

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2023

GUILDFORD DIOCESAN BOARD OF FINANCE

Company number - 225289

Registered charity number – 248245

GUILDFORD DIOCESAN BOARD OF FINANCE

ANNUAL REPORT

For the year ended 31 December 2023

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The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2023.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The Diocese of Guildford covers most of Surrey and North East Hampshire, one parish in West Sussex and one in the London Borough of Kingston.

The Guildford Diocesan Board of Finance (GDBF)'s principal object is to promote, assist and advance the work of the Church of England in the Diocese of Guildford by acting as the financial executive of the Guildford Diocesan Synod.

The GDBF has the following statutory responsibilities:

- i. the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976 and the Church Property Measure 2018;
- ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
- iii. the management of investments and the custodianship of assets relating to church schools under the Diocesan Board of Education Measure 2022; and
- iv. the custodianship of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils (PCCs) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the GDBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Guildford (in respect of his responsibility for the provision of the cure of souls).

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STRATEGIC AIMS

The diocesan leadership and community is committed to the vision of a Transforming Church, Transforming Lives and has been since September 2016.

It is a vision of a diverse, growing, intergenerational church at the heart of each community, working alongside our chaplaincies and schools in living and proclaiming the Good News of God in Jesus Christ.

Following the impact of the Covid-19 pandemic, in 2021 the focus for our diocesan ministry and mission was again revised through a wide-ranging consultation and extensive prayer.

Following that second prayerful listening exercise, and looking at the National Church's focus of 'Simpler, Bolder, Humbler' we have opted for three overall related priorities that refresh, focus and evolve our original vision:

Growing Disciples

This brings together:

- Encountering God through worship, prayer, retreat and learning.
- Everyday Faith – sharing and expressing our faith in daily life and exploring vocation.
- Meeting with our Church family in all sorts of contexts for Christian encouragement, friendship and support.

Growing Diversity

This will mean for many parishes increasing the number of younger people, and growing our diversity in every way to ensure we better reflect the communities we serve. It means continuing the great work our schools are doing. It means having the courage to experiment with new ways of being Church, physically and digitally.

Growing Community

This builds on the community partnerships of our parishes, chaplaincies and schools, many of which were developed throughout the pandemic. It also draws in the critical work across our communities to care for the Earth and reduce carbon emissions.



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Alongside the three priorities, are a set of 'Imagine' statements:

- Imagine a Church that is rooted in prayer, daily recognising our dependence on the God who saves, guides, strengthens and grows the Kingdom.
- Imagine a Church where people of all ages reach their full potential as disciples and leaders, cheering one another on in the adventure of following Jesus.
- Imagine a Church that worships in many ways and places, building diverse, holy, attractive communities of faith that are nourished through word and sacrament, alive in the Spirit, and accessible in every way.
- Imagine a Church at the heart of the communities we serve, reaching out to the poor and marginalised with compassion and purpose, challenging injustice, and bearing gospel fruit around the world.

To deliver these three priorities, there are eight key areas of focus with a key strategic objective.

1. **Evangelism and Discipleship:** All parishes encourage and provide opportunities to deepen discipleship and connect with unbelievers, unchurched and de-churched.
2. **Transforming Communities:** Worshipping communities are actively seeking opportunity to serve their parish community, to share the love of Jesus and to take the good news into the community.
3. **Mixed Ecology:** Every parish is implementing at least one fresh expression as a means of reaching the unbeliever, the unchurched and non-churched by the end of 2027.
4. **Online ministry:** Every parish can offer their community ways of connecting digitally with services, both streamed and recorded.
5. **Church Vocations:** To provide people with a discernment, training and formational pathway that facilitates God's call for everyone on the vocational journey into both lay and ordained service.
6. **Children & Young People:** The partnership of schools, churches and households enables children and young people to explore and develop their Christian faith and contribute to the life of their church, school, and community.
7. **Net Zero Carbon:** GDBF properties achieve carbon net zero by end 2030 (the national objective) and Church of England Schools are supported in reducing their carbon footprint.
8. **Racial Diversity:** That our cathedral, churches, schools, Church House and diocesan structures – including their leadership – reflect the racial diversity of their communities.

These objectives inform our **Parish Needs Process** (PNP) and guide the work of the team at Church House. The parish needs process focuses on a listening process; where we are seeking to listen to God, through all aspects of a parish - the church, the schools and the wider community. What this looks like will vary from parish to parish who will be each visited in turn on a deanery-by-deanery basis. After research and consultation, the parish needs process will focus on encouraging and enabling churches to make disciples who make disciples. The Mission Enabler Team, with its range of specialisms, then work with each parish to help them confirm and implement their plans.

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Other ways the teams at Church House will be supporting the outworking of the vision at diocesan and parish level include:

- Our work on **Revitalisation**, seeking to create healthy, viable parish churches, whether through pastoral reorganisation or supporting parishes to develop growth plans.
- Encouraging the best possible standards of **Safeguarding** at every level.
- A recognition of the discrete work and strategy of the Diocesan Board of Education and its responsibilities for **church schools and academies**, as well as the ambition to develop closer relationship between our churches and church schools.
- The development of a **Mission Fund** to make the best use of our diocesan assets for the Kingdom.
- A **Training Plan**, ensuring that those in leadership (lay and ordained) are properly equipped and trained.

ACTIVITIES AND ACHIEVEMENTS

The following sets out our objectives and achievements for 2023 against our strategic framework. Particular areas to celebrate include:

- Foundations in Ministry course successfully launched in September 2023 with 33 current, lay participants as part of our strategy to increase lay and ordained ministry.
- The launch of our Youth Catalyst Project with £3.3m of National Church funding.
- The progress on encouraging racial diversity in our churches and leadership.
- Establishment of a Mission Growth Fund providing £900k+ over 2023-2025 for new growth initiatives.
- The current high standard of our safeguarding team.
- £4.1m secured from the Public Sector Decarbonisation Scheme to replace school boilers with heat pumps.
- Significant progress on moving our diocesan offices to the Cathedral site.

Evangelism and Discipleship:

Aim: A Growing Discipleship plan evident in 75% of Church Development Plans (CDPs) by end 2024

- 99 churches have a development plan created no earlier than 2021; 101 churches provide children's ministry, 61 provide youth ministry and 59 are involved in evangelism.
- In Woking and Farnham deaneries, 83% of development plans featured discipleship in the form of small groups.
- 30 parishes trained in small groups workshops.
- 500 people attended the 2023 Church Growth Conference, including about 100 incumbents.
- Seven parishes participating in a Leading Evangelism Learning hub with good feedback.
- Diocesan Evangelists' Network relaunched.

Aim: Process evangelism courses evident in 50% of Church Development Plans by end of 2024.

- In Woking and Farnham deaneries, 44% of plans featured Christian basics and faith sharing courses.
- Incumbents survey May 2023: 65 out of 89 parishes offering a Christian basics course or faith sharing course in past 6 months or plan to do so in the next 6 month.

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Transforming Communities

Aim: Community engagement projects included in 50% of Church Development Plans by the end of 2023, 75% by the end of 2025; 'Hear Here' Clinics¹ will be seen as part of the church's mission; Parishes that want to start community engagement will know how to carry out a Community Audit.

- In the second cycle of the parish needs process, parishes will be encouraged to think about how discipling the core church members helps outreach and builds community.
- 50% of parishes included Community engagement on their Church Development Plans by the end of 2023.
- Incumbents survey May 2023 showed that 83 out of 89 churches who responded are involved in community projects.
- 'Hear Here' training includes 'how to use your clinic as mission' and Lead Champions will be trained in evangelism.
- Consultancies will be offered as part of the second cycle of the parish needs process on how to carry out a community audit.

Aim: Appoint borough deans (deanery representatives who liaise with Council leaders) in 6 boroughs by end of 2023 and in all 12 boroughs by end of 2024.

- 8 borough deans have been appointed.

Mixed Ecology

Aim: Consultancy to support a mixed ecology provided to at least two Deaneries per annum.

- Parish Cultivation Tool used in the parish need process strategy days to encourage a mixed ecology approach to parish mission.

Aim: Learning communities ("Greenhouses") established in two areas of the Diocese by the end of 2023.

- One Greenhouse established; Incumbents survey May 2023 showed 43 out of 89 churches involved in Fresh Expressions.

Online Ministry

Aim: By end 2023, up to date toolkit for online ministry is available

- Toolkit developed that helps support development of church based online offerings including best practice, 'how to' guides, signposting to churches doing this well.
- New online ministry tool developed on digital evangelism and digital discipleship guidance – pulling together and signposting to all the latest research, news, resources, and guidance.
- All materials available on our website under Parish Support

¹Hear Here is a project in partnership with Sight for Surrey and the NHS, where NHS audiology-trained volunteers provide community-based hearing aid maintenance. A Hear Here Clinic, held in a Church or Community building, offers basic hearing aid maintenance and advice to support hearing aid wearers to get the best from their devices.

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Aim: By end 2023 all mission enablers and Area Deans trained on the online ministry offering.

- Created and piloted training sessions which looked at:
 - Using social media
 - Understanding your audience, their needs and available communication tools
 - Online Ministry
 - Stakeholder management including media relations and media training.

Church Vocations

Aim: Create a more proactive church vocational culture.

- Ministerial Development Review material has been adapted with vocational objectives and training plan as an output.
- Curacy training is being reviewed to ensure training incumbents model empowering leadership.
- Parish needs process second cycle focusing on developing leaders to deliver increased vocations.
- The Bishop of Dorking, Diocesan Director of Ordinands (DDO) & Local Ministry Programme (LMP) Dean preaching around the diocese on vocations

Aim: Develop more and better vocations events: (a) Curates have the expectation that they will organise vocations events (usually deanery wide as part of their training). (b) Diocesan vocational events to run through the year with at least one large diocesan-wide event per annum and three smaller events; (c) Maximise the opportunities for licensing services to raise vocational questions.

- Good progress. three in-person 'Nudge' vocations events and two online events have attracted over 60 people since October 2023.

Aim: Develop non-validated training for Lay Associate Ministers.

- Foundations in Ministry course successfully launched in September 2023 with 33 current participants.

Aim: Increase the number and lower the average age of people coming through for Licensed Lay Minister (LLM) training by using lay associate minister training as a vocational opportunity and reducing the length of training to 2 years.

- LLM now a 2-year certificate programme from September. Lay associate minister candidates younger than typical LLM candidate.

Aim: Increase the capacity of the Vocations team.

- Initial Ministerial Education officer joined in Q2 2023 significantly increasing vocations capacity and three new Assistant Diocesan Directors of Ordinands recruited (currently seven in total).

Aim: Strengthen the roles and profile of our UK minority ethnicities and young vocations champions

- Bishop of Dorking championing both vocations and diversity. Vocations Working Group launched with 2nd meeting upcoming. New Young Vocations and UK Minority Ethnicities Champions both in role.

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Children and Young People

Aim: Complete schools research and use findings to develop pathways to encourage effective church school partnerships (through the parish needs process, training, resources etc.) Survey completed June 2023 with a view to begin implementation September 2023.

- Research completed. Results and analysis with the Growing Faith Foundation. Discussions with Strategic Ministry & Mission Investment Fund (SMMIF) in November 2023 with objective of writing an application for late-2024 to strengthen ministry with primary and infant school children and connection between churches and schools.

Aim: Implement Youth Catalyst project.

- £3.3m of funding awarded by Strategic Mission and Ministry Investment Fund from July 2023 to end 2026. Programme Manager appointed. Two hub leaders have been recruited and in-school work will start in January 2024. First trainees to start Sept 2024. Review planned for first quarter 2026 with the potential for a second application in May 2026.

Aim: 75% of Church Development Plans feature children and youth, with 35% showing evidence of intergenerational thinking by end 2024.

- Developing database to capture the required information.

Net Zero Carbon (“NZN”)

Aim: Provide a carbon emissions report to Diocesan Synod annually from end 2023.

- All the data necessary to develop this report for 2022 was provided in the Energy Footprint Tool submissions in late summer (the highest submission rate of any diocese in England). The report itself is generated by the National Office and is still awaited. It will be circulated to Diocesan Synod members when available with the data from 2020 and 2021 for comparison.

Aim: Audit 33% of clergy property and develop a refitting plan by end 2023

- During 2023, 60 Quinquennial Inspections (c.33% of our clergy properties) were completed which included an analysis from a Net Zero Carbon perspective for the first time. The NZC action plan for these properties will be pulled together in the first quarter of 2024 once we have the new NZC Project Manager (Parish and clergy property workstreams) in place. Between now and Dec 2025, the actions will concentrate primarily on improving insulation as per the NZC strategy. Major refits are scheduled in the strategy for post-2025.

Racial Diversity

Aim: Diversity Monitoring forms mandatory for every application process from January 2023.

- In place for applications for clergy and Church House positions.

Aim: Make an online learning programme on unconscious bias available to PCC Reps and appointment panels for clergy posts by end 2023.

- An unconscious bias online learning platform was implemented in 2023, and senior staff have completed it. Following a review, an improved platform was sought from a different provider to be used in 2024. It requires participants to pass a test and it will inform the People Team of who has completed the training.

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Aim: By end 2023, 90% of parishes which have identified their contested artefacts and have an agreed way forward within the national and diocesan guidelines.

- Contested heritage report shared with parishes with identified contested heritage.
- Follow up delegated to Area Deans by the Archdeacons.
- Incumbents and PCCs working on agreeing the way forward for their respective parishes.

Aim: Testimonies to raise the profile of Global Majority Heritage lay and ordained leadership in Parish updates and on the diocese website at least 3 times per year.

- Racial Diversity Advisory Group created as a sub-committee of Board of Directors.
- Racial Justice Covenant agreed, parishes encouraged to commit and sign every two years and Covenant to be displayed.
- Five new Testimonies from Global Majority Heritage laity & clergy were added to the website in celebration of Black History Month October 2023.

Parish Needs Process

Aim: To visit every parish every two years to help the parish develop a Church Development Plan that advances the diocese's priorities.

- 10 deaneries completed. Parish needs process cycle two to focus on discipleship of the core.

Revitalisation

Aim: 11 parishes processed through to the phase 4 (implementation) of the revitalisation process by September 2024; 5-6 further parishes in earlier stages of the revitalisation process by September 2024.

- On target: 6 Parishes in Triage; 4 Parishes in Phase 1; 3 Parishes in Phase 2; 2 Parishes in Phase 3; 3 Parishes in Phase 4.

Safeguarding

Aim: 80%+ of actions from Past Cases Review 2 (PCR2) recommendations on track at end of 2023.

- All recommendations on track by end of 2023.
- As part of the recommendations, an independent case review was commissioned to look at current case management which noted the high quality of case management and case recording; the professionalism of the current Diocesan Safeguarding Advisor and her assistant; that the case management of allegations against church officers and the file recording had greatly improved since PCR2 and that the same is the case for parish contacts.

Aim: 70%+ of parishes up to date on the Parish Safeguarding Dashboard.

- 70% of parishes up to date on parish dashboard at end of 2023.

Engaging Church Schools & Academies

Aim: To increase capacity in the academy sector to ensure that at least 20 Church schools convert to academy status by 2026; to support governing bodies join Church Multi-Academy Trusts (MATs) through brokering solutions as necessary.

- 15 Church schools have applied to become academies in 2022/23. This is on track to achieve our target for full academisation by 2030.

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Aim: To ensure that vulnerable schools are pro-actively monitored and supported so they maintained their Good and Outstanding grades at their next inspection (currently 93%).

- One Church school had been judged 'Inadequate' by OFSTED December 2022 and will become an academy with the Good Shepherd Trust in 2024. All OFSTED inspection in 2023 were "good".

Aim: To provide training and support for all Church schools and MATs on the new 2023 SIAMS² framework so they are adequately prepared and maintain or improve the SIAMS inspection grade.

- A series of SIAMS training sessions have been successfully delivered across the Diocese. New grading system since 01/09/2023. All inspections to date have been judged to be an effective church school.

Aim: To replenish the Education endowment fund through the sale or long-term lease of ex-school sites including Dunsfold, Abinger, Leatherhead, Ripley, Ockley and Send.

- A Property Estates Consultant has been appointed to work on school sites. 41 Ashenden Road and Abinger School site are being marketed but had not been sold before the end of 2023.

Aim: To apply and secure Public Sector Decarbonisation Scheme funds to replace boilers, LED lighting, windows and insulation to our Church school buildings.

- £4.1m secured and allocated to school projects to replace boilers with air source heat pumps.

Mission Fund

Aim: Establish a diocesan mission fund.

- Mission fund created and application process agreed. £900k has been budgeted to be made available 2023-2025. Three awards made so far for lay ministry training, net zero carbon work and to place curates to develop Church plants.

Leadership Training

Aim: Increase the number of parishes engaged in a lay training pathway by 30% by end 2023.

- 61 people from 38 parishes have attended a course from the Lay Training Pathway.
- 108 people from 58 parishes attended the Pastoral Training Day.
- 165 churchwardens from 114 parishes have attended at least one of the two churchwardens training events that ran in 2023.
- 34 people from 27 parishes have started on the Foundations in Ministry course, 13 of whom have previously attended an occasional lay course in 2022/2023.
- 5 completed the First Timers Course for Children and Youth Leaders in the academic year 2022/23 and 7 began the course in September 2023 for the academic year 2023/24.
- The total number of lay leaders engaging in training in 2023 is c.380.

Aim: By end 2024, at least 35 parishes engage in lay leadership training pathways for the first time.

- 38 parishes participated in lay leadership training and 24 in church warden training for the first time this year.

² The Statutory Inspection of Anglican and Methodist Schools (SIAMS) reviews the way each School's Christian vision drives its work and enables the school to live up to its foundation as a Church school.

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Aim: By end 2024, 90% clergy have received an MDR and 30% have engaged in diocesan Continuing Ministerial Development (“CMD”) events.

- 106 clergy were reviewed in 2022 and 63 were reviewed in 2023.
- 19 people from 14 parishes/Church House attended Handling Conflict Constructively.
- 10 people from 4 parishes attended Mental Health First Aid Awareness.
- 9 people from 5 parishes attended Emotionally Healthy Leadership.
- 11 people from 5 parishes attended Emotionally Healthy Spirituality.
- 27 people from 8 parishes/Church House attended Coaching Skills training.
- 21 Clergy are on the Transforming Leadership Programme.
- There are 35 active clergy mentoring relationships.
- 32 clergy have made a claim via their training allowance in 2023 to support personal ministerial development.
- 250 clergy/Church House leaders attended the Triennial Conference.

Organisational

Aim: Review accommodation needs post-Covid.

- Decision taken to leave our current diocesan offices by March 2025. Planning permission obtained for expanding the old Education Centre on the Cathedral site with the intention of moving there in 2025 saving c.£200K p.a. on net office costs.

FUTURE PLANS

Evangelism and Discipleship

- A Growing Discipleship plan evident in 75% of Church Development Plans by end 2024.
- Each parish has at least one priority in their development plan indicating how they intend to build/continue developing a culture of discipleship amongst their core membership.
- Process evangelism courses evident in 50% of plans by end 2024.

Transforming Communities

- Community engagement projects included in 60% of Church Development Plans by end 2024, 75% by end 2025.
- Nurture ‘Potting Sheds’ in the parishes that encourage and promote community-based projects and services.
- Appoint Borough deans in all 12 boroughs by end 2024.

Mixed Ecology

- Consultancy to support a mixed ecology provided to at least 2 Deaneries per annum.
- Learning communities (“Greenhouse”) established in 2 areas of the Diocese by the end of 2024.

Online ministry

- Maintain digital resources and guidance, updating in line with changing technology/landscape.
- Sharing best practice through storytelling.
- Attracting and hiring high calibre social media disciple.

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- Onboarding and supporting social media lead for Youth Catalyst project to share the Good News of Jesus Christ with people where they are.

Church Vocations

- Develop the Local Ministry Programme: Recruit 40 Lay associate ministers by July 2024, 9 ordinands by Sept 2024 (12 by Sept 2025), 6 Licensed Lay Ministerial candidates by May 2024; Rebrand by July 2024 to make programmes more attractive and increase number of participants; Develop the specialisms for the second year of the Foundations in Ministry course; Create website; Increase diversity of students.
- Grow the numbers actively exploring vocations: increase number, quality and visibility of vocations events and associated publicity/comms; work with UK minority ethnicities and young vocations champions better to engage and encourage those from under-represented groups; grow the number of Assistant Diocesan Directors of Ordinands and Local Vocation Advisers and to grow their role as local vocation champions, creating multiple points of entry into discernment; support and encourage current church leaders better to develop a culture of vocations within their worshipping communities. Target: By July 2024 to increase by 25% the numbers of those in discernment for licensed ministries (lay and ordained).
- Improve the quality and relevance of curacy training: develop the programme for curates and training Incumbents to reflect strategic and missional priorities, with a particular focus on school placements for all curates; develop a more rigorous curriculum of training and support for Training Incumbents; seek robust feedback on the implementation of the new national training framework; By September 2024, to improve the provision of training and support for children and schools ministry and mission; Clergy study day to encourage churches to develop meaningful and fruitful relationships with the schools in their parish; ensure curates do a placement in a school.

Children & Young People

- Gather and facilitate a group of 4-8 schools and churches to take part in the Growing Faith Foundation church/school partnership network.
- Clergy study day to encourage churches to develop meaningful and fruitful relationships with the schools in their parish.
- Roll-out of youth catalyst project to 4 secondary schools and 4 churches taking trainee youth workers; recruitment of a Gathering Team and organisation of critical mass worship events.

Net Zero Carbon

- Net Zero Carbon Strategy KPIs delivered according to approved implementation plan. Approvals obtained for any revisions to implementation plan which are informed by monitoring, learning and 'sense checks' on key assumptions.
- Development / approval of Environmental Policy.

Racial Diversity

- Identify those parts of *From Lament to Action* that still need to be addressed by the diocese.
- Identify the barriers faced by UK minority ethnicity parishioners and clergy joining a church in Guildford diocese and develop mitigations.

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- Design a 2–3 year project proposal to be funded by CofE Racial Justice Unit to address these issues.

Parish Needs Process

- Visit every parish every two years to help the parish develop a Church Development Plan that advances diocesan and parish priorities.

Revitalisation

- Work with 14 or more parishes on the Revitalisation process to move them towards health and viability.
- 11 parishes to be taken through to the phase 4 (implementation) of the revitalisation process by September 2024.
- 5-6 further parishes in earlier stages of the revitalisation process by September 2024.

Safeguarding

- Raise awareness and promotion of new National Safeguarding Standards across church bodies, GDBF, parishes, Cathedral.
- Implement programme of engagement to strengthen parish and Cathedral safeguarding governance and increase reporting of safeguarding concerns across the diocese.
- Pilot and evaluate Safer Places Scheme in Guildford Deanery and make recommendations for developing and implementing within the Domestic Abuse strategy.
- Equip parishes and the Cathedral to prevent and manage non safeguarding risk to support staff and those attending activities and services.
- Develop and implement independent counselling and assessment provision for victims and survivors of church related abuse.
- Increase level of Parish Dashboard engagement – 80% parishes to be on Level 3 by end 2024.

Engaging Church Schools & Academies

- Increase capacity in the academy sector to ensure that at least 20 Church schools convert to academy status by 2026; to support governing bodies join Church Multi-Academy Trusts (MATs) through brokering solutions as necessary.
- Ensure that vulnerable schools are pro-actively monitored and supported so they maintain their Good and Outstanding grades at their next inspection (currently 93%).
- Provide training and support for all Church schools and MATs on the new SIAMS framework 2023 so they are adequately prepared and maintain or improve the SIAMS inspection grade.
- Replenish the education endowment through the sale or long-term lease of ex-school sites including Dunsfold, Abinger, Leatherhead, Ripley, Ockley and Send.
- Implement the Public Sector Decarbonisation Scheme (PSDS) project to replace boilers in Church school buildings.

Mission Fund

- Maintain £300K+ p.a. funding of mission growth projects.

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Leadership Training

- Increase the number of parishes engaged in a lay training pathway by 30% by end 2024.
- By end 2024, at least 35 parishes engage in lay leadership training pathways for the first time.
- By end 2024, 90% clergy have received a ministerial review and 30% have engaged in diocesan continuing ministerial development events.

Organisational

- Complete development of old Education Centre to accommodate our diocesan offices by early 2025 saving c.£200K p.a. in office costs.

FINANCIAL REVIEW

Financial Performance

Total income for the year was £14,524,000 (2022: £16,149,000). Parish share contributions were £11,569,000 (2022: £11,802,000). The collection rate fell back to 96.8% (2022: 97.3% 2021: 95.5%; 2020: 91.8%) against the amount requested casting doubt on whether it is possible to return to pre-pandemic levels (2019: 98.7%). Income from statutory fees (weddings & funerals) was £368,000 (2022: £373,000).

The GDBF budgets to break even on its general fund before any capital gains/losses. Covid-19 introduced significant additional uncertainty in financial planning. Parish share receipts recovered better than budgeted but now look to be stalling. After allowing for parish grant support allocated by the Trustees out of the prior year's surplus of £154,000 (2022: £125,000), there was a net income after transfers of £9,000 on the general fund (2022: £157,000 net income).

<u>General Fund</u>	2023	2022	2021
	£'000s	£'000s	£'000s
Net income after transfers	(145)	186	374
Grants paid to parishes relating to 2021 surplus		125	(125)
Grants paid to parishes relating to 2022 surplus	154	(154)	
Net income per management accounts	<u>9</u>	<u>157</u>	<u>249</u>

There was an overall net decrease in funds of £13,997,000 (2022: increase £12,285,000). Property values of tangible fixed assets fell back by £9,613,000 (2022: £11,240,000 gain). Total investment value also fell (because of falls in investment property) during the year resulting in a net deficit of £3,434,000 (2022: £346,000 deficit). There was a net actuarial gain on pension funds of £54,000 (2022: £113,000 gain).

The financial stability of the GDBF depends on the financial strength of its parishes. This applies particularly to Guildford DBF which lacks historic reserves and has the highest dependency on parish share of any Diocese. Covid-19 had a significant impact on parish finances reducing parish income on average by some 20%, particularly because of disappearing rental income but then, as we came out of the pandemic, significant reductions in church attendance. Many were able to mitigate this through cost savings, raising additional donations from Church members and/or utilising reserves. However, we have moved from having c.10% of parishes with significant financial issues to c.30%. We implemented a 'Health and viability' review of all our parishes in 2021 and work on that continues

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implementing a significant programme of re-organisations including new plants and growth initiatives to address the long-term sustainability of our parishes and therefore of the GDBF.

Balance sheet position

The balance sheet position remains strong. However, while net assets at the balance sheet date totalled £213m (2022: £227m), most of that represents properties in use for ministry whose value amounted to £187m (2022: £198m). 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. Note 20 gives further detail of the allocation of assets to funds.

Reserves policy

Free reserves

Recognising that the Diocese is heavily reliant on parish share receipts and that the major expenditure is on the clergy and lay staff to keep the organisation in operation, the Bishop's Council has set a minimum level of general free reserves, excluding fixed assets, of two months' staff and stipend costs which for 2023 was £1.4m. The balance of reserves excluding fixed assets on the general fund at 31 December was £2.0m (2022: £2.1m).

The GDBF also has a policy of holding on deposit, or otherwise readily available within the Glebe, Pastoral Account or other suitable funds, sufficient cash over and above funds to meet normal cash-flows to be able to purchase two houses of modest value. At 31 December 2023 the GDBF had available cash balances less short-term borrowings of £2.6m (2022: £2.0m) excluding funds restricted to schools and other specific purposes.

Designated funds

The Trustees may designate 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. The balances and the intended use of each reserve are set out in notes 20 and 21. At 31 December 2023 total designated reserves were £2.3m (2022: £2.4m).

Restricted and endowment funds

As at 31 December 2023 restricted funds were £1.9m (2022: £2.6m) and endowment funds £207.0m (2022: £220.2m). The balances and purposes of these are set out in notes 19 to 21.

Grant making policy

The GDBF gives grants from funds established in the annual budget which is approved by Synod and is in line with its objectives. The main grants given in the year are set out within note 8.

Investment policy and performance

The GDBF has power to invest funds not immediately required for operational purposes in such concerns, securities or properties as it thinks fit. The GDBF follows the ethical investment policies and guidelines of the Church of England Ethical Investment Advisory Group. Non-property financial investments at 31 December 2023 had a market value of £10.4m (2022: £8.6m) of which £9.7m (2022: £7.9m) were invested within the CBF Church of England investment funds managed by CCLA Investment Management Limited. Total return performance for the CBF investment fund for 2023 was +12.6% (2022: -9.2%) slightly below CCLA's comparator weighted index return of 13.3% (2022: -10.1%). The five-year fund total return is +10.1% p.a. (comparator +7.7% p.a.).

Property investments are primarily in residential property with some glebe land within the Diocese of Guildford. It also includes £2.9m (2022 £2.9m) of disused school sites. The total market value at 31 December 2023 was £13.8m (2022: £18.9m). The Trustees have maintained a higher level of residential property investments than financial because a major potential area of expenditure for the Diocese is on residential property for delivering ministry and its residential property investments

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act as a hedge against that exposure. However, it is a non-diversified, non-liquid asset subject to the risks of the UK housing market and the Trustees have adopted a policy to move more funds from residential property to financial funds over a number of years. The Board of Education, with the GDBF as Custodian Trustees, reviews how best to realise value on the disused school sites to support Diocesan schools and education activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the Trustees on an annual basis. The key strategic risk is the slow decline in Church membership and the increasing age profile. Much of the report has detailed our strategy to respond to this. Other important risks are highlighted as follows with the associated mitigation strategies:

- **Parish share:** Covid has had a significant impact on parish finances. There is a risk that shortfalls will increase. Mitigating controls in place include active engagement with parishes and stewardship and mission support. A number of parishes will need help to re-organise so that they can be financially and missional sustainable.
- **Appointments:** In common with all Dioceses, the GDBF faces a high number of clergy retirements in the coming years with a reducing pool of potential replacements. Mitigating controls in place include strong Archdeacon engagement, clear appointment process and increased focus on vocations. The GDBF has adopted a strategic goal of increasing vocations and new clergy.
- **Safeguarding:** Safeguarding remains a high priority for the GDBF. Mitigating measures in place include an increase in resources for the safeguarding team, a 3-year training strategy and electronic Disclosure and Barring Service check process.

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STRUCTURE AND GOVERNANCE

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 representatives from each Diocese and it agrees, and lays before Parliament, measures for the governance of the church's affairs which, if agreed 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 Pension 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 itself is divided into twelve 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, in a similar way to that in which the bishop shares responsibilities with the Diocesan synod.

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

Organisational structure

The GDBF is a company limited by guarantee (No. 225289) and a registered charity (No. 248245) governed by its memorandum and articles of association.

The GDBF's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Guildford. It was established in its present form in 1927 and is successor in title to the Guildford Diocesan Trustees.

The governance and policy of the GDBF is the responsibility of the Directors, who are also members of the GDBF and Trustees for the purposes of charity law. The details of Trustees who served during the year are set out on page 20.

The Diocesan synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the bishop's staff team. The synod membership is elected every three years, the last elections having been in 2021. The Synod elects 12 of the Trustees of the GDBF. Whilst the GDBF is a separate legal entity, with clear responsibilities under both company and charity law as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 1998, the GDBF is subject to the direction of the synod in all its activities unless such direction is not in accordance with the governing documents or statutory regulations.

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England school properties are accounted for in the restricted Church Schools fund and are managed by the GDBF in consultation with the Diocesan Board of Education.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Guildford, are set by the Diocesan synod, and the GDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary and Bishop's staff team. The GDBF

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meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Trustees. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold eight meetings during the year to formulate and coordinate policies on mission, ministry and finance by:

- Initiating proposals for action by the Synod and advising it on matters of policy.
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders.
- Acting as the Trustees of the GDBF.
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion.
- Advising the Bishop on any matters he may refer to the Trustees.
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and of the establishment of ad hoc review groups, their terms of reference and membership.
- Carrying out such other functions as the Synod delegates to it.
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

The Trustees are assisted in their work by the Finance and Audit Sub Committee which monitors management accounts and budget, the use of assets and investment policies and makes recommendations on areas such as loans. A programme board provides additional scrutiny of GDBF's growth and revitalisation projects and grant funding. The Guildford Diocesan Board of Education (GDBE) (as incorporated under the DBE Measure 2021) is a statutory subcommittee of the GDBF responsible for Church of England schools and academy trusts in the Diocese of Guildford.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out above. Trustees are given an induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and at all other relevant times of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by the Bishop of Guildford in consultation with GDBF's remuneration committee which includes the Chair of the GDBF and other members of Bishop's Council as relevant. Procedures include regular appraisals and benchmarking of remuneration.

Delegation of day-to-day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and colleagues for the delivery of the day-to-day activities of the GDBF. The Diocesan Secretary and other members of Bishop's staff team are given specific and general delegated authority to deliver the business of the GDBF in accordance with the policies framed by the Trustees.

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Funds held as Custodian Trustee

The GDBF is custodian Trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing Trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the GDBF does not control them, and they are segregated from the GDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £7.6m (2022: £7.1m) are summarised in note 23. Where properties are held as custodian Trustee, the deeds are identified as such and held in safe custody by the GDBF's solicitor.

Funds held on behalf of schools

The Diocesan Board of Education administers on behalf of its schools government grant funds for major repair and capital projects to church schools. It administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in creditors as at 31 December is £4.1m (2022: £4.0m). The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £1.8m and £1.9m respectively (2022: £2.1m and £2.1m).

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the GDBF and of the surplus or deficit of the GDBF for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the GDBF 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 GDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the GDBF's website. Legislation in England/Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

GUILDFORD DIOCESAN BOARD OF FINANCE

ANNUAL REPORT

For the year ended 31 December 2023

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the Trustees are aware:

- 1) there is no relevant audit information of which the charitable company's auditors are unaware, and
- 2) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the GDBF during 2023. The following Trustees served from 1 January 2023 up to the date of this report:

Ex-officio members	The Bishop of Guildford	The Right Revd A J Watson
	The Archdeacon of Surrey	The Venerable R P Davies (to August 2023) The Venerable C. Mabuza (from March 2024)
	The Archdeacon of Dorking	The Venerable M C Breadmore
	Chairperson	Mr S P Roberts

Bishop nominees	The Bishop of Dorking	The Right Revd J Wells (to Jan 2023) The Right Revd R P Davies (from Sept 2023)
	The Dean of Guildford	The Very Revd D Gwilliams (to Dec 2023) The Very Revd S Beake (from Dec 2023)
	The Revd B Hunt (from Feb 2023)	
	The Revd E Prior (from Feb 2023)	

Co-opted members	The Revd P Heidari (to July 2023) Mrs A Shaw (from May 2023)
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Elected by Synod House of Clergy

The Revd M Babatunde (from Jan 2023)
The Revd B Beecroft
The Revd C Bessant
The Revd R A Donovan
The Revd S Taylor (from Jan 2023)
The Revd R Woodhams (to Jan 2023)

Elected by Synod House of Laity

Canon P N E Bruinvels
Mr G Everness (Vice Chair)
Mr G Hampshire
Mrs M Hill
Canon K R Malcouronne FCA
Mr G McFarland
Mr N Stuart

Key Management Personnel

Diocesan Secretary	Geraldine Newbold (from January 2023)
Deputy Diocesan Secretary	Steve Collins (to January 2024)
Director of Mission Team	Peter Harwood
Director of Education	Alex Tear
Director of Finance	Malcolm Twigger-Ross FCA
Head of People	Andy Morgan

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Advisors

Bankers	Lloyds Bank PLC, High Street, Guildford, Surrey, GU1 3AD
Auditors	Forvis Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Solicitors	Lee Bolton Monier-Williams LLP, 1 The Sanctuary, Westminster, SW1P 3JT Charles Russell Speechlys LLP, Bury Fields, Guildford, Surrey, GU2 4AZ
Investment Managers	CCLA Investment Management Limited, 1 Angel Lane, London, EC4R 3AB
Insurers	Ecclesiastical Insurance Group, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

Registered Office: Church House Guildford, 20 Alan Turing Road, Guildford, Surrey, GU2 7YF

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 3-16 within their capacity as company directors.

ON BEHALF OF THE TRUSTEES

S.P. Roberts

Steve Roberts
Chairperson

10 June 2024

GUILDFORD DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GUILDFORD DIOCESAN BOARD OF FINANCE For the year ended 31 December 2023

Opinion

We have audited the financial statements of the Guildford Diocesan Board of Finance (the 'parent charity') and its subsidiary ('the group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charity's affairs as at 31 December 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 course of 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 Annual Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Annual Report has been prepared in accordance with applicable legal requirements.

GUILDFORD DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GUILDFORD DIOCESAN BOARD OF FINANCE For the year ended 31 December 2023

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Annual 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 and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2022, tax legislation, safeguarding, pensions legislation, employment regulation, health and safety regulation, anti-bribery, corruption and fraud and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as The Charities Statement of Recommended Practice and the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

GUILDFORD DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GUILDFORD DIOCESAN BOARD OF FINANCE For the year ended 31 December 2023

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

N.J. Wakefield

Nicola Wakefield
(Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Date: 22 July 2024

GUILDFORD DIOCESAN BOARD OF FINANCE

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES

For the year ended 31 December 2023

	Note	Unrestricted funds		Restricted	Endowment	Total	Total
		General	Designated	Funds	Funds	2023	2022
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parishes	2	11,569	-	-	-	11,569	11,802
Archbishops' Council	2	305	15	351	-	671	922
Other	2	142	96	-	-	238	914
	2	12,016	111	351	-	12,478	13,638
Charitable activities	3	501	4	171	-	676	1,181
Other trading activities	4	621	-	-	-	621	651
Investments	5	374	-	212	163	749	679
		13,512	115	734	163	14,524	16,149
Expenditure on:							
Raising funds	6	(587)	(4)	(14)	(34)	(639)	(594)
Charitable activities	7	(13,067)	(273)	(900)	(649)	(14,889)	(14,277)
		(13,654)	(277)	(914)	(683)	(15,528)	(14,871)
Net (expenditure)/income before investment (losses)/gains		(142)	(162)	(180)	(520)	(1,004)	1,278
Net (losses) on investments		(9)	-	(470)	(2,955)	(3,434)	(346)
Net (expenditure)/income		(151)	(162)	(650)	(3,475)	(4,438)	932
Transfers between funds	10	6	78	(14)	(70)	-	-
Net (expenditure)/income after transfers		(145)	(84)	(664)	(3,545)	(4,438)	932
Other recognised gains/(losses)							
(Losses)/Gains on revaluation of fixed assets		-	-	-	(9,613)	(9,613)	11,240
Actuarial gains on pension schemes		54	-	-	-	54	113
Net movement in funds		(91)	(84)	(664)	(13,158)	(13,997)	12,285
Total funds brought forward		2,160	2,428	2,569	220,207	227,364	215,079
Total funds carried forward	19	2,069	2,344	1,905	207,049	213,367	227,364

The net surplus of income over expenditure, together with details of income and expenditure required by the Companies Act, may be derived from net income before transfers, excluding movements on endowment funds, in the Statement of Financial Activities above.

GDBF's company only result (net movement in funds) for the year was £14.0m deficit (2022: £12.3m surplus).

All activities derive from continuing activities. The comparative fund analysis for 2022 is given in note 24.

The Notes form part of the financial statements.

Company Number – 225289

GUILDFORD DIOCESAN BOARD OF FINANCE

BALANCE SHEETS

As at 31 December 2023

	Note	Group		GDBF	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Tangible assets	11	186,223	197,726	186,223	197,726
Investments	12	24,210	27,533	24,210	27,533
		<u>210,433</u>	<u>225,259</u>	<u>210,433</u>	<u>225,259</u>
Current assets					
Property held for resale		600	-	600	-
Debtors	13	4,048	3,834	3,966	3,790
Cash on deposit		6,201	4,254	6,201	4,254
Cash at bank and in hand		628	2,880	576	2,773
		<u>11,477</u>	<u>10,968</u>	<u>11,343</u>	<u>10,817</u>
Liabilities					
Creditors: amounts falling due within one year	14	(5,386)	(5,762)	(5,339)	(5,687)
<i>Net current assets</i>		<u>6,091</u>	<u>5,206</u>	<u>6,004</u>	<u>5,130</u>
<i>Total assets less current liabilities</i>		216,524	230,465	216,437	230,389
Creditors: Amounts falling due after more than one year	15	(2,659)	(2,883)	(2,659)	(2,883)
Provisions for Liabilities	16	(498)	(218)	(498)	(218)
		<u>213,367</u>	<u>227,364</u>	<u>213,280</u>	<u>227,288</u>
Total net assets					
The funds of the charity					
Unrestricted income funds:					
General funds		2,069	2,160	1,982	2,084
Designated funds		2,344	2,428	2,344	2,428
		<u>4,413</u>	<u>4,588</u>	<u>4,326</u>	<u>4,512</u>
Restricted funds		1,905	2,569	1,905	2,569
Endowment funds		207,049	220,207	207,049	220,207
Total funds	20	<u>213,367</u>	<u>227,364</u>	<u>213,280</u>	<u>227,288</u>

The endowment fund balance above includes revaluation of reserves of £110m (2022: £123m).

The Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 10 June 2024 and signed on behalf of the Board by:

S.P. Roberts

STEVE ROBERTS
GDBF Chairperson

GUILDFORD DIOCESAN BOARD OF FINANCE

CONSOLIDATED CASH FLOW

For the year ended 31 December 2023

	2023	2022
	£'000	£'000
Cash flows from operating activities		
Net cash (used in)/generated by operating activities	(1,615)	626
Cash flows from investing activities		
Dividends, interest and rents from investments	749	679
Purchase of property and equipment	(1,058)	(55)
Purchase of investments	(950)	(450)
Sale of investments	1,039	-
Sales of property and equipment	1,691	-
Net cash generated by investing activities	<u>1,471</u>	<u>174</u>
Cash flows from financing activities:		
Repayments of borrowing	<u>(1,036)</u>	<u>(156)</u>
Net cash (used in) financing activities	<u>(1,036)</u>	<u>(156)</u>
Change in cash and cash equivalents	(305)	644
Cash and cash equivalents at 1 January	<u>7,134</u>	<u>6,490</u>
Cash and cash equivalents at 31 December	<u><u>6,829</u></u>	<u><u>7,134</u></u>
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure)/income	(4,438)	932
Adjustments for:		
Depreciation charges	20	124
Losses on property and equipment	368	-
Losses on investments	3,434	346
Dividends, interest and rents from investments	(749)	(679)
(Increase) in debtors	(693)	(755)
Increase in creditors	443	658
Net cash (used in)/generated by operating activities	<u>(1,615)</u>	<u>626</u>
Analysis of cash and cash equivalents		
Cash on deposit	6,201	4,254
Cash at bank and in hand	<u>628</u>	<u>2,880</u>
	<u><u>6,829</u></u>	<u><u>7,134</u></u>

Cash on deposit includes £3,896,000 (2022: £4,005,000) held for the benefit of schools' buildings.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. ACCOUNTING POLICIES

The Trustees have reviewed working capital and capital expenditure requirements and as a result, are satisfied that it is appropriate to prepare these financial statements under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in e), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS102). The charitable company's own Statement of Financial Activities has not been presented as permitted by s.408 of the Companies Act 2006.

The Trustees have reviewed the 2024 budget and cash-flow forecasts to 30 June 2025 and believe that it is appropriate for these financial statements to be prepared on a going concern basis.

a) Income

All income is included in the Statement of Financial Activities (SOFA) when the GDBF is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i) **Parish Share** is recognised as income in the year in which it is receivable.
- ii) **Rent** receivable is recognised as income in the period to which it relates.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Parochial fees** are recognised as income of the year in which they are receivable.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the GDBF's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- viii) **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

b) Expenditure

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

- i) **Costs of raising funds** consist of costs relating to the renting out of property and to trading services.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure on education and Church of England schools in the Diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the GDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The GDBF's staff are members of the Church Workers Pension Fund and stipendiary clergy are members of the Church of England Funded Pensions Scheme (see note 18). The pension costs charged as expenditure represent the GDBF's contributions payable in respect of the accounting period, in accordance with FRS102.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

c) Tangible fixed assets and depreciation

Freehold properties

Freehold property is held at revalued amounts. Properties are revalued based on changes in local prices with a five-year cycle of specific valuations. Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The GDBF has a policy of regular structural inspection, 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 deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at an index linked current valuation basis.

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

Parsonage houses

The GDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The GDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value. Parsonage houses are included at fair value.

Assets under construction

New parsonages under construction are included within the functional fixed assets category at the value of costs incurred at the balance sheet date.

Cost values

For the purposes of the calculation of a revaluation reserve, where the actual cost is not known, the cost value is deemed to be the value at which the properties were brought into the current accounting system in 2005.

d) Other tangible fixed assets

All capital expenditure over £5,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Fixtures and fittings	15-30% per annum	straight line basis
Leasehold Property	1% - 10% per annum	straight line over the life of the lease

e) Other accounting policies

- i) **Fixed asset investments** are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.
- ii) **Leases.** The GDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the life of the lease.
- iii) **Properties held for resale:** when properties are put on the market for sale they are transferred from fixed assets to current assets.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

f) Fund balances

Fund Balances are split between unrestricted (general and designated), restricted and endowment funds.

- **Unrestricted funds** are the GDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the GDBF. There are two types of unrestricted funds:
 - **General funds** which the GDBF intends to use for the general purposes of the GDBF and
 - **Designated funds** set aside out of unrestricted funds by the GDBF for a purpose specified by the Trustees
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- **Endowment funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the GDBF (Parsonage Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

"Special trusts" (as defined by the Charities Act 2022) and any other trusts where the company acts as Trustee and controls the management and use of the funds, are included in the company's own financial statements. Trusts where the GDBF acts merely as custodian Trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

g) Judgements and key sources or estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- **Fair value of freehold and investment properties.** Fair market value is based on a 5-year cycle of valuations, the movement of relevant property indices and the provision for any impairments. No depreciation is charged on freehold properties.
- **Pension and other post-employment benefits.** Pension provisions relating to lay staff and clergy are valued every three years on an actuarial basis. Any shortfall in funding pensions and post-retirement benefits is recognised as a liability in the accounts. Further details can be found in note 18.

h) Financial Instruments

Financial assets measured at fair value comprise listed investments, unlisted investments, value linked loans to parishes and bank deposits. Financial assets at amortised cost comprise trade debtors, other debtors and loans to parishes. Financial liabilities measured at amortised cost comprise pension liabilities, bank loans, other creditors and amounts held for other bodies.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. DONATIONS

2023	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
	General £'000	Designated £'000			
Parish Contributions					
Current Year Request	11,871	-	-	-	11,871
Shortfall	(380)	-	-	-	(380)
	11,491	-	-	-	11,491
Received in respect of prior years	78	-	-	-	78
Archbishops' Council	305	15	351	-	671
Benefact Trust	-	96	-	-	96
City Church Fund	125	-	-	-	125
Legacies	2	-	-	-	2
Other	15	-	-	-	15
Total	12,016	111	351	-	12,478

2022	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
	General £'000	Designated £'000			
Parish Contributions					
Current Year Request	11,975	-	-	-	11,975
Shortfall	(321)	-	-	-	(321)
	11,654	-	-	-	11,654
Received in respect of prior years	148	-	-	-	148
Archbishops' Council	223	-	699	-	922
Benefact Trust	-	110	-	-	110
City Church Fund	132	-	-	-	132
Marshall's Charity	54	-	-	-	54
Legacies	2	-	-	600	602
Other	16	-	-	-	16
Total	12,229	110	699	600	13,638

The majority of the Diocese's mission is funded through the contributions of parishes. In 2023, the Diocese received 96.8% (2022: 97.3%) of the total requested.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. CHARITABLE ACTIVITIES

2023	Unrestricted funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Statutory fees	368	-	-	-	368
Social Responsibility projects grant income	-	-	106	-	106
Other grants receivable and miscellaneous income	133	4	65	-	202
	501	4	171	-	676

2022	Unrestricted funds		Restricted Funds	Endowment Funds	Total 2022
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Statutory fees	373	-	-	-	373
Social Responsibility projects grant income	-	-	137	-	137
Other grants receivable and miscellaneous income	132	-	89	-	221
Closed School	-	-	-	450	450
	505	-	226	450	1,181

4. OTHER TRADING ACTIVITIES

2023	Unrestricted funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
School Buildings Project Management	51	-	-	-	51
Training Services to Schools	159	-	-	-	159
Rental income on functional property	411	-	-	-	411
	621	-	-	-	621

2022	Unrestricted funds		Restricted Funds	Endowment Funds	Total 2022
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
School Buildings Project Management	52	-	-	-	52
Training Services to Schools	176	-	-	-	176
Rental income on functional property	397	26	-	-	423
	625	26	-	-	651

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

5. INVESTMENT INCOME

2023	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
	General	Designated			
	£'000	£'000			
Dividends receivable	152	-	77	33	262
Interest receivable	68	-	6	2	76
Rents receivable on investment property	154	-	129	128	411
	374	-	212	163	749

2022	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
	General	Designated			
	£'000	£'000			
Dividends receivable	122	-	73	49	244
Interest receivable	-	-	2	2	4
Rents receivable on investment property	158	-	160	113	431
	280	-	235	164	679

6. EXPENDITURE ON RAISING FUNDS

2023	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
	General	Designated			
	£'000	£'000			
Schools Building Project Management	41	-	-	-	41
Training Services to Schools	68	-	-	-	68
Rental Management Fees	77	-	1	16	94
Investment Property Costs	247	-	13	18	278
Support Costs	154	4	-	-	158
	587	4	14	34	639

2022	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
	General	Designated			
	£'000	£'000			
Schools Building Project Management	54	-	-	-	54
Training Services to Schools	92	-	-	-	92
Rental Management Fees	70	4	7	14	95
Investment Property Costs	91	-	14	-	105
Support Costs	232	16	-	-	248
	539	20	21	14	594

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

7. CHARITABLE ACTIVITIES

2023	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2023
	£'000	£'000	£'000	£'000	£'000
National Church					
Training for ministry	713	-	-	-	713
National Church Establishment	299	-	-	-	299
Retired clergy housing costs	202	-	-	-	202
Other	69	-	-	-	69
Indirect Support Costs	25	-	-	-	25
	<u>1,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,308</u>
Ministry & Mission					
Parish Ministry					
Stipends & pension	5,811	-	-	-	5,811
Housing costs	2,461	-	10	89	2,560
Loss on housing disposals	-	-	-	368	368
Removal & resettlement grants	160	-	-	-	160
Other expenses	400	156	-	20	576
	<u>8,832</u>	<u>156</u>	<u>10</u>	<u>477</u>	<u>9,475</u>
Ministry Support & Training	895	84	806	-	1,785
Indirect Support Costs	1,290	24	11	1	1,326
	<u>11,017</u>	<u>264</u>	<u>827</u>	<u>478</u>	<u>12,586</u>
Education & Mission					
Schools & Education	391	-	73	171	635
Indirect Support Costs	351	9	-	-	360
	<u>742</u>	<u>9</u>	<u>73</u>	<u>171</u>	<u>995</u>
Total	<u>13,067</u>	<u>273</u>	<u>900</u>	<u>649</u>	<u>14,889</u>

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

7. CHARITABLE ACTIVITIES (continued)

2022	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2022
	£'000	£'000	£'000	£'000	£'000
National Church					
Training for ministry	764	-	-	-	764
National Church Establishment	313	-	-	-	313
Retired clergy housing costs	193	-	-	-	193
Other	66	-	-	-	66
Indirect Support Costs	29	-	-	-	29
	<u>1,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,365</u>
Ministry & Mission					
Parish Ministry					
Stipends & pension	5,972	-	-	-	5,972
Housing costs	2,203	1	2	75	2,281
Removal & resettlement grants	163	-	-	-	163
Other expenses	427	92	61	-	580
	<u>8,765</u>	<u>93</u>	<u>63</u>	<u>75</u>	<u>8,996</u>
Ministry Support & Training	810	25	985	-	1,820
Indirect Support Costs	1,304	68	-	-	1,372
	<u>10,879</u>	<u>186</u>	<u>1,048</u>	<u>75</u>	<u>12,188</u>
Education & Mission					
Schools & Education	349	-	79	77	505
Indirect Support Costs	205	14	-	-	219
	<u>554</u>	<u>14</u>	<u>79</u>	<u>77</u>	<u>724</u>
Total	<u>12,798</u>	<u>200</u>	<u>1,127</u>	<u>152</u>	<u>14,277</u>

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

2023	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs £'000	Total 2023 £'000
Raising funds	481	-	158	639
Charitable activities				
National Church	-	1,283	25	1,308
Ministry & Mission	10,751	518	1,317	12,586
Education & Mission	635	-	360	995
Total Expenditure	11,867	1,801	1,860	15,528

Grant Funding of Activities

2023	Number	Individuals £'000	Institutions £'000	Total 2023 £'000
<u>From unrestricted funds</u>				
Archbishops' Council	1	-	1,162	1,162
Clergy appointment and resettlement	31	164	-	164
Ordinand Maintenance	11	121	-	121
Parish Support	154	-	154	154
<u>From restricted funds</u>				
Parish Mission & development	10	-	200	200
		285	1,516	1,801

2022	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs £'000	Total 2022 £'000
Raising funds	346	-	248	594
Charitable activities				
National Church	130	1,206	29	1,365
Ministry & Mission	10,168	648	1,372	12,188
Education & Mission	505	-	219	724
Total Expenditure	11,149	1,854	1,868	14,871

Grant Funding of Activities

2022	Number	Individuals £'000	Institutions £'000	Total 2022 £'000
<u>From unrestricted funds</u>				
Archbishops' Council	1	-	1,061	1,061
Clergy appointment and resettlement	31	163	-	163
Ordinand Maintenance	13	145	-	145
Parish Support	125	-	125	125
<u>From restricted funds</u>				
Parish Mission & development	150	-	360	360
		308	1,546	1,854

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (continued)

Support costs are allocated by the direct allocation of certain costs that relate specifically to activities with the remaining costs allocated on the basis of staff employed in direct activities.

Included within support costs are fees payable to the auditors of £21,500 (2022: £18,750) in respect of audit services.

Support Costs	2023	2022
	£'000	£'000
Diocesan Secretary's Office	141	85
Administration Team	157	133
Communications	158	200
Finance	199	187
Safeguarding	221	253
Human resources	219	169
Diocesan Advisory Committee	69	99
Office Costs	368	444
IT	242	239
Other corporate costs	86	51
Closed Pension Schemes	-	8
	<u>1,860</u>	<u>1,868</u>

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

9. STAFF & TRUSTEES

Staff Costs	2023	2022
	£'000	£'000
Wages and salaries	2,113	1,984
National insurance contributions	218	212
Pension costs	287	249
Total	<u>2,618</u>	<u>2,445</u>

Average number of full-time equivalent people employed by the group during the year

	2023	2022
	No.	No.
Mission Team	17	16
Schools, Colleges & Universities	8	7
Parish Support	4	4
Operational Support	3	2
Safeguarding	4	4
Communications	2	3
Property	4	4
DAC	1	1
Finance	3	4
HR	3	2
IT	1	2
Total	<u>50</u>	<u>48</u>

By Main Funding Source

Parish share	38	38
Grants, trading and restricted income	12	10
Total	<u>50</u>	<u>48</u>

The average number of individual persons employed by the group:

	2023	2022
	No.	No.
Mission Team	21	18
Schools, Colleges & Universities	9	9
Parish Support	5	5
Operational Support	3	3
Safeguarding	5	5
Communications	2	3
Property	4	4
DAC	1	1
Finance	4	4
HR	3	3
IT	2	2
Total	<u>59</u>	<u>57</u>

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

9. STAFF & TRUSTEES (continued)

The number of employees whose total employee benefits (all remuneration, salary, benefits and any termination payments) excluding employer pension costs fell within each band of £10,000 from £60,000 upwards is as follows:

Employee benefits falling between:	2023 No.	2022 No.
£110,001 to £120,000	-	1
£80,001 to £90,000	2	-
£70,001 to £80,000	2	2
£60,000 to £70,000	3	2

Pension contributions of £76,000 (2022: £42,000) were paid in respect of these people.

The GDBF paid an average of 154 (2022: 155) stipendiary clergy as office-holders holding parochial or Diocesan appointments in the Diocese.

	2023 £'000	2022 £'000
Stipends	4,478	4,477
National Insurance	372	390
Pension Contributions	1,090	1,440
Current year		
Deficit reduction	-	174
	<u>5,940</u>	<u>6,481</u>

Included within staff and stipend costs is £32,000 (2022: £145,000) in respect of redundancy payments.

Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by the Trustees for planning, directing and controlling the activities of the Diocese. Key management personnel are set out on page 20. The emoluments, including all benefits in kind including pensions, for these employees amounted to £470,000 (2022: £443,000)

Trustees

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £10,700 (2022: £7,500) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as Trustees. The following table gives details of the Trustees who were in receipt of a stipend and/or housing provided by the GDBF during the year:

	Stipend	Housing
The Bishop of Dorking	-	✓
The Archdeacon of Dorking	✓	✓
The Archdeacon of Surrey	✓	✓
The Revd M Babatunde	✓	✓
The Revd B Beecroft	✓	✓
The Revd C Bessant	✓	✓
The Revd R A Donovan	✓	✓
The Revd P Heidari	✓	✓
The Revd E. Prior	✓	✓
The Revd S Taylor	✓	✓
The Revd R Woodhams	✓	✓

In addition, connected parties to the following trustees were also in receipt of stipend and housing: Mrs A. Shaw and The Right Revd A.J. Watson.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

9. STAFF & TRUSTEES (continued)

The GDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. It is also responsible for the provision of housing for stipendiary clergy in the Diocese including the suffragan bishop but excluding Diocesan bishop and cathedral staff. The amount of stipend, funded by the GDBF, for each clergy person who are trustees was £39,000 (2022: £37,000) for Archdeacons and £30,000 (2022: £29,000) for incumbent clergy.

10. TRANSFERS BETWEEN FUNDS

2023	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
To fund triennial clergy conference	(15)	15	-	-
To fund parish revitalisation grants	(85)	85	-	-
From retirement fund to general fund for clergy housing retirement costs (CHARM)	70	-	-	(70)
Saving on CHARM allocated to Mission Fund	(70)	70	-	-
From Growth Fund to Strategic Development Fund	-	(190)	190	-
From general fund to fund net zero support	(40)	40	-	-
From School Funds to General Fund to support education activities	96	-	(96)	-
From Nugent Fund to support mission grants	-	58	(58)	-
From pastoral fund to fund net zero housing improvements	50	-	(50)	-
	<u>6</u>	<u>78</u>	<u>(14)</u>	<u>(70)</u>

2022	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
From General Fund to Glebe Capital being the difference between contributions paid less interest on Clergy Pension Scheme	(174)	-	-	174
To fund triennial clergy conference	(15)	15	-	-
From General Fund to Growth Fund	(85)	85	-	-
From clergy retirement fund to general fund for clergy housing retirement costs (CHARM)	77	-	-	(77)
Saving on CHARM allocated to Mission Fund	(37)	37	-	-
From Growth Fund to Strategic Development Fund	-	(182)	182	-
From Board Endowment to Diocesan House fund	-	87	-	(87)
From School Funds to General Fund to support education activities	130	-	(130)	-
	<u>(104)</u>	<u>42</u>	<u>52</u>	<u>10</u>

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

11. TANGIBLE FIXED ASSETS

All of the properties in the balance sheet are freehold and are vested in the GDBF, except for benefice houses which are vested in the incumbent. One property, valued at £608,000 (2022: £690,000), was purchased with the help of a value-linked loan from the Church Commissioners; when disposed of 28% of the net sale proceeds will be remitted to the lender, and the related loan liability extinguished.

	Group and GDBF			
	Freehold Land and Buildings	Leasehold Buildings	Office Equipment	Total
	£'000	£'000	£'000	£'000
<u>Cost or valuation</u>				
Balance at 1 January 2023	197,300	923	490	198,713
Additions	170	-	13	183
Disposals	(2,059)	-	-	(2,059)
Revaluation/impairment	(9,607)	-	-	(9,607)
Balance at 31 December 2023	<u>185,804</u>	<u>923</u>	<u>503</u>	<u>187,230</u>
<u>Accumulated depreciation</u>				
Balance at 1 January 2023	-	(540)	(447)	(987)
Depreciation charge for year	-	(4)	(16)	(20)
Balance at 31 December 2023	<u>-</u>	<u>(544)</u>	<u>(463)</u>	<u>(1,007)</u>
<u>Net book value</u>				
At 31 December 2023	<u>185,804</u>	<u>379</u>	<u>40</u>	<u>186,223</u>
At 31 December 2022	<u>197,300</u>	<u>383</u>	<u>43</u>	<u>197,726</u>

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

12. INVESTMENTS

	Group and GDBF					31 December 2023 £'000
	1 January 2023 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in market value £'000	
Investment property	18,872	-	(897)	-	(4,185)	13,790
CBF Investment Fund	7,942	950	-	-	805	9,697
Electric & General Fund	305	-	-	-	71	376
Other listed investments	354	-	(158)	-	91	287
Program related	60	-	-	-	-	60
	<u>27,533</u>	<u>950</u>	<u>(1,055)</u>	<u>-</u>	<u>(3,218)</u>	<u>24,210</u>

The CBF Investment Fund is managed by CCLA. Program related investment is an equity share loan on a property for clergy housing in partnership with the Methodist church. Such investments are made directly in pursuit of the Board's charitable purposes rather than for financial investment purposes. The amount shown represents the sum originally advanced as required under FRS102. The loan is not expected to be repaid in the short term.

Investment in Subsidiary

Guildford Diocesan Board of Finance has one wholly owned subsidiary, Guildford Diocesan Services Limited (GDSDL) which has a share capital of £1. The trading activities of GDSDL primarily consist of the supply of building project management and training services to church schools in the Diocese. The profits of GDSDL are normally wholly gift aided to the GDBF. In accordance with revised guidance issued by the Financial Reporting Council these are now accounted for when paid and not set against the year to which they relate. A summary of the financial results and funds of GDSDL which are consolidated in these financial statements is as follows:

2023	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
	General £'000	Designated £'000			
Other trading activities	210	-	-	-	210
Fundraising costs	133	-	-	-	133
Gift to GDBF	(76)	-	-	-	(76)
Net income and net movement in funds	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>
Funds at 1 January	<u>76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76</u>
Funds at 31 December	<u>87</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87</u>

2022	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
	General £'000	Designated £'000			
Other trading activities	228	-	-	-	228
Fundraising costs	(152)	-	-	-	(152)
Gift to GDBF	(44)	-	-	-	(44)
Net income and net movement in funds	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32</u>
Funds at 1 January	<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>
Funds at 31 December	<u>76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76</u>

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

13. DEBTORS

	Group		GDBF	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<u>Due within one year</u>				
Parish Share	148	127	148	55
Fees	64	88	64	97
Prepayments and accrued income	435	272	394	323
Legacy	-	600	-	600
Other debtors	625	179	583	147
	<u>1,272</u>	<u>1,266</u>	<u>1,189</u>	<u>1,222</u>
<u>Due after more than one year</u>				
Loans to parishes - housing	2,339	2,218	2,339	2,218
Loans to retired clergy	325	325	325	325
Other loans and debtors	112	25	112	25
	<u>2,776</u>	<u>2,568</u>	<u>2,776</u>	<u>2,568</u>
Total	<u>4,048</u>	<u>3,834</u>	<u>3,966</u>	<u>3,790</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		GDBF	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts held on behalf of school governors	(4,137)	(4,030)	(4,137)	(4,030)
Other creditors and accruals	(1,213)	(1,011)	(1,166)	(936)
Loan repayments due in one year	(36)	(721)	(36)	(721)
	<u>(5,386)</u>	<u>(5,762)</u>	<u>(5,339)</u>	<u>(5,687)</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		GDBF	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<u>Loans in respect of house purchases</u>				
Church Commissioners value-linked loans	(2,524)	(2,397)	(2,524)	(2,397)
Church Commissioners other loans	(135)	(171)	(135)	(171)
Other bank loans	-	(315)	-	(315)
	<u>(2,659)</u>	<u>(2,883)</u>	<u>(2,659)</u>	<u>(2,883)</u>
The above loans fall due for repayment:				
Between one and two years	(36)	(351)	(36)	(351)
Between two and five years	(108)	(108)	(108)	(108)
In five years and more	(2,515)	(2,424)	(2,515)	(2,424)
	<u>(2,659)</u>	<u>(2,883)</u>	<u>(2,659)</u>	<u>(2,883)</u>

The loans from the Church Commissioners include £2.3m (2022: £2.2m) used to purchase houses for parishes matched by loans from parishes included in debtors.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

16. PROVISIONS FOR LIABILITIES

	Group and GDBF	
	2023	2022
	£'000	£'000
Diocesan Office Dilapidations	298	218
Freehold Property Dilapidations	200	-
	<u>498</u>	<u>218</u>

The diocesan office provision is in respect of reinstatement obligations related to 20 Alan Turing Road, Guildford, a leasehold property and will be utilised at the end of the lease. The freehold property provision is in respect of rectification work likely to be necessary on one of the DBF's properties and will be utilised once further investigation and permissions have been completed.

17. FINANCIAL INSTRUMENTS

	2023	2022
	£'000	£'000
Financial assets measured at fair value	17,189	11,386
Financial assets measured at amortised cost	3,464	2,834
Financial liabilities measured at amortised cost	(7,647)	(8,206)

18. PENSIONS

Church of England Funded Pension Scheme (Clergy)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2023: £1,090,000; 2022: £1,440,000), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total charge of £1,090,000 for 2023 (2022: £1,553,000).

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

- An average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this).
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards.
- Increase in pensionable stipends in line with CPIH.
- Mortality in accordance with 90% of the S3NA_VL 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%.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

18. PENSIONS (continued)

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

As at 31 December 2022 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

% of pensionable stipends	January 2019 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 2022 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 as at 1 January	-	287
Deficit Contributions paid	-	(174)
Interest cost *	-	-
Remaining change to the balance sheet liability* ¹	-	(113)
Balance sheet liability as at 31 December	-	-

*Recognised in SOFA

Liability < 1 Year

- -

¹The remaining change to the balance sheet liability comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2023 and 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

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

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

Church Workers Pension Fund (CWPF)

The GDBF (DBS) participates in the Church Workers Pension Fund (CWPF). The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

18. PENSIONS (continued)

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

CWPF: the Defined Benefits Scheme

GDBF participates in the Defined Benefit Scheme ("DBS") section of CWPF for lay staff. The DBS section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. Guildford's participation was closed to future accruals in 2014.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns. The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SOFA during the year are contributions payable towards benefits and expenses accrued in that year (2023: £Nil, 2022: £Nil) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SOFA, giving a total credit of £54,000 for 2023 (2022: £Nil).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board having taken advice from the Actuary.

A valuation of DBS is carried out once every three years. The most recently finalised valuation was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m. The next actuarial valuation is due as at 31 December 2022. The calculations for this are under way.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay expenses of £6,700 per year. In addition, deficit payments of £92,600 per year were agreed for 0.50 years from 1 April 2022 in respect of the shortfall in the Employer sub-pool. Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2022 and 31 December 2023. A liability has been recognised at earlier dates. During 2023, the Pensions Board identified that £54,000 of pension liability contributions had been over-claimed in previous years and this was repaid.

The movement in the provision is set out below:

	2023	2022
	£'000	£'000
Balance sheet liability as at 1 January	-	-
Contributions repaid	54	-
Interest cost*	-	-
Remaining change to the balance sheet liability*	(54)	-
Balance sheet liability as at 31 December	-	-

* Recognised in SOFA

The remaining change to the balance sheet liability comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

18. PENSIONS (continued)

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

	December 2023	December 2022	December 2021
Discount Rate	n/a	0.0%	0.0%

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

Pension Builder Scheme

The GDBF participates in the Pension Builder Scheme section of the CWPF for lay staff. The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, 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 that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Pensions Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This 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 contributions payable (2023: £287,000, 2022: £212,000)

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

For the Pension Builder Classic section, the 2019 valuation revealed an overall deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Pensions 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 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

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

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

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19. SUMMARY OF FUND MOVEMENTS

2023	1 January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	31 December 2023 £'000
<u>Unrestricted funds</u>						
General	2,160	13,512	(13,654)	6	45	2,069
<u>Designated</u>						
TCTL growth fund	1,122	-	(59)	(306)	-	757
Mission Fund	58	100	(24)	213	-	347
Strategic change fund	378	15	(117)	156	-	432
Development fund	812	-	(27)	-	-	785
Diocesan Premises reserve	-	-	-	-	-	-
Clergy conference fund	47	-	(50)	15	-	12
Church fabric repair fund	11	-	-	-	-	11
	2,428	115	(277)	78	-	2,344
<u>Restricted income funds</u>						
Pastoral fund	1,496	1	-	(50)	(496)	951
Strategic Development Fund	-	119	(310)	190	1	-
Glebe income	313	25	-	-	-	338
Clergy Welfare	153	14	(10)	-	(1)	156
Moor Park Trust	88	4	-	-	8	100
Regional Training	35	65	(75)	-	-	25
Community Engagement	77	105	(139)	-	-	43
Church Schools income	18	44	(49)	(53)	(1)	(41)
All Saints Fleet	16	1	-	-	(1)	16
Moss Lane Fund	24	44	(35)	-	-	33
Partridge Fund	166	8	-	(43)	18	149
Nugent Income	73	69	(14)	(58)	2	72
Ministerial Education	110	235	(282)	-	-	63
	2,569	734	(914)	(14)	(470)	1,905
<u>Endowment funds</u>						
<i>Expendable endowment</i>						
Board endowment	12,878	-	(34)	-	(968)	11,876
Onslow bequest	476	-	-	-	42	518
E M Woods trust capital	311	-	-	-	31	342
Church schools capital	4,861	-	(171)	-	(117)	4,573
Retired clergy housing	9,600	159	(369)	(70)	(648)	8,672
Benefice houses fund	158,699	-	-	-	(8,280)	150,419
Nugent fund	3,498	-	(4)	-	106	3,600
<i>Permanent endowment</i>						
Glebe capital fund	28,259	4	(105)	-	(2,888)	25,270
E Newill trust	254	-	-	-	24	278
Budgen legacy	605	-	-	-	58	663
G Nash will	354	-	-	-	33	387
Power legacy	224	-	-	-	22	246
Toulmin will	88	-	-	-	8	96
St Agnes Lodge fund	100	-	-	-	9	109
	220,207	163	(683)	(70)	(12,568)	207,049
Total funds	227,364	14,524	(15,528)	-	(12,993)	213,367

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

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19. SUMMARY OF FUND MOVEMENTS (continued)

2022	1 January 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	31 December 2022 £'000
<u>Unrestricted funds</u>						
General	1,974	13,639	(13,337)	(104)	(12)	2,160
<u>Designated</u>						
TCTL growth fund	1,132	110	(23)	(97)	-	1,122
Mission Fund	-	26	(5)	37	-	58
Strategic change fund	474	-	(96)	-	-	378
Development fund	812	-	-	-	-	812
Diocesan Premises reserve	-	-	(87)	87	-	-
Clergy conference fund	41	-	(9)	15	-	47
Church fabric repair fund	11	-	-	-	-	11
	2,470	136	(220)	42	-	2,428
<u>Restricted income funds</u>						
Pastoral fund	1,421	1	-	-	74	1,496
Strategic Development Fund	-	277	(459)	182	-	-
Glebe income	292	24	(2)	-	(1)	313
Clergy Welfare	130	84	(61)	-	-	153
Moor Park Trust	97	3	-	-	(12)	88
Regional Training	29	89	(83)	-	-	35
Community Engagement	54	138	(115)	-	-	77
Church Schools income	75	61	(19)	(100)	1	18
All Saints Fleet	16	-	-	-	-	16
Moss Lane Fund	29	58	(64)	-	1	24
Partridge Fund	215	6	-	(30)	(25)	166
Nugent Income	19	70	(17)	-	1	73
Ministerial Education	89	349	(328)	-	-	110
	2,466	1,160	(1,148)	52	39	2,569
<u>Endowment funds</u>						
<i>Expendable endowment</i>						
Board endowment	12,789	-	-	(87)	176	12,878
Onslow bequest	521	13	-	-	(58)	476
E M Woods trust capital	353	-	-	-	(42)	311
Church schools capital	4,655	450	(78)	-	(166)	4,861
Retired clergy housing	9,252	151	(74)	(77)	348	9,600
Benefice houses fund	149,288	600	-	-	8,811	158,699
Nugent fund	3,784	-	-	-	(286)	3,498
<i>Permanent endowment</i>						
Glebe capital fund	25,688	-	(14)	174	2,411	28,259
E Newill trust	287	-	-	-	(33)	254
Budgen legacy	686	-	-	-	(81)	605
G Nash will	400	-	-	-	(46)	354
Power legacy	254	-	-	-	(30)	224
Toulmin will	99	-	-	-	(11)	88
St Agnes Lodge fund	113	-	-	-	(13)	100
	208,169	1,214	(166)	10	10,980	220,207
Total funds	215,079	16,149	(14,871)	-	11,007	227,364

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

20. SUMMARY OF ASSETS BY FUND

As at 31 December 2023	Tangible fixed assets £'000	Investments £'000	Current assets £'000	Creditors £'000	Net assets £'000
<u>Group</u>					
Unrestricted Funds	41	100	3,566	(1,638)	2,069
Designated Funds	-	-	2,664	(320)	2,344
Restricted Income Funds	378	1,067	4,671	(4,211)	1,905
Expendable Endowment Funds	166,728	18,525	(3,079)	(2,174)	180,000
Permanent Endowment Funds	19,076	4,518	3,655	(200)	27,049
Total Funds	186,223	24,210	11,477	(8,543)	213,367

GDBF Company

Unrestricted Funds	41	100	3,432	(1,591)	1,982
Designated Funds	-	-	2,664	(320)	2,344
Restricted Income Funds	378	1,067	4,671	(4,211)	1,905
Expendable Endowment Funds	166,728	18,525	(3,079)	(2,174)	180,000
Permanent Endowment Funds	19,076	4,518	3,655	(200)	27,049
Total Funds	186,223	24,210	11,343	(8,496)	213,280

As at 31 December 2022	Tangible fixed assets £'000	Investments £'000	Current assets £'000	Creditors £'000	Net assets £'000
<u>Group</u>					
Unrestricted Funds	45	93	3,274	(1,252)	2,160
Designated Funds	-	-	2,660	(232)	2,428
Restricted Income Funds	382	1,537	4,729	(4,079)	2,569
Expendable Endowment Funds	176,282	18,908	(1,567)	(3,300)	190,323
Permanent Endowment Funds	21,017	6,995	1,872	0	29,884
Total funds	197,726	27,533	10,968	(8,863)	227,364

GDBF Company

Unrestricted Funds	45	93	3,123	(1,177)	2,084
Designated Funds	-	-	2,660	(232)	2,428
Restricted Income Funds	382	1,537	4,729	(4,079)	2,569
Expendable Endowment Funds	176,282	18,908	(1,567)	(3,300)	190,323
Permanent Endowment Funds	21,017	6,995	1,872	0	29,884
Total funds	197,726	27,533	10,817	(8,788)	227,288

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

21. DESCRIPTION OF FUNDS

General fund	The general reserve is the GDBF's unrestricted undesignated fund available for any of the GDBF's purposes without restriction.
Mission fund	Designated fund to help with diocesan and parish growth initiatives.
TCTL Growth fund	Designated fund for <i>Transforming Church, Transforming Lives</i> initiatives. The majority of this is allocated as joint funding for projects within the Strategic Development Fund below.
Strategic change fund	Designated fund to implement change processes deriving from <i>Transforming church, Transforming lives</i> initiatives. This was set up from grants received in 2020 from the Church Commissioners and the Trust for London.
Development fund	Designated fund for development projects of the Diocese. The principal designation is to fund a move of Diocesan House up to the Cathedral site.
Diocesan Premises reserve	Designated fund to spread the impact of rent-free periods and costs of refurbishment and dilapidations.
Clergy conference fund	Designated fund for the triennial Diocesan clergy conference.
Church fabric repair fund	Designated fund from which to make grants to parishes for fabric repair.
Pastoral fund	The Diocesan pastoral account is regulated by the provisions of the Pastoral Measure 2011. The restricted purposes for which the account may be used are: <ul style="list-style-type: none">• to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular Diocesan employees• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese• other purposes of the Diocese or any benefice or parish in the Diocese• to make grants or loans to any other Diocese• to transfer funds to other Diocesan funds
Strategic Development Fund	Funds received from the National Church for specific strategic development projects including church growth projects in new housing developments and other church growth projects. Joint funding is being provided from GDBF general funds through the TCTL growth fund.
Ministerial Education	Income and Expenditure on the ministerial education of ordinands.
Glebe income fund	Accumulated income from glebe capital used for clergy stipends and housing costs
Clergy Welfare	Accumulated investment income for needy and retired clergy and their dependants.
Moor Park Trust	Expendable gift from Moor Park College for adult Christian education work.
Regional training	Restricted fund for the activity of the regional training Diocesan partnership.
Community Engagement	Grants and related activity for Community Engagement projects.
Church Schools income	Accumulated income from uniform statutory trusts (church schools fund capital) used for supporting church schools in the Diocese, both buildings and education.
Church Schools Building Projects	Funds for Church School Building Projects.
All Saints Fleet	Funds to support mission in All Saints Fleet.
Moss Lane Fund	Funds to support mission in Godalming.
Partridge Fund	Funds to support Church of England Schools.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

21. DESCRIPTION OF FUNDS (continued)

Board endowment	Expendable endowment fund for capital growth. Income is credited to the general fund for the general purposes of the Diocese.
Onslow bequest	Expendable endowment for the support of clergy and building churches in Surrey.
E M Woods trust capital	Expendable endowment for the benefit of needy or retired clergy and their dependants. Income is credited to the Clergy Welfare fund.
Church schools fund capital	Expendable endowment arising from sale proceeds of redundant Church of England School properties. Its use is restricted by law to capital and maintenance work to Church of England schools in the Diocese. Income arising may be used to support education generally in the Diocese. The GDBF is Trustee of these funds, which are managed on a day-to-day basis by and in consultation with the Board of Education
Glebe capital fund	The glebe capital fund was created from the Diocesan stipends fund capital account held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976, and glebe assets, to provide income for clergy stipends. It represents glebe assets, 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. Besides glebe property, the funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit. Income is credited to the general fund for the payment of stipends and benefice house outgoings.
Retired clergy fund	Expendable endowment for the provision of housing for retired clergy. Income is credited to this same fund.
Benefice houses fund	The benefice houses 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 held on suspense by the Church Commissioners. Although benefice houses are vested in incumbents for the time being of benefices concerned, the GDBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese, and receives the sale proceeds of benefice houses surplus to requirements into the Diocesan pastoral account.
Nugent fund	Expendable endowment for general church purposes. Income is credited to the Mission Fund.
E Newill trust	Permanent endowment to provide income for family needs. Income is credited to the general fund.
Budgen legacy	Permanent endowment to provide income for general church purposes. Income is credited to the general fund.
G Nash will	Permanent endowment to provide income for general church purposes. Income is credited to the general fund.
Power legacy	Permanent endowment to provide income for clergy stipends. Income is credited to the general fund.
Toulmin will	Permanent endowment to provide income for the training of ordination candidates. Income is credited to the general fund.
St Agnes Lodge fund	Permanent endowment arising from the sale of St Agnes Lodge, to provide income for social responsibility work in the Diocese. Income is credited to the general fund.

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

22. CAPITAL AND OTHER COMMITMENTS

At 31 December, the Board had no capital commitments (2022: None).

The GDBF had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2023	2022
	£'000	£'000
Payment due:		
Not later than one year	249	249
Later than one year and not later than five years	62	125
	<u>311</u>	<u>374</u>

The GDBF had no other off-balance sheet arrangements.

23. FUNDS HELD AS CUSTODIAN TRUSTEE

The GDBF acts as custodian trustee for many parish and other trusts by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing Trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the GDBF does not control them. The financial assets held in this way are as follows:

	2023	2022
	£'000	£'000
CCLA Church of England Investment Fund (income)	5,141	4,721
CCLA Church of England Fixed Interest Securities Fund	118	109
CCLA Property Fund	46	49
Other common investment fund holdings	1,707	1,681
Direct holdings in UK equities	48	36
CCLA Church of England Deposit Fund	490	476
Cash at bank	10	10
Total financial assets held as custodian trustee	<u>7,560</u>	<u>7,082</u>

GUILDFORD DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

24. PRIOR YEAR COMPARATIVE SOFA

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2022
	£'000	£'000	£'000	£'000	£'000
Income and endowments from					
Donations					
Parishes	11,802	-	-	-	11,802
Archbishops' Council	223	-	699	-	922
Other	204	110	-	600	914
	12,229	110	699	600	13,638
Charitable activities	505	-	226	450	1,181
Other trading activities	625	26	-	-	651
Investments	280	-	235	164	679
Other	-	-	-	-	-
	13,639	136	1,160	1,214	16,149
Expenditure on:					
Raising funds	(539)	(20)	(21)	(14)	(594)
Charitable activities	(12,798)	(200)	(1,127)	(152)	(14,277)
	(13,337)	(220)	(1,148)	(166)	(14,871)
Net income/(expenditure) before investment gains	302	(84)	12	1,048	1,278
Net (loss)/gain on investments	(12)	-	39	(373)	(346)
Net income/(expenditure)	290	(84)	51	675	932
Transfers between funds	(104)	42	52	10	-
Net income after transfers	186	(42)	103	685	932
Other recognised gains/(losses)					
Gains on revaluation of fixed assets	-	-	-	11,240	11,240
Actuarial gains on pension schemes	-	-	-	113	113
Net movement in funds	186	(42)	103	12,038	12,285
Total funds brought forward	1,974	2,470	2,466	208,169	215,079
Total funds carried forward	2,160	2,428	2,569	220,207	227,364