

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

**21 JUNE 2025**

**AGENDA**

Jeffrey Mushens  
Chair

**1. MINUTES OF THE MEETING HELD ON 16 NOVEMBER 2024**

Attached

**2. MATTERS ARISING**

**3. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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 2024 be received.’

**4. AUDITORS**

The Chair to move:

‘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.’

**5. ANY OTHER BUSINESS**

## **CHELMSFORD DIOCESAN BOARD OF FINANCE**

### **MINUTES OF THE MEETING HELD ON SATURDAY 16 NOVEMBER 2024**

#### **1. MINUTES**

The minutes of the meeting held on 15 June 2024 were received and approved

#### **2. MATTERS ARISING**

None

#### **3. ELECTION OF CHAIR AND VICE CHAIR**

It was noted that one nomination was received for the office of Chair of the Chelmsford Diocesan Board of Finance for Jeffrey Mushens. Members approved the appointment of Jeffrey Mushens as Chair of the CDBF.

Members were informed that there were no nominations for the role of Vice Chair and therefore this role will remain vacant for the time being.

#### **4. ANY OTHER BUSINESS**

None

## The Chelmsford Diocesan Board of Finance

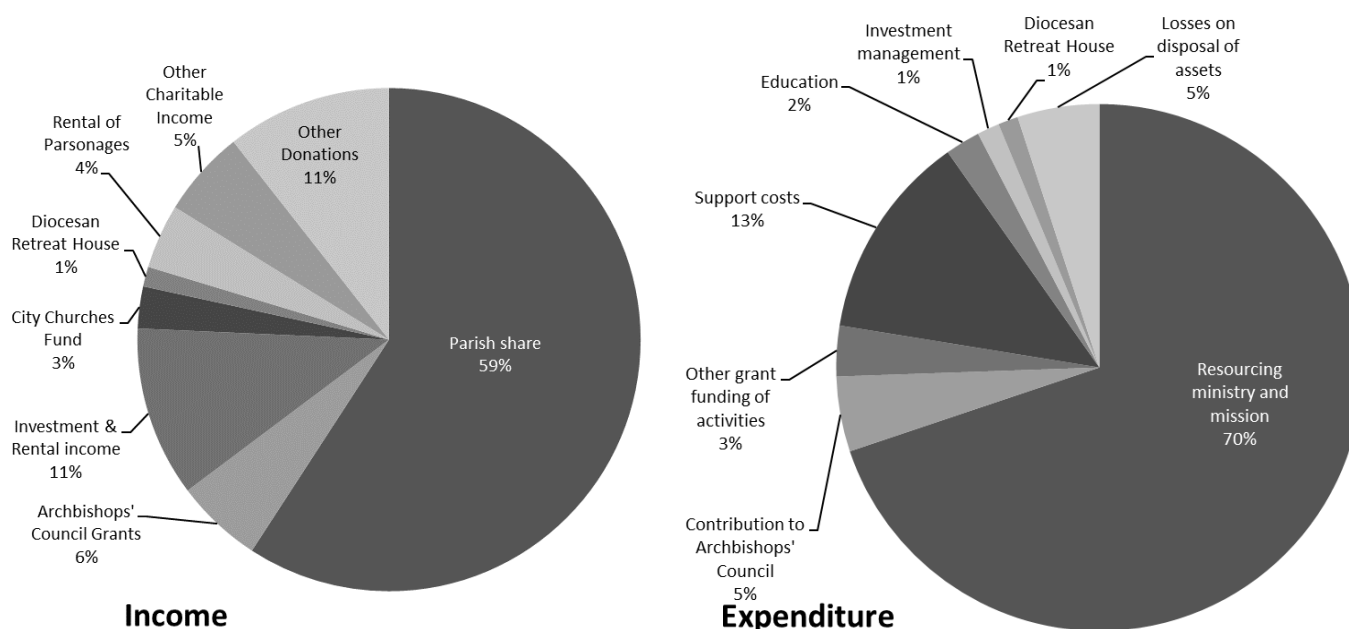
### Summarised Financial Statements for the year ended 31 December 2024

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 13<sup>th</sup> May 2025 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 2024 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 £0.84m for the year. Despite the deficit this is a positive result and is £0.53m better than the budget deficit of £(1.37)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:

- £0.8m improvement due to reduced expenditure from the General Fund. This includes the cost of stipends being c£0.4m lower than budget due to fewer establishment posts and higher

vacancy rates than budgeted for. The remainder of the variance relates to savings on staff salaries and training budgets

- £0.7m improvement due to additional rental income compared to budget
- £(0.6)m worsening due to Parish Share shortfalls higher than budget (£3.1m actual shortfall compared to a budget shortfall of £2.5m)
- £(0.4)m worsening due to higher a lower total return transfer as a result of lower than budgeted investment performance during the year.

The balance of the general fund at the year end was £5.0m. Total balances for all funds were £359,900m at the year end, the majority of which is held in property used for clergy housing.

## **Financial Performance**

The CDBF recorded a deficit of £825k 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 £1,367k. The improved performance mainly arose because of lower expenditure on stipends due to higher than expected vacancies, savings on employment costs and improved income from the rental of surplus houses. During 2024 in line with our Total Return Accounting policy (see note 14 on page 62) there was a transfer of £3.0m (2023: £3.0m) from endowment to unrestricted funds to support the costs of stipendiary ministry in parishes.

Parish Share, the money given 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 £3.0m (2023: £2.6m) the net parish share shortfall increased compared to 2023. The share requested totalled £16.2m (2023: £15.8m) a 2.5% increase on 2023. In cash terms £13.2m (2023: £13.2m) was received in Parish Share, which was 82% of the amount requested (2023: 84%). The increase in shortfall is of concern and we will need to see the shortfall reduce in future years in order to deliver a balanced budget.

## **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 £22.3m (2023: £26.4m) and expenditure amounted to £26.9m (2023: £24.6m).

The Statement of Financial Activities (SOFA) for the year shows a net deficit of £4.6m (2023: surplus of £1.8m) before net gains and losses on the revaluation and sale of investments and the revaluation of fixed assets. Net gains on investments totalled £7.7m (2023: net gains of £4.6m) and there was a net loss on revaluation of fixed assets of £15.7m (2023: net loss of £9.7m).

There was a net cash outflow of £5m (2023: inflow £4.2m). During the year we used surplus cash to repay loans totalling £5.6m. In addition, there were fixed asset sales of £11m (2023: £10m), offsetting the £6.3m of net cash used in operating activities (2023: £4.8m). CDBF continued to benefit from tight financial control and cashflow management in 2024.

While the net assets at the balance sheet date totalled £359.9m (2023: £372.6m) it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £273.2m (2023: £291.6m). 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 2025. The Finance Executive is charged with oversight of the reserves policy.

After transfers, free general reserves at the year-end were in surplus by £5.0m (2023: surplus £5.9m) being the value of the General Fund. This is slightly under the reserve target of £5.3m. The Trustees previously recorded that free general reserves would fall if parish share shortfall did not materially improve. The adoption of a Total Return Accounting Policy, together with the other circumstances described in the Financial Performance section above, has significantly improved the level of free general reserves in recent years. Although the balance of free general reserves at year end is slightly below the reserve target, the trustees consider that the CDBF has sufficient resources to meet its day to day operational needs.

The Trustees approved two new designated funds during the year; the Development Projects Fund and the Clergy Conference Fund.

**The Chelmsford Diocesan Board of Finance**

**Statement of Financial Activities (Summary of all funds)**

**Year ended 31 December 2024**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Expenditure</b>		
Resourcing ministry and mission	18,810	18,292
Contribution to Archbishops' Council	1,239	1,227
Other grant funding of activities	835	831
Support costs	3,414	3,062
Education	578	565
Investment management	367	336
Diocesan Retreat House	332	333
Gains/losses on disposal of assets	1,354	0
<b>Total expenditure</b>	<b>26,929</b>	<b>24,646</b>
<b>Income</b>		
Parish share	13,208	13,232
Archbishops' Council Grants	1,248	3,244
Investment & Rental income	2,443	2,055
City Churches Fund	601	854
Diocesan Retreat House	284	320
Rental of Parsonages	925	808
Other Charitable Income	1,246	1,696
Other Donations	2,366	3,195
Gains/losses on disposal of assets	0	1,007
<b>Total income</b>	<b>22,321</b>	<b>26,411</b>
<b>Net operating income</b>	<b>(4,608)</b>	<b>1,765</b>
Net capital gains	(8,047)	(5,132)
<b>Decrease/Increase in net assets</b>	<b>(12,655)</b>	<b>(3,367)</b>
<b>Funds</b>		
General	(835)	(329)
Designated	767	1,198
Restricted	(314)	3,594
Endowments	(12,273)	(7,830)
<b>Total funds movement in year</b>	<b>(12,655)</b>	<b>(3,367)</b>

**The Chelmsford Diocesan Board of Finance**

**Balance Sheet as at 31 December 2024**

	2024		2023	
	£000	£000	£000	£000
<b>Fixed assets</b>				
Tangible assets		273,786		292,172
Investments		78,956		69,863
		<u>352,742</u>		<u>362,035</u>
<b>Current assets</b>	12,304		21,229	
Creditors: amounts falling due within one year	<u>(2,438)</u>		<u>(4,534)</u>	
Net current assets		<u>9,866</u>		<u>16,695</u>
<b>Total assets less current liabilities</b>		362,608		378,730
Creditors: amounts falling due after more than one year		(2,708)		(6,174)
<b>Total net assets</b>		<b>359,900</b>		<b>372,556</b>
<b>Funds</b>				
Unrestricted - general	5,033		5,868	
- non-benefice houses	31,405		28,517	
- other designated funds	<u>4,737</u>		<u>6,859</u>	
		41,175		41,244
Restricted funds		12,509		12,823
Endowment funds:				
- Benefice houses	210,670		231,227	
- Stipends fund	86,935		83,954	
- other endowment funds	<u>8,611</u>		<u>3,308</u>	
		306,216		318,489
<b>Total funds</b>		<b>359,900</b>		<b>372,556</b>

## 2024 Outturn to Budget

	Actual 2024 £'000	Budget 2024 £'000	Variance
<b>PM1 Parish Ministry</b>			
Total Stipendaires	9,491	9,592	101
Total for House of Duty	18	16	(2)
Total for SSM & Lay	100	105	5
<b>Direct costs of Ministry Total</b>	<b>9,609</b>	<b>9,713</b>	<b>104</b>
<b>PM2 Parish Housing</b>			
Total Stipendaires	4,152	3,546	(606)
Total for House of Duty	459	353	(106)
Total for SSM & Lay	0	-	-
<b>Direct costs of Ministry Housing Total</b>	<b>4,611</b>	<b>3,899</b>	<b>(712)</b>
<b>PM3 Future Ministry Training &amp; Curates</b>			
Direct Costs of Stipendary Title Posts	1,531	1,661	130
Housing & Appointment	1,187	1,285	98
Pre-Ordination (Inc DDO & St Mellitus)	910	1,020	110
Direct Costs of SSM Title Posts	17	40	23
Lay Training & Discipleship	98	200	102
	<b>3,743</b>	<b>4,206</b>	<b>463</b>
<b>Parish Ministry Subtotal</b>	<b>17,963</b>	<b>17,818</b>	<b>(145)</b>
<b>PS1 Parish Support</b>			
Area Teams Staff & Expenses	355	389	34
Archdeacons (plus Area Bishops' Houses)	873	889	16
Area Deans and other parish support	80	84	4
Parish Legal & Church Building Services	156	163	7
Education (Net Cost)	(2)	67	69
Children & Youth Work	79	112	33
DAC	175	235	60
Parish Finance	95	106	11
Safeguarding Services to Parishes	311	351	40
Diocesan & Bishop's Advisors	154	155	1
Chaplaincy & Partnerships	164	170	6
	<b>2,440</b>	<b>2,721</b>	<b>281</b>
<b>PS2 Other Expenditure</b>			
Diocesan Services	538	704	166
Communications	180	190	10
Finance & Governance Costs	(10)	121	131
National Church	620	683	63
Retreat House (Net Cost)	(3)	(1)	2
St Marks Becton (Net Cost)	62	40	(22)
	<b>1,387</b>	<b>1,737</b>	<b>350</b>
<b>Parish Support Subtotal</b>	<b>3,827</b>	<b>4,458</b>	<b>631</b>
Stipendary Numbers Total			
<b>Total Expenditure</b>	<b>21,790</b>	<b>22,276</b>	<b>486</b>
<b>Mutual Support Fund</b>			
National Church Grants	(1,330)	(1,248)	82
CCF Support for Stipends in 5 borough's	(687)	(687)	-
MOF funding from MSF share contributions	257	371	114
Investment Income (supporting Parish Share)	(2,524)	(2,521)	3
Income from Statutory Fees	(802)	(800)	2
Less Parochial Fees Paid	164	151	(13)
Vacant Posts	(1,375)	(1,197)	178
	<b>(6,297)</b>	<b>(5,931)</b>	<b>366</b>
<b>Net Expenditure</b>	<b>15,493</b>	<b>16,345</b>	<b>852</b>
<b>Net Share apportionment</b>	<b>(16,304)</b>	<b>(16,345)</b>	<b>(41)</b>
<b>Surplus / (deficit) belonging to Parish Share scheme</b>	<b>811</b>	<b>-</b>	<b>811</b>
<b>General Funds - excluded from Parish Share</b>			
Investment Income (not supporting Parish Share)	953	953	-
Rental of Houses DBF Net surplus/(deficit)	506	132	374
Share Shortfall Forecast	(3,095)	(2,452)	(643)
<b>Surplus / (deficit) outside Parish Share scheme</b>	<b>(1,636)</b>	<b>(1,367)</b>	<b>(269)</b>
<b>General Fund Surplus/(Deficit)</b>	<b>(825)</b>	<b>(1,367)</b>	<b>542</b>
Losses on revaluation of assets	10		
	<b>(835)</b>		