314
Pension costs	410	465
Total	4,086	3,883

	Number	Number
The average number of persons employed during the year based on headcount:		
Charitable activities	73	79
Support	23	19
Total	96	98

The average number of persons employed during the year based on full-time equivalents		
Charitable activities	61	64
Support	19	16
Total	80	80

The numbers of staff whose emoluments (including benefits in kind but excluding employer's pension contributions and National Insurance) amounting to more than £60,000 were as follows:

£60,001-£70,000	1	3
£70,001-£80,000	4	2
£90,001-£100,000	1	1

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, for planning, directing and controlling the activities of ODBF. In addition to the directors of the company, key management personnel during 2022 comprise:

Diocesan Secretary and Company Secretary	Canon Mark Humphriss
Director of Mission & Ministry	Canon Andrew Anderson-Gear
Director of Finance	Mr John Orridge
Director of Property	Mr David Mason
Director of Human Resources & Safeguarding	Mrs Poli Shajko
Director of Communications	Mr Steven Buckley

The aggregate remuneration, including pensions and employer's National Insurance contributions for these 6 posts amounted to £577K (2021: £558K).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**12. Staff Costs (Cont'd)****Directors' emoluments**

No remuneration has been paid to any director during the year (2021: £nil) for acting as a director or a member of key management. However, 12 (2021: 15) directors, who held ecclesiastical office during the year, were paid aggregate stipends of £338,000 (2021: £328,000). Pension contributions on those stipends amounted to £103,000 (2021: £108,000) and employer's National Insurance thereon was £32,000 (2021: £31,000). 8 Directors (2021: 13) were reimbursed for travel, subsistence and incidental costs amounting to £9,700 (2021: £13,000) for services provided to ODBF in all the capacities in which they serve. Some directors are provided with housing because of their ecclesiastical office. One of the archdeacons was provided with a car with a cost of £14K until May 2022. (2021: 1 car at a cost of £14K).

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

	Stipend	Housing
The Revd Canon Dr GB Bayliss	Yes	Yes
The Revd Canon J V Binns (from 31/01/2022)	Yes	Yes
The Venerable J Chaffey	Yes	No
The Venerable G Elsmore	Yes	Yes
The Venerable J French (to 30/09/2022)	Yes	Yes
The Revd R J Lamey	Yes	Yes
The Revd D W McFarland	Yes	Yes
The Revd D J Meakin	Yes	Yes
The Revd J M Mintern	Yes	Yes
The Revd R A Peters	No	No
The Venerable S Pullin	Yes	No
The Revd S E Sharp	Yes	Yes
The Ven D Tyler (from 01/10/2022)	Yes	Yes

The ODBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. The ODBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Area Bishops but excluding the Diocesan Bishop and cathedral staff.

The stipends of the Diocesan Bishop and Area Bishops are funded by the Church Commissioners and are in the range £46,640-£47,106 for Diocesan Bishops and £38,050-£38,590 for Area Bishops. The annual rate of stipend, funded by the ODBF, paid to Archdeacons in 2022 was £37,507 (2021: £36,830) and other stipendiary clergy who were directors were paid in the range £28,243-£29,758 (2021 range £27,963 - £29,463).

The charity has insurance to indemnify the directors and officers against the consequences of any neglect or default on their part. The insurance is provided as part of the charity's general insurance and as such there is no separate premium payable (2021: nil). The cover provided is up to £100,000 (2021: £100,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. Related Parties

The directors consider that the following are related parties:

Oxford Diocesan Board of Education	(ODBE)
Diocesan Trustees (Oxford) Limited	(DT(O)L)
Oxford Diocesan Schools Trust	(ODST)
Oxford Diocesan Buckinghamshire Schools Trust	(ODBST)
Parents and Children Together	(PACT)
Oxford Diocesan Council for the Deaf	(ODCD)

Grants are made to PACT to support their work as below. Their objects are congruent with those of ODBF.

	PACT	
	2022	2021
	£'000	£'000
Grants made by ODBF (Note 11)	95	95

ODBF bears the entire operating costs of DT(O)L, consisting principally of accounting, secretarial and administrative services. These amounted to £78K (2021: £114K).

ODBF made grants of £269K to ODBE in 2022 (2021: £269K) (see Note 7). £50K was also committed to ODBE to support Common Vision projects: chaplaincy and development of church/school relationships. DBF recharged ODBE for accounting, company secretarial, human resources, ICT, premises administrative services totalling £230K in 2022 (2021: £179K). The balance due from ODBE at 31 December 2022 was £79K (2021: £83K).

ODST occupied space in Church House Oxford and contributed £36K (2021: £25K) towards the running costs of the building including reception and ICT.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14. Analysis of Transfers between Funds

a) Transfers in respect of Total Return

	General Funds	Designated Funds	Total Unrestricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	7,852	-	7,852	(7,852)
ii) Transfer from general to designated funds for Common Vision	<u>(3,912)</u>	<u>3,912</u>	<u>-</u>	<u>-</u>

- i) Following the adoption of total return accounting from 1 January 2018, £7.9M (2021: £7.0M) has been transferred to general funds from the Glebe Investments Endowment Fund to fund the costs of stipendiary ministry in accordance with the Diocesan Stipends Fund (Amendment) Measure 2016.
- ii) The transfer to Designated Funds, as agreed by Bishop's Council & Diocesan Synod, supports the funding of the Common Vision fund, by applying £3.9M (2021: £3.1M) of general funds as a consequence of the opportunity created by Total Return.

As this £3.9 million cannot legally be drawn from the £7.9M, all of the £7.9 million is applied to the costs of stipendiary ministry, and the £3.9 million is drawn from other income of the diocese (of which the largest element is parish share). The net impact of these two separate transfers is to augment the amount of the diocese's total funds being applied to support stipendiary ministry within the Diocese during the year by £3.9M (2021: £3.9M).

2021 prior year comparatives:

	General Funds	Designated Funds	Total Unrestricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Total Return transfer to general funds from Endowment fund (note 16c)	6,971	-	6,971	(6,971)
ii) Transfer from general to designated funds for Common Vision	<u>(3,109)</u>	<u>3,109</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14. Analysis of Transfers between Funds (Cont'd)

b) Other transfers

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(10)	10	-	-
ii) Funds transferred to support stipendiary costs	69	-	(69)	-
iii) Other transfers	-	-	75	(75)
	<u>59</u>	<u>10</u>	<u>6</u>	<u>(75)</u>

i) The purchase of Board owned properties requires an equivalent transfer from the general fund to the Board Properties Fund to finance Board properties; a disposal of Board owned properties requires a transfer from the Board Properties Fund to the general fund.

ii) Income from ODBF and DTOL Trusts restricted funds is transferred to general fund to support stipendiary costs.

iii) Cash transfer from Parsonage funds to Diocesan Pastoral Funds.

2021 prior year comparatives:

Type of transfer	Unrestricted Funds			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(446)	446	-	-
i) Disposals of Board properties	838	(838)	-	-
Other transfers	67	-	(67)	-
	<u>459</u>	<u>(392)</u>	<u>(67)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**15. Tangible Fixed Assets**

	Freehold Property	Leasehold Property	Vehicles & Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2022	83,868	788	1,053	231,352	34,277	351,338
Additions	16	-	46	3	751	816
Disposals	-	-	(14)	(1,640)	-	(1,654)
Revaluations	1,666	16	-	4,627	686	6,995
At 31 December 2022	85,550	804	1,085	234,342	35,714	357,495
Depreciation						
At 1 January 2022	526	-	896	-	-	1,422
Charge for the year	106	-	32	-	-	138
At 31 December 2022	632	-	928	-	-	1,560
Net Book Values						
At 31 December 2022	84,918	804	157	234,342	35,714	355,935
At 31 December 2021	83,342	788	158	231,352	34,277	349,917

In addition to gains noted above, there were revaluation gains of £82K relating to equity mortgage loans (note 19).

	Freehold Property	Leasehold Property	Vehicles & Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2021	77,562	717	1,025	210,665	31,366	321,335
Additions	444	-	28	107	-	579
Disposals	(825)	-	-	(827)	-	(1,652)
Revaluations	6,687	71	-	21,407	2,911	31,076
At 31 December 2021	83,868	788	1,053	231,352	34,277	351,338
Depreciation						
At 1 January 2021	425	-	854	-	-	1,279
Charge for the year	101	-	41	-	-	142
At 31 December 2021	526	-	895	-	-	1,421
Net Book Values						
At 31 December 2021	83,342	788	158	231,352	34,277	349,917
At 31 December 2020	77,137	717	171	210,665	31,366	320,056

Included within 2021 revaluation gains are impairments costs of £138K which had been recognised in Other Property costs (note 8).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 a) Fixed Asset Investments**

	At 1 January 2022	Additions	Disposals at book value	Change in Market Value	At 31 December 2022
	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds					
Equity Mortgage Loans	493	-	-	-	493
Designated Funds					
Administered funds	30	-	-	3	33
Restricted Funds					
ODBF Trusts & other	936	-	-	(123)	813
Endowment Funds					
Glebe (see note 16b)	152,543	18,330	(14,655)	(9,590)	146,628
ODBF Trusts & other	5,798	-	-	(685)	5,113
	158,341	18,330	(14,655)	(10,275)	151,741
Total	159,800	18,330	(14,655)	(10,395)	153,080
	<i>At 1 January 2021</i>	<i>Additions</i>	<i>Disposals</i>	<i>Change in Market Value</i>	<i>At 31 December 2021</i>
	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds					
Equity Mortgage Loans	546	-	(53)	-	493
Designated Funds					
Administered funds	26	-	-	4	30
Restricted Funds					
ODBF Trusts & other	819	-	-	117	936
Endowment Funds					
Glebe (see note 16b)	136,335	20,192	(19,831)	15,847	152,543
ODBF Trusts & other	5,068	1	-	729	5,798
	141,403	20,193	(19,831)	16,576	158,341
Total	142,794	20,193	(19,884)	16,697	159,800

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 b) Glebe Investments**

	Agricultural Land	Residential Property	Commercial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2022	23,410	2,986	2,934	2,898	120,315	152,543
Additions at cost	13	-	8,266	-	10,051	18,330
Disposals at book value	(334)	-	-	-	(14,321)	(14,655)
Unrealised Gains/(losses)	779	60	61	20	(10,510)	(9,590)
Net Book Value						
At 31 December 2022	23,868	3,046	11,261	2,918	105,535	146,628
Cost or ICV						
At 31 December 2022	3,780	1,544	11,444	1,796	81,809	100,373

Glebe listed investments are managed by Newton Investment Management.

	Agricultural Land	Residential Property	Commercial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2021	24,387	2,715	2,220	2,807	104,206	136,335
Additions at cost	-	-	637	9	19,546	20,192
Disposals	(877)	-	-	(120)	(18,834)	(19,831)
Unrealised (losses)/ gains	(100)	271	77	202	15,397	15,847
Net Book Value						
At 31 December 2021	23,410	2,986	2,934	2,898	120,315	152,543
Cost or ICV						
At 31 December 2021	4,101	1,544	3,178	1,796	86,079	96,698

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Listed Investments**

The investment power of total return permits ODBF to invest the permanently endowed funds of glebe investments to maximise total return and apply an appropriate portion of the unapplied total return each year to support stipendiary ministry.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. 7% of the value of Glebe listed investments, i.e., £8,226K, was transferred to general funds such that it is set against the cost of stipendiary ministry in the year, as determined by the Diocesan Stipends Fund (Amendment) Measure 2016 or incurred on investment management fees.

From 1 January 2018 the Oxford Diocesan Board of Finance adopted a total return approach to investments with regard to the Glebe listed investment portfolio, following consultation with the Diocesan legal advisers and auditors and in accordance with their advice.

The initial value for implementing total return for investment was determined at 31 December 2000 and valued at £14.7M. This was the amount held in listed investments at that date. The unapplied total return was calculated as at 1 January 2018 and valued at £14.9M as the increase above inflation in the value of these investments since the initial valuation, adjusted for the introduction of new investment in the portfolio following significant gains of glebe land which have taken place since 2008. Bishop's Council voted in 2020 to include 2018 & 2019 surplus on glebe land sales totalling £12.38M within the unapplied total return calculation and any development gains from 2018 onwards, to be applied with effect from 1 January 2021. It also voted to apply the CPI inflation measure (backdated to 2000), rather than RPI, further increasing unapplied total return by £5.05M from 1 January 2021. The movements during the last calendar year in the value of the unapplied total return are set out in the following table:

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of total return accounting to Glebe Listed Investments (cont'd)**

	Trust for investment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 1 January 2022:			
Base value of the permanent endowment	78,639	-	78,639
Unapplied total return	-	38,879	38,879
Total (as reported in the prior year)	78,639	38,879	117,518
Surplus on sales of glebe land	-	4,480	4,480
Investment returns: dividends received	-	2,471	2,471
Investment return: realised and unrealised losses	-	(10,764)	(10,764)
Investment management fees	-	(374)	(374)
Withdrawal to reinvest in Glebe commercial property	(4,000)	-	(4,000)
Unapplied total return allocated to income in the year	-	(7,852)	(7,852)
Add indexation of base level of endowment	8,257	(8,257)	-
Net movements in the year	4,257	(20,296)	(16,039)
As at 31 December 2022:			
Base value of the permanent endowment	82,896	-	82,896
Unapplied total return	-	18,583	18,583
Valuation as at 31 December 2022	82,896	18,583	101,479

The total endowment includes cash funds of £4,056K in addition to Glebe listed investments of £101,479K.

Analysis of Withdrawal to income	£'000
Release to general funds to support stipends (note 14)	7,852
Investment management fees	374
Withdrawal to income	<u>8,226</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**16 c) Application of the power of total return to glebe investments (cont'd)****Prior year figures for the year ended 31 December 2021**

	<i>Trust for investment</i>	<i>Unapplied Total Return</i>	<i>Total endowment</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
As at 1 January 2021:			
<i>Base value of the permanent endowment</i>	94,122	-	94,122
<i>Unapplied total return</i>	-	12,362	12,362
Total	94,122	12,362	106,484
Adjustments to opening balance			
<i>Glebe land net disposal proceeds since 1 Jan 2018</i>	(14,951)	14,951	-
<i>Adjustment to CPI indexation</i>	(5,050)	5,050	-
Movements in the year:			
<i>Investment returns: dividends received</i>	-	2,360	2,360
<i>Investment return: realised and unrealised gains</i>	-	16,127	16,127
<i>Investment management fees</i>	-	(482)	(482)
<i>Unapplied total return allocated to income in the year</i>	-	(6,971)	(6,971)
<i>Add indexation of base level of endowment</i>	4,518	(4,518)	-
Net movements in the year	(15,483)	26,517	11,034
As at 31 December 2021:			
<i>Base value of the permanent endowment</i>	78,639	-	78,639
<i>Unapplied total return</i>	-	38,879	38,879
Valuation as at 31 December 2021	78,639	38,879	117,518

The total endowment includes cash funds of £2,797K in addition to listed investments of £117,518K.

Analysis of Withdrawal to income	£'000
<i>Release to general funds to support stipends (note 14)</i>	6,971
<i>Investment management fees</i>	482
Withdrawal to income	7,453

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**17. Debtors**

	2022 £'000	2021 £'000
Amounts due after more than one year		
Loans to parishes	72	196
Pension Scheme surplus (Note 25)	-	77
Amounts due within one year		
Prepayments	67	236
Accrued income	429	384
Other debtors	1,052	850
Loans	289	314
Amounts due from connected charities	140	49
Total	1,977	1,833
Total debtors	2,049	2,106

18. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Creditors and accruals	4,535	3,823
Taxation and social security	89	87
Deferred income	448	314
Total creditors: amounts falling due within one year	5,072	4,224

19. Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Loans and others	2,662	2,744
Total creditors: amounts falling due after more than one year	2,662	2,744

The above loans are all repayable after more than five years

Loans include equity mortgage loans from the Church Commissioners. Equity mortgages are secured on individual freehold properties and are repayable on disposal.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements**

	2022					Balances at 31 Dec 2022 £'000
	Balances at 1 Jan 2022 £'000	Income £'000	Expenditure £'000	Transfers (note 14) £'000	Gains & Losses £'000	
UNRESTRICTED FUNDS						
General	9,005	22,657	(27,112)	4,314	(57)	8,807
Designated Funds						
Common Vision	5,660	6	(1,450)	3,912	-	8,128
Development posts and new communities fund	775	-	(105)	-	-	670
Property repair & maintenance	550	-	-	(330)	-	220
Other funds	166	51	(51)	15	-	181
	7,151	57	(1,606)	3,597	-	9,199
Total General and Designated Funds	16,156	22,714	(28,718)	7,911	(57)	18,006
Tangible Fixed Assets Property Fund						
Board properties fund	81,393	-	(106)	10	1,764	83,061
RESTRICTED FUNDS						
Diocesan Pastoral Account	186	4	(10)	75	-	255
Mission grants fund	28	700	(618)	-	-	110
Archbishops Hardship Grant	-	647	(647)	-	-	-
Sillitoe Bequest	1,150	27	-	-	(122)	1,055
Other funds below £250K	980	584	(405)	(69)	(1)	1,089
	2,344	1,962	(1,680)	6	(123)	2,509
ENDOWMENT FUNDS						
Glebe team vicarages	35,817	-	-	-	687	36,504
Glebe investments	149,883	2,679	(430)	(7,852)	(5,699)	138,581
Clergy pension scheme deficit	(684)	-	-	-	684	-
Diocesan stipends fund	185,016	2,679	(430)	(7,852)	(4,328)	175,085
Parsonage house fund	232,017	-	(6)	(75)	4,627	236,563
Stipends bequest fund	2,407	-	-	-	-	2,407
Ordination candidates funds	1,758	-	-	-	-	1,758
Other funds	1,694	-	-	-	(679)	1,015
	422,892	2,679	(436)	(7,927)	(380)	416,828
Total funds	522,785	27,355	(30,940)	-	1,204	520,404

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**20. Summary of Fund Movements (Cont'd)**

	2021					
	<i>Balances at 1 Jan 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains and Losses</i>	<i>Balances at 31 Dec 2021</i>
	£'000	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS						
<i>General</i>	9,792	21,741	(25,570)	3,771	(729)	9,005
Designated Funds						
<i>Common Vision</i>	5,264	3	(2,716)	3,109	-	5,660
<i>Development posts and new communities fund</i>	897	-	(122)	-	-	775
<i>Property repair and maintenance</i>	-	-	-	550	-	550
<i>Other funds</i>	163	16	(17)	-	4	166
	<u>6,324</u>	<u>19</u>	<u>(2,855)</u>	<u>3,659</u>	<u>4</u>	<u>7,151</u>
Total General and Designated Funds	<u>16,116</u>	<u>21,760</u>	<u>(28,425)</u>	<u>7,430</u>	<u>(725)</u>	<u>16,156</u>
Tangible Fixed Assets Property Fund						
<i>Board properties fund</i>	75,488	41	(552)	(392)	6,808	81,393
RESTRICTED FUNDS						
<i>Diocesan Pastoral Account</i>	200	2	(16)	-	-	186
<i>Mission grants fund</i>	43	-	(15)	-	-	28
<i>Sillitoe Bequest</i>	1,012	23	-	-	115	1,150
<i>Other funds below £250K</i>	1,006	1,132	(1,093)	(67)	2	980
	<u>2,261</u>	<u>1,157</u>	<u>(1,124)</u>	<u>(67)</u>	<u>117</u>	<u>2,344</u>
ENDOWMENT FUNDS						
<i>Glebe team vicarages</i>	32,907	-	(100)	-	3,010	35,817
<i>Glebe investments</i>	138,439	2,360	(518)	(6,971)	16,573	149,883
<i>Clergy pension scheme deficit</i>	(1,358)	-	(12)	-	686	(684)
<i>Diocesan stipends fund</i>	169,988	2,360	(630)	(6,971)	20,269	185,016
<i>Parsonage house fund</i>	210,660	34	(72)	-	21,395	232,017
<i>Stipends bequest fund</i>	2,109	-	-	-	298	2,407
<i>Ordination candidates funds</i>	1,537	-	-	-	221	1,758
<i>Other funds</i>	1,484	-	-	-	210	1,694
	<u>385,778</u>	<u>2,394</u>	<u>(702)</u>	<u>(6,971)</u>	<u>42,393</u>	<u>422,892</u>
Total funds	<u>479,643</u>	<u>25,352</u>	<u>(30,803)</u>	<u>-</u>	<u>48,593</u>	<u>522,785</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund**

	Tangible Fixed Assets £'000	Investments £'000	2022 Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	157	493	10,078	(1,921)	8,807
Designated					
Common Vision	-	7,014	3,094	(1,980)	8,128
Development posts and new communities fund	-	-	670	-	670
Property repair & maintenance	-	-	220	-	220
Other funds	-	33	171	(23)	181
	-	7,047	4,155	(2,003)	9,199
Total general and designated funds	157	7,540	14,233	(3,924)	18,006
Tangible fixed assets property fund					
Board properties fund	85,722	-	-	(2,661)	83,061
RESTRICTED FUNDS					
Diocesan Pastoral Account	-	-	255	-	255
Mission grants fund	-	-	295	(185)	110
Sillitoe Bequest	-	800	255	-	1,055
Other funds below £250K each	-	13	1,174	(98)	1,089
	-	813	1,979	(283)	2,509
ENDOWMENT FUNDS					
Glebe team vicarages	35,714	300	490	-	36,504
Glebe investments	-	139,307	139	(865)	138,581
Diocesan stipends fund	35,714	139,607	629	(865)	175,085
Parsonage house fund	234,342	-	2,221	-	236,563
Stipends bequest fund	-	2,407	-	-	2,407
Ordination candidates funds	-	1,758	-	-	1,758
Other	-	955	61	(1)	1,015
	270,056	144,727	2,911	(866)	416,828
Total Funds	355,935	153,080	19,123	(7,734)	520,404

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**21. Summary of Assets by Fund (Cont'd)**

	<i>Tangible Fixed Assets £'000</i>	<i>Investments £'000</i>	2021 <i>Current Assets £'000</i>	<i>Creditors £'000</i>	<i>Net Assets £'000</i>
UNRESTRICTED FUNDS					
<i>General</i>	158	493	9,691	(1,337)	9,005
Designated					
<i>Common Vision</i>	-	3,109	5,079	(2,528)	5,660
<i>Development posts and new communities fund</i>	-	-	775	-	775
<i>Property repair & maintenance</i>	-	-	550	-	550
<i>Other funds</i>	-	30	145	(9)	166
	-	3,139	6,549	(2,537)	7,151
Total general and designated funds	158	3,632	16,240	(3,874)	16,156
Tangible fixed assets property fund					
<i>Board properties fund</i>	84,131	-	6	(2,744)	81,393
RESTRICTED FUNDS					
<i>Diocesan Pastoral Account</i>	-	-	187	-	187
<i>Mission grants fund</i>	-	-	28	-	28
<i>Sillitoe Bequest</i>	-	922	228	-	1,150
<i>Other funds below £250K each</i>	-	14	1,190	(225)	979
	-	936	1,633	(225)	2,344
ENDOWMENT FUNDS					
<i>Glebe team vicarages</i>	34,276	300	1,900	-	36,476
<i>Glebe investments</i>	-	149,134	874	(125)	149,883
<i>Clergy pension scheme deficit</i>	-	-	-	(684)	(684)
<i>Diocesan stipends fund</i>	34,276	149,434	2,774	(809)	185,675
<i>Parsonage house fund</i>	231,352	-	6	-	231,358
<i>Stipends bequest fund</i>	-	2,368	39	-	2,407
<i>Ordination candidates funds</i>	-	1,758	-	-	1,758
<i>Other</i>	-	1,672	22	-	1,694
	265,628	155,232	2,841	(809)	422,892
Total Funds	349,917	159,800	20,720	(7,652)	522,785

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds****General fund**

The general fund is the ODBF's unrestricted undesignated fund available for any of the ODBF's purposes without restriction.

Designated fundsCommon Vision

The adoption of total return accounting from 1 January 2018 generates funds to be released towards supplementing the costs of stipendiary ministry within the general fund. This, in turn, enables general funds to be transferred to a designated income fund for expenditure in relation to the Common Vision strategy.

Development posts and new communities fund

In July 2014 and February 2015 Bishop's Council considered and approved the transfer of £600K to a new designated fund for development posts in new communities. In February 2016 Bishop's Council approved the transfer of an additional £800K to the fund for development posts.

Property repair and maintenance

This fund was created to support deferred repair and maintenance expenditures (deferred from 2020 and 2021 due to the pandemic), especially within the vicarages portfolio.

Tangible Fixed Assets Property FundBoard properties fund

The Board properties fund is represented by tangible fixed asset properties plus any related debtors less loans drawn down to finance the purchase of those properties.

Restricted fundsDiocesan Pastoral Account

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:

- 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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**22. Description of Funds (cont'd)**Sillitoe Bequest

A bequest was received in April 1999 to establish a discretionary fund to help clergy to retire early for reasons other than ill health. The allocation of funds is agreed by the Diocesan Secretary and the Archdeacon or Bishop of an Archdeaconry as appropriate.

Endowment fundsDiocesan stipends capital fund

The Diocesan stipends capital fund has been created from the Diocesan stipends fund capital account assets previously held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of 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.

Parsonage house fund

The parsonage house 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, ODBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the ODBF.

Stipends bequests fund

The Stipends bequest fund is made up of various legacies and bequests. All income can be used to pay stipends.

Ordination candidates funds

The Ordination candidates funds are made up of several benefactions used to help fund ordination candidates.

23. Capital Commitments

Capital commitments in respect of development of clergy housing contracted but not provided totalled £nil at 31 December 2022 (2021: £131K).

24. Members' liability

The Charity is constituted as a company limited by guarantee. In the event that the company is wound up, company members are required to contribute an amount not exceeding £1 each.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions

Stipendiary Clergy

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to each specific Responsible Body, and this means that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2022: £3,359K, 2021: £3,444K), plus the figures highlighted in the table below as being recognised in the statement of financial activities, giving a total charge of £3,359K for 2022 (2021: £3,456K).

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 actuarial mortality tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a and an allowance for 2020 data of 0%.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions payable (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

% of pensionable stipends	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2021 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

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

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.

	2022	2021
	£'000	£'000
Balance sheet liability at 1 January	684	1,358
Deficit contribution paid	(407)	(686)
Interest cost	-	2
Remaining change to the Balance Sheet liability*	(277)	10
Pension adjustment to statement of financial activities	(277)	12
Balance sheet liability at 31 December	-	684

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. 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 2022	December 2021
Discount rate	n/a	0.0%
Price inflation	n/a	n/a
Increase to total pensionable payroll	n/a	-1.5%

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

Salaried staff defined benefit scheme

Eligible salaried employees of ODBF were offered the opportunity to join the Oxford Diocesan Board of Finance Staff Retirement Scheme until September 2006 at which point the scheme closed to new entrants. The Scheme is a defined benefit (final salary) scheme administered by the Pensions Trust who are also the trustees.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

The scheme is funded by contributions by ODBF. Employees are not required to contribute towards the cost of their benefits. The Scheme is the subject of advice by professional actuaries and annual premiums are paid and charged, after offsetting any reduction in liability or charging any increase in liability, to expenditure in the SOFA each year.

Contribution rates vary according to actuarial reviews undertaken every three years. The contribution rate paid in 2022 was 30.1% of basic salaries each month (2021: 30.1%), which amounted to £122K (2021: £192K). ODBE paid contributions of £15K for staff in the scheme previously employed by ODBF until July 2022 (2021: £28K). No additional contributions were due or paid in 2022 towards the previous deficit (2021: £nil).

A qualified actuary has prepared the pension scheme figures quoted in this note as required under Financial Reporting Standard 102 (FRS102). The basis of FRS102 calculations is largely prescribed, although assumptions about future salary increases, inflation and investment returns rest with the directors, acting on actuarial advice. The actuary then compares the value of the benefits earned to the valuation date (the liabilities) with the value of the assets held by the scheme. Any excess of liabilities over assets represents a deficit in funding; any excess of assets over liabilities represents a surplus in funding.

The FRS102 surplus at the start of 2022, £77K, decreased by £77K during the year to £nil at 31 December 2022. The liabilities are valued on the basis of corporate bond yields at the date of calculation which this year was 5.00% (2021: 1.82%), with the assets being taken at market value. The balance sheet is therefore heavily dependent on market conditions at the date of calculation and swings from one year to the next have the potential to be very significant.

In addition, changes to corporate bond yields and mortality assumptions from one year to the next can give rise to volatility in the SOFA figures.

The FRS102 valuation determines the pension figures that must be included in the ODBF accounts. The actuary's triennial valuation, the "on-going" valuation for the Scheme, is based on different financial assumptions than those used for FRS102. The triennial valuation as at 30 September 2020 was updated to 31 December 2022 by a qualified actuary independent of the scheme's sponsoring employer and showed a balance of £nil. The employer contribution rate from 1 January 2022 is 30.1%, in addition to payment of scheme expenses of £71K.

The Scheme closed to future accrual of benefits with effect from 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions (cont'd)

The main financial assumptions under FRS102 are (per annum):

	2022	2021
	%	%
Discount rate	5.00	1.82
Salary increases	3.00	2.50
Inflation (RPI)	3.13	3.24
Inflation (CPI)	2.91	2.99
Allowance for pension in payment increases of RPI or 5% if less	3.01	3.10
Allowance for pension in payment increases of CPI or 5% if less	2.83	2.90

The discount rate is based on yields available on AA rated corporate bonds. The RPI assumption was based on market conditions at the date of the valuation and the same rate less 0.1% has been used for benefits that increase in line with LPI. Salary increases are assumed to run at 0.5% below RPI.

The scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employers. Their 'fair value' at 31 December 2022 was £9,984K (2021: £16,217K) as below:

	2022	2021
	£'000	£'000
Fixed Interest Bonds	2,236	5,190
Index-linked gilts	4,074	6,312
Property	1,429	1,681
Other	2,245	3,034
	<u>9,984</u>	<u>16,217</u>

The scheme's financial position as at 31 December (FRS102 basis) recognised in the Balance Sheet was:

	2022	2021
	£'000	£'000
Fair value of plan assets	9,984	16,217
Present value of defined benefit obligations	(9,217)	(14,793)
Unrecognised surplus	(767)	(1,347)
Surplus recognised (see note 17)	<u>-</u>	<u>77</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)**

Reconciliation of opening and closing balances of the fair value of plan assets:

	2022	2021
	£'000	£'000
Fair value of assets at 1 January	16,217	16,014
Interest income	293	223
Employer contributions	122	192
Benefits paid and expenses	(398)	(401)
Actuarial (loss)/gain on assets	(6,250)	189
Fair value of assets at 31 December	<u>9,984</u>	<u>16,217</u>

Reconciliation of opening and closing balances of the defined benefit obligation:

	2022	2021
	£'000	£'000
Defined benefit obligation at 1 January	14,793	14,248
Current service cost	77	170
Interest cost	267	198
Benefit paid	(327)	(345)
Actuarial (gain)/loss on liabilities	(5,593)	522
Defined benefit obligation at 31 December	<u>9,217</u>	<u>14,793</u>

Defined benefit costs recognised in the SOFA:

	2022	2021
	£'000	£'000
Current service cost	77	170
Net interest income	(2)	(12)
Expenses	71	56
Total	<u>146</u>	<u>214</u>

Defined benefit income (costs) recognised in other comprehensive income:

	2022	2021
	£'000	£'000
Return on plan assets – (losses)/gains	(6,250)	189
Experience (losses)/gains arising on plan liabilities	(916)	86
Effects of changes in demographic & financial assumptions underlying the present value of the plan liabilities	6,509	(608)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	604	(396)
Total amount recognised in other comprehensive income	<u>(53)</u>	<u>(729)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**25. Pensions (cont'd)****Staff Church Workers Pension Fund (CWPF)**

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

CWPF has two sections:

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

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 (2022: £298K, 2021: £250K).

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Pensions (cont'd)

Staff Church Workers Pension Fund (CWPF)

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 Church of England Pension Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**26. Statements of Financial Activities (Prior Year)**

For the year ended 31 December 2021

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds 2021
		General & Designated Funds	Tangible Fixed Assets Property Fund			
	Note	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:						
Donations	2	18,915	-	289	-	19,204
Charitable activities	3	2,116	-	685	-	2,801
Investments	4	717	-	180	2,360	3,257
Other sources	5	12	41	3	34	90
Total		21,760	41	1,157	2,394	25,352
Expenditure on:						
Raising and managing funds	6	377	-	-	518	895
Charitable activities	7	28,048	-	1,124	12	29,184
Other property costs	8	-	552	-	172	724
Total		28,425	552	1,124	702	30,803
Net (expenditure)/income before investment gains:						
		(6,665)	(511)	33	1,692	(5,451)
Net gains on investments		4	-	117	17,301	17,422
Net (expenditure)/income		(6,661)	(511)	150	18,993	11,971
Total Return transfer	14a	6,971	-	-	(6,971)	-
Net income/(expenditure) after Total Return transfer		310	(511)	150	12,022	11,971
Other transfers	14b	459	(392)	(67)	-	-
		769	(903)	83	12,022	11,971
Other recognised gains/ (losses):						
Gains on re-valuation of tangible fixed assets	15	-	6,808	-	24,406	31,214
(Losses)/gains on defined benefit pension scheme	25	(729)	-	-	686	(43)
Net movement in funds		40	5,905	83	37,114	43,142
Total funds brought forward		16,116	75,488	2,261	385,778	479,643
Total funds carried forward	20	16,156	81,393	2,344	422,892	522,785

