

# **Oxford Diocesan Board of Finance**

## **Directors' Report and Financial Statements**

For the year ended 31 December 2023

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

	<b>Page</b>
Directors' Annual Report	2
Legal Objects	2
Strategic Aims and Objectives	2
Environment, Social and Governance	4
Achievements and Performance in the Year	6
Future Plans	10
Financial Review	10
Principal Risks and Uncertainties	14
Structure, Governance and Management	15
Administrative Details	22
Independent Auditor's Report	25
Statement of Financial Activities	30
Income and Expenditure Account	31
Balance Sheet	32
Statement of Cash Flows	33
Notes to the Financial Statements	34

### 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 2023.

The directors were saddened to announce the death of the Bishop of Buckingham, the Rt Revd Dr Alan Wilson earlier this year. Bishop Alan was a dear friend and colleague to many across the diocese, having served as Bishop of Buckingham for over 20 years. He offered remarkable leadership to our work in education and church schools over more than a decade. Alan has been a friend and advocate for victims of abuse and a strong ally and supporter of the LGBTQIA+ community for many years. He was a bishop who prioritised the parishes and clergy in his care above everything else and served the people of Buckinghamshire with devotion over a long and demanding ministry.

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'.

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**

### **Delivering net zero carbon by 2035**

In March 2023, Diocesan Synod endorsed a net zero carbon action plan that seeks to deliver our target of achieving net zero carbon emissions by 2035, and fulfilling – as far as possible – the milestones in the national Route map to Net Zero Carbon.

Our first carbon emissions report, released in November, demonstrates that while there is a long way to go, progress is being made in key areas. We are particularly encouraged by the 11% reduction in net emissions in our churches, and overall reductions across our travel – including a 58% reduction in staff travel.

Our Environment Team, in partnership with the Church Buildings Team, have delivered the following actions in relation to achieving our net zero carbon target:

- **Policies:** the diocese is supporting churches to fulfil the new faculty jurisdiction rules, which require all churches to demonstrate they have given due regard to net zero. We have updated diocesan staff travel and expenses policies to support sustainable and active travel choices.
- **Finance:** Funding applications have been submitted to the Church Commissioners, and pilots for different finance models are being explored.
- **Planning:** Over 235 subsidised church energy audits have now been delivered since 2018, with opportunities for churches who meet specific criteria eligible to receive a funded heating surgery. An implementation plan for our net zero investment programme into clergy housing was agreed by Bishops Council in December 2023, which will include bringing in additional resource to the team, gathering data to support prioritisation, and beginning work in early 2024. This is following the completion of a pilot retrofit on a vicarage in Bucklebury.
- **Priority churches:** a forum for larger churches has been set up, meeting to share learnings, progress and challenges. Eight churches are being identified for a potential national pilot, to test different net zero solutions.
- **Engagement:** an event was held in October 2023 to support churches to turn decarbonisation reports into deliverable action plans.

### **Inspiring wider cultural change**

Since the diocese formally began its Environment Action Programme in 2019, Eco Church registrations have increased from 9% to over 25%.

Three Eco Church-focused events were run in June, attended by over 150 people, and we have established networks of enthusiastic, committed people - some working locally as energetic members of their church, and some taking a formal voluntary role at deanery level. We have recruited sixteen deanery leads working across fifteen different deaneries, engaging parishes in a variety of ways.

## **ENVIRONMENT, SOCIAL AND GOVERNANCE (Cont'd)**

In the last year, we have:

- Successfully taken our Diocesan Synod motion, 'Responding to the climate emergency' to General Synod.
- Contributed to the 'Land and Nature' national Church of England working group.
- Developed our partnership with the local Wildlife Trust, running training events for parishes in churchyard management and species identification, and creating resources.
- Contributed to advocacy at a local and national level through the voices of our lead Bishops.
- Participated in events, lecture series, deanery synods and other forums, to champion creation care issues.

### **Social Action**

We have now placed 201 Ukrainian refugees to homes in the diocese. Well-regarded resources are assisting parishes and individuals (including in other dioceses). We are actively pursuing social housing scheme and expect one to come to fruition in 2024.

### **Governance**

We regularly assist parishes – in workshops and through individual queries – with advice on how to achieve good governance. The diocese will be conducting a governance review in 2024.

### **Investment Management**

Our Investment Committee receives at each meeting, and discusses with our investment managers, an ESG report on our investment portfolio.

## ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

Set out below is what was planned for 2023 and what ODBF, through its staff and volunteers, achieved during the year:

- **To complete and implement the Review of Total Return;**

The review was completed in the year and the following recommendations were adopted, following Bishop's Council approval (with effect from 1 January 2023):

- a. That the base year for determining the Trust for Investment (Unapplied Total Return (UTR)) calculation be revised from 31<sup>st</sup> December 2000 to 1<sup>st</sup> January 1997. In an attempt to consider the maximum available funds available under Total Return, 1997 represented the earliest date that auditable records were available in sufficient detail.
- b. That the UTR endowed fund and the designated Common Vision Fund be combined, for internal management purposes into one fund – the 'UTR Fund'.
- c. The historic withdrawal rate of 7% be withdrawn and simply replaced with withdrawals based on budgeted expenditure and Parish Share support.
- d. A 'UTR Fund' buffer be created (initially set at £10m). If the fund balance were to fall (actual or forecast) below the buffer, then a further review of the fund could be instigated.
- e. That Parish Share support, as a minimum, is linked to stipend increases.
- f. That a 5-year rolling projection model (which projects all ODBF Funds) is adopted and this sits alongside the current budgeting processes. This enables the Diocesan governance committees to understand the medium-term funding challenges within the existing finance structures of ODBF. The first such model was developed and reviewed during autumn 2023 and developed projections to 31<sup>st</sup> December 2028.

- **To move seamlessly to new arrangements to support enhanced numbers of new congregations across parishes of all traditions;**

Our vision and strategy for growing new congregations wherever we can across our Diocese is bold and challenging. From 1 May 2023 a new programme structure was introduced which saw Area Teams taking greater strategic oversight and responsibility for the programme supported by additional Area staff resource and a reduced central Diocesan team overseen by the Director of Mission and Ministry. We believe this will best enable the programme to develop strategically, become more embedded and have the increased momentum required as it is at Area level where the key relationships with deaneries and parishes are held alongside the archdeaconry Mission & Pastoral Committees.

This new emphasis on a parish development approach to new congregations opens opportunities to engage with parishes at key moments of transition and vision setting and builds on strong local relationships and knowledge. The 'central' team will continue to provide specialist advice and support and particularly in relation to nationally funded Resource Hubs.

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

- **To establish a (primarily on-line) Learning Hub to support lay training across the diocese;**

In July we launched our online learning hub which seeks to envision, equip and encourage the whole people of God for the whole mission of God in their home, work, church and community contexts. Our aim is to significantly increase the numbers of lay people participating in their formation and learning across the Diocese. Earlier in the year we researched a high quality learning platform which could support core values for learning and formation which is accessible, diverse and simple to navigate. We are developing a range of learning opportunities either for the individual, a local small group or Diocesan wide group, across three levels which range from 'Bite-sized' to 'Going Deeper' through to in-depth 'Study Groups' over 10 sessions with online tutorials. Currently, there is no cost to the participants.

We have reshaped a Diocesan role which now brings digital learning expertise working closely with our Communications team and other colleagues within the organisation. Early responses has been very encouraging with 175 participants registering for the first small group resource 'Story of Scripture' and 58 learners engaged in the 'Mission and Evangelism' study group through the autumn.

- **To recruit a new Director of Property and enable the net carbon zero work on our vicarages to start in earnest from early 2024;**

Sophie Orme was appointed Director of Property from August 2023. This has led to the formation of the implementation programme to adapt the residential property portfolio, and also reflected the learning from a pilot project on one property. Bishop's Council agreed at its December 2023 meeting to adopt the implementation plan to bring each property to an Energy Performance Certificate ('EPC') rate of 'C' by 2028. The impact of this strategy forecasts a 30% improvement to CO2 emissions. As at 31 December 2023, there were 247 properties requiring such work. Actions to be taken on these properties will focus on the easier wins of cavity wall and roof insulation, draft proofing & replacement windows, allowing for flex for technical and legislative changes. To deliver this means adapting approximately 50 properties a year.



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

- **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);**

Any bid for national funding will need to satisfy national church criteria which seeks to double the number of active young disciples by 2030. Between March – July, the team responsible for supporting and enabling ministry in our churches with children, young people and families engaged in significant stakeholder engagement at all levels of the Diocese, including with children and young people themselves. This revealed common themes, confirmed strategic and resource challenges, particularly around the 'pipeline' of volunteer and paid children's / youth ministers. However local consultations also experienced considerable energy and desire to actively respond to our vision of 'Putting children, young people and families at the centre of more Christ-like Churches'.

Shaped by the importance of the church-school-home relationships, our first priority is to significantly increase our engagement with children, young people and families including intergenerationally. This will require us to build on our strengths, particularly the strong connection we have between local churches and schools and the considerable contact with under 5's. Our proposal will see churches encouraged to work in partnerships and clusters to pool and maximise resources, with national funding resourcing locally deployed part- and full-time paid workers.

We need to develop further our strategy across deaneries and expect to be able to make a national bid submission in late 2024 or early 2025.

- **To expand our work to enable environmental work to our church buildings;**  
Please note the actions described within our ESG report on page 4.

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

- **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.**

The Diocese of Oxford has been recognised by the National Church as having made significant progress in its racial justice work. We are pleased that there are now UKME representatives in most decision-making bodies of the diocese. In terms of engaging young people, racial justice awareness opportunities continue to be embedded in diocesan schools, among school leadership and through youth networking groups. In addition, learning programmes for Licensed Lay Ministers and Ordinands have been reviewed to reflect cultural considerations and context.

The Diocesan Disability Adviser has continued to deliver expert advice to parishes on improving the accessibility of churches across the diocese, as well as having contributed to the Continuing Ministerial Development and Ordinand learning programmes. Alongside chairing the Church of England's national network of disability advisers, she was instrumental in arranging and leading the network's first national conference. We continue to partner closely with the Oxford Diocesan Council for the Deaf and Hard of Hearing, as well as raising awareness of the benefits of neurodiversity in our church communities.

Expertise from the Diocese of Oxford is often sought at a national and inter-diocesan level, which is a pleasing endorsement of our proactive stance on equality, diversity and inclusion.

## **FUTURE PLANS**

In addition to all the work operationally required and delivered from year to year, we plan in 2024:

1. Complete a national bid for children, young people and schools.
2. Have a significant increase in new congregations and resourcing hubs all functioning optimally.
3. To implement the first year of the £10m vicarage net zero programme.
4. Implement a church buildings strategy and increased capacity enabling us to be operationally and strategically up-to-date on church buildings and pastoral work.
5. See strong take-up of learning and discipleship resources and CMD and an increase in lay and ordained vocations to at least pre-Covid levels
6. Implement the recommendations of the limited review of parish share including deanery recovery plans.
7. Manage the impacts of Living in Love and Faith.
8. Develop enhanced data insight for the diocese and parishes, including from the census.
9. An affirming independent safeguarding audit.
10. Agreement with Christ Church on governance reform that meets the concerns and interests of the diocese and the Church.

## **FINANCIAL REVIEW**

### **Financial Performance**

The Statement of Financial Activities (SOFA) for the year shows net expenditure of £2.3m before investment and revaluation gains (2022: £3.6m). Investment losses, property and pension revaluation gains totalling £6.8m resulted in an overall increase in funds of £4.5m (2022: £2.4m decrease).

Glebe agricultural land increased in value by £164k and glebe listed investments increased in value by £6m mainly due to market revaluation.

The valuations of the staff and clergy defined benefit pension schemes at the end of 2023 showed no increase (£631K increase in 2022). There was no increase in the value of properties in 2023 (2%, £7.1m increase in the value of properties in 2022).

ODBF continues to apply total return accounting. A review of the policy in 2023 has led to unapplied total return and the Common Vision fund being consolidated into one Fund – The Unapplied Total Return Fund with effect from 1 January 2023. Withdrawals to income, previously based on a percentage withdrawal, are now matched to actual expenditure in the year (within the parameters of allocations agreed by Bishops Council. Withdrawals to income in the year totalled £6.8m (2022: £8.2m).

The policy review also identified that the base year for determining the value of the Trust for Investment would be 1 January 1997 (originally 2000). This has resulted in a further £6.3m being added to Unapplied Total Return.

## FINANCIAL REVIEW (Cont'd)

Current year receipts before rebates decreased by £0.3m from 2022 and 94.5% of apportioned share for the year was received (2022: 95.2%). The rate of increase in parish share for 2023 was set at 0% (2022: 0%). Income from donations include a grant of £192K (2022: £219K) from the Benefact Trust. The Diocese is most grateful for this grant which supported the work of our Church Buildings Team.

2023 expenditure in the SOFA totalled £30.7m (2022: £30.9m), a decrease of £0.2m. 2023 is the sixth year of expenditure on Common Vision, using the designated fund set aside from total return, and this totalled £2.2m, including Development Fund grants. £1m committed expenditure on Diocesan support grants for less wealthy dioceses was recognised in 2022, including £0.25m paid in 2023.

Given the result for the year, Bishop's Council determined post year-end to transfer £250k into a designated fund to provide Parish Share support where clergy were absent for longer than 6 months or on maternity leave. Furthermore, £200k in each of 2024 & 2025 will be added to the Development Fund (part of the Unapplied Total Return designated fund) to support the Diocesan Strategy relating to children & young people.

### Balance Sheet

Net assets totalling £525m (2022: £520m) consist principally of properties to house the clergy, valued at £354m, (2022: £356m) and glebe investments of £153m (2022: £147m) 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 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 £41m at 31 December 2023 (2022: £41.0m), see note 16b. Rents receivable amounted to £0.8m (2022: £0.8m).

Glebe listed investments are managed by Newton Investment Management. Glebe listed investment holdings were valued at £112m at 31 December 2023 (2022: £106m). Over the year for the portfolio the net return decreased by 5.7%.

### Investment policies

Investment policy is delegated by the directors to the Investment 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.

## **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 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 82 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 2023, ODBF's free reserves of £9.68m (2022: £8.7m) were equivalent to 4.3 months (2022: 3.9 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 2023 total designated funds were £9m (2022: £9.2m), with the reduction due to expending the Property Repair Fund in full, as well as expending further the New Communities Fund.

**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 2023 restricted funds totalled £2.4m (2022: £2.5m) and endowment funds totalled £423m (2022: £417m).

**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, mitigated by:

- Close partnership and regular communication between the Diocese, Deaneries and Parishes.
- Continued finance related training for Parish Officers.
- Implementation of Share recovery plans for impacted Deaneries.

Under-performance of investment markets, which leads to insufficient funds from Total Return to meet related strategic objectives, mitigated by:

- Annually review and monitor spend from the Unapplied Total Return Fund.
- Review investment policy and performance via the Diocesan Investment Committee.

Continuing decrease and/or no significant growth of children & young people coming to faith, mitigated by:

- Significantly-increased profile of an increase being a strategic imperative
- Bid to National Church Institutions for additional resources.
- Increase pipeline of children and youth workers.

Insufficient numbers of ordained ministers. Mitigated by:

- Review how we engage with potential, young, candidates for ordained ministry.
- Development of different models of ministry (and related training models) and increased vocations activity.
- Have a greater focus on encouraging, training & releasing lay ministry.

Safer recruitment processes not being carried out by all church bodies and people who could be a risk to others volunteering with children & vulnerable adults, and parishes not being adequately supported to implement preventative safeguarding measures. Mitigated by:

- Continue suite of training interventions at Diocesan & Parish levels.
- Support low resilience/vulnerable parishes where there is no Parish Safeguarding officer, or in vacancy.

Not meeting our Climate Change/Net zero commitment within the 2035 timeframe, mitigated by:

- Ongoing monitoring by the Environment Action & Property Teams.
- Bids, including to National Church Institutions, for additional resources.

## **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 work in partnership with other 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**

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 2023 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 reports to the Finance Committee.

**The Investment Committee** reviews the Diocesan Stipends Fund investment portfolio and reports 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 DT(O)L 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**, 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 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	Clerical member, Archdeaconry of Buckingham
Mr M N Burton	Lay member, Archdeaconry of Berkshire
The Ven J Chaffey	Ex officio, Archdeaconry of Oxford
The Revd K Charman (from 22/5/23)	Clerical member, Archdeaconry of Dorchester
The Right Revd GA Collins	Ex officio, Bishop of Dorchester
Canon J Dziegiel	Ex officio, Vice Chairman ODBF
The Ven G C Elsmore	Ex officio, Archdeaconry of Buckingham
The Very Revd Professor S Foot (from 8/7/23)	Ex officio, Dean of Christ Church Cathedral
The Right Revd O Graham	Ex officio, Bishop of Reading
Ms G D Hamnett	Lay member, Archdeaconry of Oxford
Mrs A Kirk (from 2/5/23)	Lay member, Archdeaconry of Buckingham
The Revd Canon R J Lamey	Clerical member, Archdeaconry of Berkshire
Mr D M S Matovu	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	Ex officio, Archdeaconry of Dorchester
Mrs K M Winrow	Lay member, Archdeaconry of Berkshire

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

Mr D Lillycrop (to 19/04/2023)	Lay member, Archdeaconry of Buckingham
The Revd R A Peters (to 19/04/2023)	Clerical member, Archdeaconry of Dorchester
The Right Revd Dr A T L Wilson (deceased 17/2/2024)	Ex officio, Bishop of Buckingham

**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 2023 comprised the Diocesan Secretary and Company Secretary, the Director of Mission & Ministry, the Director of Finance, the Director of Property, the Director of People 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 Human Resources Panel.



**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 7 May 2024.



**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 2023 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 2023 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](http://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

Date: 09 May 2024

**STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2023**

		Unrestricted Funds				Total Funds 2023	Total Funds 2022
		General & Designated Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds		
	Note	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and Endowments from:</b>							
Donations	2	18,654	-	686	-	19,340	20,217
Charitable activities	3	2,470	-	396	-	2,866	3,157
Investments	4	1,731	-	252	2,743	4,726	3,974
Other sources	5	-	273	-	1,209	1,482	7
<b>Total</b>		<b>22,855</b>	<b>273</b>	<b>1,334</b>	<b>3,952</b>	<b>28,414</b>	<b>27,355</b>
<b>Expenditure on:</b>							
Raising and managing funds	6	376	-	-	505	881	825
Charitable activities	7	28,558	-	1,122	-	29,680	30,003
Other property costs	8	-	105	-	53	158	112
<b>Total</b>		<b>28,934</b>	<b>105</b>	<b>1,122</b>	<b>558</b>	<b>30,719</b>	<b>30,940</b>
<b>Net (expenditure)/income before investment gains/(losses):</b>		<b>(6,079)</b>	<b>168</b>	<b>212</b>	<b>3,394</b>	<b>(2,305)</b>	<b>(3,585)</b>
Net gains/(losses) on investments		3	-	95	6,659	6,757	(6,504)
<b>Net (expenditure)/income</b>		<b>(6,076)</b>	<b>168</b>	<b>307</b>	<b>10,053</b>	<b>4,452</b>	<b>(10,089)</b>
Total Return transfer	14a	6,360	-	-	(6,360)	-	-
Other transfers	14b	550	(156)	(394)	-	-	-
<b>Net income/(expenditure) after transfers</b>		<b>834</b>	<b>12</b>	<b>(87)</b>	<b>3,693</b>	<b>4,452</b>	<b>(10,089)</b>
<b>Other recognised gains:</b>							
Gains on revaluation of tangible fixed assets	15	-	-	-	-	-	7,077
Gains on defined benefit pension scheme	25	2	-	-	-	2	631
<b>Net movement in funds</b>		<b>836</b>	<b>12</b>	<b>(87)</b>	<b>3,693</b>	<b>4,454</b>	<b>(2,381)</b>
<b>Total funds brought forward</b>	20	<b>18,006</b>	<b>83,061</b>	<b>2,509</b>	<b>416,828</b>	<b>520,404</b>	<b>522,785</b>
<b>Total funds carried forward</b>		<b>18,842</b>	<b>83,073</b>	<b>2,422</b>	<b>420,521</b>	<b>524,858</b>	<b>520,404</b>

All activities derive from continuing activities. The notes on pages 34 to 73 form part of the financial statements. The prior year comparative Statement of Financial Activities (SOFA) for 2022 is shown in Note 26 on page 73.

**INCOME AND EXPENDITURE ACCOUNT For the year ended 31 December 2023**

	Total 2023 £'000	<i>Total</i> <i>2022</i> <i>£'000</i>
Income	24,462	24,676
Expenditure	<u>(30,161)</u>	<u>(30,504)</u>
<b>Operating deficit for the year</b>	<b>(5,699)</b>	<b>(5,828)</b>
Net gains/(losses) on investments	98	(127)
Transfers from endowment funds	<u>6,360</u>	<u>7,927</u>
<b>Net income for the year</b>	<b>759</b>	<b>1,972</b>
<b>Other comprehensive income:</b>		
Revaluation of tangible fixed assets	-	1,764
Actuarial gains/(losses) on defined benefit pension scheme	<u>2</u>	<u>(53)</u>
<b>Total comprehensive income</b>	<b><u>761</u></b>	<b><u>3,683</u></b>

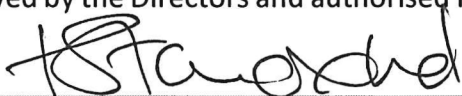
The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.




**OXFORD DIOCESAN BOARD OF FINANCE** Company No. 142978 (England and Wales)  
**BALANCE SHEET as at 31 December 2023**

	Note	2023		2022	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	15		354,116		355,935
Investments	16		159,664		153,080
			<u>513,780</u>		<u>509,015</u>
<b>CURRENT ASSETS</b>					
Debtors due after more than one year	17	120		72	
Debtors due within one year	17	2,732		1,977	
Cash on deposit and at bank		15,074		17,074	
			<u>17,926</u>		<u>19,123</u>
<b>CREDITORS: amounts falling due within one year</b>	18	(4,186)		(5,072)	
<b>NET CURRENT ASSETS</b>			<u>13,740</u>		<u>14,051</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>527,520</u>		<u>523,066</u>
<b>CREDITORS: amounts falling due after more than one year</b>					
Pension scheme liabilities – clergy scheme	25		-		-
Other creditors	19		(2,662)		(2,662)
<b>NET ASSETS</b>			<u>524,858</u>		<u>520,404</u>
<b>FUNDS</b>					
<b>Endowment Funds</b>					
(including asset revaluations of £226,415K (2022: £236,103K))			420,521		416,828
<b>Restricted Income Funds</b>					
(including asset revaluations of £341K (2022: £323K))			2,422		2,509
<b>Unrestricted Income Funds:</b>					
Tangible Fixed Asset Property Fund			83,073		83,061
(including asset revaluations of £47,272K (2022: £47,773K))					
<b>Designated Funds</b>			9,011		9,199
<b>General Fund</b>					
(including asset revaluation of £300K (2022: £297K))			9,831		8,807
<b>TOTAL FUNDS</b>	21		<u>524,858</u>		<u>520,404</u>

The notes on pages 34 to 73 form part of these financial statements. The financial statements were approved by the Directors and authorised for issue on 7 May 2024 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 2023**

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Net cash used in operating activities (Below A)</b>		(9,736)		(6,291)
<b>Cash flows from investing activities</b>				
Dividends, interest and rent from investments	4,639		3,766	
Interest Paid	(12)		-	
Proceeds from the disposal of:				
Tangible Fixed Assets	7,317		1,644	
Fixed Asset Investments	20,026		18,468	
Purchase of:				
Tangible Fixed Assets	(4,163)		(816)	
Fixed Asset Investments	(20,218)		(18,330)	
<b>Net cash provided by investing activities</b>		7,589		4,732
<b>Cash flows from financing activities</b>				
Loans repaid to ODBF	150		54	
New loans advanced by ODBF	(3)		(35)	
<b>Net cash provided by financing activities</b>		147		19
<b>Change in cash and cash equivalents in the year</b>		(2,000)		(1,540)
Cash and cash equivalents at 1 January		17,074		18,614
Cash and cash equivalents at 31 December (Below B)		15,074		17,074
<b>Reconciliation of net movement in funds to net cash used in operating activities</b>				
<b>A. Net expenditure for the year before investment gains/(losses)</b>		(2,306)		(3,585)
Adjustments for:				
Depreciation charges		147		138
Dividends, interest and rent from investments		(4,639)		(3,766)
Interest paid		12		-
Losses (gains) on sale of functional assets		(1,482)		(7)
Increase/Decrease in debtors (ex loans)		(584)		57
(Decrease)/Increase in creditors (ex loans)		(886)		848
Staff pension scheme adjustment		2		24
<b>Net cash used in operating activities</b>		(9,736)		(6,291)
<b>B. Analysis of cash and cash equivalents</b>				
Cash at bank and on deposit		15,074		17,074

## 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 2023 with comparative information provided for the year to 31 December 2022.

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 £3.4m), 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**

	<b>2023</b>			<b>2022</b>		
	Unrestricted Funds	Restricted Funds	Total Funds 2023	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Parish contributions	19,060	-	19,060	19,300	-	19,300
Share rebates and discounts	(634)	-	(634)	(568)	-	(568)
	<u>18,426</u>	<u>-</u>	<u>18,426</u>	<u>18,732</u>	<u>-</u>	<u>18,732</u>
Benefact Trust	192	-	192	219	-	219
Other donations	36	686	722	207	1,059	1,266
<b>Total Income</b>	<u>18,654</u>	<u>686</u>	<u>19,340</u>	<u>19,158</u>	<u>1,059</u>	<u>20,217</u>

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

2023 Parish share receipts were £19,060k which represented 94.5% of the total apportioned (2022: 95.2%). £18K out of £19,060K total receipts related to 2022 receipts accounted for in 2023.

**3. Income from Charitable Activities**

	<b>2023</b>			<b>2022</b>		
	Unrestricted Funds	Restricted Funds	Total Funds 2023	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	872	-	872	876	-	876
Training, events and similar	79	396	475	126	700	826
Housing income	1,404	-	1,404	1,319	-	1,319
School premises support	115	-	115	133	-	133
Other	-	-	-	3	-	3
	<u>2,470</u>	<u>396</u>	<u>2,866</u>	<u>2,457</u>	<u>700</u>	<u>3,157</u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**4. Income from Investments**

	<b>2023</b>			Total Funds 2023 £'000
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	
	Dividends receivable	1	189	
Interest receivable	541	63	-	604
Rents receivable	1,101	-	-	1,101
Other investment income (e.g. solar panel)	88	-	-	88
	<u>1,731</u>	<u>252</u>	<u>2,743</u>	<u>4,726</u>

	<b>2022</b>			Total Funds 2022 £'000
	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment Funds £'000</i>	
	<i>Dividends receivable</i>	<i>1</i>	<i>185</i>	
<i>Interest receivable</i>	<i>205</i>	<i>18</i>	<i>-</i>	<i>223</i>
<i>Rents receivable</i>	<i>785</i>	<i>-</i>	<i>-</i>	<i>785</i>
<i>Other investment income (e.g. solar panel)</i>	<i>101</i>	<i>-</i>	<i>208</i>	<i>309</i>
	<u><i>1,092</i></u>	<u><i>203</i></u>	<u><i>2,679</i></u>	<u><i>3,974</i></u>

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**5. Income from Other Sources**

	<b>2023</b>				
	General Funds	Tangible Fixed Assets Property Fund	Restricted Funds	Endowment Funds	Total Funds 2023
	£'000	£'000	£'000	£'000	£'000
Surplus on disposal of properties	-	273	-	1,209	1,482

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

**6. Expenditure on Raising and Managing Funds**

	<b>2023</b>			<b>2022</b>		
	Unrestricted Funds	Endowment Funds	Total Funds 2023	Unrestricted Funds	Endowment Funds	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Glebe costs	236	505	741	264	430	694
Parsonage rental costs	108	-	108	101	-	101
Other	32	-	32	30	-	30
	376	505	881	395	430	825

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

	<b>2023</b>			Total Funds 2022 £'000
	Unrestricted Funds	Restricted Funds	Total Funds	
	£'000	£'000	£'000	
<b>Contributions to Archbishops' Council</b>				
Training for Ministry	842	-	842	902
National Church Responsibilities	540	-	540	566
Mission agency pension costs	30	-	30	39
Retired clergy housing	366	-	366	348
Grants and provisions	95	-	95	78
	1,873	-	1,873	1,933
<b>Resourcing Ministry &amp; Mission</b>				
Parish Ministry:				
Stipends	9,986	-	9,986	9,705
National insurance	824	-	824	823
Pension contributions	2,450	-	2,450	3,213
Apprenticeship levy	46	-	46	44
Housing costs	5,493	-	5,493	5,251
Removal, resettlement, parish & clergy grants	348	1	349	307
Other parish expenses	686	-	686	1,081
	19,833	1	19,834	20,424
<b>Support for parish ministry &amp; training</b>				
Ordinand grants	671	-	671	740
Diocesan training costs	548	396	944	1,443
Mission in the Diocese	3,293	405	3,698	2,468
DAC, MPC & DT(O)L	317	-	317	411
Communications	243	-	243	354
Bishops, Archdeacons & Area Offices	452	-	452	735
	5,524	801	6,325	6,151
<b>Expenditure on grants</b>				
Grants to Oxford Diocesan Board of Education (ODBE)	275	-	275	269
Grants to other organisations (see note 11)	1,053	320	1,373	1,226
	1,328	320	1,648	1,495
<b>Total charitable activities</b>	28,558	1,122	29,680	30,003

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 8. Other Property Costs

	<b>2023</b>		
	Tangible Fixed Asset Property Fund £'000	Endowment Funds £'000	Total Funds 2023 £'000
Loss on disposal of properties	-	53	53
Valuation and related costs	105	-	105
	<u>105</u>	<u>53</u>	<u>158</u>

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

### 9. Analysis of Expenditure Including Allocation of Support Costs

	<b>2023</b>			<b>2022</b>		
	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	Total Costs 2023 £'000	Activities Undertaken Directly £'000	Support Costs (Note 10) £'000	Total Costs 2022 £'000
Raising and managing funds (note 6)	810	71	881	737	88	825
Charitable activities (note 7):						
Contributions to						
Archbishops' Council	1,873	-	1,873	1,933	-	1,933
Resourcing parish ministry	19,424	410	19,834	19,872	552	20,424
Support for parish ministry and training	5,214	1,112	6,326	5,052	1,099	6,151
Grant to Board of Education	275	-	275	269	-	269
Grants to other organisations	1,373	-	1,373	1,226	-	1,226
Other property related costs (Note 8)	158	-	158	112	-	112
	<u>29,127</u>	<u>1,593</u>	<u>30,720</u>	<u>29,201</u>	<u>1,739</u>	<u>30,940</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	
	2023	2022
	£'000	£'000
Human resources and administration	318	277
Finance	274	395
Secretariat	234	203
ICT	245	325
Premises and other	269	330
Governance:		
External audit	53	40
Registrar and Chancellor	175	154
Synod costs	25	15
	1,593	1,739

### 11. Analysis of Grants Made

	2023	2022	2023	2022
	No.	No.	£'000	£'000
<b>From unrestricted funds for National Church responsibilities:</b>				
Contributions to Archbishops' Council (note 7)	1	1	1,873	1,933
<b>From general and restricted funds to institutions: (Note 7)</b>				
Parents and Children Together (PACT)	1	1	95	95
Development Fund Grants	43	29	836	373
Ecumenical and chaplaincy grants	3	3	42	41
Grants for parish building projects	20	22	28	29
Bishops discretionary grants	4	4	31	16
Oxford Diocesan Council for the Deaf	1	-	20	-
Hardship Funds and Energy Grants	85	705	47	647
Other grants	84	23	274	25
	241	787	1,373	1,226
<b>Grant to ODBE from unrestricted funds</b>	1	1	275	269



**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**12. Staff Costs**

	2023 £'000	2022 £'000
Staff costs during the year were as follows:		
Wages and salaries	3,427	3,319
National Insurance contributions	345	357
Pension costs	400	410
<b>Total</b>	<b>4,172</b>	<b>4,086</b>

	Number	Number
The average number of persons employed during the year based on headcount:		
Charitable activities	85	73
Support	20	23
<b>Total</b>	<b>105</b>	<b>96</b>

The average number of persons employed during the year based on full-time equivalents		
Charitable activities	67	61
Support	15	19
<b>Total</b>	<b>82</b>	<b>80</b>

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	1
£70,001-£80,000	3	4
£90,001-£100,000	-	1
£100,001-£110,000	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 2023 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/Mrs Sophie Orme
Director of People	Mrs Poli Shajko/Mrs Charnelle Stylianides
Director of Communications	Mr Steven Buckley

The aggregate remuneration, including employer's pensions and National Insurance contributions for these 6 posts amounted to £590K (2022: £577K).

## 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 (2022: £nil) for acting as a director or a member of key management. However, 12 (2022: 12) directors, who held ecclesiastical office during the year, were paid aggregate stipends of £372,000 (2022: £338,000). Pension contributions on those stipends amounted to £84,000 (2022: £103,000) and employer's National Insurance thereon was £32,000 (2022: £32,000). 12 Directors (2022: 8) were reimbursed for travel, subsistence and incidental costs amounting to £23,556 (2022: £9,700) 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 2023. (2022: 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 G B Bayliss	Yes	Yes
The Revd Canon J V Binns	Yes	Yes
The Venerable J Chaffey	Yes	No
The Venerable G Elsmore	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 (to 09/04/23)	Yes	Yes
The Venerable S Pullin	Yes	No
The Revd S E Sharp	Yes	Yes
The Venerable D Tyler	Yes	Yes

The ODBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the Diocese (other than when funded by third parties), 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 2023 was £37,507 (2022: £36,830) and other stipendiary clergy who were directors were paid in the range £28,243-£29,758 (2022 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 (2022: nil). The cover provided is up to £100,000 (2022: £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 related parties to support their work as below. Their objects are congruent with those of ODBF.

	2023 £'000	2022 £'000
Grants made to PACT (Note 11)	95	95
Grants made to ODCD	20	-

ODBF bears the entire operating costs of DT(O)L, consisting principally of accounting, secretarial and administrative services. These amounted to £74K (2022: £78K).

ODBF made grants of £275K to ODBE in 2023 (2022: £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 £171K in 2023 (2022: £171K). The balance due from ODBE at 31 December 2023 was £133K (2022: £79K).

ODST partially occupied space in Church House Oxford and contributed £26K (2022: £26K) 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)	6,360	-	6,360	(6,360)
ii) Transfer from general to designated funds for Unapplied Total Return Fund	<u>(2,263)</u>	<u>2,263</u>	<u>-</u>	<u>-</u>

i) In 2023 £6.4M (2022: £7.9M) 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 Unapplied Total Return Fund (formerly the Common Vision Fund), by applying £2.3M (2022: £3.9M) of general funds as a consequence of the opportunity created by Total Return.

As this £2.3 million cannot legally be drawn from the £6.4M, all of the £6.4 million is applied to the costs of stipendiary ministry, and the £2.3 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 £4.1M (2022: £3.9M).

**2022 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)	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>

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

#### b) Other transfers

Type of transfer	<b>Unrestricted Funds</b>			
	General & designated Funds	Tangible Fixed Assets Fund	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
i) Purchase and improvements to properties	(1,016)	1,016	-	-
i) Disposal of Board properties	1,172	(1,172)	-	-
ii) Other transfers	394	-	(394)	-
	<u>550</u>	<u>(156)</u>	<u>(394)</u>	<u>-</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 the general fund to support stipendiary costs.

#### 2022 prior year comparatives:

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

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

	Freehold Property	Leasehold Property	Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 January 2023	85,550	804	1,085	234,342	35,714	357,495
Additions	1,016	-	38	3,109	-	4,163
Disposals	(898)	-	-	(4,205)	(732)	(5,835)
At 31 December 2023	85,668	804	1,123	233,246	34,982	355,823
<b>Depreciation</b>						
At 1 January 2023	632	-	928	-	-	1,560
Charge for the year	106	-	41	-	-	147
At 31 December 2023	738	-	969	-	-	1,707
<b>Net Book Values</b>						
At 31 December 2023	84,930	804	154	233,246	34,982	354,116
At 31 December 2022	84,918	804	157	234,342	35,714	355,935

	Freehold Property	Leasehold Property	Vehicles & Office Equipment	Benefice Property	Glebe Team Vicarages	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
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
<b>Depreciation</b>						
At 1 January 2022	526	-	896	-	-	1,422
Charge for the year	106	-	32	-	-	138
At 31 December 2022	632	-	928	-	-	1,560
<b>Net Book Values</b>						
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

Included within 2022 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 2023	Additions	Disposals at book value	Change in Market Value	Fund Transfers	At 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted Funds</b>						
Equity Mortgage	493	-	-	-	-	493
General fund	-	-	-	-	2,609	2,609
	<u>493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,609</u>	<u>3,102</u>
<b>Designated Funds</b>						
Administered funds	33	-	-	(4)	-	29
UTR Fund	-	-	-	-	9,284	9,284
	<u>33</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>9,284</u>	<u>9,313</u>
<b>Restricted Funds</b>						
ODBF Trusts & other	813	-	(157)	87	-	743
<b>Endowment Funds</b>						
Glebe (note 16b)	146,628	20,216	(20,069)	6,028	(12,193)	140,610
ODBF Trusts & other	5,113	2	-	481	300	5,896
	<u>151,741</u>	<u>20,218</u>	<u>(20,069)</u>	<u>6,509</u>	<u>(11,893)</u>	<u>146,506</u>
<b>Total</b>	<u>153,080</u>	<u>20,218</u>	<u>(20,226)</u>	<u>6,592</u>	<u>-</u>	<u>159,664</u>

	At 1 January 2022	Additions	Disposals	Change in Market Value	At 31 December 2022
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted Funds</b>					
Equity Mortgage Loans	493	-	-	-	493
<b>Designated Funds</b>					
Administered funds	30	-	-	3	33
<b>Restricted Funds</b>					
ODBF Trusts & other	936	-	-	(123)	813
<b>Endowment Funds</b>					
Glebe (see note 16b)	152,543	18,330	(14,655)	(9,590)	146,628
ODBF Trusts & other	5,798	-	-	(685)	5,113
	<u>158,341</u>	<u>18,330</u>	<u>(14,655)</u>	<u>(10,275)</u>	<u>151,741</u>
<b>Total</b>	<u>159,800</u>	<u>18,330</u>	<u>(14,655)</u>	<u>(10,395)</u>	<u>153,080</u>

**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
<b>Cost or valuation</b>						
At 1 January 2023	23,868	3,046	11,261	2,918	105,535	146,628
Additions at cost	-	-	-	-	20,216	20,216
Disposals at book value	-	-	-	-	(20,069)	(20,069)
Unrealised gains	164	-	-	-	5,864	6,028
Transfers (Note 16a)	-	-	-	-	(12,193)	(12,193)
<b>Net Book Value</b>						
At 31 December 2023	24,032	3,046	11,261	2,918	99,353	140,610
<b>Cost or ICV</b>						
At 31 December 2023	3,780	1,544	11,444	1,796	81,955	100,519

Glebe listed investments are managed by Newton Investment Management.

	Agricultural Land	Residential Property	Commer- cial Property	Amenity & Other Property	Listed Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
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	(334)	-	-	-	(14,321)	(14,655)
Unrealised gains/(losses)	779	60	61	20	(10,510)	(9,590)
<b>Net Book Value</b>						
At 31 December 2022	23,868	3,046	11,261	2,918	105,535	146,628
<b>Cost or ICV</b>						
At 31 December 2022	3,780	1,544	11,444	1,796	81,809	100,373



**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. Until December 2022 7% of the value of Glebe listed investments, 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. With effect from 1 January 2023 the amount transferred was equivalent to the support specifically required in each year, as approved by Bishops Council.

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 2022. 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 2022. With effect from 1 January 2023, Bishop's Council voted to adjust the start date to 1 January 1997. This has resulted in a further £6.3m being added to unapplied total return. 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
<b>As at 1 January 2023:</b>			
Base value of the permanent endowment	82,896	-	82,896
Unapplied total return	-	18,583	18,583
<b>Total</b>	<b>82,896</b>	<b>18,583</b>	<b>101,479</b>
<b>Adjustments to opening balance</b>			
Pre-2000 UTR adjustment (see note below)	(6,349)	6,349	-
Withdrawal to reinvest in Glebe Commercial Property	(4,137)	-	(4,137)
<b>Adjusted opening balance</b>	<b>72,410</b>	<b>24,932</b>	<b>97,342</b>
Investment returns: dividends received	-	2,743	2,743
Investment return: realised and unrealised gains	-	6,026	6,026
Investment management fees	-	(488)	(488)
Unapplied total return allocated to income in the year	-	(6,360)	(6,360)
Add indexation of base level of endowment	2,896	(2,896)	-
<b>Net movements in the year</b>	<b>2,896</b>	<b>(975)</b>	<b>1,921</b>
<b>As at 31 December 2023:</b>			
Base value of the permanent endowment	75,306	-	75,306
Unapplied total return	-	23,957	23,957
<b>Valuation as at 31 December 2023</b>	<b>75,306</b>	<b>23,957</b>	<b>99,263</b>

<b>Analysis of Withdrawal to income</b>	£'000
Release to general funds to support stipends (note 14)	6,360
Investment management fees	392
Withdrawal to income	<u>6,752</u>

The Pre-2000 UTR adjustment above results from moving the Trust for Investment start date from 31 December 2000 to 1 January 1997. This represented the earliest possible date based on available records to begin the mechanism.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****16 c) Application of total return accounting to Glebe Listed Investments (cont'd)****Prior year figures for the year ended 31 December 2022**

	<i>Trust for investment</i>	<i>Unapplied Total Return</i>	<i>Total endowment</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>As at 1 January 2022:</b>			
<i>Base value of the permanent endowment</i>	78,639	-	78,639
<i>Unapplied total return</i>	-	38,879	38,879
<b>Total</b>	<b>78,639</b>	<b>38,879</b>	<b>117,518</b>
<i>Surplus on sales of glebe land</i>	-	4,480	4,480
<i>Investment returns: dividends received</i>	-	2,471	2,471
<i>Investment return: realised and unrealised gains</i>	-	(10,764)	(10,764)
<i>Withdrawal to reinvest in Glebe commercial property</i>	(4,000)	-	(4,000)
<i>Investment management fees</i>	-	(374)	(374)
<i>Unapplied total return allocated to income in the year</i>	-	(7,852)	(7,852)
<i>Add indexation of base level of endowment</i>	8,257	(8,257)	-
<b>Net movements in the year</b>	<b>4,257</b>	<b>(20,296)</b>	<b>(16,039)</b>
<b>As at 31 December 2022:</b>			
<i>Base value of the permanent endowment</i>	82,896	-	82,896
<i>Unapplied total return</i>	-	18,583	18,583
<b>Valuation as at 31 December 2022</b>	<b>82,896</b>	<b>18,583</b>	<b>101,479</b>
<b>Analysis of Withdrawal to income</b>		<b>£'000</b>	
<i>Release to general funds to support stipends (note 14)</i>		7,852	
<i>Investment management fees</i>		374	
<i>Withdrawal to income</i>		<b>8,226</b>	

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

	2023 £'000	2022 £'000
<b>Amounts due after more than one year</b>		
Loans to parishes	120	72
<b>Amounts due within one year</b>		
Prepayments	466	67
Accrued income	771	429
Other debtors	1,185	1,052
Loans	106	289
Amounts due from connected charities	204	140
Total	<u>2,732</u>	<u>1,977</u>
Total debtors	<u><b>2,852</b></u>	<u><b>2,049</b></u>

**18. Creditors: amounts falling due within one year**

	2023 £'000	2022 £'000
Creditors and accruals	3,564	4,535
Taxation and social security	124	89
Deferred income	498	448
<b>Total creditors: amounts falling due within one year</b>	<u>4,186</u>	<u>5,072</u>

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

	2023 £'000	2022 £'000
Loans and others	2,662	2,662
<b>Total creditors: amounts falling due after more than one year</b>	<u>2,662</u>	<u>2,662</u>

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**

	<b>2023</b>					
	Balances at 1 Jan 2023	Income	Expenditure	Transfers (note 14)	Gains	Balances at 31 Dec 2023
	£'000	£'000	£'000	£'000	£'000	£'000
<b>UNRESTRICTED FUNDS</b>						
General	8,807	22,815	(26,646)	4,853	2	9,831
<b>Designated Funds</b>						
Unapplied Total Return Fund	8,128	14	(2,208)	2,263	-	8,197
Development posts and new communities fund	670	-	(62)	-	-	608
Property repair & maintenance	220	-	-	(220)	-	-
Other funds	181	26	(18)	14	3	206
	9,199	40	(2,288)	2,057	3	9,011
<b>Total General and Designated Funds</b>	18,006	22,855	(28,934)	6,910	5	18,842
<b>Tangible Fixed Assets Property Fund</b>						
Board properties fund	83,061	273	(105)	(156)	-	83,073
<b>RESTRICTED FUNDS</b>						
Diocesan Pastoral Account	255	9	(17)	-	-	247
Mission grants fund	110	396	(396)	(110)	-	-
Sillitoe Bequest	1,055	35	(165)	-	94	1,019
Other funds below £250K	1,089	894	(544)	(284)	1	1,156
	2,509	1,334	(1,122)	(394)	95	2,422
<b>ENDOWMENT FUNDS</b>						
Glebe team vicarages	36,504	25	-	-	-	36,529
Glebe investments	138,581	2,743	(504)	(6,360)	6,186	140,646
Clergy pension scheme deficit	-	-	-	-	-	-
Diocesan stipends fund	175,085	2,768	(504)	(6,360)	6,186	177,175
Parsonage house fund	236,563	1,184	(54)	-	-	237,693
Stipends bequest fund	2,407	-	-	-	-	2,407
Ordination candidates funds	1,758	-	-	-	-	1,758
Other funds	1,015	-	-	-	473	1,488
	416,828	3,952	(558)	(6,360)	6,659	420,521
<b>Total funds</b>	520,404	28,414	(30,719)	-	6,759	524,858

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

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

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

			<b>2023</b>		
	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
<b>UNRESTRICTED FUNDS</b>					
General	154	3,102	8,428	(1,853)	9,831
<b>Designated</b>					
Unapplied Total Return	-	9,284	856	(1,943)	8,197
Development posts and new communities fund	-	-	608	-	608
Other funds	-	29	177	-	206
	-	9,313	1,641	(1,943)	9,011
<b>Total general and designated funds</b>	<b>154</b>	<b>12,415</b>	<b>10,069</b>	<b>(3,796)</b>	<b>18,842</b>
<b>Tangible fixed assets property fund</b>					
Board properties fund	85,735	-	-	(2,662)	83,073
<b>RESTRICTED FUNDS</b>					
Diocesan Pastoral Account	-	-	247	-	247
Mission grants fund	-	-	255	(255)	-
Sillitoe Bequest	-	729	290	-	1,019
Other funds below £250K each	-	14	1,176	(34)	1,156
	-	743	1,968	(289)	2,422
<b>ENDOWMENT FUNDS</b>					
Glebe team vicarages	34,981	300	1,248	-	36,529
Glebe investments	-	140,610	137	(101)	140,646
Diocesan stipends fund	34,981	140,910	1,385	(101)	177,175
Parsonage house fund	233,246	-	4,447	-	237,693
Stipends bequest fund	-	2,407	-	-	2,407
Ordination candidates funds	-	1,758	-	-	1,758
Other	-	1,431	57	-	1,488
	268,227	146,506	5,889	(101)	420,521
<b>Total Funds</b>	<b>354,116</b>	<b>159,664</b>	<b>17,926</b>	<b>(6,848)</b>	<b>524,858</b>

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



**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 funds**Unapplied Total Return Fund (previously Common Vision Fund)

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, other than stipendiary costs, in relation to the Common Vision strategy.

With effect from 1 January 2023, the fund was renamed the Unapplied Total Return Fund. From an internal fund management perspective, this fund combines the unapplied total return balance per note 16(c) of £24.0m in addition to the designated fund per note 21 of £8.2m, resulting in a total of £32.2m.

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 fund

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 Fund**Board 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 funds**Diocesan 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 funds**Diocesan 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**

There were no capital commitments at the 31 December 2023 or 2022.

**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 (2023: £2,450K, 2022: £3,213K), plus the figures highlighted in the table below as being recognised in the statement of financial activities, giving a total charge of £2,450k for 2023 (2022: £3,359K).

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 finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded. The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

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

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

**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 2023 is £nil. The movement in the balance sheet liability over 2022 and over 2023 is set out in the table below.

	2023 £'000	2022 £'000
Balance sheet liability at 1 January	-	684
Deficit contribution paid	-	(407)
	<hr/>	<hr/>
Pension adjustment to statement of financial activities*	-	(277)
Balance sheet liability at 31 December	<hr/> <hr/>	<hr/> <hr/>

\* 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 2023 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2022 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2023	December 2022
Discount rate	n/a	n/a
Price inflation	n/a	n/a
Increase to total pensionable payroll	n/a	n/a

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 2023 was nil% of basic salaries each month (2022: 30.1%), which amounted to £nil (2022: £122K). ODBE paid contributions of £15K for staff in the scheme previously employed by ODBF until June 2022. No additional contributions were due or paid in 2023 towards the previous deficit (2022: £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 2023, £767K, decreased by £434K during the year to £333k at 31 December 2023. The liabilities are valued on the basis of corporate bond yields at the date of calculation which this year was 4.77% (2022: 5.00%), 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 2023 by a qualified actuary independent of the scheme's sponsoring employer and showed a balance of £nil. Scheme expenses of £66K were paid in 2023.

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):

	2023	2022
	%	%
Discount rate	4.77	5.00
Salary increases	4.00	3.00
Inflation (RPI)	3.05	3.13
Inflation (CPI)	2.60	2.91
Allowance for pension in payment increases of RPI or 5% if less	2.95	3.01
Allowance for pension in payment increases of CPI or 5% if less	2.58	2.83

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 2023 was £9,756K (2022: £9,984K) as below:

	2023	2022
	£'000	£'000
Fixed Interest Bonds	2,299	2,236
Index-linked gilts	4,124	4,074
Property	1,237	1,429
Other	2,096	2,245
	<u>9,756</u>	<u>9,984</u>

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

	2023	2022
	£'000	£'000
Fair value of plan assets	9,756	9,984
Present value of defined benefit obligations	(9,423)	(9,217)
Unrecognised surplus	<u>(333)</u>	<u>(767)</u>
Surplus recognised (see note 17)	<u>-</u>	<u>-</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:

	2023	2022
	£'000	£'000
Fair value of assets at 1 January	9,984	16,217
Interest income	490	293
Employer contributions	64	122
Benefits paid and expenses	(426)	(398)
Actuarial loss on assets	(356)	(6,250)
Fair value of assets at 31 December	<u>9,756</u>	<u>9,984</u>

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

	2023	2022
	£'000	£'000
Defined benefit obligation at 1 January	9,217	14,793
Current service cost	-	77
Interest cost	452	267
Benefit paid	(360)	(327)
Actuarial loss/(gain) on liabilities	114	(5,593)
Defined benefit obligation at 31 December	<u>9,423</u>	<u>9,217</u>

Defined benefit costs recognised in the SOFA:

	2023	2022
	£'000	£'000
Current service cost	-	77
Net interest income	-	(2)
Expenses	66	71
Total	<u>66</u>	<u>146</u>

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

	2023	2022
	£'000	£'000
Return on plan assets – losses	(356)	(6,250)
Experience losses arising on plan liabilities	(51)	(916)
Effects of changes in demographic & financial assumptions underlying the present value of the plan liabilities	(63)	6,509
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	472	604
Total amount recognised in other comprehensive income	<u>2</u>	<u>(53)</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 (2023: £323K, 2022: £298K).

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 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 2022 valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5M on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

For the year ended 31 December 2022

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