

**ANNUAL GENERAL MEETING OF THE
CHELMSFORD DIOCESAN BOARD OF FINANCE**

6 JUNE 2026

AGENDA

Jeffrey Mushens
Chair

1. MINUTES OF THE MEETING HELD ON 21 JUNE 2025

Attached

2. MATTERS ARISING

3. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

An abbreviated version of the statements is attached. A copy of the full Statutory Report and Accounts is attached as an appendix.

The Chair to move:

‘That the Financial Statements for the year ended 31 December 2025 be received.’

4. AUDITORS

The Chair to move:

‘That haysmacintyre be appointed as auditors for the Chelmsford Diocesan Board of Finance (CDBF) for 2026 and that the trustees of the CDBF are authorised to fix their remuneration.’

5. ANY OTHER BUSINESS

**CHELMSFORD DIOCESAN BOARD OF FINANCE
MINUTES OF THE MEETING HELD ON
SATURDAY 21 JUNE 2025**

1. MINUTES

The minutes of the meeting held on 16 November 2024 were received and approved.

2. MATTERS ARISING

None

3. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Chair invited the Finance Director, Paul Setterfield, to address the meeting. He highlighted the following points in his presentation of the annual report and accounts for 2024:

- The CDBF continues to be a going concern.
- The financial statements presented to the meeting had been approved at May 2025 trustees meeting. The CDBF had received a clean audit report and he was very pleased with the outcome.
- There was a much larger deficit than projected, but that is a result of a downward valuation of parsonages. Having a single year downward trend is not a major issue.
- Parish Share shortfall was £3.1m meaning that only 82% of the amount request had been paid. This had been balanced with a higher number of vacancies which had resulted in savings. There was also better than expected income from rentals. We had also repaid £5.6m of debt for mortgages which will really help with the forward planning.
- General fund reserves are suitable for us to work toward a sustainable position.

Members were given an opportunity to ask questions. The following board members did:

William Lees (Hinckford)
Richard Brown (General Synod and Southend)
Tim Valder Hogg (Epping Forest and Ongar)

The questions and answers given were as follows:

- Why are parishes not paying and what gives us confidence that payment will increase? *The overall picture is mixed, shortfall arises from a combination of affordability, increase costs (particularly energy and repair of buildings). Some parishes are withholding share payment due to reasons such as LLF. We are trying to understand that better and we have two excellent Parish Giving Advisers. The hope for the future is the two-pronged approach on stipends and housing to reduce the ask for parishes which will make things more affordable in the long run.*
- In terms of disposals of houses there appear to have been none in 2024, are there other proposals? Also, the next triennium involves an increase in clergy

stipends, what will the impact of that be? *It was clarified that there had been around £10m of property sales in 2024, and more are currently being pursued We are aiming to manage housing stock as well as we can and get the asset value out. The question on the triennium decisions will be addressed during the budget item on the Synod agenda.*

- *Will there be any measures to make it easier for smaller parishes which take into account their ability to pay? The Finance Director confirmed this would also be taken as part of his presentation of the budget.*

The Chair of the CDBF moved the motion that:

'That the Financial Statements for the year ended 31 December 2024 be received.'

The motion was carried.

4. AUDITORS

The Chair of the CDBF moved that:

'That haysmacintyre be appointed as auditors for the Chelmsford Diocesan Board of Finance (CDBF) for 2025 and that the trustees of the CDBF are authorised to fix their remuneration.'

The motion was carried.

5. ANY OTHER BUSINESS

None.

The Chelmsford Diocesan Board of Finance

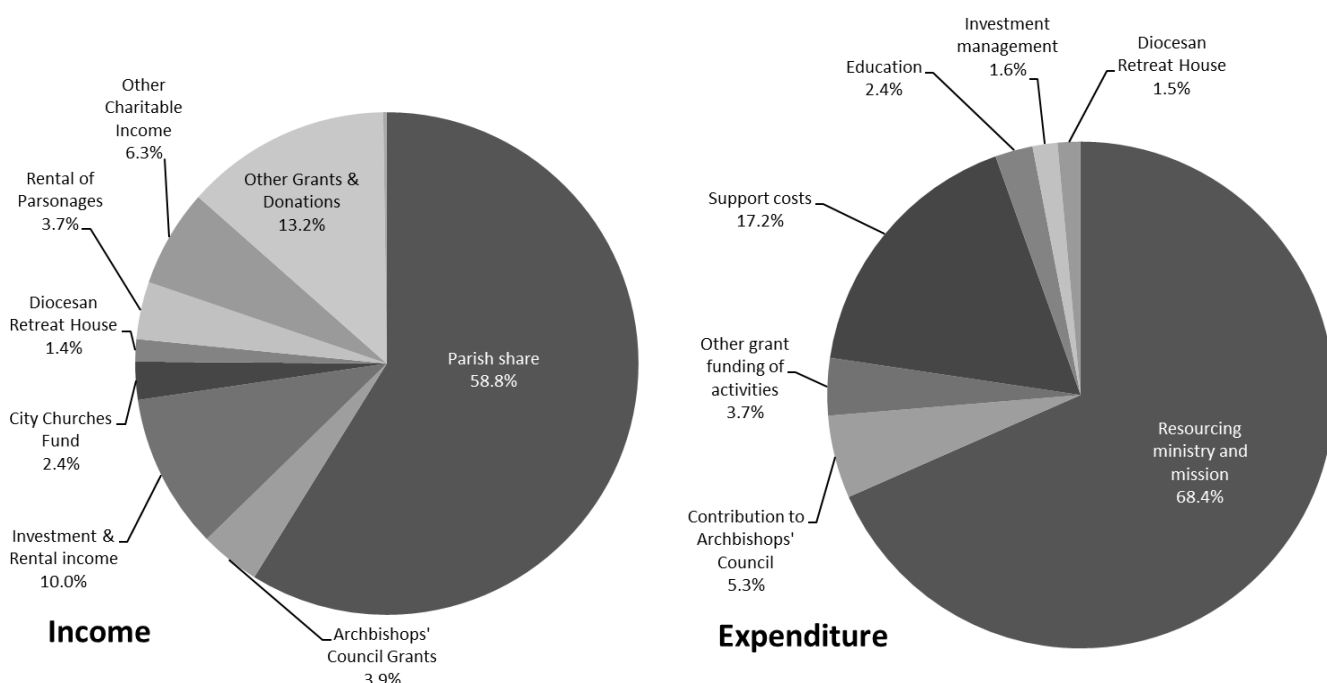
Summarised Financial Statements for the year ended 31 December 2025

The Chelmsford Diocesan Board of Finance (CDBF) has prepared statutory financial statements which have been externally audited. The trustees' annual report and financial statements were approved on 13th May 2026 by the Finance Committee, who are the trustees of the charity. These statements will be submitted to the Charity Commission and Companies House in due course and copies can be obtained from the diocesan office or the diocesan and charity commission websites.

The following comments on Income and expenditure and Underlying Performance give an overview of the financial position of the CDBF. Further comments on Financial Performance and Review of Financial Position are extracts from the full statutory financial statements. The Statement of Financial Activities (SOFA) and Balance Sheet below are summarised versions of those in the full statements and together show a financial summary for the year ended 31 December 2025 for the CDBF.

Income and expenditure

The main types of income and expenditure for the year shown in the SOFA, for all funds, are represented as follows:



Underlying Performance

Unrestricted funds are the CDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the CDBF. There are two types of unrestricted funds:

- General funds which the CDBF intends to use for the general purposes of the CDBF and
- Designated funds set aside out of unrestricted funds by the CDBF for a purpose specified by the Trustees.

The General Fund showed a net reduction in funds of £0.49m for the year. Despite the deficit this is a positive result and is £0.51m better than the budget deficit of £(1.0)m. An appendix is attached at the end of this paper which shows the improvement compared to budget for the general fund only.

The improvement compared to budget mostly relates to the following items:

- The improvement compared to budget mostly relates to the following items:

- £0.5m improvement due to reduced expenditure from the General Fund. This includes savings on the costs of training, including curate stipends and housing due to fewer curates than budgeted and savings on interest payable on loans due to mortgage debt being repaid during the year.
- £0.2m improvement due to additional rental income compared to budget
- £0.2m of additional investment income from higher returns on cash deposits
- £0.2m of additional income from other sources including the St Mark's Beckton Community centre
- £(0.1)m worsening due to lower than expected statutory fee income
- £(0.3)m worsening due to Parish Share shortfalls higher than budget
- £(0.2)m worsening due to fund transfers including £160k set aside for a future Clergy Conference.

The balance of the general fund at the year end was £4.5m. Total balances for all funds were £370.0m at the year end, the majority of which is held in property used for clergy housing.

Financial Performance

The CDBF recorded a deficit of £569k for the year on its general funds before gains on revaluation of assets. Although there was a deficit for the year, this was better than the budgeted deficit of £1,004k. The improved performance mainly arose because of lower expenditure on ministry costs linked to a higher number of clergy vacancies than budget, as well as higher income from the rental of vacant vicarages than anticipated. During 2025 in line with our Total Return Accounting policy (see note 14 on page 70) there was a transfer of £3.2m (2024: £3.0m) from endowment to unrestricted funds to support the costs of stipendiary ministry in parishes.

Parish Share, the money donated by parishes to the CDBF to fund the mission and ministry of the diocese, is the main incoming resource for the CDBF providing two thirds of its income.

At £2.9m (2024: £3.0m) the net parish share shortfall decreased compared to 2024. Parish Share requested totalled £16.3m (2024: £16.2m) a 0.7% increase. In cash terms £13.5m (2024: £13.2m) was received in Parish Share, which was 83% of the amount requested (2024: 82%), the overall increase in Parish Share contributions is of great encouragement and we are grateful to all Parishes that gave so generously during the year.

Review of the financial position

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

Income across all funds, before other recognised gains and losses totalled £22.9m (2024: £22.3m) and expenditure amounted to £25.8m (2024: £26.9m).

The Statement of Financial Activities (SOFA) for the year shows a net deficit of £2.8m (2024: Net deficit £4.6m) before net gains and losses on the revaluation and sale of investments and the revaluation of fixed assets. Net gains on investments totalled £1.2m (2024: net gains of £7.7m) and there was a net gain on revaluation of fixed assets of £12.0m (2024: net loss of £15.7m).

There was a net cash outflow on operating activities of £4.8m (2024: outflow £6.3m). Net cash generated from sale of fixed assets and investment transactions totalled £12.4m (2024: 7.0m) and from this loans totalling £2.1m were repaid (2024: £5.6m). Overall, there was a net improvement of £5.5m in cash and equivalents over the course of the year. CDBF continued to benefit from tight financial control and cashflow management in 2025.

While the net assets at the balance sheet date totalled £370.2m (2024: £359.9m) it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £279.2m (2024: £273.2m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds, and cannot necessarily be used for the general purposes of the CDBF.

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, and based on the Charity Commission recommendation, the Trustees consider that an appropriate level of free general reserves is three months gross general fund expenditure, currently £5.3m. This policy was last reviewed and agreed by the Trustees in May 2026. The Finance Executive is charged with oversight of the reserves policy.

After transfers, free general reserves at the year-end were in surplus by £4.5m (2024: surplus £5.0m) being the value of the General Fund. This is below the reserve target of £5.3m.

The Trustees previously recorded that free general reserves would fall below policy target if parish share shortfall did not materially improve, and although there has been a movement in the right direction over the past 2 years, it has not been sufficient, and operational deficits have continued to reduce general fund reserves. There is a financial plan in place to move the charity to breakeven and then surplus over the next 5 years, during this time it is not expected that the charity will come close to expending all general fund reserves, but it is likely that the charity will be operating with reserves below the policy target in the short to medium term. Although the balance of free general reserves at year end is below the reserve target, the trustees consider that the CDBF has sufficient resources to meet its day to day operational needs.

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in note 19. At 31 December 2025 total designated reserves were £47.2m (2024: £36.1m).

The Trustees approved one new designated fund during the year; the Deaf Community Fund.

Usage of LInC funding

As part of our funding agreement with the Archbishops' Council, we are required to report to Diocesan Synod on how the Low Income Communities (LInC) grant has been allocated and used within the Diocese.

In 2025, Chelmsford received £608,079 in LInC grant funding. As agreed by Diocesan Synod, this funding forms part of the Diocesan Mutual Support Fund.

To ensure that the LInC funding is directed towards our lowest income communities, it is allocated to the most deprived parishes (as identified using the Index of Multiple Deprivation) to support up to their direct costs of ministry, as part of the total mutual support provided to those parishes.

During the year the following parishes were allocated with LInC funding out of the Mutual Support Fund:

Southend, Saint John
St. James, Clacton-on-Sea
St. Paul, Clacton on Sea
Saint Osyth
Pitsea with Nevendon
St. John the Baptist, Tilbury Docks
Southend, All Saints
Great Clacton
Vange
Becontree, Saint Cedd
St. Mark, Marks Gate, Chadwell Heath
Little Bentley
Tendring
Christ Church, Thames View
St. Luke, Victoria Docks

The Chelmsford Diocesan Board of Finance

Statement of Financial Activities (Summary of all funds)

Year ended 31 December 2025

	2025	2024
	£000	£000
Expenditure		
Resourcing ministry and mission	17,516	18,810
Contribution to Archbishops' Council	1,353	1,239
Other grant funding of activities	937	835
Support costs	4,403	3,414
Education	616	578
Investment management	405	367
Diocesan Retreat House	374	332
Gains/losses on disposal of assets	214	1,354
Total expenditure	25,818	26,929
Income		
Parish share	13,528	13,208
Archbishops' Council Grants	888	1,248
Investment & Rental income	2,296	2,443
City Churches Fund	562	601
Diocesan Retreat House	331	284
Rental of Parsonages	849	925
Other Charitable Income	1,443	1,246
Other Grants & Donations	3,045	2,366
Gains/losses on disposal of assets	53	0
Total income	22,995	22,321
Net operating income	(2,823)	(4,608)
Net capital gains	13,205	(8,047)
Decrease/Increase in net assets	10,382	(12,655)
Funds		
General	(494)	(835)
Designated	11,122	767
Restricted	793	(314)
Endowments	(1,039)	(12,273)
Total funds movement in year	10,382	(12,655)

The Chelmsford Diocesan Board of Finance

Balance Sheet as at 31 December 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Fixed assets				
Tangible assets		280,020		273,786
Investments		79,946		78,956
		<u>359,966</u>		<u>352,742</u>
Current assets	14,193		12,304	
Creditors: amounts falling due within one year	<u>(3,290)</u>		<u>(2,438)</u>	
Net current assets		<u>10,903</u>		<u>9,866</u>
Total assets less current liabilities		370,869		362,608
Creditors: amounts falling due after more than one year		(587)		(2,708)
Total net assets		370,282		359,900
Funds				
Unrestricted - general		4,539		5,033
- non-benefice houses		33,591		31,405
- other designated funds		13,673		4,737
		<u>51,803</u>		<u>41,175</u>
Restricted funds		13,302		12,509
Endowment funds:				
- Benefice houses		216,168		210,670
- Stipends fund		85,797		86,935
- other endowment funds		3,212		8,611
		<u>305,177</u>		<u>306,216</u>
Total funds		370,282		359,900

2025 Outturn to Budget

	Actual 2025 £'000	Budget 2025 £'000	Variance
PM1 Parish Ministry			
Total Stipendaires	9,792	9,461	(331)
Total for House of Duty	12	12	-
Total for SSM & Lay	78	78	-
Direct costs of Ministry Total	9,882	9,551	(331)
PM2 Parish Housing			
Total Stipendaires	4,083	3,556	(527)
Total for House of Duty	65	401	336
Direct costs of Ministry Housing Total	4,148	3,957	(191)
PM3 Future Ministry Training & Curates			
Direct Costs of Stipendary Title Posts	1,246	1,202	(44)
Housing & Appointment	837	1,243	406
Pre-Ordination (Inc DDO & St Mellitus)	934	1,041	107
Direct Costs of SSM Title Posts	0	12	12
Lay Training & Discipleship	73	155	82
	3,090	3,653	563
Parish Ministry Subtotal	17,120	17,161	41
PS1 Parish Support			
Area Teams Staff & Expenses	291	286	(5)
Archdeacons (plus Area Bishops' Houses)	684	831	147
Area Deans and other parish support	110	141	31
Parish Legal & Church Building Services	124	129	5
Education (Net Cost)	91	94	3
Children & Youth Work	115	122	7
DAC	319	269	(50)
Parish Finance	103	112	9
Safeguarding Services to Parishes	395	362	(33)
Diocesan & Bishop's Advisors	153	190	37
Chaplaincy & Partnerships	120	123	3
	2,505	2,659	154
PS2 Other Expenditure			
Diocesan Services	764	755	(9)
Communications	241	234	(7)
Finance & Governance Costs	195	172	(23)
National Church	658	667	9
Retreat House (Net Cost)	(22)	19	41
St Marks Becton (Net Cost)	45	53	8
	1,881	1,900	19
Parish Support Subtotal	4,386	4,559	173
Stipendary Numbers Total			
Total Expenditure	21,506	21,720	214
Mutual Support Fund			
National Church Grants	(888)	(888)	-
CCF Support for Stipends in 5 borough's	(730)	(730)	-
MOF funding from MSF share contributions	323	382	59
Investment Income (supporting Parish Share)	(2,525)	(2,500)	25
Income from Statutory Fees	(677)	(788)	(111)
Less Parochial Fees Paid	153	158	5
Vacant Posts	(1,694)	(1,239)	455
	(6,038)	(5,605)	433
Net Expenditure	15,468	16,115	647
Net Share apportionment	(16,356)	(16,123)	233
Surplus / (deficit) belonging to Parish Share scheme	888	(8)	880
General Funds - excluded from Parish Share			
Investment Income (not supporting Parish Share)	1,045	1,028	17
Rental of Houses DBF Net surplus/(deficit)	401	217	184
Share Shortfall Forecast	(2,828)	(2,257)	(571)
Surplus / (deficit) outside Parish Share scheme	(1,382)	(1,012)	(370)
General Fund Surplus/(Deficit)	(494)	(1,004)	510