



ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2023

WINCHESTER DIOCESAN BOARD OF FINANCE

Company number - 142351

Registered charity number – 249276

WINCHESTER DIOCESAN BOARD OF FINANCE**TRUSTEES REPORT****For the year ended 31 December 2023**

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FOREWORD

To conclude last year's set of accounts, I asked us all to pray, as St Paul did, to God who is "able to do immeasurably more than all we even ask or imagine, according to his power that is at work within us" for the bright and hopeful future of the Diocese of Winchester. This year I can confidently say that God has been faithful to us as a diocesan family.

As a Board, we have endeavoured to develop an intentional covenantal-style relationship with our parishes, clergy, and diocesan synod so that we can truly work within an environment where voices are heard, our communications are transparent and fair, enabling robust review and debate, but most importantly allowing the Holy Spirit to minister to us.

The executive team led by Colin Harbidge have worked extremely hard, often to very tight timetables, to this end. The in-depth budget consultation undertaken earlier in the year was a strong indication of the style with which we wish to work collaboratively and openly in the future. In addition, we began several critical reviews in 2023: looking at how we manage our property, in particular clergy housing, also looking at the Common Mission Fund, and finally into the work School of Mission. These reviews were enabled by the wise counsel of membership drawn widely from across the diocese and benefited from healthy and wide consultation.

The headline financial position is shown in the SOFA on page 23. Across all funds we ended the year in a positive position due to increased value of our balance sheet. However, this hides the fact that our income was £462k less than our expenditure on the general fund. The challenge to be wise and good stewards of the financial resources entrusted to us of course remains as our parishes face another year of significant headwinds. We have such an exciting opportunity as we enter a period of stability with Bishop Philip's arrival, and the intention to appoint a new suffragan bishop of Southampton later this year, as we renew our commitment to investing well and supporting our parishes as they seek to grow the Kingdom of God.

Ian Dighé

Chair of the Winchester Diocesan Board of Finance

WINCHESTER DIOCESAN BOARD OF FINANCE

TRUSTEES REPORT

For the year ended 31 December 2023

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 and 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 objects of the Diocese of Winchester cover most of Hampshire - a part of eastern Dorset, the unitary authority of Southampton and the eastern parts of the unitary authority of Bournemouth, Christchurch and Poole.

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

The WDBF has the following statutory responsibilities:

- i. the management of glebe property and investments to generate income, in order to support the cost of stipends arising from the Endowment and Glebe Measure 1976.
- 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 custodian of assets relating to church schools under the Diocesan Board of Education Measure in 2021.
- iv. the custodian 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 company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Winchester (in respect of his/her responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally, taking forward shared commitments and priorities.

STRATEGIC AIMS

In 2024, Bishop Philip will be launching Walking the Wessex Way – a new resource for discussion, reflection and prayer in parishes and worshipping communities – setting out an invitational vision for our dioceses building on our legacy of **service, learning, growing and loving** as we look to the future. This consultative process will lead to discerning a series of objectives and commitments for our Diocesan community over the coming years.

Due to the nature of our organisation, our objectives and strategic priorities are primarily delivered through our network of parishes, clergy, ministers, and worshipping communities. It is therefore vital that we invest in engaging, supporting, equipping, and challenging them to grow our shared mission, as we all seek to grow our mission and ministry.

By carrying out these priorities and in promoting the whole mission of the church (pastoral, evangelistic, social, and ecumenical), the directors are confident (having adhered to Charity Commission guidance) that the Charity delivers public benefit.

ACTIVITIES IN THE YEAR

Ministry Support

Throughout 2023, our support for local mission and ministry in our chaplaincies, schools, benefices and parishes has remained a foundational priority. At the time of writing, we have over 840 people authorised for ministry servicing across our dioceses in stipendiary, voluntary, lay and ordained roles. During 2023, the following activities are of particular note:

- **Clergy Stipends** were increased by 7% from April 2023;
- Our programme of **Continual Ministerial Development (CMD)** events has continued to expand and develop, receiving positive feedback and engagement.
- **25 ordination candidates** from our diocese successfully completed the discernment process and began ordination training in 2023.
- 6 new **Licensed Lay Ministers (LLM)** began training in 2023, along with 12 new candidates for the **Bishop's Permission to Preach (BPP)**
- £29,000 of **Welfare grants** were paid to members of clergy during the year.
- Access to **coaching, mentoring, supervision and counselling** continues to be provided to clergy and lay ministers as needed.
- **Initial Ministerial Education (IME2)** was provided for the 60 or so curates training across our diocese, along with support for their Training Incumbents and contexts.
- We continue to invest heavily in **clergy housing maintenance and management** spending nearly £2m a year in this vital area of support.

Support for Parishes & Schools

The fundamental purpose of the Diocesan Team continues to be the support, guidance, and advice we offer to our deaneries, benefices and parishes. We do this through a range of activities, events and service provision. In 2023 the following were of particular note:

- Over **4,330 Safeguarding Training courses** were completed by individuals, supported, run and promoted by our Safeguarding Team.
- Our programme of Parish Officer Training events and Deanery Roadshows continued to expand and attract strong attendance and excellent feedback with over **645 people** attending during the year.
- The Diocesan Advisory Committee for the Care of Churches (DAC) processed **290 new applications** and provided **39 grants to fund Quinquennial Inspections** of church buildings.
- At the time of writing, we have over £1m lent out to parishes to support local works and missional plans, with repayments due over the coming years.
- **38 Parish energy support grants** were made to PCCs supported by a restricted Grant from the Archbishop's Council)
- Cover for **1,699 services** was provided to parishes through the **Diocesan Clerical Registry**
- With national funding, we appointed a new **Diocesan Environment Officer** to support parishes in caring for creation and engaging with environmental matters.
- Following strong encouragement from Diocesan Synod, we **reinstated the post of Archdeacon of Bournemouth** to provide additional support and care for our clergy, lay ministers and parishes. Jean Burgess was duly appointed and joined our diocese in June 2023, with her post part-funded by a national grant for the first 3 years.

Diocesan Support

As the contexts and challenges across our parishes and communities change, so too must the support offered at a diocesan level. 2023 continued the series of strategic reviews of different areas of work helping to ensure our structures are aligned to support our emerging strategy and statutory requirements.

We remain committed to ensuring all Diocesan Support costs are managed carefully and appropriately, to best serve mission and ministry in our parishes, chaplaincies, schools and communities. In 2023 this work included:

- Completing the **Vacancy in See** process, feeding into the appointment of Bishop Philip as the next Bishop of Winchester.
- Creating and receiving approval of a **three-year diocesan financial plan**, including **reducing Common Mission Fund requests by £700,000** in 2024, to leave as much resource in parishes as we can.
- Establishing the new **Joint Diocesan Board of Education** as Charitable Incorporated Organisation proceeded following Synodical approval.
- Actively and openly engaging with the **national Safeguarding reviews**, providing responses to information requests, surveys and queries.
- Commissioning a strategic review of the **Winchester School of Mission** which reported in the first quarter of 2024.
- Initiating a review of the support and resourcing of our **clergy housing management**, with recommendations being actioned in 2024.
- Completed a joint review with the Diocese of Portsmouth on our **shared Finance Team**, recommending a new structure to better serve our two dioceses, whilst reducing total costs.

As well as these strategic reviews, ongoing operational work continued in 2023 this included:

- The implementation of a major upgrade to our IT systems across our regional **Diocesan IT Consortium** with Portsmouth and Guildford.
- A significant programme of repairs, maintenance and reordering was started at **Old Alresford Place**, in preparation for the Diocesan Team's return in 2024.
- Restructured our **Communications & Engagement Team**, expanding the breadth of skills and expertise within the team.
- In November 2023, the Directors of the Board chose to appoint the **Interim Diocesan Secretary**, Colin Harbidge on a permanent basis.

National Support

We have continued to engage with national structures and colleagues in meeting our shared responsibilities, and in seeking national funding to support local mission and ministry:

- Continued to engage in national networks and reviews.
- Supported national **ordinand training costs, retired clergy housing support** and our share of national church support team.
- Successfully bid for **£4.5m of Diocesan Investment Programme (DIP)** funding through the Strategic Mission & Ministry Investment Board (SMMIB) to continue investing in significant mission projects which align with national funding criteria.
- Was one of 6 pilot dioceses to engage in a **national diocesan finance review** – detailed piece of work with external firm of accountants reviewing our funds, income and expenditure to map financial challenges across the country
- Received funding for **Net zero**
- Received funding to help develop a **Racial Justice strategy**.
- Received funding for **Church buildings officer**

Strategic Development Programme

All our parishes are strategically important for our mission and ministry. It is therefore right that we continue to direct the majority of our resources each year into supporting parish ministry in all its forms, breadths and expressions. We continue to always explore external funding sources to support parish ministry, and in 2023, this included our ongoing Strategic Development Programme funded through national Church of England grants.

- Benefice of the Future/ Growing Rural Parishes Programme
 - In 2023 we received funding to expand and develop the Benefice of the Future pilot into the **Growing Rural Parish Programme (GRRP)**. 7 benefices have benefited from the support and learnings of the programme in recent years, with funding for a further 6 already agreed for 2024 and 2024.
- Parish Revitalisations & Renewal Partnerships – Southampton & Bournemouth
 - Recognising the particular missional contexts and opportunities within greater Southampton & Bournemouth, we received funding to invest in **6 parishes** over the next 3 years.
 - We are delighted that the first two of these partnerships have now launched, giving a new lease of life by working in **partnership between parish, resource church, and diocesan team**.

FINANCIAL REVIEW**Financial Performance 2023**

Our financial performance for 2023 was mixed. Like many organisations, the significant shifts and uncertainties in the global economic climate has impacted on our finances and budgetary assumptions. Across all funds the WDBF reported an operating surplus of £0.17m (2022: £0.11m) before transfers, investment gains and the impact of property revaluations. Total income increased by £0.09m to £13.18m and total expenses increased by £0.03m to £13.01m.

During the year unrealised gains on investments were £2.96m (2022: loss £2.81m), and gains on revaluation of tangible fixed assets £1.41m (2022: £2.24m). Our accounting policy under FRS 102 for accounting estimates, is to revalue 20% of the property portfolio each year.

The net effect of all the above is an overall increase in the value of all funds of £4.54m for the year (2022: decrease £0.35m) to £183.01m. The table below summarises this financial position:

	2023	2022
	£'000	£'000
Operating surplus/(deficit)	173	107
Other recognised gains and losses:		
Unrealised (losses)/gains on investments	2,941	(2,814)
Realised gains/(losses) on investments	19	15
Sub-total - Net (Loss)/Gain on Investments	2,960	(2,799)
Unrealised gains/(losses) on tangible assets	1,409	2,241
Movement on Pension Scheme Deficit	-	102
Net movement in funds for the year	4,542	(349)
Fund balance at 1st January	178,467	178,816
Fund balance at 31st December	183,009	178,467

General Fund

Income increased by 0.74% from £11.05m to £11.13m.

Giving from our parishes through Common Mission Fund (CMF), the mutual cost-sharing across the Diocese to fund mission and ministry, is the main incoming resource for the Diocese. We are deeply grateful to all our parishes who have continued to contribute to the CMF whilst tackling rising costs and diminishing reserves. We received £8.36m (2022: £8.52m). This highlights the huge financial pressures and challenges that our parishes continue to face since the start of 2020. In a challenging operating environment, property rentals remained broadly in line with previous year at £0.99m (2022: £1.09m) and investment income increased by 67% from £0.35m to £0.59m reflecting the higher interest rates on deposit funds across the year.

Expenditure increased by £0.74m from £11.04m to £11.78m

Resourcing ministry and mission continues to be our most significant expense stream. In 2023, we averaged 102 stipendiary clergy posts across our diocese (2022:100) out of a budgeted total of 116.5 (2022: 116.5). Direct expenditure on clergy stipends was £5.23m compared to £5.20m in 2022. Clergy stipends increased by 7% from 01 April 2023. Our contribution rate to the Church of England Funded Pension Scheme (CEFPS) for clergy, decreased from 36% to 28% of the previous year's National Minimum Stipend (NMS), from 01 January 2023. Expenditure on clergy housing was £32k higher than 2022 at £1.96m. Resettlement Grants and First Appointment Grants were £261k in 2023 compared to £277k in 2022.

Balance sheet position

The Directors consider that the balance sheet together with details in note 18 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £183.0m (2022: £178.5m), it should be noted that included in this total are properties, mostly in use for Clergy, whose value net of loans, used to buy them, amounted to £146.6m (2022: £146.9m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the WDBF.

Free reserves

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Trustees' policy aim is to hold a balance of free reserves (general fund less tangible fixed assets net of long-term financing) on its general fund, equivalent to between 3 and 6 months budgeted unrestricted expenditure. The total unrestricted general funds balance of free reserves totals £4.2m. (2022: £7.2m). This balance represents the equivalent of 4.4 months of budgeted expenses for the diocese, which is within the agreed range. Whilst the DBF policy is to hold 3 months budgeted unrestricted expenditure in cash or short-term deposit (approximately £2.9m), this was exceeded at the end of December 2023 with the cash balance in the general fund of £4.3m. This was primarily to help with cashflow in Q1 2024 as a number of costs relating to the refurbishment of Old Alresford Place were due to be paid.

This leaves the WDBF in a good position moving into 2024 as we see months with low CMF collection and therefore lowest cash inflows expected in the first half of 2024, as parishes determine their own financial needs for the year ahead.

Designated Fund

The Trustees may, with the approval of the Board, designate unrestricted reserves to be retained for an agreed purpose where this is prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund, in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use, is set out in note 19. At 31 December 2023, total designated reserves were £1.7m (2022: £1.4m). This increase is largely due to unrealised gains on investments plus transfers from the general fund.

Restricted and Endowment Funds

As set out within Notes 17 and 18, the WDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2023, restricted funds totalled £11.6m (2022: £10.8m) and endowment funds totalled £131.6m (2022: £128.0m). Neither are available for the general purposes of the WDBF.

Grant making policy

The Memorandum of Association of the WDBF explicitly permits the WDBF to make grants in pursuance of its objects. Details of grants made are shown in note 8.

Investment policy

The WDBF is empowered by its memorandum of association, to invest monies not immediately required for its purposes. In addition, the WDBF acts as Trustee of several trust funds, and these must be invested in accordance with the related trusts. The WDBF's policy is to regularly review the assets of each fund for which it is responsible, in relation to the purposes of each fund, and to identify appropriate investment vehicles. Note 18 provides details of the assets of each fund, together with the related purposes, and Note 12 summarises the movements in investments during the year.

The majority of the WDBF's investments continue to be held in the CBF Church of England Funds managed by CCLA Investment Management Limited. Once again, CCLA's performance has been very good through the year. The investments held at CCLA (valued at mid) and their return during the year are set out in the following table:

	Value at 31 Dec 2023	% of portfolio	2023 Total Return	2022 Total Return
CCLA	£'000			
Investment Fund	21,949	68.3%	12.6%	(9.2%)
Property Fund	1,336	4.2%	(1.2%)	(7.8%)
Deposit Fund	8,855	27.6%	4.5%	1.3%
Total	32,140	100.0%		

As a participant in the CBF Church of England Funds managed by CCLA Investment Management Limited and a small number of others, the WDBF adopts the ethical investment policies in those funds.

Future Financial Outlook & Priorities

The financial outlook of the WDBF, is intrinsically linked to the outlook and sustainability of our 240 parishes. We cannot ignore the very challenging few years parishes have faced both financially and in terms of decline in attendance. It is clear that we will not be seeing a quick bounce back to 'normality' in the next 12 months.

As such the Directors of the WDBF have agreed a new **Diocesan Financial Framework**, to help guide our finances over the next 5 to 7 years. This includes a commitment to retain the current stipendiary clergy headcount at a minimum of 116.5 FTE, an intentional and strategic use of some reserves and restricted funds to buttress ministry costs in the coming years, along with carefully targeted reviews of expenditure, structures and operational costs through an enhanced approach to financial governance and oversight.

Historic pension deficits for clergy and for lay employees are nil, due in part, to the careful stewardship of our colleagues in the Church of England Pensions Board. This has in part enabled us to increase stipend levels in 2024 by 7%, recognising the high rate of inflation, and the need to actively invest in the care and support of our clergy and their families.

Plans for the next triennial diocesan budget for 2024 to 2026 have been agreed and approved following a prolonged period of consultation and reflection with our PCCs, clergy, and key stakeholders. These plans will continue to evolve over the three-year period based on our experience. It is vital that we continue to build our future financial plans on clear feedback and data from those in the front line of our mission and ministry.

Set alongside our financial planning and stewardship, is the need to actively seek new ways of supporting our parishes to return to positions of growth and viability.

STRATEGIC RISKS AND UNCERTAINTIES

The Directors 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 Directors on an annual basis with the responsibility for delivery of the mitigation strategies, identified by it, being delegated to the Diocesan Secretary, and through him other responsible officers. The following areas are considered to be the current highest strategic risk areas for the diocese.

Risk	Strategic Overview
<p>Growth & Sustainability Continued decline in the numbers of in those involved in, or supporting, the church in any capacity</p>	<p>A continued reduction in numbers of those involved in our Diocese will adversely impact all areas of risk e.g. numbers of clergy in parishes, laity directly involved in mission, macro/micro economic factors, 'relevance' due to controversies/ debates at national level, diocesan finance due to fewer and less generous givers, volunteers needing training such as safeguarding.</p> <p>As we look forward it is vital that we continue to discern and invest in sustainable models of ministry and mission that will intentionally seek to address this decline. Accessing national strategic mission & ministry investment funding, working with our new Diocesan bishop from 2023 to discern a new mission strategy, and continuing to invest in clergy and parishes to help them grow their ministry must remain a fundamental priority.</p>
<p>Safeguarding: Child, adult at risk, or domestic abuse An occurrence of child, adult at risk, or domestic abuse by someone working for or on behalf of the Church (in a parish or parish-based organisation or at the Diocesan Office)</p> <p>Non-Current Cases It comes to light that there were instances of abuse in the past which were not appropriately dealt with by the Clergy/Diocese</p>	<p>The Diocese has a Safeguarding Board that is independently chaired and draws in senior officers from statutory agencies, law and education as well as the Diocesan Secretary and the Dean of the Cathedral. The Board is responsible for developing Safeguarding Strategy and an action plan of improvement. The Board is supported by a Casework Subcommittee (independently chaired). The Board promotes best practice and continuously ensures that the Diocese is adopting and developing appropriate policy and practice. No safeguarding incidents were reported to the Charity Commissioners in 2023.</p> <p>A Safeguarding team, led by a highly qualified and experienced Safeguarding Manager, promotes best practice, supports those making disclosures and manages offenders and those under investigation.</p>

WINCHESTER DIOCESAN BOARD OF FINANCE

TRUSTEES REPORT

For the year ended 31 December 2023

Risk	Strategic Overview
<p>Financial: Diocesan Board of Finance A serious loss of income, investment market crash, unforeseen major expense, fraud, and theft are all potential serious financial incidents for the Board.</p> <p>Custodian Trustee A parish enters major expenditure without sufficient resources, experiences fraud, has major unforeseen building or staffing issues requiring significant expenditure.</p>	<p>The Diocesan Board of Finance (DBF) is supported by a Finance Committee which regularly reviews its reserves position and cash flow projections on a quarterly basis to ensure any unexpected losses in income can be covered whilst remedial actions are undertaken.</p> <p>The DBF issues comprehensive Financial Standing Instructions identifying levels of delegation, responsibility, and accountability. A comprehensive review has been carried out and completed in early 2024.</p> <p>Appropriate measures are in place to ensure that financial transactions require two signatures and property purchases and major contracts also require two director signatures in addition to the Diocesan Secretary & Chief Operating Officer. The DBF ensures against its most significant serious incidents and all insurance policies are reviewed annually.</p> <p>The DBF offers some advice and support to parishes embarking on major projects or areas of expenditure, assisting them in assessing risk and appropriate mitigations and will monitor parish accounts, with deanery assistance, to be alert to any needs and problems arising.</p>
<p>People: Employment Significant staff turnover, staff without appropriate qualifications and skills mix for evolving needs of the DBF and wider Diocese.</p> <p>Appointments The Diocese fails to make the right appointments to parishes and senior positions within the Diocese.</p>	<p>The WDBF is responsible for a wide range of specialisms and different disciplines operating in an unusual legal and compliance framework. Each area requires a high level of expertise and experience. This represents an ongoing organisational challenge, as we seek to recruit people with relevant experience whilst also managing expenditure on employed posts. The DBF has been building up a pool of consultants, partners and colleagues across the wider Church of England who can provide some level of cover if and when required.</p> <p>Investment and improvement in appointment processes have been a priority for the DBF over the recent years. More use is made of targeted testing and assessment, both prior to and during the early stages of a new employee’s appointment. Whilst these processes can assist and improve appointment processes, the Directors recognise that many diocesan and parish appointments do not fall under secular employment legislation and are therefore risks which cannot be mitigated entirely.</p>
<p>Reputation A serious incident causes adverse publicity and a loss of confidence in the Diocese.</p>	<p>The Diocese cannot prevent all possible serious incidents across all parts of the organisation. If a serious incident should arise the Diocese has a policy of open and transparent communication, supported by a communications team and national Church colleagues. The Diocese works closely with statutory agencies and will always report serious incidents to the Charity Commissioners. No serious incidents were reported to the Charity Commissioners during 2022.</p>

Summary Information about the structure of the Church of England

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

The National Church has a General Synod comprised of ex-officio and elected representations from each Diocese and it agrees and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England 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 13 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 application for partnership with neighbouring Dioceses.

Organisational structure

The Winchester Diocesan Board of Finance (WDBF) is a company limited by guarantee (No. 142351) and a registered charity (No. 249276) governed by its Memorandum and Articles of Association.

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

Governance and policy of the Diocesan Board of Finance is the responsibility of the Trustees, who are also members of the company and trustees for the purposes of charity law. Following the changes in governance approved in December 2012, the membership of the DBF comprises: The Bishop of Winchester (currently in vacancy), the Chairs of the Synod House of Clergy and the Synod House of Laity, together with six people elected from and by the members of Diocesan Synod every three years. Members of the DBF have co-opted the Bishop of Southampton, Bishop of Basingstoke, Archdeacon of Winchester and the Dean for the duration of this triennium. The Chair of the House of Laity served as interim Chair of the WDBF up until 1st May 2023. From the 1st May 2023, a new Chair of the WDBF was appointed. The most recent elections were held in November 2021. Details of Trustees who served during the year are set out on page 18.

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 November 2021. The Synod elects six of the twelve Trustees of the Diocesan Board of Finance (as well as two of the ex officio trustees). Whilst the WDBF 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 2000, the WDBF 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.

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 Winchester, are set by the Diocesan Synod, and the WDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary & Chief Operating Officer. The company meets once a year, at a 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 WDBF. The Trustees meet, within the context of the Bishop's Council & Standing Committee, hold up to seven 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 WDBF.
- 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/she may refer to the committee.
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and for 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 2 sub-committees:

The Diocesan Finance Committee: The group monitors management accounts and budget, the use of assets and investment policies and exercises the authority delegated to it by the Trustees in areas such as grants and loans.

The Property Working Group: The Group has delegated responsibility from the WDBF to undertake some of the responsibilities under the Parsonages Measure; the Repair of Benefice Building Measure 1972; the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 (with respect to parochial property); the Endowment and Glebe Measure 1976 (with regard to property assets); and the Pastoral Measure 2011 (with regard to redundant churches). The Group meets 4 times a year to consider requests, suggestions and appeals from clergy relating to the care and maintenance of their houses.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out above. They are given induction and provided with trustee training 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. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

Fundraising Code of Practice

The Diocese provides support to the parishes with regard to fundraising. Due regard is given to the Fundraising Code of Practice set by the Fundraising Regulator when providing the support to the parishes.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration group consisting of the Bishop of Winchester, Chair of the WDBF and the Chair of the Diocesan Finance Committee. The terms of reference for this group are established by the Bishop's Council and include regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

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 his colleagues for the delivery of the day to day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the WDBF in accordance with the policies framed by the Trustees.

Funds held as Custodian Trustee

The WDBF 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 WDBF does not control them, and they are segregated from the WDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £19.2m as at 31 December 2022 (2021: £20.9m), are available from the WDBF on request, and are summarised in note 22. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the WDBF's solicitor, Blake Morgan LLP, Winchester.

Related Parties

The WDBF is required to comply with Measures passed by the General Synod of the Church of England and is required to make annual payments to the Archbishops' Council towards the costs and the national arrangements for training clergy. Details of these costs can be found in note 8. The WDBF currently receives an annual grant from The Benefact Trust (previously The All Churches Trust). Further details of these receipts can be found in note 2.

The WDBF has given financial support, including loans, to Launchpad Social Enterprise (LSE), a UK registered charity whose primary focus is on early years nurseries and pre-schools. WDBF has utilised its Social Responsibility restricted fund to provide this support. Details of the amounts owed from LSE at year end are set out in note 23.

The Portsmouth and Winchester Diocesan Board of Education (PWDBE) has now become a Charitable Incorporated Organisation as a result of the Diocesan Board of Education Measure which came into effect at the start of 2022, and detailed administrative and management matters are being finalised to ensure a smooth transition to this new status. Due to delays with the registration process, registration with The Charity Commission was not completed until 12 January 2024. The new CIO will have independent governance, finance, management and policies. Alongside Portsmouth DBF, WDBF is a grant giving body to the CIO.

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 WDBF and of the surplus or deficit of the WDBF 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 DBF 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 WDBF 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 WDBF's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports, may differ from legislation in other jurisdictions.

In all matters, the Trustees have due regard to the Charity Governance Code which covers seven areas:

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Boards effectiveness
- Diversity
- Openness and accountability

Statement of Disclosure to the Auditors

So far as the Trustees are aware:

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

WINCHESTER DIOCESAN BOARD OF FINANCE

TRUSTEES REPORT

For the year ended 31 December 2023

Appointment of Auditors

The re-appointment of Haysmacintyre LLP as auditors to the WDBF will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2023. The following are the Trustees who served at any time during 2023 up to the date of this report:

Chair:	Alastair Barron BA (Hons), MBA, FSyl (resigned 01.05.2023) Ian Dighé (appointed 01.05.2023)
Ex officio:	Philip Mounstephen BA, MA (Oxon) – Bishop of Winchester (from 10.10.2023) Andrew Micklefield BEd (Hons) - Chair of the House of Clergy Alastair Barron BA (Hons), MBA, FSyl – Chair of the House of Laity
Synod House of Clergy:	Timothy Matthews Rachel Noel
Synod House of Laity:	Esther Clift BSc (Hons), MSc, MCSP Ian Newman Gillian Gray Knight Madeline Hedley (from 26.04.2023)
Co-opted:	Deborah Sellin (resigned 12.12.2023) David Williams Richard Brand Jean Burgess (from 04.09.2023) Catherine Ogle Elspeth Mackeggie Gurney Nigel May MA CEng MIMechE (from 01.05.2023)
Senior Staff and Advisers:	
Company Secretary:	Colin Harbidge
Diocesan Secretary:	Colin Harbidge BA (Hons), PGDip, MCMI
Financial Controller:	Mark Teahan
Director of Education:	Jeff Williams MA, DPhil
Directory of Ministry:	Mark Collinson BSc, MA
Director of Human Resources:	Susan Beckett, FCIPD
Head of Communications:	Jemima Lewis
Strategic Programme Manager	Sarah Keen (from 06.06.2023)
Parish Support Manager:	Jayne Tarry
Operations and Governance Manager:	Cathy Laird

ADMINISTRATIVE DETAILS (continued)

Registered Office:	Diocesan Office, Old Alresford Place, Alresford, Hampshire, SO24 9DH
Bankers:	National Westminster Bank PLC, 105 High Street, Winchester, SO23 9AW
Auditors:	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Solicitors:	Blake Morgan, New Kings Court, Tollgate, Chandler's Ford, Hants SO53 3LG
Investment Advisers:	CCLA Investment Management Limited, One Angel Lane London, EC4R 3AB
Glebe Agents:	Carter Jonas LLP, 9a Jewry Street, Winchester, SO23 8RZ
Insurers:	EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 5-19, within their capacity as company directors.

ON BEHALF OF THE TRUSTEES

Ian Dighé
Chair
04 June 2024

Colin Harbidge
Company Secretary
04 June 2024

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2023

OPINION

We have audited the financial statements of Winchester Diocesan Board of Finance for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2023

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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 17, the Trustees (who are also the directors of the charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2023

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Askew (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date

10 Queen Street Place
London
EC4R 1AG

Statement of 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	8,362	-	-	-	8,362	8,524
Archbishops' Council	2	329	-	1,266	-	1,595	1,463
Other	2	152	-	28	-	180	158
	2	8,843	-	1,294	-	10,137	10,145
Charitable activities	3	620	-	24	-	644	722
Other trading activities	4	1,012	-	28	-	1,040	1,104
Investments	5	655	26	517	28	1,226	930
Other	6	(103)	-	-	235	132	187
Total		11,027	26	1,863	263	13,179	13,088
Expenditure on:							
Raising funds	7	(30)	-	-	-	(30)	(14)
Charitable activities	8	(11,749)	(58)	(1,169)	-	(12,976)	(12,966)
Total		(11,779)	(58)	(1,169)	-	(13,006)	(12,980)
Net income/(expenditure) before investment gains							
		(752)	(32)	694	263	173	107
Net gains on investments		290	50	537	2,083	2,960	(2,799)
Net income/(expenditure)		(462)	18	1,231	2,346	3,133	(2,692)
Transfers between funds	11	390	255	(358)	(287)	-	-
Net (expenditure)/income after transfers		(72)	273	873	2,059	3,133	(2,692)
Other recognised gains/(losses)							
Gains on revaluation of fixed tangible		(50)	-	(29)	1,488	1,409	2,241
Remeasurement of pension scheme provision		-	-	-	-	-	102
Net movement in funds		(122)	273	844	3,547	4,542	(349)
Total Funds at 1 January 2023		38,227	1,449	10,762	128,029	178,467	178,817
Total funds at 31 December 2023	18	38,105	1,722	11,606	131,576	183,009	178,467

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

The notes on pages 26 to 53 form part of the financial statements.

WINCHESTER DIOCESAN BOARD OF FINANCE

Company Number 142351

BALANCE SHEET**For the year ended 31 December 2023**

	Dec 2023	Dec 2022
	£'000	£'000
FIXED ASSETS		
Tangible assets	146,564	146,981
Investments	25,494	22,612
	<u>172,058</u>	<u>169,593</u>
CURRENT ASSETS		
Debtors	2,993	2,710
Cash on deposit	8,855	8,346
Cash at bank and in hand	1,252	1,124
	<u>13,100</u>	<u>12,180</u>
CREDITORS: amounts falling due within one year	<u>(1,259)</u>	<u>(1,318)</u>
NET CURRENT ASSETS	<u>11,841</u>	<u>10,862</u>
Total assets less current liabilities	<u>183,899</u>	<u>180,455</u>
CREDITORS: Amounts falling due after more than one year	<u>(890)</u>	<u>(1,988)</u>
NET ASSETS	<u><u>183,009</u></u>	<u><u>178,467</u></u>
FUNDS		
Unrestricted income funds:		
General funds	38,105	38,227
Designated funds	1,722	1,449
	<u>39,827</u>	<u>39,676</u>
Restricted funds	11,607	10,762
Endowment funds	131,575	128,029
TOTAL FUNDS	<u><u>183,009</u></u>	<u><u>178,467</u></u>

The Notes on pages 26 to 53 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 4th June 2024 and signed on behalf of the Board by:

Ian Dighé
Chair

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	2023		2022	
	£,000	£,000	£,000	£,000
Cash flows from operating activities				
Net cash (used in) operating activities		(1,676)		(2,079)
Cash flows from investing activities				
Dividends, interest and rent from investments	1,226		930	
Purchase of property and equipment	(261)		(1,546)	
Purchase of investments	-		-	
Sale of property and equipment	2,298		4,957	
Sale of investments	78		73	
Net cash provided by investing activities		3,341		4,414
Cash flows from financing activities				
Repayments of lending	479		268	
Repayments of borrowing	(1,086)		(131)	
Cash outflows from new lending	(421)		(256)	
Net cash (used in) financing activities		(1,028)		(119)
Change in cash and cash equivalents in the reporting period		637		2,216
Cash and cash equivalents at 1 January		9,470		7,254
Cash and cash equivalents at 31 December		<u>10,107</u>		<u>9,470</u>
Reconciliation of net income to net cash flow from operating activities				
Net income for the reporting period (as per Statement of Financial Activities)		3,133		(2,692)
Adjustments for:				
Revaluation (Gains) on Investments		(2,960)		2,799
Dividends, interest and rent from investments		(1,226)		(930)
(Profit) on sale of functional assets		(132)		(187)
Decrease/(Increase) in debtors		(283)		(987)
(Decrease) in creditors		(208)		(83)
Net cash (used in) operating activities		<u>(1,676)</u>		<u>(2,080)</u>
Analysis of cash and cash equivalents				
Cash on deposit		8,855		8,346
Cash at bank and in hand		1,252		1,124
		<u>10,107</u>		<u>9,470</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. ACCOUNTING POLICIES

The financial statements have been prepared 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 (Second Edition, effective 1 January 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

Going Concern

After reviewing the charity's forecasts and projections, as described in the budget and outlook for 2024 on page 11, the Trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due for the foreseeable future. The Trustees consider that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern and they therefore continue to prepare the financial statements on the going concern basis.

a) Income

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

- i. **Common Mission Fund** is recognised as income in the year in which it is received, plus an accrual for any late payments received in January of the following year.
- ii. **Rent receivable** is recognised as income in the period with respect 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 to which they relate.
- vi. **Donations** other than grants are recognised when receivable.
- vii. **Gains** on disposal of fixed assets for the WDBF'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. 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 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** are constrained to costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- ii. **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese, expenditure relating to the running of the diocesan retreat centre, 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 WDBF, such grants being recognised as expenditure when the

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. ACCOUNTING POLICIES (continued)

- iv. 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.
- v. **Support costs** consist of central management, administration, and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. 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.
- vi. **Pension contributions.** The WDBF's staff are members of the Church Workers Pension Fund, and Clergy are members of the Church of England Funded Pensions Scheme (see Note 20). The pension costs charged as resources expended represent the WDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which WDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

c) Tangible fixed assets and depreciation

- i. **Freehold properties:** 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 WDBF 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.
- ii. **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.
- iii. **Investment properties:** Glebe properties held for investment purposes and rented out have been included at their fair value.
- iv. **Parsonage houses:** The WDBF 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 WDBF 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 fair value. The valuation of parsonage houses is reviewed annually and properties are revalued accordingly. Each property is subject to a full revaluation review on at least a five-year cycle. This review is led by our internal property specialist and is used as the basis of assessing the valuation of the remainder of the portfolio. The fair value assessment is reviewed by management and the Board of Trustees.
- v. **Other tangible fixed assets:** Capital expenditure over £5,000 is capitalised. 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
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1. ACCOUNTING POLICIES (continued)

d) 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 WDBF 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 term of the lease term or first break clause whichever is shorter in time.

e) Fund balances

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

- **Unrestricted funds** are the WDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the WDBF. There are two types of unrestricted funds:
 - **General funds** which the WDBF intends to use for the general purposes of the WDBF and
 - **Designated funds** set aside out of unrestricted funds by the WDBF 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 WDBF (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 2011) 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 as charity branches. Trusts where the WDBF 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.

f) Key Judgements

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:

- Basis for non-depreciation of functional residential property
- Valuation of investment properties which have not been formally revalued in the year
- Assumptions underpinning the clergy and church Workers' pension scheme liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. DONATIONS

Parish Contributions	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Current Year Apportionment	9,262	-	-	-	9,262
Shortfall in Contributions	(936)	-	-	-	(936)
	8,326	-	-	-	8,326
Receipts for previous years	35	-	-	-	35
	8,362	-	-	-	8,362
	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Current Year Apportionment	9,629	-	-	-	9,629
Shortfall in Contributions	(1,134)	-	-	-	(1,134)
	8,495	-	-	-	8,495
Receipts for previous years	28	-	-	-	28
	8,524	-	-	-	8,524

The majority of donations are collected from the parishes of the Diocese through the Common Mission Fund (CMF). Current year CMF receipts represent 89.9% of the total apportioned (2022: 88.2%), or, when receipts for previous years are included, 90.3% of the total apportioned (2022: 88.5%).

Archbishops' Council	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Strategic Development grant	-	-	924	-	924
Ordinand Training grant	329	-	342	-	671
	329	-	1,266	-	1,595
	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Strategic Development grant	-	-	527	-	527
Ordinand Training grant	192	-	744	-	936
	192	-	1,271	-	1,463

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. DONATIONS (continued)

Other Donations	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
All Churches Trust	120	-	-	-	120
Donations	32	-	28	-	60
	152	-	28	-	180
	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2021
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
All Churches Trust	138	-	-	-	138
Donations	16	-	4	-	20
	154	-	4	-	158

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Statutory fees	405	-	-	-	405
Costs Recharged	93	-	-	-	93
Insurance Claims and Property Income	103	-	-	-	103
Miscellaneous income	19	-	24	-	43
	620	-	24	-	644
	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Statutory fees	484	-	-	-	484
Costs Recharged	92	-	-	-	92
Insurance Claims and Property Income	89	-	-	-	89
Development Project Income	-	-	10	-	10
Miscellaneous income	15	-	32	-	47
	680	-	42	-	722

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
	General	Designated			
	£'000	£'000			
Rental income on functional property	926	-	28	-	954
Other income	86	-	-	-	86
	1,012	-	28	-	1,040

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
	General	Designated			
	£'000	£'000			
Rental income on functional property	1,013	-	31	-	1,044
Other income	60	-	-	-	60
	1,073	-	31	-	1,104

5. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
	General	Designated			
	£'000	£'000			
Dividends receivable	218	21	436	28	703
Interest receivable	367	5	81	0	453
Rents receivable	70	-	-	-	70
	655	26	517	28	1,226

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
	General	Designated			
	£'000	£'000			
Dividends receivable	239	21	437	28	725
Interest receivable	107	1	18	-	126
Rents receivable	79	-	-	-	79
	425	22	455	28	930

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

6. OTHER INCOME

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Gains/(losses) on fixed asset disposals	(103)	-	-	235	132
	(103)	-	-	235	132

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Gains on fixed asset disposals	187	-	-	-	187
	187	-	-	-	187

7. FUNDRAISING COSTS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Glebe agent's fee	30	-	-	-	30
	30	-	-	-	30

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Glebe agent's fee	14	-	-	-	14
	14	-	-	-	14

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8. CHARITABLE ACTIVITIES EXPENDITURE

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council					
Training for ministry	366	-	-	-	366
National Church Responsibilities	212	-	-	-	212
Grants and provisions	39	-	-	-	39
Mission Agency Pension Costs	11	-	-	-	11
Retired clergy housing costs	-	-	147	-	147
Pooling of ordinands' maintenance grant costs	(104)	-	-	-	(104)
	524	-	147	-	671
Resourcing Ministry and Mission					
Stipends and national insurance	4,257	-	-	-	4,257
Pension contributions	969	-	-	-	969
Housing costs	1,956	-	4	-	1,960
Removal, resettlement and other grants	299	-	71	-	370
RME Training for ministry	225	-	227	-	452
Other expenses	97	-	5	-	102
	7,803	-	307	-	8,110
Support for parish ministry	1,053	-	700	-	1,753
Governance	1,998	58	15	-	2,071
	10,854	58	1,022	-	11,934
Expenditure on Education					
Support for church schools and parishes	371	-	-	-	371
	11,749	58	1,169	-	12,976

Governance costs include auditor's remuneration of £23,160 (2022: £22,428).

Analysis of Governance Costs	2023	2022
	£'000	£'000
Central Support	914	831
Finance (incl. auditor fees)	491	318
HR	298	256
Diocesan Office	235	147
Registrar Costs	133	98
	2,071	1,650

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8. CHARITABLE ACTIVITIES EXPENDITURE (continued)

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2022
	£'000	£'000	£'000	£'000	£'000
<u>Contributions to Archbishops' Council</u>					
Training for ministry	366	-	-	-	366
National Church Responsibilities	224	-	-	-	224
Grants and provisions	31	-	-	-	31
Mission Agency Pension Costs	15	-	-	-	15
Retired clergy housing costs	-	-	139	-	139
Pooling of ordinands' maintenance grant costs	(90)	-	-	-	(90)
	546	-	139	-	685
<u>Resourcing Ministry and Mission</u>					
Stipends and national insurance	3,876	45	-	-	3,921
Pension contributions	1,141	-	-	-	1,141
Housing costs	1,921	4	4	-	1,929
Removal, resettlement and other grants	449	-	454	-	903
RME Training for ministry	247	-	374	-	621
Other expenses	70	-	-	-	70
	7,704	49	832	-	8,585
Support for parish ministry	872	-	836	-	1,708
Lay pension deficit provision					-
Governance	1,564	55	10	20	1,649
	10,140	104	1,678	20	11,942
<u>Expenditure on Education</u>					
Support for church schools and parishes	339	-	-	-	339
	11,025	104	1,817	20	12,966

Analysis of Expenditure -2023

	Activities	Grant	Support	Total
	Undertaken	Funding of	Costs	2023
	Directly	Activities		
	£'000	£'000	£'000	£'000
<u>Raising funds</u>				
Investment management costs	30	-	-	30
<u>Charitable Activities</u>				
Contributions to Archbishop's Council	-	671	-	671
Resourcing ministry and mission	9,538	643	1,753	11,934
Education	371			371
	9,939	1,314	1,753	13,006

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8. CHARITABLE ACTIVITIES EXPENDITURE (continued)

<u>Analysis of Expenditure - 2022</u>				
	<i>Activities Undertaken Directly £'000</i>	<i>Grant Funding of Activities £'000</i>	<i>Support Costs £'000</i>	<i>Total 2022 £'000</i>
<u>Raising funds</u>				
<i>Investment management costs</i>	14	-	-	14
<u>Charitable Activities</u>				
<i>Contributions to Archbishop's Council</i>	-	684	-	684
<i>Resourcing ministry and mission</i>	9,441	794	1,708	11,943
<i>Education</i>	339			339
	9,794	1,478	1,708	12,980

<u>Analysis of Grants Funding 2023</u>				
	<i>No.</i>	<i>Individuals £'000</i>	<i>Institutions £'000</i>	<i>Total 2023 £'000</i>
<u>From unrestricted funds for national church responsibilities</u>				
<i>Archbishops' Council (note 8)</i>	1			671
<u>From unrestricted funds</u>				
<i>First Appointment, Resettlement and removal</i>	43	261		261
<i>Ordinands' training, receiving maintenance</i>	30	297		297
<i>QI costs reimbursed to Parishes</i>	48		39	39
Total from unrestricted funds	121	558	39	597
<u>From restricted funds for various purposes</u>				
<i>Clergy for training & welfare</i>	14	29		29
<i>Ordinands' training, receiving maintenance</i>	3	2	27	29
<i>Energy Grants to Parishes</i>	38		28	28
<i>Widows and dependants of clergy</i>	6	2		2
<i>RME Ordinands in training</i>	49	51	75	126
<i>Other grants</i>	2		25	25
Total from restricted funds for various purposes	112	84	155	239
Total	234	642	194	1,507

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8. CHARITABLE ACTIVITIES EXPENDITURE (continued)

<u>Analysis of Grants Funding 2022</u>				Total 2022 £'000
	No.	Individuals £'000	Institutions £'000	
<i>From unrestricted funds for national church responsibilities</i>				
<i>Archbishops' Council (note 8)</i>	1			685
<i>From unrestricted funds</i>				
<i>Clergy for training & welfare</i>	2	7		7
<i>First Appointment, Resettlement and removal</i>	46	270		270
<i>Ordinands' training, receiving maintenance</i>	28	314		314
<i>Grant to Parish for building costs</i>	1		138	138
<i>RME Ordinands in training</i>	2	0	25	25
<i>QI costs reimbursed to Parishes</i>	51		35	35
<i>Total from unrestricted funds</i>	130	591	198	789
<i>From restricted funds for various purposes</i>				
<i>Clergy for training & welfare</i>	14	29		29
<i>Hardship grants to clergy</i>	106	106	-	106
<i>Ordinands' training, receiving maintenance</i>	1	1		1
<i>Energy Grants to Parishes</i>	201		215	215
<i>Widows and dependants of clergy</i>	5	3		3
<i>RME Ordinands in training</i>	56	64	216	280
<i>Other institutional grants</i>				0
<i>Total from restricted funds for various purposes</i>	383	203	431	634
Total	514	794	629	2,108

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

9. STAFF & TRUSTEES

<u>Staff Costs</u>	2023	2022
	£'000	£'000
Wages and salaries	1,848	1,696
National insurance contributions	204	183
Pension costs	272	227
Lay pension deficit provision change	-	(12)
	2,324	2,094

Included in the above are payments made under settlement agreements of £nil (2022: £10,267)

The average number of persons employed during the year based on full-time equivalents:	2023	2022
	fte	fte
Resourcing ministry:		
Winchester School of Mission	10	8
Strategic Development	3	4
Administration and Financial management	23	25
Safeguarding	5	4
Property	3	3
Fundraising	2	1
	46	45

The average number of persons employed during the year:	2023	2022
	no.	no.
Resourcing ministry:		
Winchester School of Mission	11	9
Strategic Development	4	5
Administration and Financial management	28	28
Safeguarding	5	5
Property	4	3
Fundraising	3	1
	55	51

The number of employees whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:

	2023	2022
£60,001 to £70,000	4	2
£70,001 to £80,000	1	2
£80,001 to £90,000	-	1

Pension payments of £48,446 (2022: £45,802) were made for these employees

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

9. STAFF & TRUSTEES (continued)

Remuneration of 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. During 2023 they were:

Diocesan Secretary & Company Secretary	Colin Harbidge
Director of Education	Jeff Williams (67%)
Director of Human Resources	Susan Beckett
Director of Ministry	Mark Collinson
Head of Communications	Jemima Lewis
Financial Controller	Mark Teahan

Remuneration, pensions, and expenses for the 6 employees amounted to £493,030 (2022: £420,002)

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. 3 Trustees received travelling and out of pocket expenses, totalling £221 (2022: £nil) in respect of General Synod duties, duties as Archdeacon or Area/Rural Dean, and other duties as Trustees. No Trustee was in receipt of a clergy resettlement grant in 2023 (2022: Nil).

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

	Stipend	Housing
The Revd A Micklefield	Yes	Yes
The Revd Dr T Matthews	Yes	Yes
The Revd R Noel	Yes	Yes
2022	Stipend	Housing
The Revd A Micklefield	Yes	Yes
The Revd Dr T Matthews	Yes	Yes
The Revd R Noel	Yes	Yes

There were no other related party transactions in the current year or the prior year.

The WDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The WDBF is also responsible for the provision of housing for stipendiary clergy in the diocese including the Suffragan Bishops but excluding diocesan bishop and cathedral staff. The WDBF paid an average of 137 (2022: 133) stipendiary clergy as office holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

Stipend Costs	2023	2022
	£'000	£'000
Stipends	3,929	3,613
National insurance contributions	328	308
Pension costs - current year	969	1,141
Pension costs - deficit reduction	0	143
	5,226	5,205

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

10. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Endowment
	General	Designated	Funds	Funds
	£'000	£'000	£'000	£'000
2023				
From General fund to Restricted fund to eliminate negative balances	(257)	255	1	-
From Restricted fund to General fund for Education costs	130	-	(130)	-
From Restricted fund to General fund for Stewardship costs	23	-	(23)	-
From Restricted fund to General fund for Net Zero Carbon	9	-	(9)	-
From Restricted fund to General fund for Racial Justice	5	-	(5)	-
From Restricted fund to General fund for clergy & ministry costs	188	-	(188)	-
From Restricted fund to General fund for social responsibility costs	6	-	(6)	-
From Endowment fund to General fund for clergy & ministry costs	28	-	-	(28)
From Endowment fund to General fund for building costs	259	-	-	(259)
	390	255	(358)	(287)
2022				
From General fund to Restricted fund to eliminate negative balances	(289)	-	289	-
From Restricted fund to General fund for Education costs	130	-	(130)	-
From Restricted fund to General fund for Stewardship costs	37	-	(37)	-
From Designated fund to General fund for grant to parish	138	(138)	-	-
	16	(138)	122	-

11. TANGIBLE FIXED ASSETS

	Freehold	Office	Total
	Land & Buildings	Equipment	
	£'000	£'000	£'000
Valuation as at:			
1 January 2023	146,981	8	146,989
Additions	261	-	261
Disposals	(2,165)	-	(2,165)
Revaluation	1,487	-	1,487
31 December 2023	146,564	8	146,572
Depreciation:			
1 January 2023	-	(8)	(8)
Disposals	-	-	-
Charge for the year	-	-	-
31 December 2023	-	(8)	(8)
Net Book Value			
At 31 December 2023	146,564	-	146,564
At 31 December 2022	146,981	-	146,981

All of the properties in the balance sheet are freehold and are vested in the WDBF, except for benefice houses which are vested in the incumbent.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

12. FIXED ASSET INVESTMENTS

	As at 1st January 2023 £'000	Additions £'000	Disposals £'000	Net Gains / (Losses) £'000	As at 31st December 2023 £'000
Unrestricted funds					
Unlisted Investments	3,240	-	-	340	3,580
Restricted funds					
Unlisted Investments	7,687	-	(11)	537	8,213
Endowment funds					
Investment Property	1,059	-	(48)	1,123	2,134
Unlisted Investments	10,626	-	-	941	11,567
	11,685	-	(48)	2,064	13,701
Total	22,612	-	(59)	2,941	25,494

13. DEBTORS

	2023 £'000	2022 £'000
<i>Due within one year</i>		
Current year Common Mission Fund	240	146
Loans to parishes	73	244
Loans to others	75	69
Other debtors and prepayments	849	627
	1,237	1,086
<i>Due after more than one year</i>		
Loans to parishes	992	840
Other Loans	764	784
	1,756	1,624
Total Debtors	2,993	2,710

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

14. CREDITORS: amounts falling due within one year

<i>Due within one year</i>	2023	2022
	£'000	£'000
Loan repayments	490	390
Deferred income	29	70
Other taxes and social security	53	-
Creditor relating to sale proceeds of closed school	400	400
Other creditors and accruals	287	458
Pension scheme liabilities:		
CEFPS for Clergy	-	-
Church Workers DBS	-	-
Total creditors: amounts falling due within one year	1,259	1,318

15. CREDITORS: amounts falling due after more than one year

<i>Due after more than one year</i>	2023	2022
	£'000	£'000
Loan repayment instalments due after more than one year		
Church Commissioners value-linked loans	184	61
NatWest Bank value-linked loans	124	138
Loan from CCLA	350	1,000
Other loans	232	789
Total creditors: amounts falling due after more than one year	890	1,988
The maturity of the above loans may be analysed as follows:		
Between one and two years	30	29
Between two and five years	440	86
In five years and more	420	1,873
	890	1,988

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

16. ANALYSIS OF CHANGES IN DEBT

	As at 1st			As at 31st
	January	Cashflows	Other	December
2023	2023	£'000	£'000	2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents	9,470	637	-	10,107
Loans falling due within one year	(390)	(100)	-	(490)
Loans falling due after more than one year	(1,987)	1,097	-	(890)
	7,093	1,634	-	8,727

	As at 1st			As at 31st
	January	Cashflows	Other	December
2022	2022	£'000	£'000	2022
	£'000	£'000	£'000	£'000
<i>Cash and cash equivalents</i>	7,254	2,216	-	9,470
<i>Loans falling due within one year</i>	(29)	(361)	-	(390)
<i>Loans falling due after more than one year</i>	(2,319)	332	-	(1,987)
	4,906	2,187	-	7,093

WINCHESTER DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

17. SUMMARY OF FUND MOVEMENTS – CURRENT YEAR

	01 Jan 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains & Losses £'000	Total 31 Dec 2023 £'000
Unrestricted Fund						
General	38,227	11,129	(11,779)	390	137	38,105
General Designated Fund						
General Designated Fund	(1)	-	-	1	-	-
Parish mission and development	107	-	-	-	-	107
Maclean	452	19	-	-	36	507
OAP Property	753	-	-	-	-	753
Building New Church	335	6	-	-	14	355
Planned maintenance sinking fund	(106)	-	-	106	-	-
Sustainability Fund	(5)	-	-	5	-	-
Clerical Registry fund	(85)	-	(58)	143	-	-
	1,449	26	(58)	255	50	1,722
Restricted Funds						
General Restricted Fund	27	25	(53)	1	-	-
Pastoral fund	-	-	-	-	-	-
Parsonages endowment income	1	-	-	-	-	1
Retired Clergy houses fund	3,094	58	(151)	-	44	3,046
Major Ball settlement income	8	5	(9)	-	-	4
Penrose income fund	81	15	-	(15)	(3)	78
Clergy welfare income fund	833	203	(30)	(171)	37	872
Chalke Bequest income	14	2	-	-	2	14
Church schools fund	12	1	-	-	-	13
Queen Victoria clergy fund	-	3	-	-	-	3
Pember income fund	80	-	-	-	3	83
Widows and dependants fund	956	36	(10)	-	77	1,059
Thorold library fund	24	-	-	-	-	24
ICSF grant fund	420	13	-	-	37	469
Council for Social Responsibility	695	63	-	-	105	863
Fairbairn trust	338	12	(1)	-	30	380
Tale Tellers	2	-	-	-	-	2
Christopher library	4	-	-	-	-	4
RME Training for Mission	559	268	(256)	-	-	571
Winchester Mission Action	275	924	(671)	-	-	528
New Church Buildings	-	-	-	-	-	-
Northbrook	4	-	-	-	-	4
Giving Advisor	35	24	-	(23)	-	36
Schools Development Fund	3,299	158	-	(130)	172	3,499
Ministry Hardship Fund	-	-	(1)	1	-	-
Net Zero Carbon Funding	-	15	-	(9)	-	6
RMF Ordinands	-	49	(2)	-	-	47
Racial Justice	-	5	-	(5)	-	-
	10,763	1,878	(1,183)	(353)	503	11,607
Endowment Funds						
Expendable						
Benefice houses	95,763	-	-	-	1,712	97,474
Permanent						
Stipends fund capital	22,921	-	-	-	1,347	24,268
Parsonages endowment capital	788	-	-	-	75	863
Major Ball settlement capital	157	-	-	-	15	172
Penrose capital	344	-	-	-	33	377
Clergy welfare capital	6,429	-	-	-	477	6,906
Chalke bequest capital	63	1	-	(1)	6	68
Widows and dependants capital	198	-	-	-	19	216
Thorold library capital	218	-	-	-	21	239
Pember capital	884	27	-	(27)	77	961
Christopher Library	4	-	-	-	1	5
Chute endowment	260	-	-	(259)	25	25
	128,029	28	-	-	3,805	131,575
Total funds	178,469	13,061	(13,020)	293	4,495	183,009

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

17. SUMMARY OF FUND MOVEMENTS – PREVIOUS YEAR

	01 Jan 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains & Losses £'000	Total 31 Dec 2022 £'000
Unrestricted Fund						
General	38,411	11,048	(11,039)	15	(207)	38,227
General Designated Fund						
General Designated Fund	(1)	-	-	-	-	(1)
Parish mission and development	107	-	-	-	-	107
Maclean	492	17	-	-	(57)	452
OAP Property	753	-	-	-	-	753
Building New Church	491	5	(4)	(138)	(20)	335
Planned maintenance sinking fund	(106)	-	-	-	-	(106)
Sustainability Fund	40	-	(45)	-	-	(5)
Clerical Registry fund	(30)	-	(55)	-	-	(85)
	1,746	22	(105)	(138)	(77)	1,449
Restricted Funds						
General Restricted Fund	-	242	(215)	-	-	27
Pastoral fund	(267)	-	(1)	267	-	(0)
Parsonages endowment income	1	-	-	-	-	1
Retired Clergy houses fund	3,290	54	(142)	-	(108)	3,094
Major Ball settlement income	6	5	(2)	-	-	8
Penrose income fund	73	13	-	-	(5)	81
Clergy welfare income fund	810	180	(29)	(46)	(82)	833
Chalke Bequest income	13	1	-	-	-	14
Church schools fund	10	2	-	-	-	12
Queen Victoria clergy fund	(17)	3	(2)	17	-	(0)
Pember income fund	90	-	-	-	(10)	80
Widows and dependants fund	1,039	32	(7)	-	(107)	956
Thorold library fund	24	-	-	-	-	24
ICSF grant fund	462	12	-	-	(54)	420
Council for Social Responsibility	914	37	(100)	-	(156)	695
Falrbairn trust	371	10	(1)	-	(42)	338
Tale Tellers	2	-	-	-	-	2
Christopher library	4	-	-	-	-	4
RME Training for Mission	494	442	(377)	-	-	559
Winchester Mission Action	572	537	(834)	-	-	275
New Church Buildings	(6)	-	-	6	-	(0)
Northbrook	4	-	-	-	-	4
Giving Advisor	40	32	-	(37)	-	35
Schools Development Fund	3,742	140	-	(130)	(453)	3,299
Ministry Hardship Fund	-	60	(106)	46	-	-
	11,671	1,804	(1,817)	122	(1,017)	10,762
Endowment Funds						
Expendable						
Benefice houses	93,545	-	-	-	2,218	95,763
Permanent						
Stipends fund capital	23,059	-	-	-	(138)	22,921
Parsonages endowment capital	893	-	-	-	(105)	788
Major Ball settlement capital	200	-	(20)	-	(23)	157
Penrose capital	390	-	-	-	(46)	344
Clergy welfare capital	7,097	-	-	-	(668)	6,429
Chalke bequest capital	70	1	-	-	(8)	63
Widows and dependants capital	224	-	-	-	(26)	198
Thorold library capital	247	-	-	-	(29)	218
Pember capital	965	27	-	-	(108)	884
Christopher Library	5	-	-	-	(1)	4
Chute endowment	294	-	-	-	(34)	260
	126,989	28	(20)	-	1,032	128,029
Total funds	178,817	12,901	(12,980)	-	(270)	178,467

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

18. SUMMARY OF ASSETS BY FUND – CURRENT YEAR

	Fixed Assets		Current	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000	Assets £'000		
Unrestricted Fund	-	2,985	9,769	(4,980)	7,774
Designated Funds	33,557	627	238	(2,368)	32,054
Restricted Funds	1,536	8,181	5,151	(3,261)	11,607
Endowment Funds	111,471	13,701	6,709	(307)	131,574
Total funds	146,564	25,494	21,867	(10,916)	183,009

18. SUMMARY OF ASSETS BY FUND – PREVIOUS YEAR

	Fixed Assets		Current	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000	Assets £'000		
Unrestricted Fund	-	2,662	6,339	(1,784)	7,217
Designated Funds	33,953	578	(2,071)	-	32,460
Restricted Funds	1,537	7,687	3,060	(1,521)	10,763
Endowment Funds	111,491	11,685	4,851	-	128,027
Total funds	146,981	22,612	12,179	(3,305)	178,467

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

19. DESCRIPTION OF FUNDS

General Fund: The general fund is the WDBF's unrestricted undesignated fund available for any of the WDBF's purposes without restriction.

Parish Mission and Development Fund:

A fund created in the mid-2000s by the then Bishop's Council to support mission projects in parishes as part of the mission strategy in place at the time. Strategies moved on and fund was never fully used as priorities changed. Designated Fund to be wound up in 2024 and returned to General Fund.

Maclean Fund: The Maclean Fund originated with an unrestricted bequest in 1948 by the late Sir Alexander Maclean. The WDBF has designated this fund to assist with expenditure on clergy houses which could not be met from any other fund.

OAP Property: Fund representing the asset at Old Alresford Place net of the related loan.

Building New Church: Designated fund created by the directors of the WDBF in mid 2000s. Fund to be reviewed during 2024 to ascertain if original purposes are still required.

Planned maintenance sinking fund:

Designated fund created to fund maintenance works for Old Alresford Place. Fund ceased to be utilised in 2020 so will be reviewed and returned to the General Fund during 2023.

Sustainability Fund: Designated fund representing a grant made from the Church commissioners during 2021 to support DBFs in managing the financial implications of the pandemic. Original Grant now fully expended so fund to be closed.

Clerical Registry Fund: Designated Fund originally created from the surplus assets of the Winchester & Portsmouth Diocesan Clerical Registry which were passed to the WDBF when the Charity was wound up. Funds used to cover costs of the Registry. Once fully expended, this Designated Fund will be closed.

Pastoral Fund: The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are:

- to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees
- to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese
- other purposes of the diocese or any benefice or parish in the diocese
- to make grants or loans to any other diocese
- to transfer funds to the diocesan stipends fund income or capital accounts.

Retired Clergy Houses Fund: This restricted fund, formerly known as the Clergy Retirement Houses Fund, represents the unexpended balance of a special appeal for funds made in the early 1980s for the provision of retirement housing for clergy. The fund is also used to make bridging loans to clergy approaching retirement. A Charity Commissioners Scheme has widened the purposes of this fund to include housing provision for clergy widows and deserted clergy spouses.

Major Ball settlement: This restricted fund represents the unexpended accumulated income of a settlement for the benefit of the parishes of Brown Candover and Chilton Candover.

Penrose Legacy Income: This fund represents the unexpended accumulated income of a legacy for the benefit of clergy, who in the opinion of the WDBF are most in need of grants. In recent years the WDBF has applied the income for grants to clergy for extended study leave.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

19. DESCRIPTION OF FUNDS (continued)

Clergy Welfare Fund:	The Clergy Welfare Fund is vested in the WDBF as trustee. The capital of the trust is shown as a permanent endowment, and accumulations of income as a restricted fund. The purposes for which the trustee may apply the income are as follows: for the benefit of clergy in the Diocese of Winchester, at the discretion of the Bishop; to assist ordination candidates; to assist with the higher education of children of the clergy in the Diocese.
Chalke Bequest:	Bequest from Miss Winifred Joan Chalke to be used for the benefit of Industrial Mission.
Church Schools Fund:	The church schools fund represents unexpended accumulations of 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 and education generally at Church of England schools in the diocese. The WDBF is trustee of these funds, which are managed on a day to day basis by and in consultation with the Board of Education.
Queen Victoria Fund:	Restricted Fund to receive any grants made to the WDBF by the Queen Victoria Fund – a separate grant making charity that provides small grants for clergy welfare.
Pember Income Fund:	The annual income of the Pember Fund is restricted by a Charity Commissioners' Scheme to the payment of Winchester Diocesan clergy pensions. Where the income in any year is not required for this purpose, it may be used for providing accommodation for these clergy and their dependants, and for making grants to widows of such clergy and their dependants.
Clergy Widows and Dependents:	These funds have been left to, or settled with, the WDBF specifically for the benefit of clergy widows and dependants. Fund reviewed by the WDBF in 2023 with a view to seeking approval from the charity Commission to expand its purposes.
Thorrold Library fund:	The purpose of this fund is to provide a theological library for the clergy of the Diocese. The Thorrold and Lyttelton Library has been loaned to the University of Winchester to secure its future accessibility and development.
Fairbairn Trust:	The Fairbairn Trust, of which the WDBF is Trustee, was a bequest of the late Sir Arthur Fairbairn for the Church of England's mission to deaf and hard-of-hearing people in the Diocese. Grants are awarded to parishes and local deaf clubs.
Diocesan Council for Social Responsibility:	The Council for Social Responsibility Fund exists to support "the advancement of the Christian religion within the Diocese of Winchester by promoting Christian engagement with and concern for people's needs in the whole of society, and to reflect upon social issues in the light of the Gospel".
ICSF Grant for Clergy Houses:	This fund arose from a distribution to the WDBF from the former Incorporated Clergy Sustentation Fund. Capital and income may be used in aid of the sustentation of the clergy in the Diocese.
Benefice House Endowment:	This restricted fund consists of income generated by the associated endowment the income is entirely transferred annually to the general fund where it is applied for its specified purpose of benefice house outgoings.

19. DESCRIPTION OF FUNDS (continued)

Diocesan Stipends Fund Capital:	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit.
Benefice Property Fund:	The benefice property 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 the incumbents for the time being of the benefices concerned, the DBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the WDBF.
Chalk Bequest:	Bequest from Miss Winifred Joan Chalk to be used for the benefit of Industrial Mission.
Chute Fund:	The income from the Chute Legacy Endowment, a fund originally created by the WDBF from a number of restricted gifts is for the purpose of being a repair and replacement fund for the Retreat Centre & Diocesan Offices.
Christopher Library:	Gift from OAP Trustees in 2009 – Income is used to support the salary of resources assistant in the Resources Centre.
Tale Tellers:	Gift from OAP Trustees in 2009 – Income is used to support the salary of resources assistant in the Resources Centre.
RME Training for Mission:	Income received from Church Commissioners to fund theological training of ordinands. Any funds not spent on training are required to be held by the WDBF with the expectation that the surplus will be returned to the Church Commissioners.
Winchester Mission Action:	Restricted Fund for any grants received from the National CofE Strategic Development Fund or its successors. Fund can only be used to support the costs of projects approved by the National Strategic Mission & Ministry Investment Board.
Giving Advisor Fund:	Grant provided by the Church Commissioners to fund additional resource in our stewardship team. Funding tapers over a 3 year period.
Sustainability Fund:	To aid transition.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

20. PENSIONS

The DBF participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other is the Church Workers Pension Fund. 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.

These schemes are multi-employer last man standing defined benefit pension schemes for which the DBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of FRS102 requires the DBF to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the DBF. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme (CEFPS)

The membership figures that we hold as at December 2022 and December 2023 for Winchester DBF are set out in the table below. These are used as part of the Board’s calculation of the deficit contributions in payment at each year-end, which in turn feed into the FRS102 calculations, so are provided here for reference.

	December 2023	December 2022
Number of members at this Responsible Body	143	140

Winchester DBF 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 scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions 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. 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, which were £968,753 in 2023 (2022: £ 1,141,210), plus any figures arising from contributions in respect of the Scheme’s deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £143,000).

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 tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

20. PENSIONS (continued)

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

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

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

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

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 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023	2022
Balance sheet liability at 1 January	-	233,000
Deficit contribution paid	-	(143,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(90,000)
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate and inflation 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 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

20. PENSIONS (continued)

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

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

CWPF has two sections:

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

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2023: £271,954, 2022: £ 226,825).

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

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

20. PENSIONS (continued)

Teachers' pension scheme (TPS)

The WDBF made contributions to the TPS on behalf of 1 employee who had previously been a teacher. The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis, these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2017 and full details are available on the Government website at: <https://www.gov.uk/government/collections/teachers-pension-scheme>.

21. OPERATING LEASES

Total amounts payable under non-cancellable operating leases are as follows:

	2023	2022
	£'000	£'000
Land and Buildings:		
Within one year of the balance sheet date	-	17
In the second to fifth years inclusive of the balance sheet date	-	-
	0	17
Other operating Leases:		
Within one year of the balance sheet date	5	7
In the second to fifth years inclusive of the balance sheet date	-	-
	5	7

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

22. FUNDS HELD AS CUSTODIAN TRUSTEE

The WDBF acts as Diocesan Authority or custodian trustee for many trust funds 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 consolidated into these financial statements as the WDBF does not control them. The financial assets held in this way may be summarised as follows:

<u>Funds Held As Custodian Trustee</u>	2023	2022
	£'000	£'000
CBF Church of England Investment Fund income shares	17,666	16,314
CBF Church of England Fixed Interest Securities Fund shares	274	273
CBF Church of England Property Fund shares	230	245
COIF income and accumulation shares	32	2
Other common investment fund holdings	328	316
Other fixed interest stocks	104	104
CBF Church of England Deposit Fund	2,000	1,372
Cash at bank	12	570
	20,645	19,195

23. RELATED PARTIES

During the year, the charity provided a grant to Launchpad Social Enterprise of £25,000 (2022: £100,000). Launchpad Social Enterprise was set up by WDBF in 2015 using funds from the charity's Council for Social Responsibility restricted fund.

At 31 December 2023, loans totalling £650,500 (2022: £725,000) were owed from Launchpad Social Enterprise. The loans are interest free and repayable over 10 years.