

ENABLING CHRIST'S THRIVING CHURCH

The Church Commissioners for England
Annual Report 2024



CHURCH COMMISSIONERS *for* ENGLAND



The Church Commissioners
Annual Report 2024

Enabling Christ's Thriving Church

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THE CHURCH COMMISSIONERS FOR ENGLAND

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OVERVIEW AND WELCOME FROM THE ARCHBISHOP OF YORK

I am pleased to introduce this report on the work of the Church Commissioners for England, which supports the Church tirelessly through its financial stewardship of its permanent endowment fund and the many other responsibilities it manages for the Church of England.

Writing this foreword is an opportunity to reflect on a challenging year for the Church of England. As I have said elsewhere, some areas where we as a Church have fallen short were quite rightly brought into sharp focus with the publication of the independent review by Keith Makin into the Church of England's historic handling of allegations of serious abuse by the late John Smyth.

The Church Commissioners is truly sorry for the prolific and abhorrent abuse highlighted in the report and its lifelong effects on his victims. We recognise that victims were badly let down by many in different parts of the Church of England and are profoundly grateful for their courage to come forward and share their experiences, knowing how costly this would be.

The Church Commissioners for England's role as financial steward for the Church of England's endowment fund is key to ensuring the long-term flourishing of our mission and ministry. A key part of that work is the Commissioners' ongoing commitment to funding the Church of England's future arrangements for Safeguarding and Redress.

Thanks to its outgoing CEO, Gareth Mostyn, and his colleagues, the Commissioners' finances are secure and able to support the Church's long-term goals with confidence.

The Church Commissioners' vision is to enable Christ's thriving Church. We strive for excellence in all that we do. We act with integrity and show respect for all we encounter. And we show compassion and seek to work across divides. These attributes can be seen through the work the Commissioners has done over the last year.

Its investment strategy as a whole has successfully generated average returns of 8.6% over the past decade, creating a fund of £11.1bn. These impressive returns continue to be reached by investing ethically and responsibly, with a focus on net zero carbon, nature, and human rights.

In the last 12 months, the Responsible Investment team has been recognised for its leadership in the transition to

net zero carbon with notable industry awards. The importance of the subject to the Church is reflected in how the Commissioners is helping our cathedrals, churches, church halls, schools and housing achieve net zero carbon.

The investment portfolio includes a significant amount of land across the UK. It uses this land to build new houses to address the nation-wide housing crisis, as well as managing commercial property, farmland, and forests. All Commissioners land is managed in a way that supports nature, the environment, and the needs of our tenants.

The Commissioners' ongoing work on improving human rights data available to investors is also significant, not least because it echoes the separate work we are doing to account for the sins of our past. We continue to work on addressing our historic links to African chattel enslavement, through the creation of an impact investment fund that will create a fairer future for impacted communities. This fund, when designed, will attract additional investment from other organisations so as to make a lasting impact on the world.

The work of the Commissioners is done with a focus on the long term. This year represents the end of the funding triennium that saw the largest distribution in the Church's history. In 2024, £204.9m was distributed to the Archbishops' Council, enabling grants to support dioceses and local churches.

The Commissioners will soon announce the next triennium funding (2026-2028), with a commitment to provide significant funds to support both redress and the creation of safeguarding structures needed by the Church of England. The ambition is also that parishes and those who minister, as well as deprived and vulnerable communities, are helped to thrive.

This foreword usually comes from the Archbishop of Canterbury, yet I write it this year following Justin Welby's decision to announce his resignation as Archbishop of Canterbury in November, which took effect on 7 January 2025. When he resigned as Archbishop of Canterbury,



Justin decided to take his share of responsibility for the failures identified by the Makin review. I believe that was the right thing to do. But he was also responsible for championing safeguarding developments and changes in the Church in the past ten years.

I would like to offer my thanks to Gareth Mostyn. 2024 was the last full year that the Commissioners benefited from his careful stewardship and leadership, and I am grateful for all his work and wish him well for the future.

The work of the Church Commissioners in the life of our Church is vital and I am thankful for the passionate and

professional commitment of the staff over the last year. Their commitment to supporting the Church of England and its mission continues as we all seek to proclaim the good news of Jesus Christ to the nation.

Stephen Cottrell
Archbishop of York

A LETTER FROM THE CHIEF EXECUTIVE

Reflecting on my five years as Chief Executive of the Church Commissioners, I am both proud of all that we have achieved together during a turbulent period and grateful for the opportunity to serve God and the Church of England.



I write this introduction well ahead of the annual report's publication date, having announced last year that I will be leaving my role as Chief Executive and Secretary to the Church Commissioners in March 2025, after five years in the role and previously two

years as the National Church Institutions' Chief Finance & Operations Officer. It has been both a hugely rewarding and also demanding period of my career, spanning Covid, turbulence in investment markets, geopolitical upheaval and crisis, and controversy within the Church of England. Despite the many challenges, the Church Commissioners has been and remains a special place to work, and I am privileged to have had the opportunity to serve God and the Church in these roles.

Quite naturally, given the Church Commissioners' role as stewards of the Church of England's historic endowment, much of this annual report focuses on financial matters. But in this, my final Chief Executive's letter, I would like to focus on people.

The Church of England is all about people; it is the faithful people of churches throughout this country who meet to worship and pray; love their neighbours through thousands of social outreach projects and daily personal witness and evangelism; give their time to look after church buildings and run children's work; and give their money to sustain the Church's work. So, while the trustees and staff of the Church Commissioners are pleased to have maintained strong investment performance in recent years, enabling us to increase our funding by more than 50% between 2017-2019 and 2023-2025, this is only important because such funding enables the wonderful ministry of so many people throughout the Church of England. They include parish priests, pioneer ministers and chaplains, lay leaders and faithful parishioners, cathedral clergy and bishops.

It has been my great privilege to lead the Church Commissioners' efforts to maximise our support for this

array of people, and it will be the privilege of my successor to continue to do so – for we know that, notwithstanding the unprecedented level of funding the Church Commissioners provides, the financial pressures across the Church remain real and significant, felt most acutely by our sisters and brothers on the 'front line'.

In performing effectively our role at the Church Commissioners, we also place great emphasis on all those people whom we work with. Central to the successful delivery of any Chief Executive's objectives is the confidence of the Board and I have been grateful for this confidence from an excellent group of trustees, who have shown me genuine care and support.

I leave in the knowledge that the Church Commissioners' Board is a diverse, talented group of energetic and wise women and men, and that at their core is a deep desire to support the flourishing of the Church of England.

And then there is the exceptional team that I have worked with over the past seven years; while I am sad to be leaving my wonderful colleagues, I am at the same time very pleased to be able to leave in place such a strong team, led by an outstanding senior management group who are not only committed and capable but also enormously supportive of each other. That might be a rare combination, but it is an important one: such teams deliver better results, and they create healthier working cultures. It has been a joy to help build such a team, to share in its successes and to see colleagues support each other during challenging times in the Church, the economy and society.

I sign off by expressing my gratitude to our Board and Committee members, as well as my colleagues in the Church Commissioners and right across the National Church Institutions for all their work, support and fellowship over these last seven years. The Church Commissioners and all their beneficiaries will remain in my prayers.

Gareth Mostyn
Chief Executive

AT A GLANCE

We support the mission of the Church of England through ethical and responsible management of the Church's historic endowment fund.

	2024	2023
Total return	10.3%	4.1%
Total return (30 years average)	9.6%	9.4%
Supporting dioceses and the local church	£202.0M	£152.8M
Bishops' and Archbishops' ministry	£55.3M	£47.0M
Cathedrals' ministry	£14.7M	£14.1M
Other activities	£11.2M	£9.1M
Total charitable expenditure excluding clergy pension obligations	£283.2M	£223.0M
Total cash paid on clergy pensions	£124.1M	£120.6M
Investment fund	£11.1BN	£10.4BN

THE CHURCH COMMISSIONERS' ROLE WITHIN THE CHURCH OF ENGLAND

The Church Commissioners is one of seven national administrative bodies that work together to support the mission and ministry of the Church of England. These are called National Church Institutions (NCIs).

NATIONAL CHURCH INSTITUTIONS

Each NCI has a role to play in helping the day-to-day work of churches across England. The NCIs serve as the Church's central office, managing finance, education, communications, and more, to keep the Church of England growing.

The NCIs are separate legal entities, but they are a common employer. The present arrangements were established under the National Institutions Measure 1998. The seven NCIs are:

- ✿ The Archbishops' Council.
- ✿ Lambeth Palace.
- ✿ Bishopthorpe Palace.
- ✿ Church Commissioners for England.
- ✿ The Church of England Pensions Board.
- ✿ The National Society (Church of England and Church in Wales) for the Promotion of Education.
- ✿ Church of England Central Services.

THE CHURCH COMMISSIONERS FOR ENGLAND

Established in 1948, the Church Commissioners for England supports the work and mission of the Church of England by administering its permanent endowment fund. The Church Commissioners is accountable to Parliament, General Synod and, as a registered charity, the Charity Commission.

There are 33 Church Commissioners, who have responsibility for making sure we meet our charitable obligations. Six of the Commissioners hold Offices of State and the other 27 make up the Board of Governors, the main policy-making body (for more information, see page 64).

Three of the Commissioners are lay people who represent the Church Commissioners in the General Synod of the Church of England. The First and Second Commissioners are appointed by HM the King on the advice of the Prime Minister, while the Third Commissioner is appointed by the Archbishop of Canterbury.



Alan Smith

FIRST CHURCH ESTATES COMMISSIONER

The First Church Estates Commissioner chairs the Church Commissioners' Assets Committee, a statutory committee responsible for the strategic management of the Church Commissioners' investment portfolio. They are also a member of the Church Commissioners' Board of Governors, the General Synod and the Archbishops' Council.

Alan Smith has held the office of the First Church Estates Commissioner since 1 October 2021.



Marsha de Cordova MP

SECOND CHURCH ESTATES COMMISSIONER

The Second Church Estates Commissioner ensures our accountability to Parliament by regularly answering questions in the House of Commons. As a member of Parliament's Ecclesiastical Committee, they guide Church of England legislation through the House of Commons. The Second Church Estates Commissioner is also a member of the Church Commissioners' Board of Governors and an ex-officio member of the General Synod.

Marsha de Cordova MP has held the office of the Second Church Estates Commissioner since 7 October 2024, replacing Andrew Selous.



Sir Robert Buckland KBE

THIRD CHURCH ESTATES COMMISSIONER

The Third Church Estates Commissioner chairs the Mission, Pastoral and Church Property Committee and the Bishoprics and Cathedrals Committee, in addition to membership of the Board of Governors. They also chair the Net Zero Carbon Programme Board.

Sir Robert Buckland KBE was appointed¹ on 18 February 2025, replacing the Rt Revd Flora Winfield, who held the position between 1 February 2022 and 31 October 2024.

¹ Following the resignation of Justin Welby on 7 January 2025, the Archbishop of York Stephen Cottrell made the appointment having formally taken on the responsibilities of the Archbishop of Canterbury.

A LETTER FROM THE FIRST CHURCH ESTATES COMMISSIONER

Alan Smith, First Church Estates Commissioner, reflects on a year of change for the world – and the Church Commissioners.

2024 was a year of upheaval across the world – in governments, in the economy, in the Church of England.

As an in-perpetuity investor that has been in existence for over 320 years, tumultuous times happen at regular cycles for the Church Commissioners. In such times, the key principles by which we operate come to the fore – values must drive value; capital allocation must be disciplined and underpinned by intergenerational equity and fairness; we must learn from the past to understand our present and build a better future; our decisions, especially when peering into uncertainty, must be data-driven and evidence-based.

A year of change has required us to draw on those key principles. As you read this, we will be finalising the next triennium funding for the Church of England, setting out commitments for the next three years, and the direction for the next nine years.

As we embark on this vital task, it is important to restate our first principles. The Church Commissioners is an endowment fund tasked not just with funding the mission and ministry of the Church of England today, tomorrow, or for the next three years. Our mandate is to do so in perpetuity.

With such a long-term mandate, we must allocate our capital in a rigorous way, informed by history. No institution as old as ours can survive and thrive unless it uses the evidence of its past to enhance its risk management in the present. One example of a responsible, risk-informed action is our investigation of our historic links to African chattel enslavement.

Another is with regards to the environment. At a time when others retreat from their commitments, we remain steadfast. We recognise that climate change will have catastrophic consequences that will be felt by the poorest first and hardest, but also, ultimately, by all of us.

To ignore climate change is to misprice risk – and misallocate capital. Some criticise us, arguing that we should focus on maximising returns. We always do so in line with our mandate. Our performance demonstrates that. This year, we delivered returns of 10.3%, and over the last 30 years our average returns are 9.6%.

The year marked a changing of the guard. Gareth Mostyn announced his departure as CEO at the end of 2024, leaving the Commissioners at the end of March 2025. Throughout his tenure, Gareth embodied the Commissioners – its purpose, its values, its outcomes. Gareth operated with great integrity, calm and character.

He took over in February 2020, just a month before the pandemic lockdowns began, and helped steer us through the challenges of that epochal event.

Gareth oversaw a series of milestones: the largest nominal distribution to the Church of England's economy ever; our first bond issue; the building of a leadership team for the next generation; and groundbreaking work of responsible investment.

As Gareth departs, new faces have joined. Poppy Allonby joined us as Chief Investment Officer in September, bringing a wealth of experience. Her strategic vision and commitment to sustainable investing align perfectly with our long-term goals. I am confident that under her leadership, our investment portfolio will continue to prosper.

In October, we welcomed Marsha de Cordova MP as our new Second Church Estates Commissioner. Marsha has been a passionate advocate for social justice and equality throughout her career. I have been struck by how quickly she settled into the role during a particularly challenging period. She has handled these challenges with considerable grace and sophistication.

Finally, in March of 2025, Sir Robert Buckland KBE started as the new Third Church Estates Commissioner. His insight and leadership – and his experience in public life and the law – will be crucial as we continue our ethical stewardship of the Church's resources.

We look forward to all their contributions and look to the future with hope and ambition.

As we move forward in these challenging times, our core principles and mission remain unchanged and provide strength. Our work spans generations and the decisions we make today will lay the foundations for many generations to come.

The Church Commissioners will continue to support the Church of England in its mission to serve communities, promote justice, and uphold the values of faith and compassion.

Together, we will continue to navigate these tumultuous times with faith, resilience and hope.

Alan Smith
First Church Estates Commissioner



OUR VISION AND PURPOSE

Our vision is: “Enabling Christ’s thriving Church”.

The Church Commissioners’ core purpose is to provide long-term support for the ministry of the Church of England by delivering sustainable funding, practical guidance, and effective processes.

- ✦ Strive for excellence.
- ✦ Act with integrity.
- ✦ Respect others.
- ✦ Show compassion.
- ✦ Collaborate.

Our vision and purpose are enabled by talented teams and good governance, underpinned by our National Church Institution values:

LONG-TERM SUPPORT FOR THE MINISTRY OF THE CHURCH OF ENGLAND: through practical guidance and effective processes which contribute to its resilience and durability		
STRATEGIC OBJECTIVES	TIMEFRAME	2024 ACHIEVEMENTS
Strengthening the governance of all English Cathedrals through registration with the Charity Commission	2024	✦ Work complete and all 41 Cathedrals registered on time before the end of April 2024.
Develop and implement a strategy for supporting churches to manage and make the most of their church buildings, including implementation of the Buildings for Mission programme	2024 – 2025	✦ Minor Repairs and Improvements Grants Fund allocations made to mainland dioceses, with more than a third of grants allocated to some of the most deprived parishes in the country. ✦ Church Building Support Officers funded through Buildings for Mission. ✦ Funding allocated to dioceses for pilots on collective action for building maintenance and facilities management.

LONG-TERM SUPPORT FOR THE MINISTRY OF THE CHURCH OF ENGLAND: through practical guidance and effective processes which contribute to its resilience and durability		
STRATEGIC OBJECTIVES	TIMEFRAME	2024 ACHIEVEMENTS
Develop legislation for a new Mission and Pastoral Measure (MPM) in line with Synod approval, together with a plan for implementation	2024 – 2026	✦ The new Mission and Pastoral Measure will replace the 2011 Measure. ✦ The Measure provides a legal structure to allow a church to make changes to its local arrangements for worship, mission, and ministry through a formal consultation process. ✦ New draft Mission and Pastoral Measure and Regulations tabled and passed at February 2025 Synod and moved to the revision stage of the process.
Delivery of programme of response to historic links to transatlantic chattel enslavement, supporting the national Church in its own response and learning on this subject	2024 – 2031	✦ Engaged with over 2,000 individuals along with several institutions to develop and design the programme. Preparations are ongoing to submit a series of applications to our principal regulator which our Board will be asked to approve in the coming months. ✦ Supported the College of Bishops and members of General Synod to learn more about the relationship between the Church and enslavement.
Support the national Church’s 2030 net zero carbon ambition, through programme management, oversight and funding for the Net Zero Carbon Programme	2024 – 2030	✦ The Net Zero Carbon Programme supported diocesan net zero carbon roles across the country and secured external funding. ✦ Funding awarded to parishes wanting to implement net zero carbon projects. ✦ Fully funded energy audits for the top 20% highest emitting churches. ✦ Grants awarded to every diocese and the Pensions Board to progress clergy housing fabric-first retrofit works. ✦ Provided consultancy support to help dioceses submit applications to the Government’s Low Carbon Skills Fund.

OUR VISION AND PURPOSE

continued

LONG-TERM SUPPORT FOR THE MINISTRY OF THE CHURCH OF ENGLAND: through funding that is sustainable in terms of the performance of our portfolio, our ethical and responsible investment principles, and the processes and systems that ensure the efficient distribution of funds

STRATEGIC OBJECTIVES	TIMEFRAME	2024 ACHIEVEMENTS
Manage the endowment fund professionally and ethically in order to allow the Church Commissioners to maintain and grow its in-perpetuity funding support to the Church of England (in accordance with the principles of inter-generational equity)	Long-term	<ul style="list-style-type: none">✦ Endowment returns for 2024 were 10.3%, outperforming the investment return objective (CPIH+4%) of 7.5% for the year, and making a good contribution to continued longer-term performance against target, on which sustainable growth in distributed funding relies.✦ Investment activity continued in line with the Commissioners' Ethical Investment Policies, with the Commissioners remaining signatories to the UK Stewardship Code.
Optimise the Church Commissioners' impact as a leading Responsible Investor (RI) through prioritising key themes and implementing a targeted RI programme accordingly	2023 – 2025	<ul style="list-style-type: none">✦ Awarded: 'Leadership in Energy Transition and Net Zero' and 'Outstanding Contribution in Transition Management' at 2024 IPE transition awards.✦ 2022 Stewardship Report approved by the FRC (Financial Reporting Council) as meeting the reporting requirements of the 2020 UK Stewardship Code. The Commissioners then remained signatories to the Stewardship Code for 2024.

LONG-TERM SUPPORT FOR THE MINISTRY OF THE CHURCH OF ENGLAND, ENABLED THROUGH:
-Diverse teams that feel engaged, appropriately resourced and supported to deliver their work, and
-Governing bodies that are equipped to make data-driven and values-led decisions

STRATEGIC OBJECTIVES	TIMEFRAME	2024 ACHIEVEMENTS
Proactively diversify our workforce at all levels, including within our governing bodies and at all levels of our staff teams	2023 – 2025	<ul style="list-style-type: none">✦ Diversity data collection has reached a reasonable level of completion, enabling monitoring and publication of gender, ethnicity and disability pay gaps.✦ Belonging & Inclusion action plan evaluation showed progress towards representation goals, with increased representation of UKME/GMH, disabled, and female colleagues in Senior and Manager roles.✦ Moved from Bronze to Silver in external benchmarking of our Diversity and Inclusion work.
Supporting the creation of a new Governance model for the national Church, through collaborative working with, and practical support to, the Governance Programme Team	2024 – 2026	<ul style="list-style-type: none">✦ Draft Governance Measure introduced at July 2024 Group of Sessions and positively received. Revision stage of the process commenced in the autumn.✦ Revised Measure tabled and progressed at February 2025 Synod. Final Measure due to be presented at July 2025 Synod.✦ Governance Programme Team developing implementation plans, establishing an Executive Steering Committee to oversee the delivery of the implementation.

SUPPORTING THE CHURCH OF ENGLAND

*The Church Commissioners makes funds available
to support mission and ministry across England.*

SUPPORTING DIOCESES AND THE LOCAL CHURCH

One of the key ways in which the Church Commissioners achieves its purpose is through distributing funding to the Archbishops' Council which can then give grants to support dioceses and the local Church.

A large part of this funding is distributed by the Archbishops' Council through three funding streams – the Diocesan Investment Programme, the Lowest Income Communities Funding, and the People and Partnerships Funding – as part of the Strategic Mission and Ministry Investment (SMMI) programme.

The SMMI programme supports the Church in achieving the strategic priorities and the bold outcomes of the Church of England's Vision and Strategy for the 2020s.

THE VISION AND STRATEGY FOR THE 2020S

The Vision for the Church of England for the 2020s is that we become a Church that is centred on Jesus Christ and shaped by Jesus Christ through the five marks of mission. The three strategic priorities for the 2020s are:

- ✳ A church of missionary disciples;
- ✳ A church which is younger and more diverse; and
- ✳ A church where mixed ecology (i.e. church in a variety of different forms and settings) is the norm.

The six bold outcomes are:

A church for everyone through:

- 1) Doubling the number of children and young active disciples in the Church of England by 2030.
- 2) A Church of England which fully represents the communities we serve in age and diversity.

A pathway for every person into an accessible and contextual expression of church through:

- 3) A parish system revitalised for mission so churches can reach and serve everyone in their community.
- 4) Creating ten thousand new Christian communities across the four areas of home, work/education, social and digital.

Empowered by:

- 5) All Christians in the Church of England envisioned, resourced and released to live as disciples of Jesus Christ in the whole of life, bringing transformation to the church and world.

- 6) All local churches, supported by their diocese, becoming communities and hubs for initial and ongoing formation.

STRATEGIC MISSION AND MINISTRY INVESTMENT (SMMI)

The Church Commissioners and the Archbishops' Council have allocated £0.4 billion to the Strategic Mission and Ministry Investment programme in the 2023-25 triennium, and potentially up to £1.2 billion over the period 2023-31, subject to the outcome of future triennial funding reviews.

The Strategic Mission and Ministry Investment Board (SMMIB) was created as a sub-committee of the Archbishops' Council in February 2023 to distribute and monitor the progress and impact of the SMMI programme on behalf of the Archbishops' Council. The SMMIB also has responsibility for tracking the effective delivery and impact of existing programmes across the country which were previously awarded funding to grow mission by its predecessors (the Strategic Investment Board and the Strategic Ministry Funding Board).

The SMMIB is also responsible for awarding funding for additional stipendiary curates previously discharged by the Strategic Ministry Board.

DIOCESAN INVESTMENT PROGRAMME

In 2023-25 a total of £248m of Diocesan Investment Programme (DIP) funding is available for distribution.

DIP funding supports dioceses to advance their plans for the Vision and Strategy in parishes and communities across England, prioritising investment in the most deprived contexts. Dioceses can access funding for two different types of investment proposal:

- ✳ A plan to develop strategic mission and ministry across the whole diocese which sets out the additional people, capacity and other resources needed to deliver it; and
- ✳ A major change programme to develop mission and ministry focused on a particular geographical area or demographic.

Both types of investment must align with the diocese's overall strategy and the Church's Vision for the 2020s. Data analysis, local consultation, prayer, integrating lessons learnt and specialist knowledge should be combined to discern and design the proposal. Plans must demonstrate that the national funding integrates with the diocese's resources to deliver change in mission and ministry that can be sustained once this temporary national funding has ended.

In 2024, the SMMIB awarded DIP funding for the programmes listed below:

- ✳ **Birmingham:** £1.6m to revitalise St Mary and St Ambrose church, merging it with Anchor Church to form a multiplying church planting in areas with high percentages of other faiths. By 2029, it is expected that the worshipping community will have grown to 400 with around 60 new disciples.
- ✳ **Blackburn:** £12.1m funding for a renewal programme, including youth workers, lay pioneers, parish renewal, clergy development and an inter-cultural Mission Enabler in Burnley. By 2030, 50 parishes will be revitalised, leading to a 5% increase in regular adult attendance and a 3% annual growth in weekly giving.
- ✳ **Canterbury:** £3.2m to fund a church planting programme, including revitalising Holy Trinity Margate and St Paul's Cliftonville, with further revitalising plans for St John's and All Saints Westbrook. St Luke's and St Faith's churches in North Maidstone are partnering to support growth, aiming to increase their worshipping community from 250 to 600, with 25% under 16.
- ✳ **Durham:** £4.7m to support a restructuring and renewal programme, including church plants, youth and children's mission hubs and missional discipleship training. The funding will also extend support to church plants and develop youth chaplaincy engagement. Durham diocese has submitted further plans for £3.3m funding to revitalise Sunderland Minster and up to eight other churches. The programme aims to establish 20 new churches, increase Sunderland Minster's attendance and reach 900 children and young people weekly by 2027.
- ✳ **Hereford:** £0.5m to pilot a youth ministry model with two hubs in Leominster and Bishops' Castle, serving deprived and rural areas. Six youth-focused worshipping communities will be created in rural areas, led by volunteers. By 2026, the six new worshipping communities will aim to reach 180 young people monthly, with 1,000 young people connected to ministry.
- ✳ **Lichfield:** £0.8m to revitalise ministry in Stoke. Strand 1 will revitalise All Saints, Joiners Square, with a focus on young adults, young people, young families and students. Strand 2 will plant nine intergenerational

worshipping communities. By 2031, Strand 1 aims to establish a worshipping community of 300 with 130 weekly attendees, while Strand 2 targets 450 attendees across nine new communities.

- ✳ **London:** £9.4m to support a transformation programme in Hackney and Islington deaneries, supporting ministry in low-income communities, church planting and youth work. By 2030, 2,320 new worshippers, including 370 children and young people, are expected due to new worshipping communities and increased giving.
- ✳ **Portsmouth:** £4.0m to invest in clergy and lay leadership, church development, and new worshipping communities. The programme includes family-oriented services, midweek worship for children in schools, and children's choirs across south-east Hampshire and the Isle of Wight. St Michael's estate church, serving a highly deprived community in Paulsgrove, will establish four new congregations, including Choir Church, and expand existing worship in the Catholic tradition. Over five years, the number of children and young disciples is expected to double to 1,800 across 124 parishes. Youth ministries are expected to increase from 11 to 40, with a 20% increase in average weekly attendance.
- ✳ **Southwark:** £21.6m to support a nine-year transformation programme, including parish revitalisations, resourcing churches and establishing new leadership pipelines. By 2033, the plan aims to increase worshipping community attendance, financial giving and missional energy within parishes, with greater diversity in ministry.
- ✳ **Southwell & Nottingham:** £20.9m for a church revitalisation programme, with a focus on deprived and ethnically diverse areas. By 2035, the worshipping community is expected to grow to 19,500, with 5,000 new to faith. This growth will be supported by 100 new worshipping communities and 1,000 new leaders, underpinned by increased financial sustainability.
- ✳ **York:** £0.3m for mission and ministry in Hull, supporting an associate vicar and project manager to develop a resource church in the Derringham Bank benefice.
- ✳ **Northern Province:** £1.8m awarded to the Archbishop of York to support planting and revitalisation across the Northern Province. Funding will support a specialist team, leader training and the launch of 350 new worshipping communities. By 2029, 2,325 new worshipping communities are expected across the Northern Province, with 80% of 70 new leaders placed in resource churches.

In addition to the above awards, the SMMIB also approved the release of funding totalling £3.6m to **Worcester** diocese, which was pending approval last year.



In 2023-25, a total of £91.0m was available for distribution as Lowest Income Communities (LInC) Funding

DIP funding is also available to help dioceses address constraints in their capacity to develop and implement strategies, and to take forward major programmes of transformation. In 2024, the SMMIB awarded a total of £8.5m of capacity funding to 19 dioceses.

In 2024, the SMMIB awarded £4.0m for 27.5 additional stipendiary curates. Requests for funding of additional stipendiary curates will in the future be included in dioceses' proposals for major DIP programmes or people capacity funding.

LOWEST INCOME COMMUNITIES FUNDING (LInC)

The formula-based LInC funding was introduced in 2017 to support dioceses in developing mission and growth in the lowest-income communities and estates and, from 2023, it has been distributed as part of the SMMI programme.

Dioceses report annually on their use of this national funding, with a minimum of one outcome agreed at the outset to facilitate mutual accountability and learning.

Many dioceses use LInC funding to support deprived parishes that cannot meet their parish share, ensuring ongoing ministry provision in these areas. The SMMIB urges dioceses to target their LInC funding to their most deprived communities.

In 2023-25, a total of £91.0m was available for distribution as Lowest Income Communities Funding, plus £7.9m of transition funding to support dioceses that receive less LInC funding than they received under the previous formula.

In 2024, 29 dioceses received a total of £30.3m of LInC funding, with an additional £2.7m of transition funding for those receiving less funding under the previous formula.

In 2024, representatives from dioceses receiving LInC funding met in Birmingham, hosted by Archbishops' Council staff, for peer-led reflections on good practice in the use of LInC funding.

PEOPLE AND PARTNERSHIPS FUNDING (PPF)

People and Partnerships Funding supports partners and networks and seeks to address gaps or barriers that inhibit delivery of the Vision and Strategy. In 2023-25 a total of £12.9m was available for award.

In 2024, the SMMIB awarded a total of £3.4m² of PPF for the following programmes:

- ✦ **The Way UK:** £1.0m has been proposed to the Archbishops' Council for an infrastructure and innovation programme but not yet fully approved. The digital youth ministry aims to increase the following of 13 to 17-year-olds from 3% to 10% by 2027. The funding will support staff, content creation, online community management and pathways for young people to connect with local churches.
- ✦ **Messy church:** £0.6m to the Bible Reading Fellowship Ministries for a project to engage children aged 11 and older. The project aims to increase Messy Church reach, retain young people and train leaders to adapt activities for older children.
- ✦ **Gregory Centre for Church Multiplication (CCX):** £1.0m for a programme to scale CCX's church planting and revitalisation training and to further develop a course for lay-led new worshipping communities. The programme will equip leaders of 350 worshipping communities to reach and disciple children and young people, leading to 11,500 new active disciples by 2030. In addition, CCX also received £45,000 to research disciple-making among Christians in their 20s and 30s. The research will inform a programme to support local churches in disciple-making.
- ✦ **Leading your Church into Growth (LyCiG):** £0.8m to strengthen LyCiG's focus on children and young people, supporting the development of two courses and LyCiG's transition to a charity equipped for the long term to help lead even more churches into growth. LyCiG's impact is expected to double, inspiring 500 more parishes and resulting in 8,000 new disciples, 2,000-2,500 of whom will be under 18.
- ✦ **The Society:** £45,000 to extend the employment of the current part-time missionary for 12 months, whilst The Society develops a full proposal for PPF.

² This differs to the finance table due to the £1m award made to The Way UK not yet being formally confirmed due to ongoing procurement discussions. The figure in the finance table also includes £0.4m of funding for Missional Youth Church Network that was awarded in principle in 2023 and awarded in 2024.



Christingle Service 2024
at Exeter Cathedral



St Augustine's Church,
Scaynes Hill

STRATEGIC DEVELOPMENT FUNDING AND STRATEGIC TRANSFORMATION FUNDING

The SMMIB is responsible for managing ongoing programmes and projects that were awarded under previous funding streams, namely Strategic Development Funding (SDF), Innovation Funding, Strategic Transformation Funding (STF) and Strategic Ministry Funding.

In 2024, the SMMIB awarded additional SDF and Innovation Funding totalling £1.0m to existing projects in six dioceses, mainly to support them with the impact of inflation on salary costs and with increases in building costs.

These additional funding awards included £145,000 to Southwark diocese for the Bubble Church project which is supported by Innovation Funding. The project has developed rapidly beyond the initial target and by early 2024 had already scaled up across 15 dioceses, with 30 churches having held their first Bubble Church service. The additional investment, which supplements the original award of £250,000, will fund support staff and help churches in lower income communities with Bubble Church start-up costs.

In 2024, the SMMIB released the second tranche of STF for Liverpool diocese's Fit for Mission programme, bringing the total amount of STF awarded for this programme to £7.6m.

MONITORING, EVALUATION AND LEARNING

The SMMIB is responsible for tracking the effective delivery and impact of the programmes awarded funding by the SMMIB and by one of its predecessors, the Strategic Investment Board.

A monitoring, evaluation and learning framework for the SMMIB programme has been developed. This includes a shared outcome framework to provide a set of common measures for funded programmes and enable better comparisons to be made between different programmes and approaches, and more accurate aggregated data. Work is ongoing to ensure a consistent approach.

The [Church Support Hub](#) was launched in 2024 and provides an easily accessible central learning platform.

FOLLOW-UP TO THE INDEPENDENT REVIEW OF LOWEST INCOME COMMUNITIES FUNDING AND STRATEGIC DEVELOPMENT FUNDING

In 2022, an [independent review](#) of Lowest Income Communities Funding and Strategic Development Funding, chaired by Sir Robert Chote, was published. The review made a series of recommendations about how the national funding should evolve.

General Synod requested a follow-up review to assess progress made against the recommendations. This was undertaken by BDO, the Archbishops' Council's internal audit partner, and received by General Synod in July 2024. Of the eleven recommendations made in the original review, the follow-up found that five had been implemented in full while, for the other six, progress had been made towards the goal.

The General Synod paper GS Misc 1382, which includes the SMMIB response to the follow-up review and to which the follow-up report is appended, can be found [here](#).

CLERGY RETIREMENT HOUSING

The Church Commissioners also supports the local church by distributing funding to the Archbishops' Council, which in turn provides grants to the Church of England Pensions Board to subsidise retirement housing services to clergy.

The Church of England Pensions Board provides retirement housing services to clergy in need of assistance, known as the Church's Housing Assistance for the Retired Ministry (CHARM) scheme.

The Church of England Pensions Board received a grant of £25.8m in 2024 from the Archbishops' Council towards the costs of Clergy Retirement Housing, £19.7m of which was funded by the Church Commissioners as a response to near-term cost pressures on the CHARM scheme due to increasing financial challenges, including rising inflation, high interest rates, significantly increasing demand and more stringent regulation.

ARCHBISHOPS', BISHOPS' AND CATHEDRALS' MINISTRY

The Church Commissioners meets the stipends, office and working costs of the archbishops and bishops, as well as cathedral senior clergy, in support of their ministry.

Diocesan bishops can spend their funding according to local needs, which are regularly reviewed to inform future funding allocations.

LAMBETH PALACE REFURBISHMENT

Lambeth Palace is owned and maintained by the Church Commissioners and has, as reported last year, undergone extensive repair. The refurbishment, the first in nearly 70 years, improves the safety, security, sustainability and accessibility of Lambeth Palace. It ensures that Lambeth Palace remains a global base for the Church's mission and hospitality, benefitting the nation for generations to come. The project also helps make Lambeth Palace a model for achieving genuine sustainability in historic buildings.

As is the case with buildings of an equivalent age and heritage significance, Lambeth Palace was in urgent need of substantial repairs to bring its heating, electrics and plumbing up to modern standards. There was a high risk of a catastrophic failure of these systems, with the potential to cause irreparable damage to the fabric of the building.

Works started in 2022, under the regular oversight of the Bishoprics and Cathedrals Committee and an additional project oversight board. Partial completion of the Blore building was achieved in December 2024 with completion of the main refurbishment project by Easter 2025.

LAMBETH PALACE LIBRARY

In 2024, Lambeth Palace Library continued its focus on engaging people with its collections, serving readers and colleagues both in person and online, and enabling access through ongoing cataloguing of the backlog and new accessions. Building on the momentum from previous years, the Library hosted 21 events, offered popular tours on all the Garden Open Days, opened three exhibitions, and welcomed 5,281 visitors and 1,525 readers.

Key achievements include the conclusion of the conservation of 1,200 chancel plans and the initiation of a new project to conserve 15,000 parsonage plans. Notable accessions this year included a letter from Thomas Herring, Archbishop of Canterbury, and an autograph volume of sermons and prayers by Francis Cheynell, a seventeenth-century clergyman. Two of the exhibitions, *Women and the Church of England* and *'Her Booke'*: *Early modern women and their books at Lambeth Palace*

Library highlighted significant spiritual, pastoral, literary and business contributions by women. A third exhibition, *Building on Cathedrals*, illustrated a research collaboration led by Cardiff University using artificial intelligence tools and digitised images of cathedrals from the collections.

Digitisation efforts remain a significant focus, with the addition of nine psalters and books of hours to the Library's online collection. The Library also contributed to a Fragmentarium, a resource for medieval manuscript fragments, enhancing digital access to its collections.

Research and partnerships have been strengthened through collaborations with universities and support for research projects, including hosting seminars and placement students. The Library continues to support the Archbishop of Canterbury by offering advice on gifts and displays, and by providing a venue for meetings and events.

BISHOPS' HOUSING

The Commissioners has a statutory duty to support diocesan bishops with housing and to provide suitable accommodation which facilitates the bishops' work and mission.

Three new diocesan bishops were appointed during 2024, and we took the opportunity to undertake essential asset management and refurbishment works at the Exeter See House and provide necessary support for works to the Sodor & Man See House (the property being owned by the Diocese of Sodor & Man). The work required to the Coventry See House commenced early in 2025 due to the See House being used as a base for the ministry of the Acting Bishop during the Vacancy-in-See. The works were completed in time for the new Bishop to take up their duties during the spring of 2025.

Although the Crown Nominations Commission failed to appoint the Sees of Carlisle and Ely, along with a long vacancy-in-see in the Durham Diocese, we have used the year to procure and commence works at the respective See Houses. Conversations continue with respect to the suitability of the Winchester See House and, given the projected significant investment required, we are undertaking full surveys to assist with decision-making that will consider appropriate and necessary net zero carbon interventions for such a historic building.

Challenges remained in 2024 in respect of buildings and maintenance cost inflation – these pressures remain a concern considering our wish to achieve best value across the portfolio.

SUPPORT FOR CATHEDRALS

In 2024, the Cathedrals Measure 2021 was fully implemented, with the last few cathedrals transitioning to registered charities and adopting their new governance structures. As joint regulator with the Charity Commission, the Church Commissioners continue to support cathedrals to embed these changes in a relatively challenging financial environment.

We have a statutory obligation to meet the stipend and pension costs of the Dean and two residentiary canons but have also contributed £4.6m towards other cathedral clergy and lay staff costs. In 2024, the Cathedrals Sustainability Fund has awarded 45 grants totalling £3.2m, financing strategic advisors as well as supporting key operational and developmental roles within the cathedral community.

SUSTAINABILITY AND THE AMBITION TO REACH NET ZERO CARBON BY 2030

While cathedrals constitute a relatively low proportion of the Church of England's total carbon footprint, they are large architecturally important buildings open to the public every day. As such, they are by their nature high energy users with relatively high carbon emissions.

It is unlikely that cathedrals will achieve net zero carbon by 2030 without some form of carbon offset, but we are working with the community to help reduce emissions as much as possible. During 2024, we offered to fund further surveys commissioned by cathedrals to identify options for reducing both energy use and carbon emissions.

We have also allocated £1.4m of funds to support 'quick wins' and 'demonstrator' projects. These will enable cathedrals to make relatively simple interventions that will reduce their carbon footprint and support the community as a whole through our support for larger interventions with shared learning opportunities.

As part of the Church of England's ambition to reach net zero carbon by 2030, See Houses have also been awarded funding from the Net Zero Carbon Programme Board. The Durham See House notably received funding to assist with the installation of solar panels within the grounds, battery storage back-up and a bivalent heating system that will include an air source heat pump. This will form part of the demonstrator projects to provide knowledge and technical expertise. This knowledge can then be used to inform an approach to achieving net zero carbon across the See House portfolio.

CHANCEL REPAIR LIABILITY

The Commissioners has whole or partial chancel repair liability for approximately 800 parish churches, and

from 1 January 2019 took on the full administrative and financial responsibility for the repair of approximately 190 chancels where the liability rests with cathedral chapters.

During the year, we have seen increasing examples of rainwater goods unable to cope with the increased rainfall levels now being seen as a result of climate change and we have noted an increase in the numbers of failed lath-and-plaster ceilings due to weakened plaster. This is likely to have been exacerbated by condensation forming due to the lack of ventilation when churches were closed for prolonged periods during the pandemic.

This has led, in part, to 48 new chancel repair projects being commissioned during the year, which, with the existing projects, enabled us to provide financial and administrative support to approximately 60 parishes where the Commissioners has a liability.

During 2024 we funded £1.3m of chancel repairs projects.



Lambeth Palace
refurbishment

Photo credit: Hufon + Crow for Wright & Wright Architects

CATHEDRAL AND CHURCH BUILDINGS

The Cathedral and Church Buildings Department (CCB) works with and supports the people who care for our 16,000 churches and 42 cathedrals.

We do this by providing training and guidance to Diocesan Advisory Committees and Fabric Advisory Committees, through online published guidance and advice on the day-to-day maintenance and conservation of churches and on how to go about making changes to church and cathedral buildings. We engage directly with some casework, where we are involved with individual churches or cathedrals. We work with government, Historic England and the wider heritage and places of worship sectors to develop policy and leverage funding.

BUILDING CONFIDENCE

The CCB has initiated a conversation across the Church of England and the wider community about a strategy to sustain our church buildings, and how we support those who manage and care for them. The Building Confidence conversation is identifying ways of sustainably funding our church buildings to ensure they will be both fit for mission and for purpose, for now and in the future.

The CCB has renewed its Struggling Churches offer to develop engagement with churches where the future seems uncertain and where a fresh appraisal of the building and its potential can lead to good outcomes. The department also has a focus on supporting the strategic development of the 322 Major Parish Churches, strengthening the relationship between Major Churches and dioceses, building relationships with the Major Churches themselves and with relevant stakeholders.

To support dioceses to integrate church buildings into diocesan strategies, the CCB is looking at how this varies across dioceses, and how we can foster good practice and mutual learning. We will provide dioceses with guidance and resources to assist with strategic planning and developing a vision for church buildings that goes hand in hand with pastoral reorganisation and new initiatives in mission and ministry.

BUILDINGS FOR MISSION

During 2024, the CCB continued to grow and deliver the innovative Buildings for Mission (BFM) programme. The £11.0m allocation in the 2023-25 triennium enables the Church Commissioners to provide funding to the Archbishops' Council, enabling it to make grants and provide advice to dioceses and parishes, with an emphasis on devolving the money to the grassroots.

BFM reinforces other strategic work, such as the Net Zero Carbon Programme, and leverages funding from other organisations while building confidence and capacity within dioceses to keep church buildings fit for mission.

The Church Buildings Support Officers Grant Scheme has 35 new posts appointed around England, 32 in dioceses and three in partner organisations. They provide advice and support to parishes on repairs and maintenance and professional development to support officers through regular online and in-person training.

The Minor Repairs and Improvements Grants Fund has provided £6.2m to dioceses to distribute in the form of grants for urgent and necessary small-scale repair or improvement projects. During 2024, dioceses made a total of 475 grant offers, with 37% of these given to churches in the most deprived 20% of parishes. The Fund is administered jointly with the Net Zero Carbon Quick Wins Fund providing £2.4m of funding to dioceses to make grants towards small-scale energy-saving works and stop-gap heating solutions, complementing the BFM funding for building repairs and improvements.

The Church Buildings Management Partnerships initiative is exploring ways to improve the effectiveness and cost efficiency of church buildings maintenance and facilities management through collective procurement. Five diocese-led pilot schemes have been awarded grants to test different approaches.

The CCB has strengthened its digital offer to dioceses by redeveloping the Online Faculty System and attached Church Heritage Record, through a new buildings management system. This will provide an integrated digital platform with a single streamlined system for information sharing, planning applications and data capture. Testing of the new site began in the spring of 2025, followed by a national roll-out.

CONTESTED HERITAGE

The Contested Heritage Committee of the Church Buildings Council (CBC) advises the CBC and the Cathedrals Fabric Commission for England (CFCE) on related casework.

We have continued to work throughout the year with the Archbishops' Commission on Racial Justice, the

Contested Heritage Committee, and ecclesiastical lawyers on our work relating to contested heritage.

Work to refresh the Contested Heritage guidance continues. The CCB has been working carefully to ensure the theology is thoroughly embedded throughout the guidance to better support cathedral chapters, dioceses, and parishes through the decision-making process around their church buildings. Spotlights have been prepared to support the guidance and provide practical examples of ways that parishes and cathedrals have addressed their contested heritage. These cover a range of different types of churches and cathedrals, and geographical locations. They demonstrate different approaches that have been taken by a parish or cathedral, and present insights and learnings from those involved in the process.

FUNDING

In 2024, the Conservation Grants Programme, which has been run since the 1950s by the Church of England in partnership with the Pilgrim Trust, the Radcliffe Trust and others, awarded £263,000 to 124 projects conserving the precious and fascinating interior features of churches in 33 dioceses. Our grants are published on the <https://www.36giving.org> website.

Fountains Church, Bradford



NET ZERO CARBON PROGRAMME

To support the Church of England's ambition to be "net zero" by 2030³, the Church Commissioners has earmarked up to £190m over the next three triennia (up to 2031) to drive delivery against the [Routemap to Net Zero Carbon by 2030](#). The Net Zero Carbon Programme team has been deploying the first £30m in funding towards a series of demonstrator projects aimed at building knowledge and experience in decarbonising our cathedrals, churches, church halls, schools and houses. Dioceses and parishes have submitted a wide range of applications for funding towards projects which help to make progress against the milestones and outcomes of the Routemap. Support has also been provided to dioceses to help them establish their net zero carbon capacity and capability.

Key achievements include:

- ✦ Every diocese has benefited from financial support to establish or build upon existing capacity to help drive net zero carbon activity forward.
- ✦ 587 of the Church's highest carbon emitting churches have been offered fully funded energy audits, of which 418 have been completed.
- ✦ 24 Demonstrator Church projects have been approved

and are in the process of being implemented, with the Benefact Trust providing additional funding for four capital works projects within this number.

- ✦ Eight dioceses have piloted a 'Give to Go Green' fundraising offer with 71 churches participating so far. The churches involved have raised £496,000 in total, matched by programme funds, to deliver a wide range of small-scale net zero carbon projects which are delivering tangible and missional benefits.
- ✦ Six cathedrals decarbonisation projects have been approved.
- ✦ Under the National Framework and pipeline for schools decarbonisation projects, 107 Heat Decarbonisation Plans and a further 34 feasibility studies to support Public Sector Decarbonisation Scheme (PSDS) bids are being progressed.
- ✦ Grants have also been awarded to all 42 dioceses and the Pensions Board to progress clergy housing fabric-first retrofit works to circa 58 clergy houses as demonstrator housing decarbonisation projects.
- ✦ Finally, the programme has successfully leveraged £3.6m in additional external funding from government grants and local fundraising, plus a commitment of £1.5m from the Benefact Trust for the Demonstrator Churches project.

³ Scope 1 and 2 emissions plus some business-related travel, as defined in the Routemap to Net Zero Carbon by 2030.

MISSION, PASTORAL AND CHURCH PROPERTY

The Church Commissioners works with parishes, diocesan teams, patrons and bishops to further the mission of the Church and the ‘cure of souls’ by helping the Church manage changes to the local provision of worship, mission and ministry at a parish and diocesan level.

This work is fundamental to our shared mission and ministry, as it enables the Church to respond to changing needs and opportunities.

Within that context, the Commissioners has a quasi-judicial role that means it is responsible for the management and delivery of the decision-making processes relating to the Mission and Pastoral Measure (2011) (MPM), the Church Property Measure (2018) and other legislation. This work is overseen by the Mission, Pastoral and Church Property Committee (MPCPC). The Committee is chaired by the Third Church Estates Commissioner. The Right Revd Dr Flora Winfield stepped down as Third Church Estates Commissioner in October 2024 and was succeeded by Sir Robert Buckland KBE in February 2025.

We work with parish representatives and diocesan teams as they bring forward draft proposals under the MPM and adjudicate on objections to those proposals when required. These include changes to pastoral provision, such as parish boundaries, ministry provision, and church buildings – which can include the disposal of closed church buildings for a new use. The Committee also considers wider policy and strategy matters, and works with the National Church Institutions and other partners.

The casework in 2024 was as follows:

- ✿ The MPCPC adjudicated on 21 MPM-related cases and one case in relation to the Church Property Measure 2018. There was a committee visit to the Diocese of Truro and hearings were held in the Diocese of Lichfield on a pastoral scheme and in the Diocese of Leeds on a potential church building closure.
- ✿ 121 new draft pastoral schemes were received during the year and 103 were subsequently made.
- ✿ 23 disposals of closed church buildings were completed, which included nine longstanding cases where the building had been closed for over five years.
- ✿ 16 draft schemes for settling the future of closed church building were published.

In total, just over £0.9m in net proceeds from the disposal of nine closed churches and sites was allocated to dioceses to support mission, ministry and new initiatives in 2024. The proceeds from the remaining 14 cases which were completed in 2024 will be allocated in 2025. In the past ten years, we have transferred approximately £15.2m of net proceeds to dioceses.

REVIEW OF THE MISSION AND PASTORAL MEASURE (MPM)

During 2024 work progressed on the preparation of the new Mission and Pastoral Measure (MPM) which will replace the 2011 Measure⁴. There were three main areas of activity: deciding how to divide the 2011 Measure into a new Measure and a suite of secondary legislation, reviewing and transferring clauses from the existing 2011 Measure, and developing drafting for new areas of policy. There were further technical consultations with the Government and partners on various policy issues which informed the drafting. The draft Measure and Regulations and accompanying policy paper were passed at the General Synod sessions in February 2025 and now move to the revision stage of the process.

TRAINING AND DIOCESAN SUPPORT

The Church Commissioners’ Pastoral and Closed Churches team provides a regular programme of support, training and engagement to the diocesan officers who lead MPM-related work. This programme includes a monthly drop-in for lead officers where they can share issues and get advice on processes, training sessions across all areas of the Measure, and targeted training for particular groups, such as the Archdeacons’ network. In addition, a regular e-newsletter keeps the teams up to date with MPM matters, including the progress of the draft legislation and MPCPC matters.

PASTORAL & CLOSED CHURCHES TEAM RESTRUCTURE

During 2024 there was a restructure process within the Pastoral and Closed Churches team. Consultations took place with the team over the summer, and a new structure was implemented in the autumn. The most significant change was that the team has been divided into a new

St Barnabas,
Gloucester



Mission & Pastoral Services team, which oversees the new Measure, the MPM transformation programme, the MPCPC and diocesan liaison and training, while the Closed Churches team has moved into the Cathedral and Church Building directorate effective from 1 January 2025. This was a strategic decision to enable the teams working with both open and closed church buildings to be together so that they can more effectively join up their support for parishes. The restructure also provided new opportunities for progression and promotion and training roles will be established to support longer-term succession planning. Additional staff are being recruited to increase the teams’ capacity.

CHURCHES CONSERVATION TRUST (CCT)

The MPCPC is also responsible for overseeing the Commissioners’ relationship with the Churches

Conservation Trust (CCT), which is jointly funded by the Commissioners and the Department for Digital, Culture, Media and Sport (DCMS). The CCT works in partnership with communities to conserve the most historically significant church buildings and is currently responsible for 357 churches.

In 2024, the CCT began work to refresh its strategy for the next three years and there was ongoing engagement about the review of the MPM. The MPCPC approved a new lease for Bolton All Souls in March and reviewed the annual report and accounts. Three churches were identified for potential new vestings, and the CCT began the costings process to inform the vesting decisions which will be taken by the MPCPC in 2025. There was ongoing engagement with the DCMS through the regular joint meeting cycle which looks at finance, performance and risk, progress on longstanding cases and potential vestings.

⁴ General Synod approved the policy proposals for a new Measure in July 2023 in GS2315. The background on the review can be found here: [Review of the Mission and Pastoral Measure 2011 | The Church of England](#).

INVESTING FOR THE FUTURE

*The objectives, strategy and performance of
the Church Commissioners' investment fund.*



Helping
farmers improve
environmental
sustainability

REVIEW OF INVESTMENTS

The Church Commissioners manages an investment fund of £11.1bn, in an ethical and responsible way. The fund has delivered an average return of 8.6% per annum over the last ten years. The figures cited in this commentary are all in sterling terms.

OBJECTIVES

- ✿ To manage the fund to ensure consistent and sustainable distributions for our beneficiaries.
- ✿ To achieve a total return of CPIH+4.0% per annum measured over the long term.
- ✿ To meet performance benchmarks for individual asset classes.
- ✿ To manage risk appropriately.
- ✿ To act within our ethical guidelines and be at the forefront of responsible investment globally.

FUND PERFORMANCE AND STRATEGY

The Church Commissioners manages a diversified portfolio spread across a broad range of asset classes, consistent with our ambition to be at the global forefront of responsible investment.

Our investment objective is to generate a return of CPIH+4.0% per annum, on average, over the long term to support the work and mission of the Church of England today and for future generations. We have managed to exceed our target over 5, 10, 20 and 30 years.

Over the past ten years, the fund has achieved an average return of 8.6% per annum. Based on these returns and given the Commissioners' funding distribution over the year, the value of the Church Commissioners' investment assets at 31 December 2024 stood at £11.1bn, net of the bond debt, compared with £10.4bn at the start of the year.

Meeting or exceeding our performance objective allows us to meet our pension obligations and to grow, in real terms, our support for the Church, balancing the needs of both current and future beneficiaries.

The Commissioners' investment policy is to hold a diversified portfolio of investments across a broad range of asset classes consistent with our Responsible and Ethical Investment Policy. The asset allocation chart on page 37 shows our asset weightings at the end of 2024, with the biggest change since last year being the growth of our Fixed Income allocation, which we have increased to close to 10% of the fund, funded mostly from defensive equity and absolute return investments. The fixed

income allocation aims to benefit from the prevailing higher level on interest rates.

2024 saw the equity market rally, which had started towards the end of 2023, continue almost uninterrupted through the year (bar a brief fall in August). Initially it was a narrow rally driven by US technology stocks, notably the Magnificent 7, with Nvidia's stock price gaining 150% in the first six months alone, becoming in the process the world's most valuable company. The rally in equity markets broadened out to include other sectors, as central banks started to cut rates, led by the Federal Reserve, and investors became more confident in a soft landing. 2024 was one of the strongest periods of gains for equities in recent history. It leaves the global stock index benchmark, MSCI ACWI up some 20% over the year.

Against this backdrop the Church Commissioners' portfolio returned 10.3% in 2024. This is the sixteenth year in a row that the Commissioners has delivered a positive return. The very strong environment for equity markets boosted returns, with our public equities portion of the portfolio delivering 15.6% returns over the year. The absolute return and defensive equity allocations also delivered double digit returns.

While our public market allocations delivered strong returns, our private markets and real asset portfolios contributed more modestly (gaining 7.1% and 3.8% respectively). In private markets, private equity and venture capital were held back by some valuations continuing to adjust lower. Private credit (which has benefited from higher interest rates) did better. Real Estate returns were negatively impacted by weakness in areas like Timberland and Indirect Property although other areas such as Commercial property, Infrastructure and Value Linked Loans (VLLs) performed better.

PUBLIC MARKETS

Global equity markets were strong across the board in 2024, but the US really led the way with the S&P500 up 25% and the Nasdaq up 33%. Europe, Japan and Emerging Markets were more subdued although China did stage a strong rebound in the second half of the year. Smaller companies again struggled to keep up with large



Human Rights Greenhouse,
Hyde Park Estate

companies and in particular US technology stocks. Our portfolio tends to be more diversified than the index and also has a tilt to smaller companies so while our equities portfolio did well, gaining 15.6%, it could not quite keep up with the MSCI ACWI index.

Our absolute return portfolio and defensive equity portfolios, which represent around 14% of the fund, are designed to generate returns which are more insulated from the overall direction of equity markets, and these delivered solid returns of 12.0% and 13.3% respectively.

Fixed income, which we have been adding to, given the higher prevailing level of interest rates, is now around 8% of our total portfolio. This consists both of UK investment grade debt, and also a variety of other funds across the fixed income spectrum (from US high yield to Emerging Market debt). Although the UK side of the portfolio was negatively impacted by a rise in yields in 2024, as investors scaled back their expectations of Bank of England rate cuts, the overall fixed income portfolio still delivered returns of 8.7%.

Sterling had a choppy year against the USD ending the year modestly lower around 1.25 but having seen a low of 1.23 in April and a high above 1.34 in September. We continue to actively manage our FX hedging as USD assets account for around half of our fund allocation.

Tactical Asset Allocation activity was limited this year as one would expect given the market strength. Overall Tactical Asset Allocation was broadly flat on the year with losses on tail risk hedging offset by gains on other positions.

PRIVATE MARKETS

The private equity and venture capital allocations, which invest in unlisted companies, achieved total returns of 8.4% and 3.8% respectively in 2024. Whereas for much of the last decade an allocation to private asset classes, like private equity and venture capital, has been a positive relative to liquid markets, this has not been the case for the last couple of years as valuation adjustments have weighed on performance. We do think though that this is largely behind us, meaning the outlook for 2025 and beyond should be better. We continue to deploy capital into the space reflecting our long-term approach. During the year, we agreed further commitments to the private equity portfolio totalling £61m and £57m to the venture capital portfolio. Over the long term, our private equity and venture portfolios have significantly outperformed public equity markets, returning 17.0% per annum on average over the past ten years.

Private credit is an area we have continued to add to given the higher interest rate environment. We made £85m of new commitments in 2024. The portfolio returned 8.5% in 2024, driven by consistently strong income receipts from typically floating interest rate loans.

We incorporate responsible investment ESG into our investment process. Across public and private markets, we typically make investments by partnering with asset managers that are expert in a particular asset class. Therefore, the choice of asset manager is important to ensure alignment and coherence with our responsible investment approach. We assess our current and prospective asset managers against our proprietary RI Manager Framework, which was updated in 2024 to reflect our updated Responsible Investment strategy and policy, as well as a tailoring by asset class. We also work with our asset managers to implement our ethical exclusions, but we recognise that in certain circumstances there may be 'restricted exposures' (e.g. in pooled funds) where the restrictions can't easily be applied. Any restricted exposure is monitored quarterly by the Assets Committee, and we set a 1% maximum threshold for restricted exposures across the portfolio. We continued to carry out stewardship activities across asset classes, as detailed in our Stewardship Report.

REAL ASSETS

The Church Commissioners' real asset portfolio consists of a diverse range of property-related investments which enable us to take a long-term approach in line with good stewardship.

The overall real assets portfolio delivered a modest positive return of 3.8% during 2024. Our Commercial and Value-Linked Loans investments produced returns of 34.0% and 15.6% respectively, which were the best returns in the real assets portfolio. Residential, Farmland, Infrastructure and Strategic land portfolios performed well, each delivering returns of between 3% and 9% during the year. The Timberland and Indirect portfolios saw negative returns of (12.8)% and (8.6)% respectively, albeit long-term returns remain very strong for Timberland at 10.2% average over ten years.

The Strategic Land team continued to progress work aligned with the 'Coming Home' report (2021). In September, HRH The Princess Royal opened a 13-home scheme in Shepherdswell, Dover. The partnership between English Rural Housing Association, the Shepherdswell & Coldred Community Land Trust and the Church Commissioners provides a blueprint for the delivery of affordable housing in rural areas. Several planning applications were submitted, including at Newton Aycliffe, County Durham, for a community of 1,400 homes and at Fiskerton, in Lincoln, for 150 homes.

Our Timberland team maintained a focus on ensuring the sustainable production of timber from our forests. Work progressed with partners in the UK and the US to support renewable energy developments, which can deliver strong investment returns whilst supporting local communities and a renewable energy transition. In the UK, planning consent was secured for the Crystal Rig 4 wind farm in the Scottish Borders. The wind farm will generate 17.6 MW of energy on the Church Commissioners' land.

We gained approval to plant a new woodland, Garlow Wood, in Angus, Scotland. This involves reintroducing Caledonian Scots pine and other native species to improve habitats, alongside areas for sustainable timber production.

The Farmland team spent time understanding farm tenants' businesses, with increased focus on data collection. The collated survey results will help to identify further opportunities to support farmers in the transition to sustainable agriculture. Successful grant funding from the Species Survival Fund enabled a joint landscape-scale conservation project with the RSPB across salt marshes in Kent, as well as a new national partnership launched with the Farming and Wildlife Advisory Group (FWAG) to assess biodiversity and food production projects across the country.

There were several highlights across the London team, (managing our commercial and residential assets). The Hyde Park Estate featured in the second edition of the NLA's Great Estates book. In partnership with March Arch BID and the Portman Estate, we published a placemaking strategy for Edgware Road and work began on the Connaught Village Green public realm scheme. The former home of the Church of England's archives in Bermondsey was leased to the National Theatre to create their Green Store, promoting re-use and recycling. A new NHS community diagnostic centre opened at the Metrocentre providing 145,000 appointments a year. The freehold of Vogue House on Hanover Square was sold following the departure of Condé Nast and the sale of their leasehold interest.

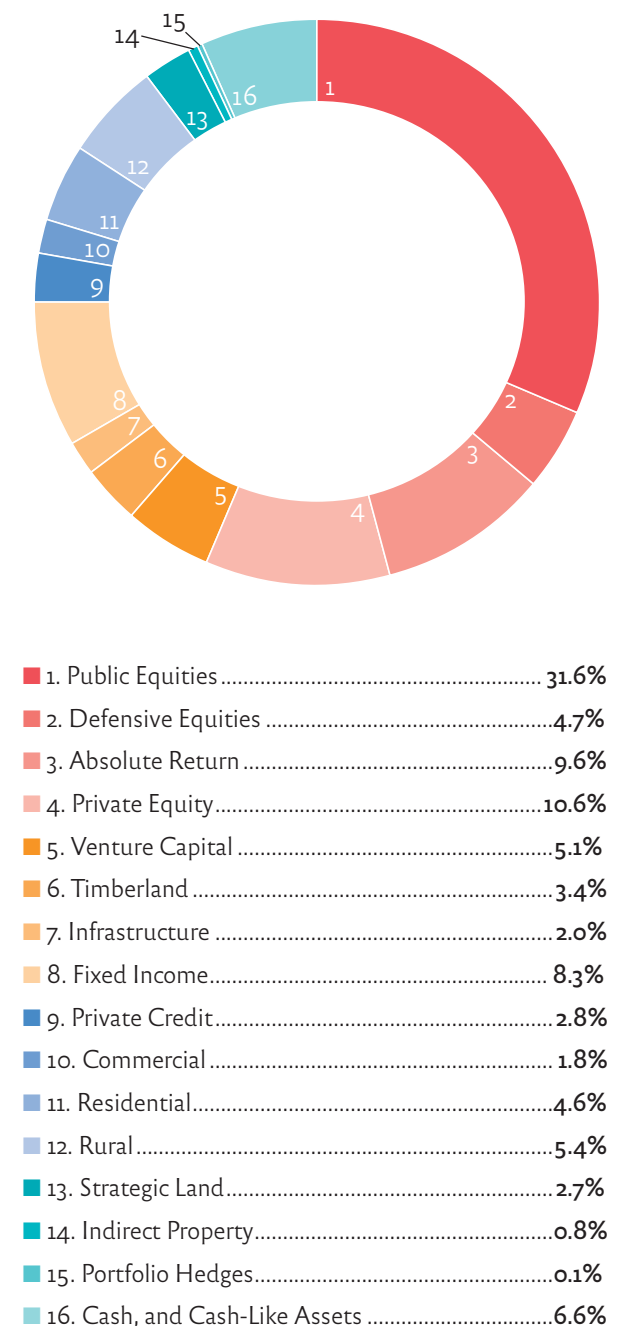
The Infrastructure portfolio made new commitments of £65m to two funds in 2024. The portfolio continues to be weighted towards energy efficiency and environmentally innovative infrastructure investments. Performance during the year has been solid, returning a positive 9.3%.

CURRENT INVESTMENT ENVIRONMENT CONSIDERATIONS

The current geopolitical environment presents significant uncertainties for the Church Commissioners' investment portfolio, with ongoing trade tariffs, global conflicts, and heightened market volatility all contributing to a more unpredictable landscape. Trade restrictions and shifting diplomatic relations can disrupt supply chains, while geopolitical tensions can exacerbate risks and lead to sudden market fluctuations. These factors also risk significantly damaging economic growth, creating an investment climate that demands careful navigation.

In this context, the Church Commissioners continues to manage investment risk in a number of ways, including through a long-term, actively managed and diversified investment approach and by incorporating suitable hedging. However, whilst the approach aims to provide some shield to the portfolio from volatility, hedging strategies cannot fully protect the portfolio from the impact of market movements.

ASSET ALLOCATION



APPROACH TO RESPONSIBLE INVESTMENT

As a faith-based investor, the Church Commissioners considers its investments in line with Christian values to ensure that they adhere to our Responsible and Ethical Investment Policy.

The Church Commissioners is a universal asset owner. This means that the value of the endowment fund is interlinked with the global economy and macroeconomic risks. Therefore, the Church Commissioners is dependent on social and environmental stability over the long term.

Our investment strategy is focused on maximising positive outcomes, minimising negative impacts, and managing risk exposure. Our goal is to achieve target financial returns while generating meaningful, positive effects for both people and the planet.

We consider that it is important to consider climate change, nature and biodiversity loss and social inequality as systemic risks that will likely cause significant disruption to the financial system, the economy and wider society – effects that are already being felt today and require active management and engagement.

These risks may be thought of as distinct and separate, but in our view, they are interconnected and interdependent. Our integrated approach to responsible investment aims to affect real change in the wider economy through engagement and partnership working. The Church Commissioners seeks to take action through involvement in collective initiatives, engaging with our managers and interacting with policy makers, alongside engaging with investee companies and tenants.

In 2024, the Church Commissioners published an updated Responsible and Ethical Investment Policy, a report on Integrating Human Rights into Responsible Investment and our annual Stewardship Report. All Responsible Investment publications can be found in the Responsible Investment section of our website. In addition, we published our annual Sustainability Bond Allocation and Impact Report.



Our integrated approach to responsible investment aims to affect real change in the wider economy through engagement and partnership working



John Weir, Head of Real Estate, at the IPE Real Estate conference in Madrid



Hoo Peninsula, Rochester, Kent

TOP 20 HOLDINGS

(as at 31 December 2024)

TOP 20 EQUITY HOLDINGS

Accenture
Alcon
Alphabet
Amazon.com
Apple
Becton Dickinson & Co
Charles Schwab
Danaher
HDFC Bank Limited
Intuit
Mercadolibre
Merck & Co
Meta
Microsoft
Nvidia
Taiwan Semiconductor Manufacturing Corp
Thermo Fisher Scientific
UnitedHealth Group
Visa
Workday

TOP 20 PROPERTY HOLDINGS

Ashford Estate (Farmland)
Bishopstone Estate (Farmland)
Brownhills Forest (Timberland, Scotland)
Canterbury Estate (Farmland)
Carlisle Estate (Farmland)
Chichester Estate (Farmland)
Ely Estate (Farmland)
Hereford Estate (Farmland)
Huntingdon Estate (Farmland)
Hyde Park Estate (Residential)
Metrocentre (Commercial)
Millbank Estate (Farmland)
Peterborough Estate (Farmland)
Rochester Estate (Farmland)
Royal Lancaster Hotel (Residential)
South Durham Estate (Farmland)
South Lincoln Estate (Farmland)
West Buccleuch Forest (Timberland, Scotland)
Wycombe Retail Park (Commercial)
York Estate (Farmland)



Connaught Village

A VISION FOR HEALING, REPAIR AND JUSTICE

In January 2023, the Church Commissioners published a [report](#) detailing its historic links to African chattel enslavement.

BACKGROUND

The investigation was initiated in 2019 via a risk identification query raised at the Church Commissioners' Audit and Risk Committee. From the outset it was rooted in our risk management disciplines and duties as a 320-year-old in-perpetuity endowment fund. From a stewardship and risk management perspective – both financial and reputational – it was essential that we assess this risk as part of our fiduciary duties as a responsible investor. Consistent with that, the Church Commissioners report is underpinned by forensic financial analysis carried out by independent accountants, and advice from professional, specialist, independent historians. Since the work was initiated, the Church Commissioners has disclosed progress in its annual reports and through its website, including regular updates to a comprehensive suite of [FAQs](#). The initiative also formed part of the information disclosures in the due diligence process when the Church Commissioners successfully executed its first ever bond issuance in July 2022.

The research traced the origins of the Church Commissioners' endowment fund to Queen Anne's Bounty, which invested heavily in assets linked to the South Sea Company. The South Sea Company was established in 1711 and, between 1714 and 1739, the company's primary business was transporting enslaved Africans, with around 34,000 individuals trafficked under brutal, inhumane conditions.

The Bounty also received benefactions from individuals such as Edward Colston, whose wealth was derived from the enslavement of African people. As a result, Queen Anne's Bounty, subsumed into the Church Commissioners' endowment in 1948, directly links our historic endowment to the legacy of African chattel enslavement.

OUR RESPONSE

The Church Commissioners is a responsible investor that manages its exposure to risk methodically. Our role is to maximise the value of our investment fund to support the mission of the Church of England – and to do so in a way that promotes the flourishing of people and the planet.

Addressing our links to African chattel enslavement is a part of that and our response will help us deliver a better and fairer future for all. The Church Commissioners' proposed response to these links includes:

- ✿ The creation of a new in-perpetuity impact investment fund, to grow over time, attracting additional investment from external parties to make a lasting impact.
- ✿ To enable grant-making aimed at creating a fairer future for all, especially for communities impacted in the present by the mindsets and values represented by transatlantic African chattel enslavement.
- ✿ Continued research into the Commissioners' and the Church of England's historic links to transatlantic African chattel enslavement.
- ✿ Use of its voice as a responsible investor to combat modern slavery.
- ✿ The Board has pledged £100m over nine years to enable meaningful action while prioritising and respecting the financial commitments consistent with the mandate of the Church Commissioners.

In formulating its response, the Church Commissioners Board engaged with external experts as well as voices within and outside the Church. An independent Oversight Group made recommendations, which are helping us to shape the proposed response.

The Church Commissioners has also engaged extensively with dissenting voices. On occasion this has involved being on the receiving end of correspondence that has been vitriolic and abusive, such that the Commissioners has had to take appropriate steps, in line with its safeguarding responsibilities, to protect its staff and volunteers from harm. The Church Commissioners is now working to implement the proposed fund and enable grant making, in line with its legal obligations as a charity.

KEY MILESTONES OF 2024

During 2024, the following progress was made:

- ✿ The Archbishop of Canterbury, in reflections of Project Spire to the Global Anglican community, publicly noted "the abomination of transatlantic chattel slavery was and has always been blasphemy".
- ✿ As part of the initial implementation phase, a series of briefings and in-person engagement sessions were



Lincoln Cathedral

conducted from February to May 2024. These were attended by more than 400 people and structured to include information-sharing and reflective discussions, which sparked valuable dialogue around the aspirations and expectations of communities as the initiative develops. In July 2024, the team hosted an event in York for members of the General Synod, offering an opportunity to share progress updates and gather input on the implementation phase of our work. This event allowed Synod members to gain deeper insights, share their perspectives, and have their questions addressed directly. Previously, in February 2024, a presentation was given to General Synod members about the theological and financial principles underpinning the work.

- ✿ Further engagement sessions were held in the autumn, and in total, during 2024, over 2,000 stakeholders came to events about this work.
- ✿ The Church Commissioners committed to a three-part research programme to further understand the historic links of the Church Commissioners and the Church of England with African chattel enslavement. To initiate this commitment, briefing and engagement sessions involving more than a hundred people supported

the co-design and shaping of key elements of a grant programme to help research take place into churches, cathedrals, and dioceses, to understand their historic involvement in African chattel enslavement. Within the Church of England, the College of Bishops heard from leading voices who are advocating for reparatory justice and spent time together reflecting on this topic.

- ✿ In summer 2024, the Church Commissioners, at the invitation of the Francesco Collaborative and the Catholic Impact Investing Collaborative, shared our work at an international seminar titled 'How to Repair? Addressing Historic Injustices through Faith-First Investing'. The Francesco Collaborative convenes Catholic investors and close associates to explore practices of 'faith-first investing' that nurture economic futures.

One of our core guiding principles throughout this work and process is transparency. This current phase requires us to address various practical and legal details, including consultations with the relevant regulatory authorities and adherence to established guidelines, best practices and legal principles. We are committed to ensuring that we proceed thoughtfully and effectively, as emphasised by our many engagements. We remain dedicated to doing this right – and honouring our commitments.

FINANCIAL REVIEW

REVIEW OF FINANCIAL ACTIVITY

In a year with significant geopolitical uncertainty, the Church Commissioners was pleased to be able to distribute £283.2m in charitable expenditure (excluding pre-1998 clergy pensions), a year-on-year increase of £60.2m (27.0%). At the end of 2024, the Commissioners' funds were £9.9bn, which included £142.5m of tangible and heritage assets.

The total return on the fund is derived from income and gains on investments. Total income for the year was £207.4m (2023: £192m), £15.4m higher than the previous year. This reflects an increase in income from fixed income and equity investments. Total gains on investment assets, including movements on derivatives, foreign currencies and taxation, were £949.7m (2023: £345.1m). Investment performance is described earlier in this report.

Expenditure during 2024 totalled £370.1m (2023: £494.4m), a decrease of £124.3m on the previous year. Excluding pre-1998 clergy pensions expenditure, which for accounting purposes (not cash payments) decreased by £177.4m, there was an underlying increase in charitable expenditure of £60.2m (27.0%). The cost of raising funds decreased by £7.0m year on year to £100.3m (2023: £107.3m). A summary of the expenditure in 2024 and 2023 and the difference between the two is shown below. The amount spent on supporting dioceses and the local church was £202.0m (2023: £152.8m), a substantial increase of £49.2m (32.2%), mostly driven by a £36.5m increase in the support provided to dioceses through the Diocesan Investment Programme and an £11.7m increase in the support provided to retirement housing services to clergy through the Church's Housing Assistance for the Retired Ministry scheme. Further details of expenditure in this category can be found in note 5 to the financial statements and are also discussed in an earlier section of this report.

Expenditure on Bishops' and Archbishops' ministry also increased by £8.3m (17.7%) during the year to £55.3m (2023: £47.0m), reflecting the continuation of the major refurbishment and repair programme taking place at Lambeth Palace. Finally, expenditure on Cathedrals' ministry increased by £0.6m (4.3%) in the year to £14.7m (2023: £14.1m).

The Church Commissioners meets the cost of clergy pensions earned in service until the end of 1997 and has provided in full for forecast future payments. The most recent annual actuarial update has generated income of £15.5m, with scheme administration costs of £2.0m and support costs of £0.2m, resulting in overall income of £13.3m. In 2024, the Commissioners' cash payments for clergy pensions were £124.1m (2023: £120.6m). Total charitable expenditure in the year (inclusive of the pension charge) was £269.9m (2023: £387.1m).

At 31 December 2024, total net assets of the Church Commissioners are £9,893.6m (2023: £9,099.3m), which is an increase of £794.3m. This is driven by the £719.6m increase in the investments, which stand at £10,687.3m (2023: £9,967.7m) at the year end.

St John and
St Stephen,
New Clee



Triple Consecration
York Minster



Photo credit: Hufon + Crow for Wright & Wright Architects

LONG-TERM FINANCIAL STRATEGY

Reserves policy: the Church Commissioners' policy is to invest the endowment it manages on behalf of the Church to provide long-term financing to pay the pre-1998 clergy pension obligations and to make charitable distributions to support the mission of the Church of England in perpetuity.

There is an aspiration to increase the in-perpetuity distributions in line with an inflationary factor, so that future beneficiaries receive distributions at a level broadly equivalent (in real terms) to current beneficiaries. The level of distribution each year is determined drawing on independent actuarial advice from Hymans Robertson LLP. Further details are provided in the Independent Actuaries' Report, later in this report, including their qualifications for providing such advice.

The Commissioners account for and report returns (whether capital or income) on a total return basis under the terms of the Total Return Order obtained from the Charity Commission on 19 June 2012. This splits the fund into two components: the base level of the endowment and the unapplied total return.

As of 19 June 2012, the initial value of the base level of the endowment was £3.0bn and the initial value of the unapplied total return was £2.2bn. Further information on the Total Return Order is provided in note 18 to the financial statements. In addition to being able to spend unapplied total return, the Commissioners has a time-limited power, which expires in December 2032, to spend endowment capital on its clergy pension obligations. In 2024, this resulted in £124.1m (2023: £120.6m) being charged to the base level of the endowment.

The total endowment fund of the Commissioners as at 31 December 2024 stood at £9.9bn (2023: £9.1bn), net of the provision for the pre-1998 clergy pension liability of £1.1bn (2023: £1.2bn) which is due for payment in future years. The base level of the endowment was valued at £2.6bn at 31 December 2024 (2023: £2.6bn), with the unapplied total return at the end of 2024 being £7.3bn (2023: £6.5bn).

The trustees consider the level of unapplied total return to be sufficient, considering their distribution policy, to meet their expenditure plans. The total funds of the charity stood at £9.9bn (2023: £9.1bn) and reflect the value of the endowment fund described above, along with £0.8m (2023: £0.7m) restricted income funds.

SPENDING PLANS

The Church Commissioners and Archbishops' Council prepare joint three-year spending plans. A Triennium Funding Working Group (TFWG), comprising members from the House of Bishops, Archbishops' Council and Church Commissioners, advised in 2022 on how our funds should be most effectively distributed in 2023-25, informed by the following priority areas:

- ✦ Supporting the Church to deliver the bold outcomes and strategic priorities of the Vision and Strategy, including reaching the young and the poor, and better representing the communities we serve;
- ✦ Helping the Church to transition to a lower carbon approach in line with the Net Zero 2030 goal;
- ✦ Making a step change in the areas of Racial Justice, and other areas of diversity and social justice; and
- ✦ Ensuring the Church is a safe place for all.

The Church Commissioners has established total funding plans of £1.2bn for the 2023-25 triennium, an increase of about 30% on the previous triennium.

GOING CONCERN

The Church Commissioners' role in funding the Church's ministry comprises certain legal obligations and discretionary funding.

In assessing the going concern status of the Church Commissioners, the trustees have considered the Church Commissioners' role in funding the Church's ministry, the spending strategy, the application of total returns and the legislation to allow endowment to be spent for specific pension purposes.

In addition, the trustees take account of independent actuarial advice provided by Hymans Robertson LLP on the affordability in perpetuity of their planned distributions. This advice is provided every three years when setting the spending plans for the next three-year period (the "triennium") and is updated annually to ensure that the spending plans for the current and next triennium remain affordable.

The approach adopted includes a smoothing mechanism which aims to give three years' notice on a rolling basis of the need for any reduction in distributions unless there has been a significant deterioration in the balance between the Commissioners' assets and its spending plans. This means that while events such as the current geopolitical context are factors for consideration, the Commissioners has a clear framework for assessing whether the events are sufficiently significant that they would change the amounts available for distribution to beneficiaries in the short term.

The annual actuarial update for the year ended 31 December 2024 was scrutinised by the Assets Committee and includes stress testing scenario analysis which models the impact on distributions in the event of different levels of reduction in asset values. This includes consideration of the impact of changes in the value of the asset portfolio, expected future returns or inflation, on the affordability of distributions.

In light of this analysis, there is no reason to consider that any changes are required to the planned remaining distributions within the 2023 to 2025 triennium or that the anticipated distributions for the 2026 – 2028 triennium cannot be considered affordable (as they are subject to Assets Committee approval); the trustees have therefore concluded that the Commissioners is able to sustainably meet both its legal obligations and planned discretionary funding for at least the period to 31 December 2028. In addition, the trustees have given due consideration to the availability of sufficient liquidity in light of market volatility caused by ongoing geopolitical instability, a challenging economic environment and other external factors.

Under their Investment Risk Framework, the Commissioners seeks to hold cash and near cash for the next 18 months' worth of planned expenditure (after including net new investments, forecast income, cash receipts and expenditure), and is satisfied that sufficient cash is available to meet its obligations within this timeframe. Therefore, the Commissioners continues to adopt the going concern basis of accounting in the preparation of these financial statements.

CARBON REPORTING

In 2018, the Government published Regulations concerning Streamlined Energy and Carbon Reporting (SECR).

These are designed to increase awareness of energy costs within organisations, to provide data to inform adoption of energy efficiency measures, and to help them to reduce their impact on climate change. The Commissioners are not required to follow these Regulations; however, they are mindful of the General Synod's resolution of February 2020 for the whole Church, including the National Church Institutions (NCIs), to work to achieve year-on-year reductions in emissions in support of the Church's ambition to reach net zero emissions by 2030. The SECR Regulations concern direct energy usage, and the Commissioners discloses further information on this area below, albeit these disclosures are voluntary and do not incorporate the full scope of the SECR Regulations.

The Church Commissioners intends to monitor its emissions using an intensity ratio of tonnes of CO₂ equivalent per square metre of floor space or per headcount. However, the Church Commissioners has not yet decided on an appropriate base year for monitoring its emissions. As most energy usage relates to the use of offices, 2020 and 2021 were not suitable since most staff were working from home during these periods and during 2022 and 2023 their use of Church House was significantly restricted by extensive refurbishment undertaken by The Corporation of the Church House (the owner of Church House) ("the Corporation"). In addition, the current refurbishment programme at Lambeth Palace has significantly affected energy usage there. It is thought that 2025 or 2026 is likely to be the most appropriate base year for monitoring emissions although a formal decision has not yet been taken on this.

The direct energy usage by the Church Commissioners is incurred as a result of staff travel and in the operation of offices at Church House, Lambeth Palace and Bishopthorpe Palace. Initially, the data available for energy costs incurred relating to staff travel was limited. However, in 2021 the NCIs entered into an arrangement with a travel management provider which now enables travel costs and energy usage to be monitored effectively.

The NCIs now operate hybrid working arrangements for staff. Consequently, direct energy usage in the operation of their offices is thought to be lower than when staff were based in the office full time although we are unable to quantify whether the additional energy usage incurred as a result of staff working from home outweighs the savings on our buildings. Energy usage in the office buildings our staff occupy principally consists of electricity and gas used in respect of heating and lighting. The refurbishment of Church House undertaken by the Corporation is intended to improve energy efficiency with a commitment to move towards net zero carbon. The new Lambeth Palace Library is designed to use no gas and has solar panels that are anticipated to provide approximately half of the annual electricity use of the building. The refurbishment programme at Lambeth Palace is intended to reduce its carbon footprint by half and Lambeth Palace now uses no gas.

The total energy use by the Church Commissioners during 2024 at Church House, Lambeth Palace, and Bishopthorpe Palace was 1.2m kWh (2023: 1.0m kWh) and the associated greenhouse gas emissions were 244.0 tonnes (2023: 205.8 tonnes) of carbon dioxide equivalent (CO₂e). This was calculated on the basis of energy usage as disclosed on utility bills and Government CO₂e conversion ratios. The total energy use in respect of travel booked through our travel management provider for Church Commissioners' staff and others who use the provider was 356.6 tonnes (2023: 353.9 tonnes) of CO₂e of which 342.3 tonnes (2023: 342.9 tonnes) related to air travel, 9.1 tonnes (2023: 11.09 tonnes) to train travel, and 5.2 tonnes (2023: n/a) to hotel usage. These figures do not include energy use for travel booked independently or in respect of car usage.

RISK MANAGEMENT STATEMENT

The Church Commissioners recognises the importance of robust risk management practices in safeguarding our assets and activities. Our commitment to effective risk management is integral to fulfilling our strategic objectives and is an essential component of our overall governance and stewardship responsibilities.

The Risk Management Policy and the Risk Management Methodology (which underpins the policy) has been updated in 2024, providing an updated and comprehensive understanding of risk, helping the Church Commissioners with the identification and assessment of risks encountered in delivering upon our mission and strategic priorities, including the approach to managing the endowment fund.

Our risk management system has been further embedded, and functionality utilised to provide insight of the Church Commissioners’ risks, controls, and interdependencies. This system supports the Church Commissioners by providing a layer of accountability and transparency to our risk management framework. Individual risk owners and the senior leadership (Commissioners’ Management Group or CMG) regularly monitor, review and assess risks and horizon scan for potential threats and opportunities. Any identified risks are scored utilising our risk scoring methodology.

The risk management practices are independently reviewed and audited by our Risk and Assurance team, who report to the Audit and Risk Committee. The Church Commissioners recognises that a robust governance structure and positive risk culture provide a strong mitigative influence and ensure the adequacy of risk management arrangements.

During 2024 and into 2025, a particularly significant strategic risk facing the Church Commissioners is in relation to sustainable distributions. Financial pressures experienced by many organisations around the Church

of England inevitably lead to growing pressure on the Church Commissioners to increase charitable expenditure, and this has been heightened during the triennial prioritisation process which has taken place during late 2024 and early 2025 to determine the level of their distributions for the next triennium (2026-28). Several Diocesan Synods have passed motions calling upon the Church Commissioners to release more funding to support diocesan finances. There is a risk that the Church Commissioners may feel compelled into paying distributions at an elevated level that is not sustainable, thus disadvantaging future generations. Conversely, there is also a risk that the Church Commissioners takes a conservative approach and pays out less in distributions than is affordable and sustainable. Robust processes and controls help the Church Commissioners to manage this risk through seeking to pay out the maximum sustainable level of distributions, reflecting our responsibility to provide funding for the Church today while ensuring we can provide a comparable level of funding for the Church of tomorrow. The Church Commissioners recognises the challenges faced and opportunities that exist across the Church of England and works hard to invest well and distribute wisely to provide as much support as possible for the Church’s work and ministry.

Reputation is important for any charity and the Church Commissioners considers its reputational risk currently to be at an elevated level. Members of the public, whether they consider themselves part of the Church of England or not, can quickly form opinions about the Church as an institution based on what they see/hear/read in various forms of media, which understandably impacts their perception and view of the Church Commissioners. In late 2024, the Makin Report into the Church’s handling of allegations of serious abuse by the late John Smyth was published. This gave rise to serious questions about safeguarding practice in the Church of England and, shortly after the report was published, the Archbishop of Canterbury announced his resignation. This case and other safeguarding failures undermine public confidence in the assertions made by the Church, including the Church Commissioners, about the importance of, and priority given to, safeguarding. The potential reputational impacts could be far reaching; for example they may in turn make it more difficult for us to attract and retain staff. Prior to the publication of the Makin Report, reputational risk was already considered a strategic risk for the Church Commissioners. The highly significant and contested nature of the Church Commissioners’ work researching and responding to historical links with African

chattel enslavement also attracted significant attention, comment and, in some cases, criticism. Further reaction (including negative comment) to this programme of work is expected when the intended new Fund for Healing, Repair and Justice is launched, making investments and issuing grants.

During 2024, the Church Commissioners reviewed and accepted that the strategic inherent risks outlined below serve as the principal barriers to realising key objectives. A summary of key management actions has also been provided to address these challenges.

PRINCIPAL RISK AREA	KEY MANAGEMENT ACTIONS AND PLANS
<p>Investment Returns Failure to achieve target investment returns over the medium to long term.</p> <p>Inability to maintain the capital value (to ensure the fund is sustained in perpetuity).</p>	<ul style="list-style-type: none">⌘ Effective and experienced Assets Committee oversight.⌘ Disciplined valuation-led Investment Strategy and Process.⌘ Genuinely diversified portfolio.⌘ Proactive monitoring of market and currency exposures.⌘ Clearly articulated Investment Policy, including supporting frameworks and guidelines.⌘ Ongoing investment in systems infrastructure to support investment process.⌘ Successful transition to new Chief Investment Officer, who joined at the end of September 2024.
<p>Sustainable Funding In response to Church needs, distributions exceed affordable levels and hence cannot be sustained.</p> <p>OR</p> <p>Excessive restraint/prudence in distributions impact on near-term support to the wider Church.</p>	<ul style="list-style-type: none">⌘ Assets Committee governance of money available for distribution, including independent actuarial review and advice. The role of the Assets Committee and the Church Commissioners’ actuarial advisors remains a core mitigation for the risk of excessive distributions or overly conservative distributions. Regular engagement between actuaries, staff and Assets Committee.⌘ Internal and external financial analysis and stress testing.⌘ The triennial prioritisation process (with the Triennium Funding Working Group – TFWG). Close working relationships across NCIs and with the wider Church ensure a comprehensive understanding of priorities.
<p>Effective use of Church Commissioners funding Church Commissioners funding (for dioceses, cathedrals and other purposes) does not achieve the intended outcomes and there are ineffective review/monitoring controls in place.</p>	<ul style="list-style-type: none">⌘ Strategic Mission & Ministry Investment Board (SMMIB) – a Committee of the Archbishops’ Council – gives strong oversight of grant allocation via the Archbishops’ Council and ongoing monitoring.⌘ Annual review of SMMIB reported to Commissioners’ Board, along with reports after every SMMIB meeting.⌘ Appropriate mechanisms are in place to decide overall prioritisation of funds for the next triennium by way of the TFWG recommendations.⌘ Operation of a virement policy which allows the Church Commissioners (and Archbishops’ Council) to respond effectively to emerging needs as they arise.⌘ A programme of work is underway to seek to give improved confidence and assurance in the effective use of funding. This includes:<ul style="list-style-type: none">⌘ A specialist grant management system is in the process of being procured to further enhance the monitoring and oversight of grants (evaluating both the use and impact of the funds invested).⌘ A dedicated resource to review and align grant processes across different grant streams.

PRINCIPAL RISK AREA	KEY MANAGEMENT ACTIONS AND PLANS
Reputational Risks Existing and emerging issues (for the Church Commissioners and for the wider Church of England) have reputational implications for the Church Commissioners and hence impact upon the ability of the Church Commissioners to achieve strategic objectives.	<ul style="list-style-type: none">✦ Proactive and frequent engagement with key Church stakeholders on Commissioners’ strategy and priorities. Engagement plan developed to deepen relationships with the wider Church – considered by the Board of Governors in 2024.✦ Financial Communications team proactively manages responses to media in relation to Investment Strategy.✦ Experienced and effective governance and scrutiny applied by the Assets Committee, Audit and Risk Committee and Board of Governors.✦ Proactive engagement with local communities and churches regarding local housing schemes.✦ Response to links to African chattel enslavement:<ul style="list-style-type: none">✦ Ahead of the publication of the independent Oversight Group report regarding our planned response to the Church Commissioners’ historical linkages to African chattel enslavement in 2024, a full package of communications materials and detailed plans was created and delivered.✦ Pre-emptive actions are in place by placing importance on communications and risk planning, which have been integrated into the programme management.✦ A programme of work has been implemented to establish the response, shaped by recommendations from the Oversight Group. This is governed by a sub-group of the Church Commissioners’ Board of Governors, while still involving some individuals who had previously been members of the Oversight Group.✦ Documents and FAQs are available on the Church Commissioners website.
Climate Change Failure to understand and respond to the paradigm shifts caused by climate change (transition risk) impacts upon the Church Commissioners’ ability to provide support to the Church’s ministry.	<ul style="list-style-type: none">✦ Ensuring organisational goal of being at the forefront of responsible investment, using our voice to encourage companies to make changes in accordance with our Responsible and Ethical Investment Policy. Implemented a comprehensive Responsible Investment Manager Framework.✦ Systematic proxy voting programme, focusing on companies with insufficient climate transition strategies, as assessed by the Transition Pathway Initiative (TPI).✦ Member of Net Zero Asset Owner Alliance committed to net zero portfolio emissions by 2050.✦ Embedding of Restrictions Policy.✦ Divestment from companies involved in the extraction, production and refining of oil or gas.✦ Climate Action Plan published in 2023 and new refreshed 5-year plan with targets being developed.✦ A refreshed scenario analysis by the Investment team will be undertaken in 2025/26 to help us understand how climate-related risks could impact the portfolio.

PRINCIPAL RISK AREA	KEY MANAGEMENT ACTIONS AND PLANS
Health and Safety Risk of serious harm to the health, safety and wellbeing of staff and communities on Church Commissioners owned/operated land, buildings or offices (real assets within the investment portfolio, See Houses, closed churches and offices).	<ul style="list-style-type: none">✦ Pan-NCI oversight of Health & Safety matters by Joint Staff Council Health & Safety Committee.✦ Church Commissioners’ management Health and Safety Forum established.✦ Third-party specialist consultancy engaged to provide additional Health & Safety (H&S) expertise and capacity. <p>See Houses</p> <ul style="list-style-type: none">✦ Smartlog system at all properties with quarterly reporting to the NCIs’ Health & Safety Committee.✦ Statutory checks are completed by a third-party provider. <p>Investment Assets</p> <ul style="list-style-type: none">✦ Robust contractual arrangements in place with third-party providers, including compliance with H&S, legal requirements and insurance cover.✦ Quarterly reporting and monitoring of H&S actions, reviews and issues with agents.✦ Regular site visits to help identify H&S issues.✦ Bi-annual review of the Commissioners’ H&S risks.

EXTERNAL AUDITOR INDEPENDENCE AND PROVISION OF NON-AUDIT SERVICES

The Audit and Risk Committee reviews and monitors the external auditor’s independence and objectivity in line with relevant regulations and directives. This includes oversight of the engagement of the external auditor to supply non-audit services in the limited number of cases where this might be appropriate. Any non-audit services are approved by the Audit and Risk Committee in advance, with due consideration given to the related fee levels, and the fee levels individually and in aggregate relative to the audit fee. The Committee also considers the nature of the work undertaken, to ensure that it is of a permitted nature, and that they are satisfied about the safeguards in place to ensure auditor independence.



Hemingby
St Margaret

GOVERNANCE



Rt Revd Stephen Lake,
Bishop of Salisbury

HOW THE CHARITY IS CONSTITUTED

STRUCTURE AND SUBSIDIARIES

The Church Commissioners for England ("the Church Commissioners") is a statutory body created by the Church Commissioners Measure 1947 and a registered charity (number 1140097) under the Charities Act 2011. The Church Commissioners has a number of subsidiaries for investment purposes; the principal subsidiaries are set out in note 2(b) to the financial statements. A number of joint ventures are also held as part of the investment portfolio. The Church Commissioners, together with the Archbishops' Council and The Church of England Pensions Board, is an equal partner in Church of England Central Services (ChECS), a joint venture providing cost-effective shared financial, legal and other services.

PUBLIC BENEFIT

As trustees, the Church Commissioners are mindful of the Charity Commission's guidance, Charities and Public Benefit, and, in particular the supplementary guidance for charities whose aims include advancing religion, The Advancement of Religion for the Public Benefit, and have regard to both guidance documents when reviewing the Commissioners' aims and objectives and in planning future activities.

We are confident that the financial resources provided to parishes, dioceses, bishops and cathedrals help to promote the Church's whole mission (pastoral, evangelistic, social and ecumenical) more effectively, in individual parishes, in cathedrals, in dioceses and at a national level. In doing so, the Church provides a benefit to the public by:

- ✿ providing facilities for public worship, pastoral care and spiritual, moral and intellectual development both for its members and for anyone who wishes to benefit from the Church's offering; and
- ✿ promoting Christian values and service by members of the Church in and to their communities, to individuals and society as a whole.

The report outlines examples of this public benefit in action.

ORGANISATIONAL STRUCTURE AND STAFFING

We are proud of our staff, and their expertise and commitment in enabling the support given to the Church. Working with the other NCIs, the Church Commissioners serves and supports the wider Church, ensuring effective use of the Church's money.

The day-to-day management of the Church Commissioners is delegated to Gareth Mostyn (until 20 March 2025 – his successor is currently being recruited. Rosie Slater-Carr, our Chief Operating Officer, will play a pivotal leadership role during the interim by taking responsibility for representing the Church Commissioners in many forums, working together with Poppy Allonby, Chief Investment Officer, who will lead on all matters related to the investment fund). He is supported in his role by the senior management group and the wider staff team:

Chief Executive and Secretary:
Gareth Mostyn (until 20 March 2025)

Chief Operating Officer:
Rosie Slater-Carr

Chief Investment Officer:
Poppy Allonby (from 30 September 2024)

Chief Operating Officer (Investments):
Nicola Dymond

Director of Bishoprics and Cathedrals:
Michael Minta

Head of Mission & Pastoral Services:
Wendy Matthews

Director for Churches and Cathedrals:
Emily Gee

Director for Planning and Engagement:
Georgia Boon

Finance Director:
Mark Barker (from 9 January 2024)

Deputy Director of Finance (Church Commissioners):
Samantha Da Soller (from 29 May 2024)

Director for Finance Transformation:
Joanna Woolcock

People Director:
Christine Hewitt-Dyer (until 31 May 2024), Emma Trenier (from 1 June 2024)

Head of Financial Communications:
Alistair Hammond

Official Solicitor:
Alexander McGregor

Deputy Official Solicitor to the Church Commissioners:
Paul Stevenson

At the National Church Institutions, our focus is on building an affirming, high performing, inclusive culture to support the mission and ministries of the Church of England and its Vision and Strategy for the 2020s.

OUR PEOPLE

The Church Commissioners for England announced in May 2024 the appointment of Poppy Allonby as Chief Investment Officer, following the departure of Tom Joy in April. Poppy is a senior financial services executive with more than 20 years of experience in strategic leadership and investment roles. She joined the NCIs at the end of September from T. Rowe Price. Between 2014 and 2022, Poppy was on the Church Commissioners' Board of Trustees and a member of its Assets Committee.

In October, Gareth Mostyn, Chief Executive of the Church Commissioners for England, announced that he would be stepping down after five years in the role. Gareth joined the Church of England's national institutions as Chief Financial & Operating Officer in 2018 and was promoted to the Chief Executive role two years later. He departed on 20 March 2025 to focus on his non-executive career.

And it was with a deep sadness that in December we learnt of the death of our colleague, Rachel Cosgrave, Senior Archivist at Lambeth Palace Library. Our thoughts are with her family, her friends and her colleagues at the Lambeth Palace Library.



Triple Consecration,
York Minster

OUR TEAMS

As part of the Transforming Effectiveness programme, the Church Commissioners completed a staffing review of the Pastoral & Closed Churches team. From 1 January 2025, the Closed Churches team moved to Cathedral and Church Buildings, led by Emily Gee. This move will enable all the church buildings functions to be gathered in one team. The Pastoral team, led by Wendy Matthews, was re-named the Mission & Pastoral Services team. A number of staffing changes have taken place to facilitate the transition of staff members into new roles and recruit into vacant posts created by the restructure and the retirement of two colleagues.

SUMMARY OF OUR PEOPLE

At the end of 2024, a total of 185 staff were employed or funded directly by the Commissioners. The Commissioners makes up about 23% of the overall staff at the NCIs.

The Church Commissioners is a joint employer of NCI staff together with the other NCIs. It receives services from ChECS, which is also a joint employer. The NCIs ended 2024 with 806 employed staff, compared to 763 at the end of 2023. Overall turnover in 2024 rose to 15% compared to 13% in 2023.

Across the NCIs, the share of female employees increased from 59% in 2023 to 60% of total employees in 2024. The percentage of women in senior positions rose by 2 percentage points to 46% in 2024.

The percentage of people who classed themselves as black or minority ethnic within the Commissioners was 12.4% (2023: 12.4%) compared with overall representation of 18.4% (2023: 17.4%) across the NCIs.

The percentage of people who classed themselves as having a disability within the Commissioners was 5.4% compared to 8.7% for the NCIs overall.

EMPLOYEE ENGAGEMENT

More than 650 people (85%) completed our latest employee engagement survey, held during May and June 2024. The results showed that across the 67 statements in the survey, the average favourability score rose by 3 percentage points to 76% (the combined percentage of people who agree or strongly agree to a statement). The biggest uplifts were in the areas covering our corporate values, senior leaders, wellbeing, purpose and partnership working. Respondents felt more positive about working at the NCIs than the benchmark for the UK not-for-profit sector by an average of 5 percentage points, up 2 percentage points since 2022.

HEALTH AND WELLBEING

As part of the 2024 annual pay award, we committed to introducing health checks as an additional benefit for staff. The new healthcare scheme was introduced in November which allows colleagues to claim back the cost of an annual routine health check, as well as contributions towards everyday healthcare costs. NCIs invested further in mental health training with an extra 30 Mental Health First Aiders taking the two-day course, bringing the total number of MHFAs to just under 50.

ADDRESSING OUR PAY GAPS

Alongside our gender pay gap report we have, for the first time, reported on our ethnicity pay gap and disability pay gap. In doing so, our aim is to present a more holistic picture of where we are as an employer and where we need to place our efforts to reduce our pay gaps.

On the snapshot date of 5 April 2024, our median gender pay gap remained static at 18%. Our mean gender pay gap fell by 1.2 percentage points to 17%. Our median ethnicity pay gap was 12.2%, a fall of 10.7 percentage points. Our mean ethnicity pay gap was 15.9%, a fall of 2.5 percentage points. Our median disability pay gap was 8%, a rise of 7.9 percentage points. Our mean disability pay gap was 8%, a rise of 4.8 percentage points.

The percentage of staff for whom we have ethnicity data (90%) and disability data (66%) fell between 2023 and 2024. This is due in large part to moving to a new people system at which point staff were required to re-enter their diversity data. We continue to encourage colleagues to complete their diversity profiles to build as full a picture of our employee population as possible.

Due to the limited size of the staffing populations reported on in the ethnicity pay gap report and the disability pay gap report, it is worth noting that a small number of changes can make a noticeable difference to the percentages reported for the median and the mean pay gaps. It is also worth highlighting that we observed a sharp increase in declared disability from 35 people in 2023 to 75 people in 2024.

BELONGING AND INCLUSION

We have established plans to address these gaps, including the delivery of our 2022-2025 Belonging and Inclusion Action Plan.

In 2024, we completed an end-to-end review of our recruitment processes and identified a number of areas for improvement. We have subsequently restructured our recruitment team to enable them to offer increased quality assurance, deliver new Confident Recruiter training to 97 line managers in 2024 and ensure diversity across recruitment panels and shortlists for all senior roles.

Our Confident Career programme offered 28 UK Minority Ethnic (UKME)/Global Majority Heritage (GMH) colleagues working in non-managerial level roles the opportunity to develop their confidence and skills. Our Confident Leadership programme has developed leadership confidence and capability for 22 women. We continue our focus on how we can 'bring people on' through secondments, short-term assignments, mentoring and better partnership working with dioceses. 'Reasonable Adjustment Passports' are now available for all new and current colleagues who declare a disability.

Over 200 staff completed our Inclusion training course in 2024. In September, the NCIs received a Talent Inclusion and Diversity Evaluation (TIDE) Silver award in recognition of our Belonging and Inclusion strategy.

LEARNING AND DEVELOPMENT

In addition to the Confident Recruiter training mentioned above, new mandatory GDPR training

and mandatory cyber security training were rolled out in 2024 to help equip staff to keep the data that the NCIs hold safe. A whistleblowing webinar – Speak Up, Speak Out – was held in May to highlight the importance of whistleblowing and our procedures for reporting any concerns at the NCIs.

A total of 218 people attended a wide range of learning workshops throughout the year. Overall, the feedback from delegates consistently rated courses and workshops as good or excellent.

In 2024, 62 managers and leaders completed, or entered into, one of our Confident Manager or advanced practice leadership development programmes. The Confident Manager programme is a four-week programme designed to develop self-awareness, confidence and skills to effectively manage people and teams. 124 managers completed Dignity at Work training.

Our 2023/24 reciprocal mentoring cohort concluded in July with 46 leaders and managers acting as mentors and 42 as mentees. Over 30 staff were matched with trained colleagues as part of our coaching programme. We enrolled 18 people on apprenticeships, and 13 people completed their apprenticeships in 2024.

SAFEGUARDING

All NCI employees are required to complete basic awareness safeguarding training every three years. Senior leaders must also undertake additional extended training, while new joiners are required to complete this training as part of their induction.

In Q1 2025, we have focused on ensuring that all employees' basic awareness training is up to date. As of the end of March 2025, we are reporting a 96% compliance with timely completion. Management is actively reminding those yet to complete their training to do so as soon as possible.

RAISING AWARENESS

The National Safeguarding team marked White Ribbon Day with an accreditation launch event, attended by over 100 colleagues to raise awareness of the scale and impact of violence towards women and girls. The event was followed by 16 days of activism which saw many more people join a series of webinars to learn more about different forms of abuse from experts in the field. The NCIs are working towards White Ribbon accreditation.

SUPPORTING OUR STAFF NETWORKS

We work hard to ensure a regular drumbeat of events are hosted throughout the year on a wide range of professional, inclusion and wellbeing topics.

In February, the UKME Network organised an impactful awareness raising campaign about the impact of micro-aggressions to mark Race Equality Week.

In March, the Disability and Neurodiversity Network celebrated Sign Language Week and Neurodiversity Celebration Week, including free British Sign Language lessons.

In April, our staff-led Project Management Forum hosted its second annual event with 'collaboration' as the theme. The event helped to connect colleagues from different NCIs, share insights and discuss best practices in project management. Over 40 colleagues attended the Menopause Awareness for Everyone session; and a follow-up workshop offered advice for managers supporting colleagues who are experiencing wellbeing challenges, including menopause symptoms.

In August, the UKME Network also held a space for anyone affected by the riots that took place across the country. The UKME Network also organised a number of NCI events throughout October to mark Black History Month, including: a Mental Health in the Black Community webinar, and collaborations with the Film and Book Clubs, as well as a special in-person event at Church House as First Church Estates Commissioner Alan Smith hosted a memorable Q&A with former England cricketer Devon Malcolm.

STAFF REMUNERATION AND EXECUTIVE PAY

The staff of the Church Commissioners, excluding asset management staff, are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value based on pay bands.

For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market-related salaries and is subject to annual review. The NCIs are an accredited Living Wage employer and ensure that all staff – including apprentices, interns and those on training schemes – receive the appropriate living wage for their location.

A number of senior roles, including those of the NCI Chief Executives, sit outside the banding system, as the skill sets required to fulfil the roles are not readily measured within the NCIs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider marketplace. This process is overseen by the Remuneration Committee, comprising senior trustees from each of the main NCIs as part of the Joint Employment and Common Services Board (JECBSB). In general, these staff can expect the same percentage annual uplift for cost of living as those on the NCI bands.

ASSET MANAGEMENT STAFF

Staff engaged directly in the management of the Church Commissioners' investment portfolio are on separate

contracts of employment and sit outside the general NCI pay arrangements described above. The Church Commissioners is a large and sophisticated institutional investor investing in a broad range of asset classes, including significant property holdings, and as such seeks to attract and retain high-calibre investment professionals.

Accordingly, salaries are designed to reflect the market for investment specialists and incorporate an element of long-term incentives which encourage consistent outperformance of the Commissioners' target investment return over a sustained period of five years.

The level of pay and the value of incentive awards are overseen by a Church Commissioners' Remuneration Committee, comprising trustees on the Assets Committee supported by independent benchmarking data. The scheme is reviewed for consistency with the executive remuneration policy adopted by the Church's National Investing Bodies (NIBs) on the recommendation of the Ethical Investment Advisory Group (EIAG).

Amounts payable under the incentive scheme are spread over up to five years and the full amounts are only payable if the recipient remains in post during that time. By this method, the Commissioners ensures incentives are directly aligned with its objectives and are also long-term in nature. In the year to 31 December 2024, payments under the scheme, including deferred payments that became due, totalled £2.83m (2023: £2.01m). The highest paid member of staff received a payment of £290,911 (2023: £305,310).

The Chief Executive and Secretary to the Church Commissioners does not participate in the scheme. During 2024, the total remuneration (salary and incentive payment) for the highest paid member of Commissioners' staff was 19.7 times (2023: 23.4) the total remuneration received by the lowest paid member of Commissioners' staff and 9.6 times (2023: 11.8) the median total remuneration.

This is consistent with the recommendations on company remuneration adopted by the NIBs on the advice of the EIAG in 2013.

STAFF PENSIONS

The staff of the Church Commissioners are either members of the Church Administrators Pension Fund defined benefit section (if employed before July 2006) or a separate defined contribution arrangement if employed subsequently. Employer contribution rates range from 8% to 18% depending on age and additional voluntary contributions made. New staff are encouraged to take advantage of our matched additional voluntary contributions scheme and are also offered ethical pension scheme choices.

TRUSTEES AND THE BOARD OF GOVERNORS

There are 27 Church Commissioners who constitute the Board of Governors and have trustee responsibility for meeting our charitable obligations. In addition, there are six further Church Commissioners who hold Offices of State and are not members of the trustee Board.

Thirteen Board members are elected, either by the General Synod or the cathedral deans, and others are appointed, by the Crown or the archbishops, for various kinds of professional expertise. Board members also generally serve on one or more of our committees – the Assets Committee, the Audit and Risk Committee, the Bishoprics and Cathedrals Committee and the Mission, Pastoral and Church Property Committee. Except for the Assets Committee, they all contain non-Commissioner as well as Commissioner members. All are supported by an executive team led by Chief Executive and Secretary, Gareth Mostyn (until 20 March 2025, with interim arrangements in place while his successor is recruited). All new Commissioners receive a welcome pack containing information about governance in the charity sector and in the Church, and all are offered an extensive induction programme and other relevant training from time to time.

Since the publication of the 2023 annual report, the Church Commissioners has said farewell to two Estates Commissioners. Following the General Election in July 2024, the Second Church Estates Commissioner, Andrew Selous, departed after four and a half years of faithful and expert service. He answered almost 400 Parliamentary questions on a wide range of topics and successfully piloted a variety of Church Measures through the elected House and we all thank him for his energy, commitment and wisdom. He is succeeded by Marsha de Cordova who has immediately made an impressive contribution, bringing together MPs (from across the House of Commons) with a shared interest in the Church's contribution to the nation.

In October, the Third Church Estates Commissioner, the Rt Revd Dr Flora Winfield, left following her consecration as the Bishop of Selby. Flora made an enormous contribution as a key member of the Board of Governors, as Chair of our Mission, Pastoral and Church Property Committee, Bishoprics and Cathedrals Committee and Net Zero Carbon Programme Board, and in so many other ways. While we were delighted to hear of her consecration, we were sad to lose her, and we wish her well in her future ministry. She is succeeded by Sir Robert Buckland KBE, who will be an invaluable asset at a pivotal

moment for the Commissioners and the wider Church. His leadership will be especially crucial as we move toward the implementation of the National Church Governance Measure which will ultimately abolish the Third Church Estates Commissioner role and transfer a number of functions to a new body. Effective management of this transition is essential, and Sir Robert will play a critical role in ensuring its success. We were also sorry that Helen Steers departed on the expiry of her term in February 2025. She was an excellent member of the Board, the Assets Committee and Chair of the Securities Group and we give thanks not only for her investment expertise but for her wide-ranging wisdom. We also pay tribute to her tireless work to promote diversity and we were delighted when she received an MBE for services to gender equality in business. We wish her well for the future and warmly welcome Cyrus Gentry as her successor. With impressive professional experience in the infrastructure and private equity sectors, Cyrus was appointed a Church Commissioner and member of the Assets Committee on 25 March 2025.

As noted in the 2023 annual report the election of Revd Amatu Christian-Iwuagwu as Church Commissioner has created a non-Commissioner vacancy on the Mission, Pastoral and Church Property Committee. We are now pleased to report that the Archdeacon of Gloucester, the Venerable Hilary Dawson, has been appointed to this role. We warmly welcome her and greatly appreciate the strong contribution she has already made to our work.

The Church Commissioners takes trustee recruitment very seriously and invests time and resources in finding, inducting and developing the highest calibre people. Vacancies are advertised in a range of publications depending on the specialism of the roles and search consultants are often employed to assist us. We place particular emphasis on equity, diversity and inclusion, at both trustee and staff levels; in this context, we held a successful engagement event in May 2024 at Manchester Cathedral for UK Minority Ethnic (UKME)/Global Majority Heritage (GMH) people with an interest in our work. It was very informative and enabled us to establish valuable relationships; we will be holding further such events in due course.



Board meeting

THE CHURCH COMMISSIONERS AND BOARD OF GOVERNORS

The Board of Governors transacts the functions and business of the Commissioners except where, by statute or through delegation by the Board, these are exercised by committees. Except State Office-Holders, all Church Commissioners are members of the Board of Governors. The membership is as follows:

ARCHBISHOPS (EX OFFICIO)

Archbishop of York, Stephen Cottrell
Archbishop of Canterbury, Justin Welby
(resigned 7 January 2025)

CHURCH ESTATES COMMISSIONERS APPOINTED BY HIS MAJESTY

Alan Smith, First Church Estates Commissioner
Marsha de Cordova MP, Second Church Estates Commissioner
(appointed 7 October 2024)
Andrew Selous MP, Second Church Estates Commissioner
(resigned 7 October 2024)

CHURCH ESTATES COMMISSIONER APPOINTED BY THE ARCHBISHOP OF CANTERBURY

Sir Robert Buckland KBE, Third Church Estates Commissioner
(appointed 18 February 2025)
Revd Canon Dr Flora Winfield, Third Church Estates Commissioner (resigned 31 October 2024)

ELECTED BY THE GENERAL SYNOD HOUSE OF BISHOPS

Bishop of Salisbury, Rt Revd Stephen Lake, Deputy Chair
Bishop of Bristol, Rt Revd Vivienne Faull
Bishop of Norwich, Rt Revd Graham Usher
Bishop of Sheffield, Rt Revd Pete Wilcox

HOUSE OF CLERGY

The Revd Preb Amatu Christian-Iwuagwu
The Revd Sarah Geileskey
The Revd Christopher Smith

HOUSE OF LAITY

Richard Denno
Dr Nick Land
Dr Cathy Rhodes
Robert Zampetti

ELECTED BY THE DEANS

Dean of Ely, Very Revd Mark Bonney
Dean of Manchester, Very Revd Rogers Govender

NOMINATED BY HIS MAJESTY

Kif Hancock
Suzanne Avery
Nigel Timmins

NOMINATED BY THE ARCHBISHOPS OF CANTERBURY AND YORK

Morag Ellis KC
Busola Sodeinde
Dame Kate Barker

NOMINATED BY THE ARCHBISHOPS OF CANTERBURY AND YORK

After consultation with others, including the Lord Mayors of the Cities of London and York, and the Vice Chancellors of Oxford and Cambridge Universities
Remi Olu-Pitan
Helen Steers (resigned 26 February 2025)
Cyrus Gentry (appointed 25 March 2025)
Jenny Buck

Secretary to the Church Commissioners and Board of Governors
Gareth Mostyn (until 20 March 2025)
Rosie Slater-Carr (Interim from 20 March 2025)

State Office-Holders

First Lord of the Treasury
Lord President of the Council
Lord Chancellor
Secretary of State for Digital, Culture, Media & Sport
Speaker of the House of Commons
Speaker of the House of Lords

Assets Committee

Subject to any general rules made by the Board, the Assets Committee has an exclusive power and duty to act in all matters relating to the management of the Church Commissioners’ assets.

Alan Smith, Chair
The Revd Christopher Smith
Bishop of Norwich, Rt Revd Graham Usher
Dr Cathy Rhodes
Remi Olu-Pitan
Suzanne Avery
Helen Steers (resigned 26 February 2025)
Cyrus Gentry (appointed 25 March 2025)
Kif Hancock
Dame Kate Barker
Jenny Buck
Marsha de Cordova MP (appointed 7 October 2024)
Gareth Mostyn, Committee Secretary (to 20 March 2025)
Poppy Allonby, Interim Committee Secretary (from 20 March 2025)

Audit and Risk Committee

Acts in matters relating to the external auditors, the annual accounts and internal control systems.
Hilary Wild, Chair
Busola Sodeinde
George Stylianides
Dave Jennings
Emma Upstone
Robert Zampetti
Muir Laurie, Committee Secretary

Bishoprics and Cathedrals Committee

Acts for the Board in matters relating to episcopal and cathedral support.
Sir Robert Buckland KBE, Third Church Estates Commissioner (appointed 18 February 2025)
Revd Canon Dr Flora Winfield, Third Church Estates Commissioner (resigned 31 October 2024)
Bishop of Bristol, Rt Revd Vivienne Faull
Bishop of Salisbury, Rt Revd Stephen Lake
Dean of Ely, Very Revd Mark Bonney
Dean of Manchester, Very Revd Rogers Govender
Dean of Guernsey, Very Revd Tim Barker
Dr Nick Land
Ruth Mounstephen – Representative of Bishops’ spouses
Anna Pitt – Representative for Association of English Cathedrals and Cathedrals Administration and Finance Association (until 30 January 2025)
Michael Minta, Committee Secretary

Mission, Pastoral and Church Property Committee

Acts for the Board in matters relating to pastoral reorganisation, parsonages and diocesan glebe, and matters relating to the future of church buildings closed for regular public worship.
Sir Robert Buckland KBE, Third Church Estates Commissioner (from 18 February 2025)
Bishop of Jarrow, Rt Revd Sarah Clark (until 9 January 2025)
Bishop of Thetford, Rt Revd Ian Bishop (from 6 February 2025)
Bishop of Sheffield, Rt Revd Pete Wilcox
The Ven Simon Fisher
The Revd Canon Clare MacLaren
The Revd Christopher Smith
The Revd Sarah Geileskey
The Revd Preb Amatu Christian-Iwuagwu
Dr Cathy Rhodes
Morag Ellis KC
Shane Waddle (until 7 August 2025)
Garth Watkins (until 31 January 2025)
Wendy Matthews, Committee Secretary

PROFESSIONAL ADVISERS

Bankers:
Lloyds Bank plc
39 Threadneedle Street
London EC2R 8AU

Custodians:
JP Morgan Chase Bank N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Auditor:
Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

Actuaries:
Hymans Robertson LLP
One London Wall
London EC2Y 5EA

ATTENDANCE AT MEETINGS

The table below gives details of the meetings attended by governors and non-Commissioner committee members during 2024.

	BOARD	ASSETS	AUDIT AND RISK	BISHOPRICS AND CATHEDRALS	MISSION, PASTORAL AND CHURCH PROPERTY
Number of meetings	4	5	4	6	10
Archbishop of Canterbury, Most Revd Justin Welby	The Archbishop of Canterbury chairs the Annual General Meeting. By arrangement he does not attend meetings of the Board of Governors. The Bishop of Salisbury is the Archbishop's appointed deputy from 1 January 2024.				
Archbishop of York, Most Revd Stephen Cottrell	0	0			
First Church Estates Commissioner, Alan Smith	4	5	1		
Second Church Estates Commissioner, Andrew Selous MP (until 7 October 2024)	2	0			
Second Church Estates Commissioner, Marsha de Cordova MP (from 7 October 2024)	0	0			
Third Church Estates Commissioner, Revd Canon Dr Flora Winfield (until 31 October 2024)	3			5	5
Bishop of Bristol, Rt Revd Vivienne Faull	2			4	
Bishop of Norwich, Rt Revd Graham Usher	4	4			
Bishop of Sheffield, Rt Revd Pete Wilcox	3				6
Bishop of Salisbury, Rt Revd Stephen Lake	4			4	
Bishop of Jarrow, Rt Revd Sarah Clark					
Bishop of Thetford, Rt Rev Ian Bishop					0
Dean of Ely, Very Revd Mark Bonney	4			6	

	BOARD	ASSETS	AUDIT AND RISK	BISHOPRICS AND CATHEDRALS	MISSION, PASTORAL AND CHURCH PROPERTY
Dean of Guernsey, Very Revd Tim Barker				6	
Dean of Manchester, Very Revd Rogers Govender	1			4	
The Venerable Hilary Dawson					2
The Venerable Simon Fisher					7
The Revd Christopher Smith	4	5			10
The Revd Sarah Geileskey	3				5
Dame Kate Barker	2	4			
Jenny Buck	3	4			
Suzanne Avery	3	5			
Simon Cawte					8
Richard Denno	4				
Morag Ellis KC	3				5
The Revd Preb Amatu Christian-Iwuagwu	3				3
Kif Hancock	4	4			
Dave Jennings		1	4		
Dr Nick Land	4			6	
The Revd Canon Clare MacLaren					7
Ruth Mounstephen				6	
Remi Olu-Pitan	3	4			
Dr Cathy Rhodes	4	4			10
Busola Sodeinde	3	1	3		
Helen Steers	4	4			
George Stylianides		1	2		
Jennifer Thomas				6	
Nigel Timmins	4				
Emma Upstone			4		
Canon Shane Waddle					5
Garth Watkins					8
Hilary Wild*	4		4		
Anna Pitt				6	
Robert Zampetti	3	1	3		

* As Chair of the Audit & Risk Committee, Hilary Wild is invited to attend Board meetings but is not a member of the Board. A member of the Audit & Risk Committee attends every Assets Committee as an observer.

TRUSTEE RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with UK law and accounting practices.

TRUSTEE RESPONSIBILITY STATEMENT

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the trustees are required to:

- ✿ select suitable accounting policies and then apply them consistently;
- ✿ observe the methods and principles in the Charities SORP (FRS102);
- ✿ 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; and
- ✿ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity and its subsidiaries' transactions; disclose with reasonable accuracy at any time the financial position of the charity and the Group; and enable them

to ensure that the financial statements comply in all material respects with the Charities Act 2011, the Church Commissioners Measure 1947, and the Charity (Accounts and Reports) Regulations 2008.

The trustees are also responsible for safeguarding the assets of the Church Commissioners for England (the "parent charity") and its subsidiaries ("the Group") 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 organisational and financial information included in the Commissioners' section of the Church of England website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board by:



Alan Smith
First Church Estates Commissioner

MONEY AVAILABLE RESOLUTION

Money available resolution and summary of the independent actuaries' report

INTRODUCTION

As required by the Church Commissioners Measure 1947 (as amended), at the 2025 Annual General Meeting of the Commissioners, the Board of Governors will recommend that the meeting (i) receives the Annual Report and Financial Statements; (ii) considers a revised recommendation on the planned allocation of money available for distribution in 2026-2028, based on the forecast of sums that can be made available for distribution in each year of that triennium; and (iii) notes a forecast of the sums that it is hoped can be made available in each year of the following two triennia 2029-2034, subject to the outcome of future triennial reviews.

MONEY AVAILABLE RESOLUTION

At its meeting on 15 April 2025, the Assets Committee, having received updated advice from its actuarial advisors Hymans Robertson LLP (as required by the Church of England Pensions Measure 2018) which is summarised below, resolved to inform the Board that the Commissioners' expenditure plans can be made on the assumption that the following sums (totalling £1,638 million) can be made available for distribution from income generated in each of the years 2026-2028:

- ✿ Up to £506m for historical distributions.
- ✿ Up to £606m for core (in-perpetuity) distributions.
- ✿ Up to £229m for transformational time limited distributions.
- ✿ Up to £297m for strategic ongoing distributions.

subject to £50m being withheld until a future recommendation by the Assets Committee and subsequent agreement by the Board allows for its release.

SUMMARY OF THE REPORT FROM THE INDEPENDENT ACTUARIES

The Commissioners holds assets ("the assets") from which it pays pensions to retired clergy and other licensed ministers ("the pension obligation") and staff ("the pensions liability"), and provides money to support the mission and ministry of bishops, cathedrals and parishes and for other purposes ("the distribution"). The distribution is affected by the extent of the pension obligation and pensions liability. To assist the Commissioners in formulating the distribution policy, we carry out a detailed review from time to time.

Our most recent detailed review was carried out as at 31 December 2024 and it involved calculating the capital value (also known as the present value) of the following areas of future expenditure from the assets, according to their term:

1. Historical distributions mainly comprising an allowance to enable the Commissioners to meet its historical pensions obligation and pensions liability. As the pensions are payable throughout the lifetimes of the pensioners, the term of this area of expenditure is longevity related and not known in advance. We therefore make assumptions of future life expectancy for the purpose of calculating the capital value of the pensions obligation and pensions liability.
2. Planned core (in-perpetuity) distributions, for example the grants to support bishops' and cathedrals' ministry, sub-divided into separate elements with appropriate rates of planned annual increases.
3. Planned or previously agreed distributions which have a fixed term.

Having calculated the capital values of the above areas of expenditure, we compare the total with the value of the assets held to assess whether the planned distributions are sustainable. If the level of assets exceeds the aggregate of the above distributions, as was the case in our most recent full review as at 31 December 2024, we also calculate the level of strategic ongoing distributions that could be afforded in perpetuity on agreed assumptions. This is reflected in the numbers set out above.

Many occupational pension schemes have actuarial valuations performed using significant margins for prudence. This is done so that the scheme has a funding buffer should future events prove unfavourable, in particular if the pension scheme's sponsoring employer becomes insolvent. In contrast, our calculations for the Commissioners are made on a 'best estimate basis' and do not include such margins of prudence. We consider that such margins are not required, as the assets are significantly larger than the pension obligation and pensions liability, and no further margin is necessary. Moreover, if margins were to be included, this would restrict the level of other distributions, with the expectation that they are likely to be increased at some point in the future by more than the planned increases. This would lead to inter-generational inequity, with the future recipients of the distribution receiving more in real terms at the expense of current recipients.

It should be noted that the distribution which the assets can support – and in particular the fund's capacity for strategic ongoing distributions – is extremely sensitive to a number of factors. These include the actual investment returns on the assets, the assumed average future investment return, actual increases in the national minimum stipend (on which the starting level of clergy pension is based) and inflation (which determines increases in pensions in payment and planned ongoing and in-perpetuity distributions) and the actual and prospective longevity of pensioners.

Recognising the high level of volatility in the sum available for strategic ongoing distributions, we continue to advise that the Commissioners should pay a significant proportion of such distributions in a form that will automatically cease or can be stopped within a reasonably short timescale, if any future actuarial review determines that such distributions are no longer affordable. We recommend that the Commissioners should reinforce the messaging within the Church that the strategic ongoing spending is designed to support short-term projects and reliance on its continuation at current levels should be limited where possible to mid-2028, in line with the agreed policy to aim to give three years' notice on

a rolling basis for any distribution cuts unless there is an extreme situation which requires swifter action. We note that much of the strategic ongoing spend is intended to continue until 2034.

In summary, the overall conclusion of our calculations was that the package of distributions proposed for the 2026-2028 triennium is deemed affordable on our best estimate assumptions. The affordability of this package of distributions should be re-examined in detail at the next triennial review as at 31 December 2027 and also on an approximate basis at the interim assessments as at 31 December 2025 and 2026.

Alec Day FIA C.Act
Peter Carver FIA C.Act CERA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH COMMISSIONERS FOR ENGLAND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH COMMISSIONERS FOR ENGLAND

OPINION

Our opinion on the financial statements is unmodified

We have audited the financial statements of The Church Commissioners for England (the 'parent charity') and its subsidiaries (the 'Group') for the year ended 31 December 2024, which comprise the consolidated and Commissioners statements of financial activities, the consolidated and Commissioners balance sheets, the consolidated cash flow statement and notes to the financial statements, including material accounting policy information. 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 group's and the parent charity's affairs as at 31 December 2024 and of the group's and the parent charity's incoming resources and application of resources, including the group's and the parent charity's income and expenditure for the year then ended;
- ✿ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice: Accounting and Reporting by Charities, 2019 Edition; and
- ✿ have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We have been appointed as auditor under section 151 of the Charities Act 2011. 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 group and the parent charity in accordance with the ethical requirements that are relevant to our audit of the group and the parent charity financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, 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

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent charity to cease to continue as a going concern.

Our evaluation of the trustees' assessment of the group's and the parent charity's ability to continue to adopt the going concern basis of accounting included:

- ✿ Evaluation and challenge of the assumptions used in the independent actuarial report provided by Hymans Robertson LLP on the affordability in perpetuity of the parent charity's planned distributions using our knowledge of the parent charity. The report covers the spending plans for the next three-year period (the "triennium") and is updated annually to assess that the spending plans for the current and next triennium remain affordable;
- ✿ Evaluation of the liquidity of the parent charity and the group by assessing the cash and liquid assets held by the parent charity and the group to meet obligations in the 12 months from the date of signing of the report;
- ✿ Assessment of the associated sensitivity analysis (including stress and scenario testing) and reasonableness of assumptions used based on the engagement team's knowledge of the parent charity and the group and by corroborating base case inputs to supporting evidence;

- ✿ Assessment of the adequacy of disclosures concerning the basis of preparation of the financial statements and going concern;
- ✿ Checking the completeness of assumptions used in the model by considering the post-year-end performance; and
- ✿ Assessment of the accuracy of management forecasts prepared for prior periods by comparing against actual results.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the parent charity and the Group's business model, including effects arising from macroeconomic uncertainties such as geopolitical instability, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the parent charity's and the group's financial resources or ability to continue operations over the going concern period.

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

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

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

OUR APPROACH TO THE AUDIT

Overview of our audit approach

Overall materiality:

Group: £97.1 million, which represents 1% of the group's net assets

Parent charity: £92.2 million, which represents 1% of the parent charity's net assets, capped at 95% of Group materiality.

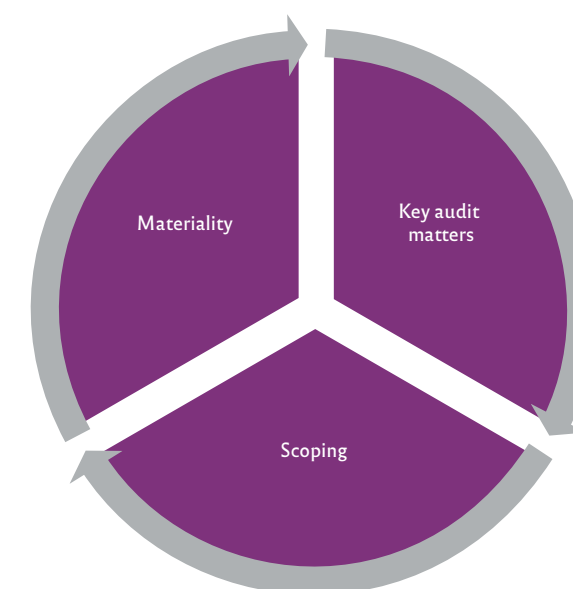
Key audit matters for the parent charity

and group were identified as:

- ✿ Valuation of Unlisted Investment Securities (same as previous year); and
- ✿ Valuation of Rural and Strategic Investment Properties (same as previous year).

Our auditor's report for the year ended 31 December 2023 included no key audit matters that have not been reported as key audit matters in our current year's report.

We performed a full-scope audit of the financial statements using the component materiality of the parent charity and specific-scope audit for two subsidiaries achieving 100% coverage of net assets and 100% coverage of total revenues.



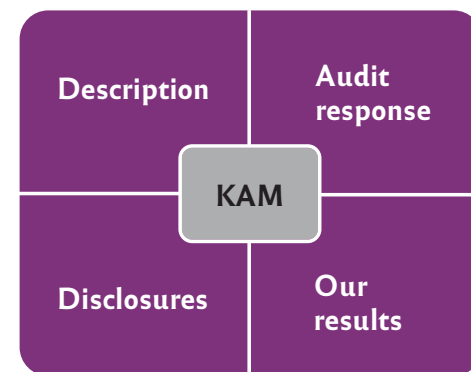
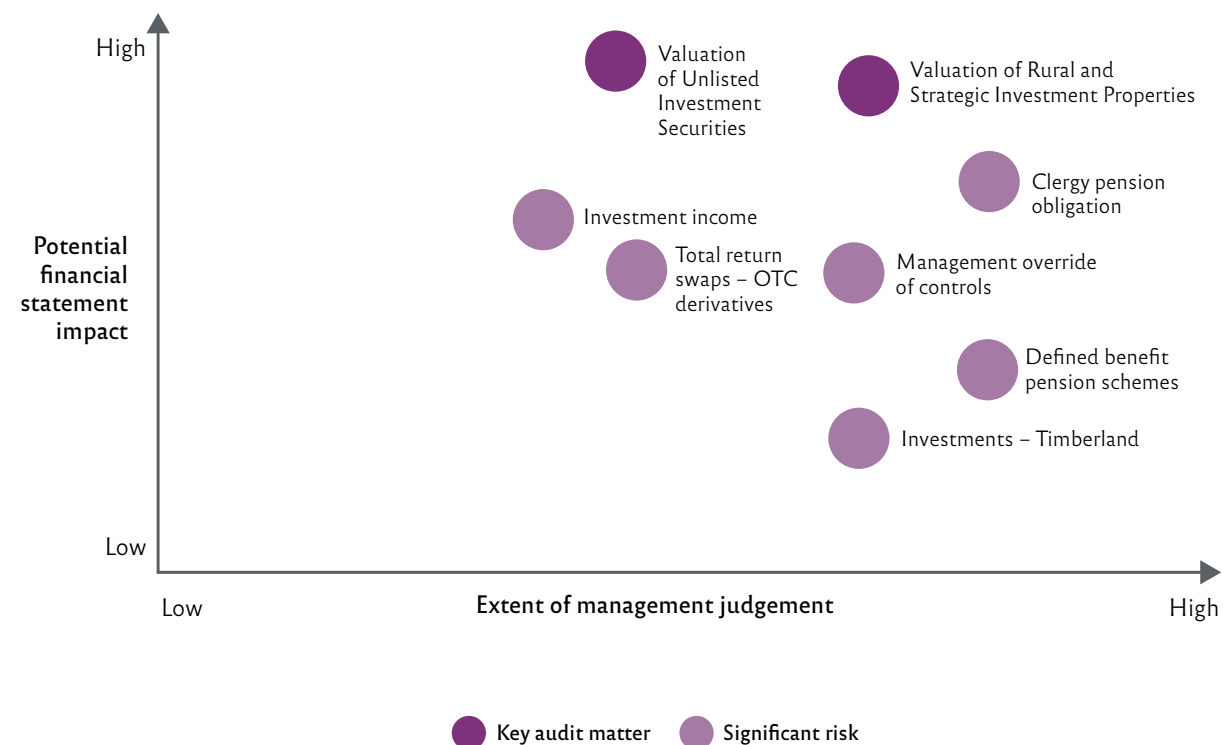
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH COMMISSIONERS FOR ENGLAND

continued

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the parent charity and group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.



Key Audit Matter – Group and parent charity

How our scope addressed the matter – Group and parent charity

Valuation of Investment Securities – excluding listed investment securities, including indirect property

We identified valuation of unlisted Investment Securities, including indirect property, as one of the most significant assessed risks of material misstatement due to error.

The Group and parent charity have a number of unlisted securities which include private equity, private credit and venture capital, whereby management relies on valuations by third-party investment managers. There is a risk that these valuations may be materially misstated given these funds are valued by reference to the estimated net asset values or final net asset values received from the fund managers at year end.

Unlisted investments including unlisted securities at £4,473.1 million (2023: £4,318.4 million), indirect property at £96.5 million (2023: £109.0 million), indirect timberland at £72.5 million (2023: £66.7 million), and infrastructure at £239.3 million (2023: £230.2 million).

Relevant disclosures in The Church Commissioners for England Annual Report 2024

Financial statements: note 1, Accounting policies and note 2, Investments

In responding to the key audit matter, we performed the following audit procedures:

- ✳ Enquired of management to understand the controls and procedures in place to ensure appropriate recording and valuation of unlisted investment securities.
- ✳ Evaluated the design and implementation of relevant controls and identified significant control deficiencies.
- ✳ On a sample basis, having tested the operating effectiveness of E-Front (investment application) controls for the capital calls and distributions, we also inspected direct confirmations in the E-Front application of the year-end valuation from the investment manager.
- ✳ On a sample basis, we corroborated this to available financial information such as latest valuation and available audited financial statements of the unlisted investments, adjusted for any cashflows, to assess the reasonableness of the year-end valuation and to check the accuracy of the estimates by comparing the net asset value ('NAV') on the unaudited capital/valuation statements to the audited financial statements' net assets and comparing against management's estimated valuation as at year end.
- ✳ On a sample basis, we obtained the outstanding commitments at year end and compared to the latest capital statement available.

Our results

Our testing did not identify material misstatements in the valuation of Investment Securities – excluding listed as at the year-end date.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH COMMISSIONERS FOR ENGLAND

continued

Key Audit Matter – Group and parent charity

Valuation of Investment Properties – excluding indirect property, residential and commercial property

We identified valuation of rural and strategic investment properties as one of the most significant assessed risks of material misstatement due to error within the investment property portfolio which also consists of residential and commercial properties.

The investment property portfolio consists of different types of property, including direct and excluding indirect investment property.

The direct investment property portfolio consists of the following asset classes:

1) Rural and strategic – Key Audit Matter due to limited market information being available to verify judgements involved such as yields and projected income flow, therefore may be materially misstated due to inappropriate judgements being applied.

Direct investment property amounts to £1,622.0 million of which £939.7 million relates to rural and strategic land (2023: £1,597.6 million of which £901.3 million relates to rural and strategic land).

Relevant disclosures in The Church Commissioners for England Annual Report 2024

Financial statements: note 1, Accounting policies and note 2, Investments

How our scope addressed the matter – Group and parent charity

In responding to the key audit matter, we performed the following audit procedures:

- ✳ Queried management to understand the controls and procedures in place to ensure appropriate recording and valuation of investment properties.
- ✳ Evaluated the design and implementation of relevant controls and identified significant control deficiencies.
- ✳ We attended the property valuation meetings between Church Commissioners and the valuation experts to observe management challenge on the valuation of the properties and develop our understanding of the judgements included in the valuations such as yields, and projected income flows, and to understand the methodologies applied and, where necessary, challenge their assumptions.
- ✳ Based on the understanding of the portfolio, we selected a sample of properties based on quantitative and qualitative characteristics. For the samples selected, we have performed the following:
 - Used the expertise of our internal valuation experts who inspected either the external valuation reports or the cost model, which was used in determining the valuation to assess the methodologies used and the reasonableness of the assumed yields. This included checking that the valuations had been prepared in line with the Royal Institution of Chartered Surveyors (RICS) guidelines.
 - Tested the input data used in the valuations by agreeing to supporting evidence such as rental agreements.
 - Tested the mathematical accuracy of the valuations by performing a re-calculation.
- ✳ Assessed the external valuation experts' objectivity, competence, and capability.
- ✳ For a sample of post-year-end sales, compared actual property sales prices against previous values reported by management valuation experts.

Our results

Our testing did not identify material misstatements in the valuation of Investment Properties – excluding indirect property – strategic and rural as at the year-end date.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent charity
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£97.1 million (2023: £90.8m), which represents 1% of the group's net assets.	£92.2 million (2023: £90.8m), which represents 1% of the parent charity's net assets, capped at 95% of Group materiality.
Significant judgements made by auditor in determining the materiality	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> ✳ Net assets are considered to be the key driver for the group's performance as they directly impact the ability of the charity to fulfil its ongoing obligations. ✳ 1% of net assets is considered to be an appropriate threshold to apply to the chosen benchmark having considered the expectations of the users of the financial statements and the engagement risk. <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2023 due to an increase in the net assets.</p>	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> ✳ Net assets are considered to be the key driver for the parent charity's performance as they directly impact the ability of the charity to fulfil its ongoing obligations. ✳ 1% of net assets is considered to be an appropriate threshold to apply to the chosen benchmark having considered the expectations of the users of the financial statements and the engagement risk. <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2023 due to an increase in the net assets.</p>
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£72.8 million (2023: £68.1m), which is 75% of financial statement materiality for the group.	£69.2 million (2023: £68.1m), which is 75% of financial statement materiality for the parent charity.
Significant judgements made by auditor in determining the performance materiality	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> ✳ Whether there were any significant adjustments made to the group financial statements in prior years; and ✳ Whether there were any significant control deficiencies identified in prior years. 	<p>In determining performance materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> ✳ Whether there were any significant adjustments made to the Group financial statements in prior years; and ✳ Whether there were any significant control deficiencies identified in prior years.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> ✳ Charitable expenditure. ✳ Raising funds expenditure. ✳ Investment income. ✳ Related party transactions. 	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> ✳ Charitable expenditure. ✳ Raising funds expenditure. ✳ Investment income. ✳ Related party transactions.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH COMMISSIONERS FOR ENGLAND

continued

Materiality measure	Group	Parent charity
Communication of misstatements to the Audit and Risk Committee	We determine a threshold for reporting unadjusted differences to the Audit and Risk Committee.	
Threshold for communication	£4.8 million (2023: £4.5m), which represents 5% of financial statement materiality for the group, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£4.6 million (2023: £4.5m), which represents 5% of financial statement materiality for the parent charity, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – group



Overall materiality – parent charity



FSM: Financial statement materiality
PM: Performance materiality
TfC: Threshold for communication to the Audit and Risk Committee

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

We performed a risk-based audit that requires an understanding of the parent charity and group's business and in particular matters related to:

Understanding the group, its components, their environments, and its system of internal control including common controls

- ✳ The engagement team obtained an understanding of the group and its environment, including Group-wide controls, and assessed the risk of material misstatement at the group level;
- ✳ The engagement team obtained an understanding of relevant internal controls at both the group and subsidiaries. This included obtaining an understanding of the internal controls and assessing whether they are designed and implemented effectively;
- ✳ Discussions held with management to understand key changes to the business and reinforce our understanding of the group's control environment and key risk areas;
- ✳ Obtaining an understanding of the design and implementation of relevant controls related to the investment accounting and administration services by evaluating the Type I service auditor's report;
- ✳ Obtaining an understanding of the design and implementation of relevant internal controls linked to the unlisted securities portfolio, including assessment of the design, implementation and operating effectiveness of the one key identified control;
- ✳ We obtained an understanding of the business processes for all significant classes of transactions, including significant risks, in order to confirm our understanding of the control environment across the Group; and
- ✳ We documented and assessed the design and implementation of controls related to key audit matters and other significant risks communicated in this report. This included obtaining and assessing internal controls reports prepared by third-party auditors where applicable.

Identifying components at which to perform audit procedures

- ✳ The group audit team evaluated the identified components to assess their significance and determined the planned audit response based on a measure of materiality. Significance was determined as a percentage of the group's income and net assets as well as considering qualitative factors, such as a component's specific nature and circumstances.
- ✳ One component (Parent company) was identified as a significant component.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- ✳ An audit of the financial information using component materiality (full-scope audit) was performed on The Church Commissioners for England, the parent charity.
- ✳ Audits of one or more account balances, classes of transactions or disclosures (specific scope procedures) were performed on C.C. Licensing and Cherry Tree Timber LLC.
- ✳ Analytical procedures using group materiality were performed on the financial information for the remaining components of the group.

All key audit matters identified were addressed with the full-scope and specific-scope audit procedures. The procedures performed in respect of these have been included in the key audit matters section of our report.

Performance of our audit

All the UK subsidiaries are in the same location as the parent charity, and the group engagement team visited that location as part of our audit. Overseas subsidiaries are in USA and Australia; the Group engagement team communicated with one component auditor in the USA virtually.

Further audit procedures performed on components subject to specific scope and specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the group auditor, considered had the potential for the greatest impact on the group financial statements either due to risk, size or coverage.

INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF THE CHURCH COMMISSIONERS FOR ENGLAND

continued

The components within the scope of further audit procedures accounted for the following percentages of the Group’s results, including the key audit matters identified:

Audit approach	No. of components	% coverage Total income	% coverage Total net assets
Full-scope audit	1	99% (2023: 98%)	99% (2023: 96%)
Specific-scope audit	2	1% (2023: 2%)	1% (2023: 3%)
Analytical procedures	15	0% (2023: 0%)	0% (2023: 1%)
Total	18	100%	100%

Communications with component auditors

- ✳ The component auditor of the reporting component where a specific-scope approach was required was issued with detailed audit instructions. These instructions highlighted the significant risks that needed to be addressed through the audit procedures and specified the information that we required to be reported to the Group engagement team.
- ✳ Throughout the planning, fieldwork, and concluding stages of the Group audit, the Group engagement team communicated with the component auditor and conducted a review of their work. Key working papers were prepared by the Group engagement team to summarise their review of component auditor files.
- ✳ The Group engagement team held detailed discussions with the component audit team, including remote reviews of the work performed, update calls on the progress of their fieldwork and concluding procedures.

Changes in approach from previous period

- ✳ No changes in approach have been made since the prior year audit.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information contained within 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.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- ✳ the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- ✳ the parent charity has not kept sufficient accounting records; or
- ✳ the parent charity’s financial statements are not in agreement with the accounting records and returns; or
- ✳ we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustee Responsibilities Statement set out on page 68, the trustees 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 parent charity’s and the group’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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:
- ✳ We obtained an understanding of the legal and regulatory frameworks applicable to the parent charity and group and industry in which it operates. We determined that the following laws and regulations were the most significant: the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, ‘Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland’ (Charities SORP (FRS 102) (second edition – October 2019)), and Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).
 - ✳ We enquired of management and the Audit and Risk Committee, concerning the Group’s policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
 - ✳ We enquired of management and the Audit and Risk Committee whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
 - ✳ We corroborated the results of our enquiries to relevant supporting documentation such as minutes of the Audit and Risk Committee and Board meetings.
 - ✳ In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The Group’s operations, including the nature of its revenue sources, and of its objective and strategy to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - The Group’s control environment, including the policies and procedures implemented to comply with annual and financial reporting requirements.
 - ✳ We assessed the susceptibility of the group’s financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the group engagement team included:
 - Testing completeness of journal entries and identifying and testing high-risk journal entries, in particular manual journal entries processed at the year end for financial statements preparation.
 - Evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud.
 - Challenging the assumptions and judgements made by management in its significant accounting estimates.
 - ✳ These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH COMMISSIONERS FOR ENGLAND

continued

- ✦ The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the group and parent charity operates; and
 - understanding of the legal and regulatory requirements specific to the parent charity and group including:
 - the provisions of the applicable legislation;
 - the regulators' rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
 - the applicable statutory provisions.
- ✦ We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
- ✦ We communicated with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements.

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.

OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

Following the recommendation of the Audit and Risk Committee, we were appointed by the trustees on 1 November 2024 to audit the financial statements for the year ending 31 December 2024. Our total uninterrupted period of engagement is 9 years, covering the years ending 31 December 2016 to 31 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent charity and Group and we remain independent of the Group and the parent charity in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
15 May 2025

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024

	Notes	2024			2023		
		Other funds £m	Endowment £m	Total £m	Other funds £m	Endowment £m	Total £m
Income from:							
Donations and legacies		0.1	–	0.1	0.2	–	0.2
Investments	2	–	204.5	204.5	–	188.3	188.3
Other income		2.8	–	2.8	3.5	–	3.5
Transfer to income	18	282.8	(282.8)	–	221.6	(221.6)	–
Total income		285.7	(78.3)	207.4	225.3	(33.3)	192.0
Expenditure on:							
Raising funds	3	(0.2)	(100.1)	(100.3)	(0.4)	(106.9)	(107.3)
Charitable activities							
Supporting dioceses and the local church	4	(202.0)	–	(202.0)	(152.8)	–	(152.8)
Bishops' and Archbishops' ministry	4	(55.3)	–	(55.3)	(47.0)	–	(47.0)
Cathedrals' ministry	4	(14.7)	–	(14.7)	(14.1)	–	(14.1)
Other activities	4	(11.2)	–	(11.2)	(9.1)	–	(9.1)
Pre-1998 clergy pensions	4, 16	(2.2)	15.5	13.3	(1.5)	(162.6)	(164.1)
Total charitable expenditure		(285.4)	15.5	(269.9)	(224.5)	(162.6)	(387.1)
Total expenditure		(285.6)	(84.6)	(370.2)	(224.9)	(269.5)	(494.4)
Total net income/(expenditure) before investment gains							
		0.1	(162.9)	(162.8)	0.4	(302.8)	(302.4)
Gains on investment assets	2	–	927.1	927.1	–	334.4	334.4
Gains on derivatives		–	7.3	7.3	–	45.6	45.6
Gains/(losses) on foreign currency		–	15.3	15.3	–	(34.9)	(34.9)
Total net income before taxation		0.1	786.8	786.9	0.4	42.3	42.7
Current taxation	10	–	(3.1)	(3.1)	–	1.9	1.9
Deferred taxation	10	–	4.8	4.8	–	(1.0)	(1.0)
Total net income after taxation		0.1	788.5	788.6	0.4	43.2	43.6
Other recognised gains and losses							
Actuarial gain/(loss) on defined benefit pension schemes (staff pre-2000)	17	–	5.7	5.7	–	(1.1)	(1.1)
Total other recognised gains and losses		–	5.7	5.7	–	(1.1)	(1.1)
Net movement in funds		0.1	794.2	794.3	0.4	42.1	42.5
Reconciliation of funds:							
Total funds brought forward		0.7	9,098.6	9,099.3	0.3	9,056.5	9,056.8
Total funds carried forward		0.8	9,892.8	9,893.6	0.7	9,098.6	9,099.3

The income, expenditure and other recognised gains and losses all relate to continuing operations, none of which were acquired during the year.

The breakdown of other funds is shown in note 18.

COMMISSIONERS' STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024

	Notes	2024			2023		
		Other funds £m	Endowment £m	Total £m	Other funds £m	Endowment £m	Total £m
Income from:							
Donations and legacies	21	0.1	13.3	13.4	0.2	(18.0)	(17.8)
Investments		–	195.0	195.0	–	206.2	206.2
Other income		2.6	–	2.6	3.1	–	3.1
Transfer to income	18	282.8	(282.8)	–	221.6	(221.6)	–
Total income		285.5	(74.5)	211.0	224.9	(33.4)	191.5
Expenditure on:							
Raising funds		–	(96.0)	(96.0)	–	(99.8)	(99.8)
Charitable activities							
Supporting dioceses and the local church	4	(202.0)	–	(202.0)	(152.8)	–	(152.8)
Bishops' and Archbishops' ministry	4	(55.3)	–	(55.3)	(47.0)	–	(47.0)
Cathedrals' ministry	4	(14.7)	–	(14.7)	(14.1)	–	(14.1)
Other activities	4	(11.2)	–	(11.2)	(9.1)	–	(9.1)
Pre-1998 clergy pensions	4, 16	(2.2)	15.5	13.3	(1.5)	(162.6)	(164.1)
Total charitable expenditure		(285.4)	15.5	(269.9)	(224.5)	(162.6)	(387.1)
Total expenditure		(285.4)	(80.5)	(365.9)	(224.5)	(262.4)	(486.9)
Total net income/(expenditure) before investment gains		0.1	(155.0)	(154.9)	0.4	(295.8)	(295.4)
Gains on investment assets	2	–	922.8	922.8	–	335.8	335.8
Gains on derivatives		–	7.3	7.3	–	45.9	45.9
Gains/(losses) on foreign currency		–	12.1	12.1	–	(41.8)	(41.8)
Total net income before taxation		0.1	787.2	787.3	0.4	44.1	44.5
Current taxation		–	(1.9)	(1.9)	–	(0.2)	(0.2)
Deferred taxation		–	3.2	3.2	–	(0.7)	(0.7)
Total net income after taxation		0.1	788.5	788.6	0.4	43.2	43.6
Other recognised gains and losses							
Actuarial gain/(loss) on defined benefit pension schemes (staff pre-2000)	17	–	5.7	5.7	–	(1.1)	(1.1)
Total other recognised gains and losses		–	5.7	5.7	–	(1.1)	(1.1)
Net movement in funds		0.1	794.2	794.3	0.4	42.1	42.5
Reconciliation of funds:							
Total funds brought forward		0.7	9,098.6	9,099.3	0.3	9,056.5	9,056.8
Total funds carried forward		0.8	9,892.8	9,893.6	0.7	9,098.6	9,099.3

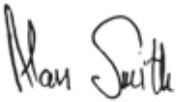
The income, expenditure and other recognised gains and losses all relate to continuing operations, none of which were acquired during the year.

The breakdown of other funds is shown in note 18.

BALANCE SHEETS
As at 31 December 2024

	Notes	Consolidated		Commissioners	
		2024 £m	2023 £m	2024 £m	2023 £m
Fixed assets					
Tangible assets	11	138.9	133.2	138.3	132.6
Heritage assets	12	3.6	3.6	3.6	3.6
Investments	2	10,687.3	9,967.7	9,800.9	9,201.6
Total fixed assets		10,829.8	10,104.5	9,942.8	9,337.8
Current assets					
Debtors	13	200.0	209.8	1,105.4	992.1
Current asset investments		246.8	272.6	246.8	272.6
Cash and cash equivalents		687.2	667.3	681.1	661.6
Total current assets		1,134.0	1,149.7	2,033.3	1,926.3
Liabilities					
Creditors: amounts falling due within one year	14	(259.3)	(213.3)	(270.5)	(223.9)
Net current assets		874.7	936.4	1,762.8	1,702.4
Total assets less current liabilities		11,704.5	11,040.9	11,705.6	11,040.2
Creditors: amounts falling due after one year	15	(669.2)	(647.7)	(669.2)	(647.7)
Provisions					
Deferred tax asset/(liability)		1.1	(3.8)	-	(3.1)
Clergy pre-1998 pension obligation:					
Expected to fall due within one year		(127.5)	(127.8)	(127.5)	(127.8)
Expected to fall due after one year		(941.9)	(1,081.2)	(941.9)	(1,081.2)
Total clergy pre-1998 pension obligation	16	(1,069.4)	(1,209.0)	(1,069.4)	(1,209.0)
Net assets excluding pension scheme liabilities		9,967.0	9,180.4	9,967.0	9,180.4
Defined benefit pension scheme liabilities	17	(73.4)	(81.1)	(73.4)	(81.1)
Total net assets		9,893.6	9,099.3	9,893.6	9,099.3
Funds of the charity					
Endowment funds		9,966.2	9,179.7	9,966.2	9,179.7
Pension reserves	17	(73.4)	(81.1)	(73.4)	(81.1)
Unrestricted funds:					
Designated funds		-	-	-	-
General funds		-	-	-	-
Restricted funds		0.8	0.7	0.8	0.7
Total charity funds	18	9,893.6	9,099.3	9,893.6	9,099.3

By order of the Board



Alan Smith
First Church Estates Commissioner

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2024

Cash flow statement

	Notes	2024 £m	2023 £m
Cash flows from operating activities		342.1	(35.2)
Cash paid from endowment capital for pre-1998 clergy pensions	16	(124.1)	(120.6)
Net cash used in operating activities		218.0	(155.8)
Cash flows from investing activities			
Income from investments		206.0	188.3
Expenditure on raising funds paid from endowment capital		(101.7)	(98.0)
Movement in current asset investments		25.8	317.7
Tangible assets: additions	11	(6.6)	(13.7)
Tangible assets: proceeds from sale	11	-	-
Investments: additions		(4,539.3)	(3,597.7)
Investments: sale proceeds		4,202.4	3,639.2
Net cash used in investing activities		(213.4)	435.8
Change in cash and cash equivalents in the year		4.6	280.0
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the start of the year		667.3	422.2
Change in cash and cash equivalents in the year		4.6	280.0
Change in cash due to exchange rate movements		15.3	(34.9)
Cash and cash equivalents at the end of the year		687.2	667.3
Cash and cash equivalents consist of:			
Cash at bank		57.5	71.2
Money Market Funds		629.7	596.1
Cash and cash equivalents at the end of the year		687.2	667.3

CONSOLIDATED CASH FLOW STATEMENT continued
For the year ended 31 December 2024

Analysis of changes in net debt

	At 1 January 2024 £m	Cash flows £m	Non-cash changes £m	At 31 December 2024 £m
Cash and cash equivalents	667.3	19.9	–	687.2
Total cash and cash equivalents	667.3	19.9	–	687.2
3.250% Sustainability Bonds (2032)	(248.2)	–	(0.2)	(248.4)
3.625% Bonds (2052)	(293.5)	–	(0.2)	(293.7)
Total net asset	125.6	19.9	(0.4)	145.1

Non-cash movements represent adjustments in relation to the amortisation of bond issue costs and discount on issuance. See note 15 for further details.

Reconciliation of net income to net cash flows from operating activities

	Notes	2024 £m	2023 £m
Net income for the year		788.6	43.6
Adjustments for:			
Depreciation	11	0.9	0.9
Expenditure on raising funds paid from endowment capital	3	100.1	106.9
Expenditure on charitable activities paid from endowment capital	16	(15.5)	162.6
Income from investments	2	(204.5)	(188.3)
Gains on investments	2	(364.9)	(334.3)
(Gains)/losses on foreign currency		(15.3)	34.9
Amortisation of bond issue costs	15	0.4	0.4
Movement in debtors (excluding outstanding investment trades and accrued income)	13	3.6	65.6
Movement in creditors (excluding outstanding investment trades and accrued expenditure)	14, 15	55.6	75.3
Movement in deferred tax provision		(4.9)	1.1
Pension reserve adjustment to net income	17	(2.0)	(3.9)
Net cash used in operating activities		342.1	(35.2)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. ACCOUNTING POLICIES

(a) Legal status

The Church Commissioners for England (“the Commissioners”) is a statutory body established by the Church Commissioners Measure 1947 (as amended) and has been regulated by the Charity Commission since registration on 27 January 2011.

(b) Basis of preparation

- The consolidated and charity financial information has been prepared in accordance with:
- ✳ Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”);
 - ✳ Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (“the SORP”); and
 - ✳ the Charities Act 2011.

The Commissioners meet the definition of a Public Benefit Entity (“PBE”) and therefore apply the PBE prefixed paragraphs in FRS 102. The financial information has been prepared on the historical cost basis (except for the revaluation of investments) and on an accruals basis. A summary of the accounting policies, which have been applied consistently across the Group, is set out below. The Commissioners adopts a total return approach to investments. Note 18 explains how the unapplied total return and the use thereof is calculated. The Commissioners has presented a consolidated cash flow statement and has taken advantage of the exemption within FRS 102 from presenting a cash flow statement for the Commissioners only.

The functional currency of the Commissioners is considered as pounds sterling because that is the currency of the primary economic environment in which the Commissioners operates. The consolidated Financial Statements are presented in pounds sterling. The numbers included within the Financial Statements are presented in millions, rounded to one decimal point.

(c) Significant judgements and estimates

Key judgements in applying the accounting policies

- The preparation of the financial statements includes the following key judgements in applying the accounting policies which would have the most significant effect on the amounts recognised:
- ✳ Carrying value of investment assets and tangible fixed assets – judgement is applied in selecting appropriate valuation methods for the assets of the Commissioners. The carrying values for each class of fixed asset are set out below. The accounting policies describe the valuation method applied for each class of asset, and the further disclosure notes provide breakdowns of the relevant asset classes.

	Accounting policy	Further details	Consolidated		Commissioners	
			2024 £m	2023 £m	2024 £m	2023 £m
Fixed assets						
Tangible assets	1(j)	11	138.9	133.2	138.3	132.6
Heritage assets	1(k)	12	3.6	3.6	3.6	3.6
Investments	1(l)	2	10,687.3	9,967.7	9,800.9	9,201.6
Total fixed assets			10,829.8	10,104.5	9,942.8	9,337.8

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2024

1. ACCOUNTING POLICIES continued
(c) Significant judgements and estimates continued

Key accounting estimates and assumptions

The preparation of the financial statements includes the use of estimates and assumptions. Significant estimates are key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The significant accounting estimates are described in the accounting policies and are summarised below:

⌘ **Clergy pension obligation** – estimations are made in the valuation of the pre-1998 clergy pensions obligation which is based on an actuarial assessment carried out by independent qualified actuaries. The carrying value is set out below, and the assumptions and estimates employed in the valuation are set out in note 16.

	Accounting policy	Further details	Consolidated and Commissioners	
			2024 £m	2023 £m
Expected to fall due within one year	1(h)	16	(127.5)	(127.8)
Expected to fall due after one year	1(h)	16	(941.9)	(1,081.2)
Clergy pre-1998 pension obligation:			(1,069.4)	(1,209.0)

⌘ **Pension liabilities** – estimations are made in the valuation of the Commissioners’ defined benefit pension liabilities, which are undertaken by independent qualified actuaries. The carrying value is set out below, and the assumptions and estimates employed in the valuation are set out in note 17.

	Accounting policy	Further details	Consolidated and Commissioners	
			2024 £m	2023 £m
Defined benefit pension scheme liabilities	1(i)	17	(73.4)	(81.1)
Defined benefit pension scheme liabilities			(73.4)	(81.1)

(d) Going concern

The Commissioners’ role in funding the Church’s ministry comprises certain legal obligations and discretionary funding. In assessing the going concern status of the Commissioners, the trustees have considered the Commissioners’ role in funding the Church’s ministry, the spending strategy, the application of total return and the legislation to allow endowment to be spent for specific pension purposes. In addition, the trustees take account of independent actuarial advice provided by Hymans Robertson LLP on the affordability in perpetuity of their planned distributions. This advice is provided every three years when setting the spending plans for the next three-year period (the “triennium”), and this is updated annually to ensure that the spending plans for the current and next triennium remain affordable. The approach adopted includes a smoothing mechanism which aims to give three years’ notice on a rolling basis of any reduction in distributions unless there has been a significant deterioration in the balance between the Commissioners’ assets and its spending plans. This means that while events such as the current geopolitical context are factors for consideration, the Commissioners has a clear framework for assessing whether the events are sufficiently significant that they would change the amounts available for distribution to beneficiaries in the short term.

The annual actuarial update for the year ended 31 December 2024 was scrutinised by the Assets Committee and includes stress testing scenario analysis which models the impact on distributions in the event of different levels of reduction in asset values. This includes consideration of the impact of changes in the value of the asset portfolio, expected future returns or inflation on the affordability of distributions. In light of this analysis, there was no reason to consider that any changes are required to the planned remaining distributions within the 2023-2025 triennium or that the anticipated distributions for the 2026-2028 triennium cannot be considered affordable (as they are subject to Assets Committee approval); the trustees have therefore concluded that the Commissioners is able to sustainably meet both its legal obligations and planned discretionary funding for at least the period to 31 December 2028. In addition, the trustees have considered the availability of sufficient liquidity in light of market volatility arising from ongoing geopolitical instability, a challenging economic environment and other external factors. Under the Investment Risk Framework the Commissioners seeks to hold cash and near cash for the next 18 months’ worth of planned expenditure

(after including investments, forecast income, cash receipts and expenditure) and they are satisfied that sufficient cash is available to meet their obligations within this timeframe. Therefore, the Commissioners continues to adopt the going concern basis of accounting in the preparation of these financial statements.

(e) Basis of consolidation and subsidiary undertakings

The consolidated statement of financial activities (“SOFA”) and balance sheet include the financial statements of the Commissioners and all its subsidiary undertakings made up to 31 December of each year. The subsidiaries have been consolidated on a line-by-line basis. Intra-group transactions are eliminated on consolidation. Further details about the Commissioners’ significant subsidiaries are given in note 2(b).

The Commissioners, together with the Archbishops’ Council and the Church of England Pensions Board, is an equal partner in Church of England Central Services (“ChECS”), a joint venture. Further details are given in note 2(c) and note 21. This jointly controlled entity is included in the Commissioners’ consolidated financial statements using the equity method. The Commissioners’ share of profits or losses from ChECS is included in the SOFA and its share of net assets is included in the balance sheet.

The Commissioners has a number of joint ventures that are held as part of its investment portfolio for investment purposes. These jointly controlled entities are held at fair value. Changes in fair value are recognised in the consolidated SOFA.

(f) Income

All income is recognised when the Commissioners is legally entitled to the income, when it is probable the income will be received, and as soon as the amount can be quantified with reasonable accuracy.

Donations and legacies

Items donated to the Commissioners for the Lambeth Palace Library are recognised at the market value of the gift at the time of donation. Legacies are recognised as receivable once the Commissioners is notified of the gift, probate has been granted, and when the executors have established that there are sufficient assets in the estate to pay the legacy after settlement of liabilities and there are no conditions outside the control of the Commissioners that are not yet met.

Gift Aid payments from subsidiaries are recognised in the Commissioners financial statements when the Gift Aid payment is payable under Deeds of Covenant. The income is accrued in the year in which the associated profits arise in the subsidiary company with the payment being made to the Commissioners in the following financial year.

Investment income

Dividends are recognised when the Commissioners’ right to receive payment is established, which is on the ex-dividend date of the underlying holdings. All other investment income is recognised on an accruals basis.

(g) Expenditure

The SOFA has been presented on an activity basis. Costs have been distinguished between charitable activities and those incurred to raise funds. Expenditure and liabilities are recognised when a legal or constructive obligation exists to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Direct costs and grants are allocated directly to activities and are described in more detail in notes 5 and 6. Grants are recognised when a firm commitment to provide funding is made and there is evidence of a constructive obligation to the beneficiary. Support costs are apportioned to the activity to which they relate as shown in note 7. The long-term debtor and creditor balances are discounted to present value, where material. The discount rate used is based on the expected future yield on the assets that are earmarked for making these grant payments. Expenditure on raising funds includes investment management fees, performance fees, property and timberland running costs and other fees. Further details on these costs are included in note 3. Cars for use by bishops are normally obtained under four-year operating leases, the full cost of which is paid at commencement. The cost of such leases is allocated on a straight-line basis over the period of the lease. The balance of the lease payments not yet charged to expenditure is included in prepayments.

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2024

1. ACCOUNTING POLICIES continued

(h) Provisions

Provisions are recognised when: an entity has a present obligation as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably. In January 2023, the Church Commissioners published a report detailing its historic links to African Chattel Enslavement and has begun Project Spire to propose a response to these links. Additionally, the Church Commissioners intends to provide funding to support the future arrangements for Redress. However, the process of obtaining the relevant regulatory and legal approvals remains ongoing and therefore, Project Spire and Redress do not meet the accounting requirements for recognition as a provision, contingent liability or commitment. For further details on Project Spire, see the Trustee Report section A Vision for Healing, Repair and Justice.

Under the Pensions Measure 1997 the Commissioners has an obligation to meet the costs of clergy pensions for service up to 31 December 1997. Since the beneficiaries of the past service are not employees of the Church Commissioners this obligation does not fall within scope of section 28 of FRS 102 ‘Employee Benefits’ and is therefore accounted for under section 21 – ‘Provisions & Contingencies’. The liability for the pre-1998 pension obligation for Church of England clergy under the Church of England Pensions Scheme is recognised at the actuarial valuation provided by Hymans Robertson LLP. This is the best estimate of the total value of future discounted cash flows. The assumptions and methodology behind the cash flow projections are disclosed in note 16.

(i) Pensions

Pensions are described in note 17.

The Church Commissioners Superannuation Scheme is accounted for as a defined benefit scheme. The liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. Interest costs are charged to expenditure, with actuarial movements shown in other gains and losses.

The other defined benefit schemes of which the Commissioners is an employer or a ‘responsible body’ are considered to be multi-employer schemes, but the Commissioners is unable to identify its share of assets and liabilities of the schemes. Consequently, the contributions to these schemes are accounted for as if they were defined contribution schemes, where employer contributions payable in the year are charged to expenditure.

Where these other defined benefit schemes have deficit recovery contribution plans in place, the present value of these agreed payments are recognised as a liability at each balance sheet date. Amounts paid during the year are charged against this liability.

(j) Fixed assets: tangible assets

Costs incurred on acquiring, improving or adding to assets are capitalised if the cost is greater than £1,000. Repair and maintenance costs are charged to the SOFA in the period they are incurred.

Green energy generation assets are initially recognised at cost and are revalued at each balance sheet date.

Operational See House properties are recognised at their market value on 1 January 2014, being the date of transition to FRS 102. This was deemed to be their cost under the transitional provisions of FRS 102. An impairment review is carried out annually and where the recoverable amount is materially less than the historic cost, the assets are impaired to the lower value.

Depreciation is charged on a straight-line basis over the estimated useful life of the asset, calculated on the opening balance sheet value, on the following fixed assets:

Fixed asset	Estimated useful life
Buildings and improvements	50 years
Structural glazing	25 years
Internal plant and equipment	20 years
Leasehold office improvements	10 years
Audio-visual equipment and IT systems	5 years

No depreciation is charged on See Houses and their historic content due to the anticipated high residual value, which would result in an immaterial depreciation for each asset and in aggregate.

(k) Fixed assets: heritage assets

The Commissioners owns a number of assets it considers to be heritage assets, which are held on an ongoing basis for their contribution to knowledge and culture, in particular relating to the history of the wider Church of England. The Commissioners’ heritage assets have been grouped together in the following categories:

Lambeth Palace

Lambeth Palace is recognised at its deemed historic cost of £1, in line with the SORP. The Commissioners has chosen to recognise this class of heritage asset at cost. It has chosen to adopt this policy although it is believed that the market value, both at the time of acquisition and at the balance sheet date, was significantly in excess of the deemed cost, and it is not possible to obtain a reliable estimate of the market value at either date, as conventional valuation techniques are inappropriate for the unique and historical nature of the building.

Any developments or improvements to the building are capitalised at cost and depreciated over the improvements’ useful economic life. Maintenance costs are charged to the SOFA in the period they are incurred.

Historic contents of Lambeth Palace

Historic items are recognised at cost. On transition to FRS 102, the Commissioners deemed the cost of these assets to be their carrying value on 1 January 2014, based on the value attributed to them in a valuation carried out in 2007. The collection is not depreciated as the amount of depreciation is regarded as immaterial due to the high residual value, however the collection is reviewed for impairment at each accounting year-end date.

Any additional items purchased or donated since 1 January 2014 are capitalised if the cost is greater than £1,000. Maintenance costs are charged to the SOFA in the period they are incurred.

Contents of Lambeth Palace Library

The trustees consider that the vast majority of items in the Lambeth Palace Library would be difficult, if not impossible, to value. The library contains a number of historical books and records with no obvious market value and no comparable sale records to use as the basis for valuation. As a result, no value is reported for these assets in the charity’s balance sheet.

The exception is for books, manuscripts and other items purchased or donated since 1 January 2014, which are capitalised if the cost is greater than £1,000. Items in the collection that are capitalised are stated at cost but are not depreciated as the amount of depreciation is regarded as immaterial due to their anticipated high residual value. The collection is reviewed for impairment at each accounting year-end date.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

1. ACCOUNTING POLICIES continued

(k) Fixed assets: heritage assets continued

Historic contents of former See Houses

Historic items, including the Hurd Library which is on loan to the Hartlebury Castle Preservation Trust, are recognised at cost. On transition to FRS 102, the Commissioners deemed the cost of these assets to be their carrying value on 1 January 2014, based on the value attributed to them in a valuation carried out in 2007. The collection is not depreciated as the amount of depreciation is regarded as immaterial due to the high residual value, however the collection is reviewed for impairment at each accounting year-end date.

Any additional items purchased or donated since 1 January 2014 are capitalised if the cost is greater than £1,000. Maintenance costs are charged to the SOFA in the period they are incurred.

(l) Fixed assets: Non-financial instrument investments

Investment properties

All directly owned properties are in the United Kingdom. The portfolio consists of rural and strategic land, and residential and commercial properties. Rural land also includes mineral interests. Investment properties are recognised at cost upon acquisition and then recognised at fair value at each balance sheet year-end date. Changes in fair value are recognised in the SOFA. Fair value is determined through reference to each property's market value in accordance with the Appraisal & Valuation Manual issued by the Royal Institution of Chartered Surveyors ("RICS"). All properties are valued by an external valuer with recognised and relevant skills and experience. The valuation methods adopted take into account all appropriate comparable evidence and market indices. The most appropriate method of valuation is selected for each property type.

The valuers of the properties are shown below.

Rural: Savills (UK) Limited

Strategic land: Savills (UK) Limited

Commercial: Cushman & Wakefield (UK) LLP

Residential: Cushman & Wakefield (UK) LLP

Minerals: Wardell Armstrong LLP

Timberland (including biological assets)

Timberland includes land, its standing timber and other assets. Land is measured as investment property. Standing timber is measured as a biological asset. The Commissioners does not hold any timber as stock as it only sells standing timber.

Land and other assets are valued annually by an external valuer at fair value determined through reference to each property's market value in accordance with the Appraisal & Valuation Manual issued by the Royal Institution of Chartered Surveyors ("RICS").

The value of standing timber is calculated on the timber maturity profile, the species, the geographic location and other environmental considerations. Changes in fair value in the year resulting from both net growth and change in the market value of standing timber are reported in the gains and losses on investments in the SOFA.

At point of sale, the carrying value of forestry assets is valued at fair value less estimated point-of-sale costs. The revenue from the sale of standing timber is recognised as income.

UK timberland (including biological assets) was valued by Bidwells LLP. Overseas timberland was valued by local qualified valuers.

Subsidiary undertakings

The Commissioners' principal subsidiary companies are wholly owned and are held to undertake property purchase, development and management and hold certain property, unlisted securities, infrastructure and timberland investments.

The subsidiaries are recognised at their net asset values in the Commissioners' balance sheet. This is considered to represent the fair value of the subsidiary, with changes in fair value being recognised in profit or loss.

(m) Financial instruments

The Commissioners has chosen to adopt sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments which are not public benefit entity concessionary loans.

All changes in fair value and gains or losses on disposal of investment assets, including related foreign currency transactions, are shown in gains or losses in endowment capital in the SOFA.

Basic financial instruments

Cash and cash equivalents and trade and other receivables are recognised and held at transaction price. They are derecognised when the rights to the cash flows from the financial assets expire or are settled. Cash and cash equivalents includes cash at bank and cash equivalents. Cash equivalents include money market funds which are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Financial liabilities, including trade and other payables and intra-group balances, are initially recognised at transaction price. Bank loans are subsequently measured at the amortised cost, using the effective interest rate. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Bond liabilities are measured initially at the proceeds of issue less bond issue costs. The costs of issue are initially capitalised and then amortised over the length of the bond term using the effective interest method. After initial recognition the liabilities are measured at amortised cost using the effective interest method.

Current asset investments include treasury bills, gilts and supranational bonds. Movements in the value of these instruments are recognised in income under the effective interest method. Together with the cash at bank and in hand, these holdings make up the cash and near cash fund allocation, which is available for investment, short-term commitment and for distribution purposes.

Listed and unlisted securities are initially measured at fair value. Such assets are subsequently held at fair value at each balance sheet date, with changes in fair value recognised in the SOFA. Listed securities comprise of listed public equities and fixed income instruments. The fair value of these investments is determined using bid price.

Unlisted securities comprise of a) closed-end unlisted funds which are invested in private equity, private credit and venture capital assets, and b) open-end unlisted funds invested in listed securities of various types. These funds are valued by reference to the estimated net asset values or final net asset values received from the fund managers at year end.

Non-basic financial instruments

All non-basic financial instruments are measured at fair value. Any changes to fair value are recognised in the SOFA.

Value linked loans

Value linked loans are granted for the purchase of residential properties. On disposal of the property, the Commissioners is entitled to a share of the proceeds corresponding to the proportion of the original purchase price which was financed by the loan.

Value linked loans are valued annually at portfolio level taking into account indexed values of the properties, estimated future house prices growth and income flows and the anticipated dates of repayment. All value linked loans were valued by Cushman & Wakefield (UK) LLP.

Indirect property, Timberland and Infrastructure funds

Indirect property, timberland and infrastructure funds are closed-end unlisted funds where the Commissioners and its subsidiaries hold minority interests in partnerships managed by a third party investing in properties, timberland or infrastructure projects.

These funds are fair valued annually using the estimated net asset value or final asset value provided by the fund manager.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

1. ACCOUNTING POLICIES continued

(m) Financial instruments continued

Stock lending programme

The Commissioners' global custodian is authorised to enter into stock lending arrangements, whereby securities are loaned to external counterparties for a set period of time. The Commissioners receives cash collateral of greater value than the securities loaned from each counterparty for the duration of the loan period.

Interest is received on the reinvestment of the cash collateral held and is disclosed in note 2.

Where securities are loaned at the balance sheet date, the securities loaned are included in the balance sheet as the Commissioners retains the risks and rewards of ownership of the securities and also retains the contractual rights to any cash flows relating to the securities. The market value of listed investments includes stock on loan of £116.5m (2023: £180.9m).

Derivatives

The Commissioners uses foreign currency forwards and options contracts, equity derivatives, index swaps and interest rate derivatives to facilitate risk management and efficient portfolio management. The currency derivatives reduce the impact of changes in foreign currency rates in relation to investments priced in certain currencies other than sterling. The equity derivatives, index swaps and interest rate derivatives are used to manage equity market risks, hedge portfolio biases and to provide efficient implementation for certain allocation decisions. In accordance with the Commissioners' investment policy, derivatives are not entered into for trading purposes. Derivatives are also used by some external fund managers to implement their investment strategy.

Derivatives are initially recognised at their fair value, which is equivalent to any transaction price paid. Derivative contracts outstanding at the balance sheet date are stated at fair value at the balance sheet date, which is derived from exchange prices if the derivative is listed or from third-party valuations if unlisted. If the fair value of the derivative is in a gain position, the contract is shown within debtors. If the fair value of the contract is in a loss position, it is shown within creditors. Hedge accounting is not applied by the Commissioners. Realised and unrealised gains and losses arising from these contracts are charged to the endowment fund in the SOFA. Cash delivered as collateral for derivative contracts is reflected as receivables within Current Assets, Debtors. At 31 December 2024, £31.8m cash was delivered as collateral (2023: £39.6m).

(n) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling on the balance sheet date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling on the balance sheet date.

Profits and losses on sales of overseas investments are translated at the rate ruling on the date of the transaction. Unrealised gains and losses on overseas investments arising on translation are included in the net gains and losses on realisation and on revaluation in endowment capital in gains and losses on investment assets in the SOFA.

Income received in foreign currencies is converted into sterling and recorded at the rate ruling on the date of the conversion. If retained in foreign currencies, amounts are translated at the rate ruling on the date of the transaction. Subsequent gains or losses on conversion into sterling are included in gains and losses on foreign currency in the SOFA.

(o) Taxation

The Commissioners, as a registered charity, is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable purposes.

The Commissioners' subsidiary undertakings are non-charitable subsidiaries and are subject to taxation, but do not generally pay UK Corporation Tax because their policy is to pay taxable profits as Gift Aid to the Commissioners. Foreign tax incurred by subsidiaries operating overseas is charged as it is incurred.

Deferred taxation is recognised in the Commissioners' subsidiary undertakings on timing differences that have arisen between the recognition of gains and losses in the Financial Statements and recognition in the tax computation. A deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which future reversals can be deducted. Deferred taxation assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to be reversed.

In common with many other charities, the Commissioners is unable to recover the majority of Value Added Tax ("VAT") incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

(p) Related parties

The Church of England is governed by a large number of legally independent bodies in its parishes, cathedrals and dioceses as well as at national level. These bodies are not related parties. Transactions and balances with these bodies are accounted for in the same way as other transactions and, where material, are separately identified in the notes to the financial statements.

The Commissioners is related to its subsidiaries. Details are given in note 2(b). Transactions between the Commissioners and its subsidiaries are disclosed in note 21.

The Commissioners is related to Church of England Central Services (ChECS), as it is a partner in this joint venture. Details are given in note 2(c) and note 21. The Commissioners is also related to the following pension funds, administered by the Church of England Pensions Board: Church of England Funded Pensions Scheme; Church Administrators Pension Fund; and Church Workers Pension Fund. Details about the pension funds, including contributions paid, are given in notes 4, 8 and 17.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

2. INVESTMENTS

(a) Summary of movement on investments

Consolidated

	At 1 January 2024 £m	Additions £m	Sale proceeds £m	Change in market value £m	At 31 December 2024 £m	2024 investment income £m
Securities portfolio:						
Listed securities*	3,172.9	3,905.0	(3,396.2)	108.4	3,790.1	124.8
Unlisted securities	4,318.4	574.5	(629.6)	209.8	4,473.1	16.2
Total securities	7,491.3	4,479.5	(4,025.8)	318.2	8,263.2	141.0
Properties:						
Direct property	1,597.6	26.4	(107.9)	105.9	1,622.0	43.2
Indirect property	109.0	9.7	(12.0)	(10.2)	96.5	0.9
Total properties	1,706.6	36.1	(119.9)	95.7	1,718.5	44.1
Value linked loans	69.5	–	(10.3)	7.4	66.6	2.8
Timberland:						
Land	146.5	–	–	(20.8)	125.7	–
Standing timber**	256.9	5.6	(5.6)	(56.4)	200.5	7.9
Indirect timberland	66.7	0.3	–	5.5	72.5	1.3
Total timberland	470.1	5.9	(5.6)	(71.7)	398.7	9.2
Infrastructure	230.2	30.9	(36.1)	14.3	239.3	6.4
Joint venture	–	–	–	1.0	1.0	1.0
Total	9,967.7	4,552.4	(4,197.7)	364.9	10,687.3	204.5

	At 1 January 2023 £m	Additions £m	Sale proceeds £m	Change in market value £m	At 31 December 2023 £m	2023 investment income £m
Securities portfolio:						
Listed securities*	2,792.5	2,687.5	(2,619.8)	312.7	3,172.9	101.4
Unlisted securities	4,343.9	805.5	(906.4)	75.4	4,318.4	20.8
Total securities	7,136.4	3,493.0	(3,526.2)	388.1	7,491.3	122.2
Properties:						
Direct property	1,636.7	22.3	(91.6)	30.2	1,597.6	44.9
Indirect property	123.5	25.0	(7.0)	(32.5)	109.0	0.2
Total properties	1,760.2	473	(98.6)	(2.3)	1,706.6	45.1
Value linked loans	73.9	–	(8.8)	4.4	69.5	3.0
Timberland:						
Land	150.9	–	–	(4.4)	146.5	–
Standing timber**	316.1	3.0	(11.3)	(50.9)	256.9	9.5
Indirect timberland	67.4	–	–	(0.7)	66.7	3.0
Total timberland	534.4	3.0	(11.3)	(56.0)	470.1	12.5
Infrastructure	167.0	68.6	(5.6)	0.2	230.2	5.5
Total	9,671.9	3,611.9	(3,650.5)	334.4	9,967.7	188.3

* Investment income includes £26.3m (2023: £37.8m) of income relating to interest on cash and cash equivalents and current asset investments, and £0.2m (2023: £0.4m) stock lending income.

** Change in market value of standing timber mainly comprises revaluation loss of £52.6m (2023: loss of £45.4m) and a reduction of £3.7m (2023: £5.5m) due to sale of standing timber. Standing timber represents the biological assets held by the Commissioners.

Commissioners

	At 1 January 2024 £m	Additions £m	Sale proceeds £m	Change in market value £m	At 31 December 2024 £m
Securities portfolio:					
Listed securities	3,173.0	3,902.5	(3,703.3)	418.0	3,790.2
Unlisted securities	3,714.8	442.9	(814.5)	413.3	3,756.5
Total securities	6,887.8	4,345.4	(4,517.8)	831.3	7,546.7
Properties:					
Direct property	1,418.5	19.5	(157.2)	101.8	1,382.6
Indirect property	92.0	9.4	(12.0)	(7.7)	81.7
Total properties	1,510.5	28.9	(169.2)	94.1	1,464.3
Value linked loans	69.5	–	(10.3)	7.4	66.6
Timberland:					
Land	80.7	–	–	(18.2)	62.5
Standing timber*	212.4	0.9	(6.1)	(46.9)	160.3
Total timberland	293.1	0.9	(6.1)	(65.1)	222.8
Infrastructure	96.3	15.3	(16.9)	10.4	105.1
Subsidiaries	344.4	5.9	–	44.1	394.4
Joint venture	–	–	–	1.0	1.0
Total	9,201.6	4,396.4	(4,720.3)	923.2	9,800.9

	At 1 January 2023 £m	Additions £m	Sale proceeds £m	Change in market value £m	At 31 December 2023 £m
Securities portfolio:					
Listed securities	2,792.5	2,684.1	(2,615.6)	312.0	3,173.0
Unlisted securities	3,761.2	712.4	(840.3)	81.5	3,714.8
Total securities	6,553.7	3,396.5	(3,455.9)	393.5	6,887.8
Properties:					
Direct property	1,462.8	11.5	(85.8)	30.0	1,418.5
Indirect property	96.3	25.0	(7.0)	(22.3)	92.0
Total properties	1,559.1	36.5	(92.8)	7.7	1,510.5
Value linked loans	73.9	–	(8.8)	4.4	69.5
Timberland:					
Land	90.7	–	–	(10.0)	80.7
Standing timber*	244.5	1.0	–	(33.1)	212.4
Total timberland	335.2	1.0	–	(43.1)	293.1
Infrastructure	49.0	39.3	–	8.0	96.3
Subsidiaries	379.1	–	–	(34.7)	344.4
Total	8,950.0	3,473.3	(3,557.5)	335.8	9,201.6

*Change in market value mainly comprises revaluation losses of £43.5m (2023: loss of £28.8m) and a reduction of £3.4m (2023: £4.2m) due to sale of standing timber. Standing timber represents the biological assets held by the Commissioners.

The original cost of investments is not disclosed given the historic nature of many of the property investments.

FRS 102 requires investments values to be shown for the charity as well as consolidated. There is no similar requirement for income and expenditure. Unlisted securities include £0.2m (2023: £0.2m) invested in shares in the Churches' Mutual Credit Union Limited, which is a programme-related investment.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

2. INVESTMENTS continued

(a) Summary of movement on investments continued

The significance of financial instruments to the ongoing financial sustainability of the Commissioners is considered in the Investment Policy and Performance section of the Trustees' Annual Report.

Church Commissioners' Net Assets of the Investment Fund excludes Tangible assets, Heritage assets, Grants liability, Clergy pre-1998 pension obligation and defined benefit pension scheme liabilities from the Commissioners' Total Net Assets.

Commissioners' Asset Allocation within Investment Policy and Objectives of the Annual Report represents Commissioners' investment portfolio reported by investment strategy for management purposes and excludes debtor and creditor balances associated with charitable expenditures, cash used for payment of costs and distribution, and Commissioners' Bond and other tax-related liabilities.

The Commissioners has investments denominated in foreign currencies and is impacted by changes in foreign currency exchange rates. Non-sterling assets exposed to currency risk represented 65.6% (2023: 63.0%) of the investment portfolio. A currency overlay programme is used to hedge the foreign currency exposure. As at 31 December 2024, 8% (2023: 11%) of non-sterling assets were hedged to sterling. The net profit from operating the currency overlay programme was £5.3m before deducting fees of £0.8m (2023: £105.5m before deducting fees of £0.6m). Net additions and sale proceeds during the year exclude the purchase and sale of foreign currency for the purposes of conversion and currency hedging. In addition, some fund managers enter into foreign currency contracts to hedge the non-sterling assets they manage. The loss on these contracts was £1.9m (2023: loss £5.2m).

The Commissioners also holds equity derivatives, index swaps and interest rate derivatives to manage equity market risk and for efficient portfolio management. The net gain from operating this programme was £4.1m (2023: loss of £71.7m).

(b) Subsidiaries

The Commissioners' principal subsidiary companies are wholly owned and are held to undertake property purchase, development and management and to hold certain property, securities, indirect property, infrastructure and timberland investments. The Ashford Great Park Partnership, held through intermediary companies, has its principal offices at 29 Great Smith Street, London SW1P 3PS.

Registered in	Subsidiary (company number)
England and Wales	CC Trading Ltd (2080054), CC Lincoln Ltd (3687102), CC Projects (*) (1765782), Cedarvale (*) (2220037), CC Licensing (*) (2245961), Quivercourt (*) (1807330), and Weston Tree Ltd (7859221).
US (Delaware)	Cherry Tree Timber LLC (W-115255), Arbol Tree (5423402), Manty Tree LLC (7553982)
Australia	Jahr Tree Co Pty Ltd (600392667)

* Unlimited companies.

Summary results for the material subsidiaries are shown below. Subsidiaries are material if there is a significant net funds total or if it is expected that revenue or expenditure may be significant.

The Commissioners also owns 80% interests in Lone Rock Timber Investments MBD-Landco Limited Partnership and Lone Rock Timber Investments MBD-Logco Limited Partnership, both of which are registered in the US. These entities are joint ventures, however the Commissioners holds them as part of its investment portfolio and so they are held at fair value through profit or loss in the financial statements.

	CC Licensing		CC Projects		CC Trading Ltd		Cedarvale		Quivercourt	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Revenue	39.7	44.3	21.4	5.6	1.1	1.0	–	–	–	–
Expenditure*	(20.2)	(37.5)	(17.2)	(12.0)	(0.2)	(1.3)	0.3	(3.0)	(3.2)	(11.3)
Profit/(loss)	19.5	6.8	4.2	(6.4)	0.9	(0.3)	0.3	(3.0)	(3.2)	(11.3)
Assets	922.9	803.7	171.8	105.6	74	6.4	36.5	36.2	14.8	17.0
Liabilities	(671.9)	(572.3)	(128.2)	(66.1)	(0.2)	–	–	–	(11.1)	(11.8)
Net funds	251.0	231.4	43.6	39.5	72	6.4	36.5	36.2	3.7	5.2

* Includes Gift Aid payments to the Commissioners.

(c) Joint ventures

Church of England Central Services (ChECS) is a charitable company limited by guarantee and is a joint venture between the Commissioners, the Archbishops' Council and the Church of England Pensions Board, who are equal partners. The purpose of ChECS is to enhance the efficiency and effectiveness of the charitable national and diocesan institutions of the Church of England and of other charities with a church ethos, by facilitating the provision of cost-effective shared financial, legal and other services. The Commissioners' share of net assets of ChECS was £1.0m (2023: £nil). On 1 January 2024, ChECS became a sole member of Parish Giving Scheme (PGS). As a result, the net surplus has been apportioned equally amongst the joint partners of ChECS making the share of net assets greater than nil for the first time. As at 31 December 2024, other than the amounts disclosed in debtors in note 13, £nil was owed by the Commissioners to ChECS (2023: £nil).

The Commissioners has no associated undertakings.

(d) Future commitments

The Commissioners has outstanding commitments to invest in private equity, private credit, venture capital, indirect property and infrastructure funds totalling £1,228m as at 31 December 2024 (see table below). The drawdown and cashflow impact of these commitments will be over several years and is dependent on the fund managers acquiring underlying assets during the investment periods of the funds. The commitments are offset against distributions received from funds and other cashflows and are managed within the total liquidity requirements of the Commissioners' fund.

	Consolidated		Commissioners	
	2024 £m	2023 £m	2024 £m	2023 £m
Securities portfolio	1,046.7	1,175.6	633.2	770.7
Indirect property	47.4	51.9	45.6	49.9
Infrastructure	133.8	81.8	77.4	47.5
Total capital commitments	1,227.9	1,309.3	756.2	868.1

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

3. EXPENDITURE ON RAISING FUNDS

	Direct costs £m	Internal management costs £m	Support costs (note 7) £m	2024 Total £m	Direct costs £m	Internal management costs £m	Support costs (note 7) £m	2023 Total £m
Securities	25.1	16.2	5.5	46.8	33.7	13.8	4.5	52.0
Properties	20.1	4.5	1.1	25.7	21.1	4.2	0.9	26.2
Indirect property	0.3	0.3	0.1	0.7	–	0.3	0.1	0.4
Value linked loans	–	0.2	–	0.2	0.1	0.2	–	0.3
Timberland	5.3	1.1	0.3	6.7	6.9	0.6	0.1	7.6
Infrastructure	–	0.3	0.2	0.5	–	0.5	0.3	0.8
Total investment management costs	50.8	22.6	7.2	80.6	61.8	19.6	5.9	87.3
Bond interest costs	19.5	–	–	19.5	19.6	–	–	19.6
Costs of managing events at Lambeth Palace	0.2	–	–	0.2	0.4	–	–	0.4
Total cost of raising funds	70.5	22.6	7.2	100.3	81.8	19.6	5.9	107.3

Direct costs include investment management fees, performance fees, property and timberland running costs and other fees.

Internal management costs include costs of employing in-house investment managers, operational support staff costs and associated department running costs.

Detail of support costs, including the methodology for allocating costs between activities, is shown in note 7 where the method of allocating these costs is described.

Bond interest costs reflect semi-annual interest accrued on the Sustainability Bonds due 2032 at 3.250% and on the Conventional Bonds due 2052 at 3.625%.

Costs of managing events at Lambeth Palace comprises expenditure incurred by Palace Public Occasions Limited, a subsidiary of the Commissioners, which provides conferences and other events at Lambeth Palace.

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant funding (note 5) £m	Direct funding (note 6) £m	Support costs (note 7) £m	2024 Total £m	Grant funding (note 5) £m	Direct funding (note 6) £m	Support costs (note 7) £m	2023 Total £m
Supporting dioceses and the local church	198.2	2.6	1.2	202.0	150.0	1.8	1.0	152.8
Bishops' and Archbishops' ministry	23.7	28.1	3.5	55.3	20.8	23.2	3.0	47.0
Cathedrals' ministry	13.9	0.4	0.4	14.7	13.5	0.4	0.2	14.1
Other activities	5.4	4.3	1.5	11.2	4.7	3.1	1.3	9.1
Total charitable expenditure excluding clergy pensions obligation	241.2	35.4	6.6	283.2	189.0	28.5	5.5	223.0
Pre-1998 clergy pensions	–	(13.5)	0.2	(13.3)	–	163.9	0.2	164.1
Total costs of charitable activities	241.2	21.9	6.8	269.9	189.0	192.4	5.7	387.1

Supporting dioceses and the local church

The Commissioners supports dioceses and the local church through providing grants to the Archbishops' Council. A breakdown of grant-making activity can be found in note 5. The individual grant streams in this category are explained below:

- ✳ **Strategic Development Funding** is for new growth opportunities which aim to support major change projects which fit with dioceses' strategic plans.
- ✳ **Lowest Income Communities Funding and Transition Funding** are to provide funding for mission in communities with the lowest incomes.
- ✳ **Strategic Transformation Funding** is for those dioceses wishing to undertake major restructuring programmes in order to better align with their strategic plans and make a significant difference to their mission and financial strength, in turn supporting the Church's sustainable growth.
- ✳ **Strategic Ministry Funding** provides financial support for growth in the number of clergy, including support for pensions and housing, in a tailored manner so that it is proportionately higher for those dioceses that need it most.
- ✳ **Additional Ordinands Funding** is intended to meet costs of training the incremental increase in ordinands, supporting dioceses to deliver the Church-wide goal of providing for future ordained ministry through increasing the number of ordinands by 50%.
- ✳ **National Giving Strategy** funding is provided to support a five-year strategy to encourage giving and generosity in churches. This includes grants to dioceses to help them implement this strategy.
- ✳ **Innovation Funding** is available for creative mission projects which seek to help the Church fully represent the communities we serve in age and diversity.
- ✳ **Funding for Posts of First Responsibility** is given to dioceses to support them in funding posts of first responsibility to enable finishing curates to move into roles of incumbent status.
- ✳ **People & Partnerships Funding** supplements the direct investment provided to dioceses by funding the pipelines of people (lay and ordained), the capacity and research which will be needed to deliver the Church of England Vision and Strategy across the whole country.
- ✳ **Funding for National services and support** provided by the Council enables the Council to undertake its work in a range of areas including Ministry, Faith & Public Life, Digital Communications, etc.
- ✳ **Safeguarding** funding provides financial support for the core work of the National Safeguarding team and the Safeguarding Programme, through which a range of improvement initiatives are being implemented in response to the Independent Inquiry into Child Sexual Abuse (IICSA).
- ✳ **The Church's Housing Assistance for the Retired Ministry (CHARM) Grant** provides grants to subsidise the scheme, which is administered by the Church of England Pensions Board to provide housing for those retiring from stipendiary ordained and lay ministry.
- ✳ **Diocesan Investment Programme** is to fund local plans via dioceses to build and grow the Church in accordance with the Vision and Strategy for the 2020s.
- ✳ **Racial Justice** funding is grant money offered to dioceses and other institutions to make targeted interventions in the area of racial justice.
- ✳ **Net Zero Carbon Programme** grant funding is available for dioceses to help them develop and initiate a net zero carbon action plan, along with other funding available for projects in schools, housing and cathedrals to support and enable the Church to reach its goal of net zero carbon by 2030.
- ✳ **Disability** funding is available for dioceses and other institutions to undertake work to widen access to the Church community, and positions of leadership, for those with disabilities.
- ✳ **Core Technology** grant is a capital investment primarily related to replacing the NCIs' Finance system which goes out of support at the end of 2025.
- ✳ **Buildings for Mission** funding is available to dioceses for urgent repair or improvement work to their churches, up to the value of £10,000 (or £12,000 for unlisted buildings).

Bishops' and Archbishops' ministry

The Commissioners is responsible for stipends, providing housing and office space for the diocesan bishops and archbishops and for the maintenance of those buildings including Lambeth Palace. It provides diocesan bishops and archbishops with an annual block grant to cover their stipend and working costs and that of their suffragan bishops. Pension contributions are paid from this grant to the Church of England Funded Pensions Scheme for bishops and their chaplains, and the Church Administrators Pension Fund for bishops' support staff (see note 17).

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

4. EXPENDITURE ON CHARITABLE ACTIVITIES continued

Cathedrals' ministry

The Cathedrals Measure 1999 enables the Commissioners to make grants to cathedrals: section 28/1 and 28/3 grants are made towards the stipend and other costs of a dean and two residentiary canons of each cathedral; section 28/4 grants are made towards the stipend of any other clerk or salary of any lay person employed in connection with the cathedral; and section 28/6 grants are made towards the repair of any chancel, other than that of the cathedral, which the cathedral is liable to repair.

Cathedrals Sustainability Funding enables the Commissioners to give discretionary section 28/4 grants to cathedrals to provide seed funding for projects aiming to help them become more financially sustainable.

Pre-1998 clergy pensions

The Commissioners meets the costs of clergy pensions for service up to 31 December 1997. This amount is the movement in the provision for clergy pensions until 31 December 1997 in the year to 31 December 2024 (including associated administration costs). The cash paid under the pre-1998 scheme was £124.1m (2023: £120.6m). Further details are provided in note 6 and note 16.

Other activities

The Commissioners has a legal and advisory role in the reorganisation of parishes, sales and other transactions relating to clergy housing and glebe land and settling the future of church buildings that have been closed for public worship. The Commissioners also contributes to its share of the liability for chancel repairs arising from its former and current ownership of rectorial property.

The Commissioners provides a grant to the Churches Conservation Trust to support its work in preserving church buildings closed for regular worship which are of historic and archaeological interest and architectural quality. During the year, the Commissioners paid the statutory grant to the Churches Conservation Trust of £1.6m (2023: £2.0m). The Commissioners also applied income of £0.4m (2023: £0.8m) from its share of proceeds on the sale of closed churches to these grants. Therefore, net expenditure on the annual grant to the Churches Conservation Trust was £1.2m (2023: £1.2m).

The Church Commissioners is responsible for running the national payroll for most serving and retired clergy on behalf of dioceses, cathedrals and other Church bodies. This is a statutory responsibility of the Commissioners and one of its charitable objectives, with the cost of providing this service paid for by the Commissioners and not passed on to the Church bodies.

The Social Investment Programme aims to advance the missional objectives of the Church by mobilising capital in an innovative and inclusive way (impact investment) to tackle deep-rooted social challenges.

5. GRANT MAKING

All grants are made to institutions.

	2024 £m	2023 £m
Supporting dioceses and the local church		
Grants to the Archbishops' Council for:		
Strategic Development Funding	0.7	3.5
Lowest Income Communities Funding	30.3	29.3
Church's Housing Assistance for the Retired Ministry Grant	19.7	8.0
Diocesan Investment Programme	97.3	60.8
Racial Justice	6.1	5.8
Net Zero Grants	7.8	6.4
Parish Giving Scheme	3.0	0.6
Disability Grants	0.4	0.1
Core Technology	2.5	1.5
Building for Mission	0.4	9.2
Transition Funding	2.7	4.2
Strategic Transformation Funding	3.8	(0.1)
Strategic Ministry Funding	(1.0)	(0.1)
Additional Ordinands Funding	0.6	0.8
National Giving Strategy	0.9	1.1
Innovation Funding	0.3	0.2
Posts of First Responsibility	–	1.4
People and Partnerships Funding	7.1	1.8
National services and support provided by the Council	13.5	10.3
Safeguarding	7.0	5.4
Discounting adjustment (see note 15)	(4.9)	(0.2)
Total grants to support dioceses and the local church	198.2	150.0
Bishops' and Archbishops' ministry		
114 (2023: 114) grants to bishops in 42 (2023: 42) dioceses	24.9	22.2
Return of unspent grants from bishops	(1.2)	(1.4)
Total grants for Bishops' and Archbishops' ministry	23.7	20.8
Cathedrals' ministry		
45 (2023: 74) grants to 28 (2023: 36) cathedrals – Cathedral Sustainability Fund	3.2	3.1
91 (2023: 83) grants to 42 (2023: 42) cathedrals – other grants	10.7	10.4
Discounting adjustment (see note 15)	–	–
Total grants to pay for Cathedrals' ministry	13.9	13.5
Other activities		
Statutory grant to Churches Conservation Trust	4.2	2.0
Social Impact Investment Funding	1.6	2.7
Discounting adjustment (see note 15)	(0.4)	–
Total grants for other activities	5.4	4.7
Total grant funding	241.2	189.0

Long-term grant funding, where material, is discounted to reflect the net present value of future payments. The discount rate used varies based on the time until the grant award is due to be paid.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

6. DIRECT FUNDING

	2024 £m	2023 £m
Supporting dioceses and the local church		
Cathedrals and Church Buildings team	2.6	1.8
Total supporting dioceses and the local church	2.6	1.8
Bishops' and Archbishops' ministry		
Bishops' and Archbishops' housing and office premises	5.7	5.8
Archbishops' office and working costs and stipends	8.4	7.6
Archbishops' advisers	0.7	0.5
Other national costs	1.3	2.0
Direct costs of administering Bishops' and Archbishops' ministry	0.4	0.4
Lambeth Palace major refurbishment	8.0	3.7
Lambeth Palace Library depreciation	0.9	0.9
Lambeth Palace Library running costs	2.6	2.3
Lambeth Palace Library project costs	0.1	–
Total Bishops' and Archbishops' ministry costs	28.1	23.2
Cathedrals' ministry		
Direct costs of administering cathedrals' ministry	0.4	0.4
Total Cathedrals' ministry	0.4	0.4
Pre-1998 clergy pensions		
Payments made to clergy	124.1	120.6
Actuarial adjustments	(139.6)	41.9
Other pre-1998 clergy pensions expenditure	2.0	1.4
Total clergy pension obligation	(13.5)	163.9
Other activities		
National payroll for clergy	0.7	1.1
Chancel repair liability	1.3	0.4
Managing pastoral reorganisations and closed church buildings	2.3	1.6
Total other activities	4.3	3.1
Total direct costs	21.9	192.4

7. SUPPORT COSTS

	Raising funds (note 3) £m	Charitable activities (note 4) £m	2024 Total £m	Raising funds (note 3) £m	Charitable activities (note 4) £m	2023 Total £m
Shared services	3.6	3.3	6.9	2.7	2.3	5.0
Accommodation costs	0.4	0.2	0.6	0.3	0.3	0.6
Governance costs	1.4	1.3	2.7	1.0	1.1	2.1
Total support costs before staff pension costs	5.4	4.8	10.2	4.0	3.7	7.7
Staff pension costs (note 17):						
Interest on staff pension scheme liabilities	1.8	1.8	3.6	1.9	2.0	3.9
Total support costs	7.2	6.6	13.8	5.9	5.7	11.6

Overheads are apportioned according to an activity-based time allocation to different functions. Shared services include the Commissioners' share of the costs incurred by Church of England Central Services (ChECS). Accommodation costs include rent and service charges payable on the office space used by the Commissioners. Governance costs comprise staff and non-staff costs relating to the general running of the Commissioners including supporting the work of its Board and committees and audit costs paid to Grant Thornton UK LLP.

Allocation of costs

Most of the Commissioners' expenditure can be directly attributed to its various activities, however some costs are not directly attributable and need to be apportioned across the Commissioners' investment and charitable activities.

Support costs are allocated to either charitable activities or raising funds based on the most appropriate apportionment method. Costs are also allocated to specific charitable activities or investment types using the same methodology. Apportionment methods used are based on the estimated time that is spent on each activity, headcount, or direct expenditure incurred.

Fees paid to Grant Thornton UK LLP, excluding VAT, are shown in the table below:

	2024 £000	2023 £000
Audit of Church Commissioners:		
Current year	300	263
Audit of subsidiary undertakings	50	44
Total audit fees	350	307
Non-audit fees	–	–
Total fees paid to Grant Thornton UK LLP	350	307

Audit fees include fees of £nil related to a bill for total return swaps (TRS) valuation review (2023: £5,000).

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

8. STAFF NUMBERS AND REMUNERATION

The Secretary and staff employed to manage the Commissioners' investment assets and other functions are employed directly by the Commissioners.

In addition to staff employed directly, the work of the Commissioners is supported by staff in shared service departments provided by Church of England Central Services (ChECS) which provides finance, HR, technology, communications, legal, internal audit and other services to the NCIs. The costs of all ChECS staff are shown in aggregate in the tables below – the Commissioners' share of which was £4,657,000 (2023: £4,455,000).

The cost of staff for which the Commissioners is the managing employer and for ChECS (in aggregate) was:

	Commissioners' own staff				ChECS	
	Asset management		Church functions and secretariat		Shared services	
	2024 Number	2023 Number	2024 Number	2023 Number	2024 Number	2023 Number
Average number employed	87	76	97	90	211	178
	£m	£m	£m	£m	£m	£m
Salaries	13.4	11.7	5.2	4.1	11.0	9.1
National Insurance costs	1.1	1.0	0.6	0.4	1.3	1.0
Pension contributions	1.1	0.9	0.7	0.6	1.5	1.3
Total cost of staff	15.6	13.6	6.5	5.1	13.8	11.4

Salaries of the Commissioners' own staff include £150,000 (2023: £13,000) paid by way of termination costs to four fixed-term persons (2023: three persons) due to redundancy of their posts following a restructure.

Average staff numbers employed in Church functions and the secretariat increased by 7 (2023: 2) and asset management increased by 9 (2023: 14).

Asset management and national Church functions

The cost of the management of the Commissioners' assets is included in internal management costs (note 3) and the cost of the administration of national Church functions is included in the direct costs of those activities (note 5). Secretariat costs are included in support costs (note 7).

Staff emoluments

The numbers of staff whose employee benefits for the year fell in the following bands:

	Commissioners' own staff				ChECS	
	Asset management		Church functions and secretariat		Shared services	
	2024 Number	2023 Number	2024 Number	2023 Number	2024 Number	2023 Number
£60,001 to £70,000	6	8	6	7	19	15
£70,001 to £80,000	9	8	3	–	14	9
£80,001 to £90,000	12	6	–	4	4	8
£90,001 to £100,000	5	3	4	3	7	1
£100,001 to £110,000	2	7	1	–	3	4
£110,001 to £120,000	8	2	1	–	5	2
£120,001 to £130,000	5	3	–	–	1	–
£130,001 to £140,000	3	1	–	–	1	1
£140,001 to £150,000	1	2	–	–	1	1
£150,001 to £160,000	3	1	–	–	1	–
£160,001 to £170,000	1	1	–	–	–	–
£170,001 to £180,000	3	2	–	–	–	–
£180,001 to £190,000	–	1*	1	1**	–	–
£190,001 to £200,000	2	2***	–	–	–	–
£200,001 to £210,000	2*	–	–	–	–	–
£210,001 to £220,000	3*	–	1**	–	–	–
£220,001 to £230,000	1*	2*	–	–	–	–
£250,001 to £260,000	1*	–	–	–	–	–
£260,001 to £270,000	1*	1*	–	–	–	–
£280,001 to £290,000	–	1*	–	–	–	–
£290,001 to £300,000	2*	–	–	–	–	–
£300,001 to £310,000	1*	1*	–	–	–	–
£360,001 to £370,000	–	2***	–	–	–	–
£380,001 to £390,000	–	1*	–	–	–	–
£400,001 to £410,000	1*	–	–	–	–	–
£450,001 to £460,000	1*	–	–	–	–	–
£500,001 to £510,000	1*	–	–	–	–	–
£510,001 to £520,000	1*	–	–	–	–	–
£570,001 to £580,000	–	1*	–	–	–	–
£630,001 to £640,000	–	1*	–	–	–	–
£660,001 to £670,000	1*	–	–	–	–	–

* Including deferred incentive.

** Secretary to the Church Commissioners (Chief Executive).

*** One employee includes deferred incentive.

Employee benefits include gross salaries, incentive payments and termination payments but do not include employer pension contributions.

Of those staff managed directly by the Commissioners, 84 (2023: 66) accrue benefits under a defined contribution scheme for which contributions for the year were £1,115,000 (2023: £1,115,000). The remaining 7 (2023: 6) staff accrue benefits under a defined benefit scheme. Of those managed by ChECS, 49 (2023: 37) accrue benefits under a defined contribution scheme for which contributions for the year were £509,000 (2023: £428,000). The remaining 5 (2023: 4) staff accrue benefits under a defined benefit scheme.

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2024

8. STAFF NUMBERS AND REMUNERATION continued

Staff emoluments continued

The highest paid member of staff was the Managing Director of Investment Strategy who earned £371,000 and a total incentive (including deferred incentive) of £291,000 based on the long-term performance of the fund. In 2023, the highest paid member of staff was the Chief Investment Officer who earned £333,000 and a total incentive (including deferred incentive) of £305,000 based on the long-term performance of the fund. Including the Chief Operating Officer, 16 (2023: 11) members of staff received deferred incentives in the year totalling £1,822,000 (2023: £1,413,000). Further details of the Commissioners’ remuneration policy are included in the Governance Section of the Board’s report on page 61.

The Commissioners’ senior executive leadership team comprises eight posts, seven of whom are employed directly by the Commissioners and one by ChECS. Their aggregate remuneration, including incentives, National Insurance and pension contributions, is £1,764,000 (2023: £2,089,000).

Pensions

The Commissioners is obliged to pay pension benefits to staff, former First and Third Church Estates Commissioners, bishops’ staff and staff of the Church of England Pensions Board who accrued years of pensionable service until 31 December 1999 as members of the Church Commissioners Superannuation Scheme (“CCSS”).

Pension benefits earned on or after 1 January 2000 are provided by the Church Administrators Pension Fund (“CAPF”) or through Church Workers Pension Fund – Pension Builder 2014 (CWPF-PB14), administered by the Church of England Pensions Board. The CAPF defined benefit and defined contribution schemes were established for employees commencing service after 30 June 2006. From 1 April 2019, defined contribution pension arrangements for some staff transferred from the CAPF to a separate pension arrangement on the same terms. The CWPF-PB14 scheme has been the default scheme for new employees who joined ChECS in 2024. It has been operating since February 2014 and is classified as a cash balance scheme both in respect of tax and pensions legislation. The Pensions Board publishes the Scheme’s financial statements and is its custodian trustee. Pensions are described in more detail in note 17.

9. TRUSTEES’ EMOLUMENTS AND EXPENSES

The First and Third Church Estates Commissioners are paid a salary in accordance with the Ecclesiastical Commissioners Act 1850, as amended by the Ecclesiastical Commissioners (Powers) Measure 1938. Other trustees have no entitlement to a salary or pension in their capacity as trustees.

	2024 £000	2023 £000
First Church Estates Commissioner		
Salary	126	126
National Insurance costs	16	16
Pension	19	19
Third Church Estates Commissioner		
Salary	73	84
National Insurance costs	9	10
Pension	4	4
Total Church Estates Commissioners’ costs	247	259

Pensions paid to former First and Third Church Estates Commissioners of £30,000 (2023: £30,000) were charged to the staff pension provision.

The Commissioners meets the expenses incurred by the trustees in carrying out their duties. During the year, 19 (2023: 17) trustees claimed expenses or had their expenses met by the charity totalling £27,861 (2023: £20,147) in respect of travel and subsistence. The Commissioners meets the expenses of Committee members in carrying out their duties. During the year, 10 (2023: 7) Committee members claimed expenses or had their expenses met by the charity totalling £4,505 (2023: £3,728) in respect of their travel and subsistence.

10. TAXATION

	Overseas (including Australian) Withholding Tax £m	2024 £m	Overseas (including Australian) Withholding Tax £m	2023 £m
Consolidated				
Current tax	(3.1)	(3.1)	(1.9)	(1.9)
Deferred tax	4.8	4.8	1.0	1.0
Total taxation charge	1.7	1.7	(0.9)	(0.9)
Commissioners				
Current tax	(1.9)	(1.9)	0.2	0.2
Deferred tax	3.2	3.2	0.7	0.7
Total taxation charge	1.3	1.3	0.9	0.9

The Church Commissioners is a registered charity. As such, under UK tax law, it is exempt from Corporation Tax on all its Investment Income and Chargeable Gains. The UK resident subsidiaries of the Church Commissioners are, prima facie, subject to Corporation Tax on their income. However, all these subsidiaries have Deeds of Covenants to distribute all taxable profits to the Church Commissioners. As such distributions are tax deductible, no tax liability arises in the subsidiaries.

The Group (including its subsidiaries) is within the scope of Pillar Two legislation, which will be relevant to the Group for the period ended 31 December 2024. However, based on the ultimate parent being a non-profit organisation, and its subsidiaries meeting the conditions for excluded entity status under s.127 of the Finance (No.2) Act 2023 or having nil returns, the Group does not anticipate paying any Pillar Two top-up tax. This assessment is based on the current understanding of the legislation and is subject to any changes in interpretation or future amendments to the rules.

11. TANGIBLE ASSETS

Consolidated

	Freehold buildings £m	Green energy generation £m	IT systems £m	Leasehold improvements £m	Operational properties and contents £m	Total £m
Cost or valuation						
Balance at 1 January 2024	39.6	0.7	1.9	2.1	95.7	140.0
Additions	6.6	–	–	–	–	6.6
Transfers/disposal	–	–	–	–	–	–
Balance at 31 December 2024	46.2	0.7	1.9	2.1	95.7	146.6
Accumulated depreciation						
Balance at 1 January 2024	(2.7)	(0.1)	(1.9)	(2.1)	–	(6.8)
Charge for the year	(0.9)	–	–	–	–	(0.9)
Balance at 31 December 2024	(3.6)	(0.1)	(1.9)	(2.1)	–	(7.7)
Net book value						
Balance at 1 January 2024	36.9	0.6	–	–	95.7	133.2
Balance at 31 December 2024	42.6	0.6	–	–	95.7	138.9

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2024

11. TANGIBLE ASSETS continued
Commissioners

	Freehold buildings £m	IT systems £m	Leasehold improvements £m	Operational properties and contents £m	Total £m
Cost or valuation					
Balance at 1 January 2024	39.6	1.9	2.1	95.7	139.3
Additions	6.6	–	–	–	6.6
Transfers/disposal	–	–	–	–	–
Balance at 31 December 2024	46.2	1.9	2.1	95.7	145.9
Accumulated depreciation					
Balance at 1 January 2024	(2.7)	(1.9)	(2.1)	–	(6.7)
Charge for the year	(0.9)	–	–	–	(0.9)
Balance at 31 December 2024	(3.6)	(1.9)	(2.1)	–	(7.6)
Net book value					
Balance at 1 January 2024	36.9	–	–	95.7	132.6
Balance at 31 December 2024	42.6	–	–	95.7	138.3

The original cost of tangible fixed assets is not disclosed given the historic nature of many of the assets owned.

The deemed cost of operational properties was the valuation of See Houses at the FRS 102 transition date. This valuation was carried out by Knight Frank LLP as at 31 December 2013. Operational properties also includes the contents of See Houses, which were valued by Gurr Johns as at 31 December 2007.

Freehold buildings do not include heritage assets. Lambeth Palace is a heritage asset and shown in note 12 to the accounts. The freehold buildings additions in the year of £6.6m (2023: £9.1m) represents the capitalised cost of the ongoing Lambeth Palace Refurbishment Project which is a ‘once in a generation’ major refurbishment programme at Lambeth Palace. No depreciation was charged in the year or the prior year. Depreciation will be charged when the project is completed.

All tangible fixed assets are in the United Kingdom.

12. HERITAGE ASSETS
Analysis of heritage assets

	Lambeth Palace £m	Contents of Lambeth Palace Library £m	Historic contents of Lambeth Palace £m	Historic contents of former See Houses £m	Total £m
Balance at 1 January 2024	–	0.4	1.0	2.2	3.6
Additions	–	–	–	–	–
Balance at 31 December 2024	–	0.4	1.0	2.2	3.6

Lambeth Palace
Lambeth Palace has been the historic London residence of the Archbishops of Canterbury since the 13th Century. It was acquired by the Commissioners as a result of an Order in Council given in 1946 in accordance with the Episcopal Endowments and Stipends Measure 1943 and was transferred to the Commissioners at its original deemed cost. At the time of acquisition, the Commissioners’ best estimate of the historic deemed cost was £1. Any developments or improvements to the building are capitalised at cost within tangible fixed assets (note 11) and depreciated over the improvements’ useful economic life. Whilst the building continues to have operational use, being used as the Archbishop’s London residence and including a team of staff employed to support him in his work, it continues to be maintained by the Commissioners as a result of its significant historical and cultural importance as an important exhibit

to the public of the history of the work of the Archbishops of Canterbury and the Church of England. The grounds of Lambeth Palace are also home to the Lambeth Palace Library. The Commissioners is responsible for the ongoing upkeep and maintenance of the building. Maintenance costs are charged to the SOFA in the period they are incurred.

Contents of Lambeth Palace Library
Lambeth Palace Library was founded in 1610 when Archbishop Richard Bancroft bequeathed to his successors as Archbishops of Canterbury his extensive collection of books and manuscripts. Ownership of the building and contents became vested in the Ecclesiastical Commissioners in 1946 and passed subsequently to the Commissioners. Responsibility for the maintenance of Lambeth Palace Library lies with the Commissioners. The collections of Lambeth Palace Library were designated by the Museums, Libraries and Archives Council in 2005 as outstanding in their national and international importance. The Library exists to preserve this unique heritage of the Church and the nation and to make it freely available for all to study and enjoy.

Historic contents of Lambeth Palace
Included within heritage assets are the historical contents of Lambeth Palace. These items are held primarily for their historical and artistic value. The contents’ fair value has been calculated based on the market value last calculated at 31 December 2007. The Commissioners has performed a review of the historic contents of Lambeth Palace, which includes works of art, and is satisfied that there is no material difference between the fair value as at 31 December 2024 and the full professional valuation obtained on 31 December 2007.

Historic contents of former See Houses
Included within heritage assets are the historical contents of former See Houses that are on loan to various bodies. This includes the Hurd Library and other heirlooms at Hartlebury Castle and various objects at Fulham Palace. These items are held primarily for their historical and artistic value.

The contents’ fair value has been calculated based on the market value last calculated as at 31 December 2007. The Commissioners has performed a review of the historic contents, which includes works of art, and is satisfied that there is no material difference between the fair value at 31 December 2024 and the full professional valuation obtained on 31 December 2007. There have been no additions since 2017.

13. DEBTORS

	Consolidated		Commissioners	
	2024 £m	2023 £m	2024 £m	2023 £m
Trade debtors	13.2	10.8	4.9	4.7
Subsidiary undertakings	–	–	914.9	756.7
Joint venture (ChECS)	1.6	2.7	1.6	2.7
Dioceses (Clergy Stipends and Diocesan Debtors Accounts)	–	0.1	–	0.1
Loans	1.4	1.3	1.4	1.3
Other debtors	3.6	3.7	3.5	3.6
Prepayments	3.9	2.7	3.1	2.4
Taxation and National Insurance contributions	–	–	–	–
Accrued income	9.5	11.0	9.2	43.1
Outstanding investment trades	149.5	154.2	149.5	154.2
Derivative open contracts	17.3	23.3	17.3	23.3
Total debtors	200.0	209.8	1,105.4	992.1

Balances with subsidiaries are included in note 21.

Loans are interest bearing and consist of mortgages and loans to Church bodies, cathedrals and staff, and car loans to clergy.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

13. DEBTORS continued

Derivative open contracts are used for risk management and efficient portfolio management purposes. The value above represents those derivative contracts that have a positive value as at 31 December. There are also derivatives which have a negative value disclosed in creditors within note 14. The total gains or losses on derivatives for the year is shown on the Statement of Financial Activities, which when used for hedging purposes are offset by movements in the fair value of the investment portfolio. For further details on foreign currency hedging, see note 2(a).

14. CREDITORS FALLING DUE WITHIN ONE YEAR

	Consolidated		Commissioners	
	2024 £m	2023 £m	2024 £m	2023 £m
Trade creditors	10.3	7.8	10.1	7.6
Subsidiary undertakings	–	–	25.7	23.9
Dioceses and other Church bodies	9.5	7.9	9.5	7.9
Other creditors	5.8	5.6	5.5	5.0
Taxation and National Insurance contributions	–	9.4	(6.8)	4.2
Accruals and deferred income	30.1	31.7	22.9	24.4
Grants payable	127.9	85.7	127.9	85.7
Outstanding investment trades	37.2	24.1	37.2	24.1
Derivative open contracts	38.5	41.1	38.5	41.1
Total creditors: amounts falling due within one year	259.3	213.3	270.5	223.9

Derivative open contracts are used for risk management and efficient portfolio management purposes. The value above represents those derivative contracts that have a negative value as at 31 December. There are also derivatives which have a positive value disclosed in debtors within note 13. The total gains or losses on derivatives for the year is shown on the Statement of Financial Activities, which when used for hedging purposes are offset by movements in the fair value of the investment portfolio. For further details on foreign currency hedging, see note 2(a).

Unrealised gains on derivative financial instruments are described in note 2.

15. CREDITORS FALLING DUE AFTER ONE YEAR

	Consolidated		Commissioners	
	2024 £m	2023 £m	2024 £m	2023 £m
Grants payable	143.9	117.4	143.9	117.4
Discounting adjustment	(16.8)	(11.4)	(16.8)	(11.4)
Total grants payable	127.1	106.0	127.1	106.0
3.250% Sustainability Bonds due 2032	250.0	250.0	250.0	250.0
3.250% Sustainability Bonds – Bond issue costs	(1.0)	(1.1)	(1.0)	(1.1)
3.250% Sustainability Bonds – discount on issuance	(0.6)	(0.7)	(0.6)	(0.7)
3.625% Bonds (2052)	300.0	300.0	300.0	300.0
3.625% Bonds (2052) – Bond issue costs	(1.5)	(1.6)	(1.5)	(1.6)
3.625% Bonds (2052) – discount on issuance	(4.8)	(4.9)	(4.8)	(4.9)
Total Bond liabilities	542.1	541.7	542.1	541.7
Total creditors: amounts falling due after one year	669.2	647.7	669.2	647.7

Grants payable

Grant making creditors can be analysed as follows:

	Consolidated and Commissioners	
	2024 £m	2023 £m
As at 1 January	191.7	155.2
Changes in liability due to:		
New grant commitments in the year	247.7	190.6
Return of unspent grants	(1.2)	(1.4)
Grant payments in the year	(177.6)	(152.5)
Changes in discounting adjustment	(5.6)	(0.2)
As at 31 December	255.0	191.7
Grants payable falling due within one year	127.9	85.7
Grants payable falling due after one year	127.1	106.0
As at 31 December	255.0	191.7

For grants payable due in more than one year, the grant funding is expected to be settled in the following periods, though the drawdown of grants is dependent on the timing of expenditure incurred and claims made by the grant recipient:

Grant stream	2026 £m	2027 £m	2028 £m	2029 £m	2030 and beyond £m	Total £m
Strategic Development Funding	13.2	6.4	0.1	–	–	19.7
Strategic Ministry Funding	0.1	–	–	–	–	0.1
Strategic Transformation Funding	5.6	2.0	0.2	–	–	7.8
Social Impact Investment Funding	2.7	1.5	0.5	–	–	4.7
Cathedral Sustainability Funding	1.3	0.3	–	–	–	1.6
Posts of First Responsibility	1.0	0.6	0.1	–	–	1.7
Building for Mission	1.3	–	–	–	–	1.3
Racial Justice	3.3	1.5	–	–	–	4.8
People and Partnerships Funding	1.7	1.0	–	–	–	2.7
Diocesan Investment Programme	32.8	25.5	16.3	10.8	11.9	97.3
Other grant streams	1.8	0.4	–	–	–	2.2
Total before discounting adjustment	64.8	39.2	17.2	10.8	11.9	143.9
Discounting adjustment	(5.1)	(4.5)	(2.5)	(1.9)	(2.8)	(16.8)
Total	59.7	34.7	14.7	8.9	9.1	127.1

Long-term grant funding is, where material, discounted to reflect the net present value of future payments. The discount rate used varies based on the time until the grant award is due to be paid.

At the balance sheet date, the Archbishops' Council had made grant awards of £nil (2023: £4.4m to two organisations), which did not meet the expenditure recognition criteria due to conditions attached to these awards. The Church Commissioners has therefore not recognised a corresponding grant to the Archbishops' Council in respect of these awards.

Bond liabilities

In 2022, the Church Commissioners issued two bonds – a £250 million Sustainability Bond with a 10-year maturity (2032) and a £300 million conventional bond with a 30-year maturity (2052). The proceeds from the two bond issues will be invested on a long-term basis, enhancing the fund's capital efficiency, and offering the potential to generate additional value for the fund. The proceeds will be invested according to the Church Commissioners' responsible investment approach, with the proceeds of the Sustainability Bond used to support existing and future eligible sustainable projects, as set out in the Church Commissioners' Sustainable Financing Framework.

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2024

15. CREDITORS FALLING DUE AFTER ONE YEAR continued

Bond liabilities continued

Bond issue costs of £1.3m were incurred (predominantly legal and financial advice) in respect of the 2032 Sustainability Bond. On 31 December 2024, the total of amortised bond issue costs and the amortised discount on issuance was £1.6m (2023: £1.8m). The applicable interest rate is 3.25%. Repayment of the bond is due on maturity in 2032.

Bond issue costs of £1.7m were incurred (predominantly legal and financial advice) in respect of the 2052 Bond. On 31 December 2024, the total of the amortised bond issue costs and the amortised discount on issuance was £6.2m (2023: £6.5m). The applicable interest rate is 3.625%. Repayment of the bond is due on maturity in 2052.

The following table details the bond-related contractual payments as at 31 December 2024.

Period	Sustainability Bond (2032)		Bond (2052)	
	Interest due £m	Capital repayment £m	Interest due £m	Capital repayment £m
Due to end December 2024	3.8	–	5.0	–
Due within one year	8.1	–	10.9	–
Due between one to five years	32.5	–	43.5	–
Due after five years	25.0	250.0	251.0	300.0
Total	69.4	250.0	310.4	300.0

16. PROVISIONS

Provision for clergy pre-1998 pension obligation under the Church of England Pensions Scheme

Notes	Consolidated and Commissioners	
	2024 £m	2023 £m
As at 1 January	1,209.0	1,166.9
Amounts charged against provision:		
Pensions to clergy for service prior to 1998	(83.5)	(81.7)
Lump sum payments on retirement for service prior to 1998	(5.5)	(5.7)
Pensions to clergy widows and children for service prior to 1998	(35.0)	(32.9)
Benefits under the Deaconesses and Lay Workers (Pensions)	(0.1)	(0.1)
Transfers out of scheme	–	(0.2)
	6 (124.1)	(120.6)
Changes in provision for:		
Interest on provision	86.8	81.6
Changes in assumptions and due to experience	(102.3)	81.1
	(15.5)	162.7
As at 31 December	1,069.4	1,209.0

History

Prior to 1998, the Commissioners was responsible for paying the pensions benefits to clergy who accrued years of pensionable service as members of the Church of England Pensions Scheme. In 1997, legislation was enacted to provide for new pensions schemes to be established and administered by the Church of England Pensions Board, with contributions for future service to be paid by all responsible bodies and employers (dioceses, cathedrals, the NCIs, and other church organisations). This effectively capped the Commissioners’ obligation for clergy pensions for clergy for which it is not the ‘responsible body’ to service up until 31 December 1997 only.

Details of the Commissioners financial responsibilities in respect of its role as ‘responsible body’ for bishops, cathedral clergy and certain other clergy for service since 1 January 1998 are described in note 17(a).

Church of England Pensions Scheme

The Commissioners is obliged to pay pension benefits to clergy who accrued years of pensionable service until 31 December 1997 as members of the Church of England Pensions Scheme. The Scheme is administered by the Church of England Pensions Board on behalf of the Commissioners. The obligation is recognised in full using the actuarial valuation carried out by Hymans Robertson LLP, independent qualified actuaries. A full valuation is carried out every three years and it is rolled forward in other years. A full valuation was carried out as at 31 December 2024.

The valuation uses the projected unit method and assumes all benefits including post-retirement increases continue to be paid in accordance with current practice. It uses financial assumptions reflecting the term structure of interest rates and inflation. These assumptions include the prospective rate of investment returns, future increases in the RPI, the starting level of pensions and the rate of post-retirement pension increases.

The principal assumptions used in deriving the Commissioners’ obligation were:

	2024 %	2023 %	2022 %	2021 %	2020 %
Prospective annual rate of return on investments	6.6	6.3	6.8	4.6	3.8
Rate of increase of future stipend and increases in the starting pension	2.7	2.5	2.3	2.9	3.3
Rate of post-retirement pension increases	3.1	3.2	3.2	3.7	3.3
Retail price inflation	3.1	3.2	3.2	3.7	3.3

The assumptions were made on a best estimate basis over a period reflecting the long-term nature of the fund and its objectives over 30 years. In their assessments of the pensions obligation, Hymans Robertson LLP have used bespoke Club Vita mortality tables, which have been adjusted for Covid-19 impacts. The life expectancy for beneficiaries aged 65 is 20.4 years (2021 valuation: 21.5 years) for men and 24.0 years (2021 valuation: 23.8 years) for women. In respect of future improvements in mortality rates the projection model from the 2023 Continuous Mortality Investigation has been used.

17. PENSIONS

	Clergy			2024 £m	Staff			2023 £m
	Post-1997 service (note 17(a)) £m	Pre-2000 service (note 17(b)) £m	Post-1999 service (note 17(c)) £m		Post-1997 service (note 17(a)) £m	Pre-2000 service (note 17(b)) £m	Post-1999 service (note 17(c)) £m	
Pension reserves at 1 January	–	81.1	–	81.1	–	82.4	1.5	83.9
Benefits/contributions paid	–	(5.5)	–	(5.5)	–	(5.7)	(1.4)	(7.1)
Interest on liability	–	3.5	–	3.5	–	3.8	–	3.8
Other movement	–	–	–	–	–	(0.5)	(0.1)	(0.6)
	–	(2.0)	–	(2.0)	–	(2.4)	(1.5)	(3.9)
Actuarial (gain)/losses	–	(5.7)	–	(5.7)	–	1.1	–	1.1
Pension reserves at 31 December	–	73.4	–	73.4	–	81.1	–	81.1

The reduction in pensions reserves due to cash paid is £5.5m (2023: £7.1m) and the total amount shown in expenditure is £3.5m (2023: £3.8m). Actuarial gains of £5.7m (2023: loss of £1.1m) have been recognised in other gains or losses.

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2024

17. PENSIONS continued

(a) Clergy pensions post-1997: Church of England Funded Pensions Scheme

Pensions in respect of the service of Church of England clergy from 1 January 1998 are provided by the Church of England Funded Pensions Scheme, administered by the Church of England Pensions Board. The Church of England Pensions Board publishes the Scheme’s financial statements and is its custodian trustee.

The Commissioners is one of the ‘responsible bodies’ in the Scheme, as it pays the stipends, National Insurance and pensions costs of bishops, archbishops, bishops’ chaplains and most cathedral clergy.

The Scheme is considered to be a multi-employer scheme, and it is not possible to attribute the Scheme’s assets and liabilities to specific employers. Therefore, contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SOFA in the year are contributions payable plus any impact of deficit contributions.

A valuation of the Scheme was carried out by an independent qualified actuary using the projected unit method as at 31 December 2021. This revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m.

The contribution rate of future pensionable stipends payable by the Commissioners is made up of the following components. Normal contributions relate to providing benefits in relation to ongoing pensionable service. Administration expenses cover the day-to-day expenses of running the scheme.

	From 1 January 2023 %	From 1 April 2024 %	From 1 April 2025 %
Normal contributions	26.5	23.5	20.5
Contributions towards administration expenses	1.2	1.2	1.2
Total contribution	27.7	24.7	21.7

(b) Staff pensions pre-2000: Church Commissioners Superannuation Scheme

The Commissioners is obliged to pay pension benefits to staff, former First and Third Church Estates Commissioners, bishops’ staff and staff of the Church of England Pensions Board who accrued years of pensionable service until 31 December 1999 as members of the Church Commissioners Superannuation Scheme (“CCSS”).

This is a multi-employer scheme where each employer can ascertain their share of the scheme assets and liabilities. The Commissioners’ share is therefore provided for in the balance sheet in full. The liability is estimated each year by Hymans Robertson LLP, independent qualified actuaries.

Using the projected unit method, and assuming all benefits including post-retirement increases in pensions continue to be paid in accordance with current practice, the provision of £73.4m (2023: £81.1m) shown in the table above represents the Commissioners’ share of the deficit on the CCSS.

Financial assumptions reflecting the term structure of interest rates and inflation have been used to estimate the value of the obligation. These assumptions include the prospective rate of investment returns, future increases in the RPI, the starting level of pensions and the rate of post-retirement pension increases. The principal assumptions over the estimated duration of the obligation used in estimating the provision were:

	2024 %	2023 %	2022 %	2021 %	2020 %
Discount rate (annual rate of return on AA-rated corporate bonds)	5.40	4.50	4.75	1.85	1.20
Rate of salary increases	4.25	3.95	3.95	4.25	3.80
Rate of increase of pensions in payment:					
for service before 1 April 1997 (CPI)	2.90	2.70	2.70	3.00	2.50
for service since 1 April 1997 (RPI)	3.30	3.20	3.25	3.55	3.05

In their assessment of the pensions liability, Hymans Robertson LLP used bespoke Club Vita mortality tables. In respect of future improvements in mortality rates, the projection model from the 2023 Continuous Mortality Investigation has been used.

History of experience gains and losses:

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Actuarial loss/(gain)	(5.7)	1.1	(29.8)	(9.4)	12.2

(c) Staff pensions post-1999: Church Administrators Pension Fund

Pensions for staff in respect of service from 1 January 2000 and commenced service before 1 January 2024 are provided by the Church Administrators Pension Fund (CAPF), administered by the Church of England Pensions Board. The Church of England Pensions Board publishes the Fund’s financial statements and is its custodian trustee.

The Commissioners is one of the employers in the Fund. The Fund has two sections: the defined benefit and the defined contributions schemes. Staff who commenced service before 1 July 2006 are members of the defined benefit section of the scheme and staff who commenced service after 30 June 2006 and before 1 January 2024 are members of the defined contributions section.

The defined benefit section is considered to be a multi-employer, last man standing defined benefit pension scheme. This means that it is not possible to attribute the Fund’s assets and liabilities to specific employers and that contributions are accounted for as if the Fund were a defined contribution scheme. The pension costs charged to the SOFA in the year are contributions payable for both defined contribution and defined benefit sections, plus any impact of defined benefit deficit contributions.

A valuation of this defined benefits section is carried out every three years, and as at 31 December 2024, the most recent finalised valuation was at 31 December 2022. This revealed a deficit of £1.9m. Following the valuation, the employers collectively entered into an agreement with CAPF to pay contributions of 27.6% of Pensionable Salaries to 31 December 2023 and 16.5% from 1 January 2024 thereafter towards future service benefits. The employers also agreed to make deficit payments of £2.4m per annum payable monthly, from 1 January 2023 to 31 December 2023 with no future increases, in respect of the shortfall in the defined benefit section. These deficit contributions were made by each employer in proportion to Pensionable Salaries of those in the defined benefit section. Deficit contributions ceased to be payable after 31 December 2023.

(d) Staff pensions post-2024: The Church Workers Pension Fund – Pension Builder 2014

Pensions for staff who commenced service after 1 January 2024 are provided by The Church Workers Pension Fund – Pension Builder 2014 (PB14), administered by the Church of England Pensions Board. The Church of England Pensions Board publishes the Fund’s financial statements and is its custodian trustee. The Church Workers Pension Fund – PB14 is a cash balance scheme both in respect of tax and pensions legislation.

A valuation of this section is carried out every three years, the most recent having been at 31 December 2022. This revealed a surplus of £8.5m for the entire scheme. As at 31 December 2024, there is no deficit in relation to the scheme.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

18. FUNDS

An Order was made by the Charity Commission on 19 June 2012, at the request of the trustees, to enable them to account and report income and capital returns and charitable expenditure on a total returns basis.

The Order requires the unapplied total return to be calculated at the point at which the Order is made, and subsequent movements are shown in the table below. The unapplied total return is the amount of the fund over and above the base level of endowment. The trustees agreed this base level should be the book value of assets of the Ecclesiastical Commissioners and the Queen Anne's Bounty when they were transferred to the Commissioners in April 1948 (£155.8m), inflated in line with RPI and deducting clergy pensions paid from capital, since the Pensions Measure 1997 became effective. The base level of the endowment at 1 January 2012 was £3,000.4m and the unapplied total return was £2,202.0m. The base value and unapplied total return together with the general fund reserve made up the total fund value of £5,237.6m at 1 January 2012.

The total return each year remains part of the endowment fund, until it is transferred to the general fund and becomes an "applied total return". The transfer is shown in the table below and on the face of the SOFA. The trustees agreed the base value of the endowment should be recalculated each year to reflect the permanent diminution of the fund as clergy pensions are paid out under the Pensions Measure 1997 and inflated in line with RPI. In 2020, the trustees agreed to change the inflation rate to the Consumer Prices Index including Housing (CPIH).

The pre-1998 clergy pension obligation set out in note 16 has been allocated to the unapplied total return as the Commissioners does not have indefinite power to spend endowment on clergy pensions, but only for a seven-year period ending in 2025. This power has been extended for a further seven years to 2032. As such, the base value of endowment is reduced each year by the clergy pensions paid in that year with movement in the provision being taken against the unapplied total return.

Notes	Base value of endowment £m	Unapplied total return £m	Total endowment fund £m	Other funds £m	Total funds £m
At 1 January 2024	2,596.0	6,502.6	9,098.6	0.7	9,099.3
Add investment return for the year:					
Income return – gross income		204.5	204.5	2.9	207.4
Income return – cost of raising funds	3	(100.1)	(100.1)	(0.2)	(100.3)
Capital return and foreign exchange		949.7	949.7	–	949.7
Taxation payable	10	1.7	1.7	–	1.7
Total investment return during the year		1,055.8	1,055.8	2.7	1,058.5
Less					
Clergy pensions paid	16	(124.1)	(124.1)	–	(124.1)
Release of clergy pensions paid		124.1	124.1	–	124.1
Movement on clergy pensions provision	16	15.5	15.5	–	15.5
Gain/loss on defined benefit pension schemes	17	5.7	5.7	–	5.7
Charitable expenditure: non-pensions		–	–	(285.4)	(285.4)
Total other movements during the year		(118.4)	139.6	(285.4)	(264.2)
Add indexation on base value of endowment		90.9	(90.9)	–	–
Application of non-applied total return		–	(282.8)	(282.8)	–
At 31 December 2024		2,568.5	7,324.3	0.8	9,893.6

Notes	Base value of endowment £m	Unapplied total return £m	Total endowment fund £m	Other funds £m	Total funds £m
At 1 January 2023	2,608.2	6,448.3	9,056.5	0.3	9,056.8
Add investment return for the year:					
Income return – gross income		188.3	188.3	3.7	192.0
Income return – cost of raising funds	3	(106.9)	(106.9)	(0.4)	(107.3)
Capital return and foreign exchange		345.1	345.1	–	345.1
Taxation payable	10	0.9	0.9	–	0.9
Total investment return during the year		427.4	427.4	3.3	430.7
Less					
Clergy pensions paid	16	(120.6)	(120.6)	–	(120.6)
Release of clergy pensions paid		120.6	120.6	–	120.6
Movement on clergy pensions provision	16	(162.6)	(162.6)	–	(162.6)
Gain on defined benefit pension schemes	17	(1.1)	(1.1)	–	(1.1)
Charitable expenditure: non-pensions		–	–	(224.5)	(224.5)
Total other movements during the year		(121.7)	(163.7)	(224.5)	(388.2)
Add indexation on base value of endowment		109.5	(109.5)	–	–
Application of non-applied total return		–	(221.6)	221.6	–
At 31 December 2023		2,596.0	6,502.6	0.7	9,099.3

Other funds comprise the following balances:

	At 1 January 2024 £m	Income £m	Expenditure £m	Transfers £m	At 31 December 2024 £m
Restricted funds					
Reconciliation	0.7	0.7	(0.6)	–	0.8
Other restricted funds individually below £0.1m	–	0.1	(0.1)	–	–
Total restricted funds	0.7	0.8	(0.7)	–	0.8
Unrestricted funds (general)					
General fund	–	2.1	(284.9)	282.8	–
Total unrestricted funds	–	2.1	(284.9)	282.8	–
Total other funds	0.7	2.9	(285.6)	282.8	0.8

	At 1 January 2023 £m	Income £m	Expenditure £m	Transfers £m	At 31 December 2023 £m
Restricted funds					
Reconciliation	0.1	0.8	(0.2)	–	0.7
Centre for Cultural Witness	0.2	0.1	(0.3)	–	–
Other restricted funds individually below £0.1m	–	0.5	(0.5)	–	–
Total restricted funds	0.3	1.4	(1.0)	–	0.7
Unrestricted funds (general)					
General fund	–	2.4	(224.0)	221.6	–
Total unrestricted funds	–	2.4	(224.0)	221.6	–
Total other funds	0.3	3.8	(225.0)	221.6	0.7

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

18. FUNDS continued

Details of the significant restricted and designated funds are given below.

Reconciliation

The Archbishop of Canterbury receives external funding for his Reconciliation Ministry which is now based at Lambeth Palace. The scope of the funding covers staffing, office and IT costs, conferences and hospitality, UK and overseas travel, training and other resources in relation to the Archbishop's Reconciliation Ministry.

Cultural Witness

The Archbishop of Canterbury has received external funding for the Centre for Cultural Witness, which has recently been established at Lambeth Palace as part of his Evangelism ministry. The scope of the funding covers staffing, office and IT costs, research, and publishing costs.

The net assets of the Commissioners split between its funds, on a consolidated basis, are as follows:

	General fund £m	Designated fund £m	Restricted £m	Pension reserve £m	Endowment fund £m	2024 £m
Fixed assets	42.6	–	–	–	10,787.2	10,829.8
Current assets	627.7	–	0.8	–	505.5	1,134.0
Creditors: amounts falling due within one year	(1.1)	–	–	–	(258.2)	(259.3)
Creditors: amounts falling due after one year	(669.2)	–	–	–	–	(669.2)
Provisions	–	–	–	–	(1,068.3)	(1,068.3)
Defined benefit pension scheme liabilities	–	–	–	(73.4)	–	(73.4)
Total funds	–	–	0.8	(73.4)	9,966.2	9,893.6

	General fund £m	Designated fund £m	Restricted £m	Pension reserve £m	Endowment fund £m	2023 £m
Fixed assets	36.9	–	–	–	10,067.6	10,104.5
Current assets	610.8	–	0.7	–	538.2	1,149.7
Creditors: amounts falling due within one year	–	–	–	–	(213.3)	(213.3)
Creditors: amounts falling due after one year	(647.7)	–	–	–	–	(647.7)
Provisions	–	–	–	–	(1,212.8)	(1,212.8)
Defined benefit pension scheme liabilities	–	–	–	(81.1)	–	(81.1)
Total funds	–	–	0.7	(81.1)	9,179.7	9,099.3

19. CONTINGENT LIABILITIES

The Commissioners, dioceses and other Church bodies are the bodies responsible for the contributions to the Church of England Funded Pensions Scheme for clergy. In the event of defaults by any of the responsible bodies, the remaining responsible bodies, including the Commissioners, would continue to be responsible for the entire liabilities of the Scheme.

The Commissioners is a joint employer, together with the other National Church Institutions (NCIs), of most of the staff of the NCIs and, as such, has a contingent liability for salaries and other employment costs in the event of a default by any of the other joint employers.

It is not practicable to reliably estimate the quantum of the above contingent liabilities.

The Virgin Media Ltd v NTL Pension Trustees decision, handed down by the High Court on 16 June 2023 considered the implications of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits to be altered where certain requirements were met. The court decision was upheld on appeal on 25 July 2024. There is potential for legislative intervention following industry lobbying that may retrospectively validate certain rule amendments. In addition, there is a possibility that the case could go to the Supreme Court. Given these uncertainties it is not currently possible to determine whether any amendments were not in accordance with section 37 of the Pension Schemes Act 1993 requirements. Further, it is not currently possible to reliably estimate the retrospective possible impact to the defined benefit obligations of the pension scheme if these amendments were not in accordance with section 37 of the Pension Schemes Act 1993 requirements.

The Commissioners has determined that there is no immediate need for action but will continue to monitor developments, considering its responsibility for the pension scheme liabilities above and considering that the pension schemes have determined that there is no immediate need for action.

20. LEASES

The Commissioners has different types of leases in place for its investment properties, including:

Tenancy	Break terms
Residential	
Assured shorthold tenancies (ASTs)	Minimum six months then two months' notice
Assured tenancies	One month's notice
Regulated tenancies	One month's notice
Ground rents	No break terms
Licence agreement	One month's notice by either party
Rural	
Farm business tenancies	In general, there are no breaks until lease end date
Agricultural Holdings Act	Minimum 12 months' notice period by the tenant
Licence agreement	Will range from 1 to 3 months' notice by either party
Commercial	
Full repair and insurance	No break term unless specifically requested
Internal repair and insurance	No break term unless specifically requested
Geared rents	No break terms
UK forestry	
Not applicable	

Due to the nature of the Commissioners' leases, most residential and rural property leases are cancellable within 12 months. Commercial property leases and residential ground rents are non-cancellable. The consolidated and Commissioners rents receivable under non-cancellable operating leases are:

	2024 £m	2023 £m
Amounts due within one year	15.7	13.9
Amounts due after one year but not more than five years	49.9	50.1
Amounts due after five years	284.5	307.1
Total rents receivable under non-cancellable operating leases	350.1	371.1

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

21. RELATED PARTY TRANSACTIONS

Church of England Central Services (ChECS) is a charitable company limited by guarantee and is a joint venture between the Commissioners, the Archbishops' Council and the Church of England Pensions Board, who are equal partners. The purpose of ChECS is to enhance the efficiency and effectiveness of the charitable national and diocesan institutions of the Church of England and of other charities with a church ethos, by facilitating the provision of cost-effective shared finance, HR, communications, legal, IT, internal audit and other services.

As at 31 December 2024, other than the amounts disclosed in debtors in note 13, £nil was owed by the Commissioners to ChECS (2023: £nil). The Commissioners' share of net assets of ChECS was £1m (2023: £nil). In addition, the Church Commissioners charged ChECS a total of £0.1m during 2024 (2023: £0.1m) for staffing costs in respect of information management and governance activities undertaken by staff at Lambeth Palace Library.

Like many charities, subsidiary companies carry out certain activities on behalf of the Commissioners. The transactions disclosed below are included in the Church Commissioners' stand-alone financial statements but are eliminated on consolidation. All transactions disclosed below are made between the Commissioners and one or more of its wholly owned subsidiaries, and so any cash or other assets transferred to a subsidiary are included within the consolidated financial statements.

If taxable profits are generated by the subsidiaries, these are paid to the Commissioners as donations made under Gift Aid. The Commissioners has recognised income relating to Gift Aid payments of £13.3m (2023: £25.8m) from its subsidiaries in the year.

During the year, two (2023: two) properties were sold from the Commissioners to CC Projects with total sale price of £65.3m (2023: £8.7m).

As disclosed in notes 13 and 14, the Commissioners maintains inter-company accounts between itself and its subsidiaries. The total debtors and creditors relating to subsidiary undertakings, excluding loan notes in Jahr Tree Co Pty Ltd, are debtors of £890.5m (2023: £724.9m) and creditors of £25.7m (2023: £23.9m). The Commissioners uses these accounts for efficient cash management across the Group and charges or pays interest at 1% above Bank of England Base Rate on these balances. The balances are unsecured with no fixed repayment date. During the year, the Commissioners received £44.2m (2023: £37.5m) and paid £1.4m (2023: £1.4m) interest in the year.

The Commissioners holds loan notes issued by its subsidiary Jahr Tree Co Pty in Australia totalling £24.4m (2023: £31.8m) at year end. On 12 August 2024, £6.8m (AUD \$13.3m) of loan notes were converted into shares. Prior to the conversion of the loan notes, the interest rate was amended to 0% and deferred interest amounting to £32.3m was waived (2023: interest accrued £32.3m). This transaction was made at open market value.

During the year, Palace Public Occasions Limited was charged less than £0.1m (2023: less than £0.1m) by the Commissioners for costs incurred by the Commissioners on behalf of the company. An additional amount of less than £0.1m (2023: less than £0.1m) was charged to the company by the Commissioners for the use of premises owned by the Commissioners.

22. FUNDS HELD ON BEHALF OF OTHERS

	2024 £m	2023 £m
Residential service charges, sinking funds and tenants' deposits	13.7	14.6
Trust funds	11.6	11.3
Total funds held on behalf of others	25.3	25.9

The Commissioners holds monies on behalf of others. The sums are not included in the Commissioners' balance sheets.

Residential service charges, sinking funds and tenants' deposits

The service charges and sinking funds are paid in advance by tenants of properties owned by the Commissioners in order that property repairs and maintenance works can be carried out.

Trust funds

The Commissioners is a trustee of 30 funds, mainly restricted permanent endowment funds. Their income, £0.7m (2023: £0.4m), is applied in accordance with the terms of the trusts.

23. FINANCIAL RISK MANAGEMENT

In the ordinary course of its activities, the Commissioners manages a variety of investment risks including credit risk, liquidity risk and market risk. FRS 102 requires the disclosure of information in relation to certain investment risks. These risks, and how the Commissioners identifies, measures and monitors risk through various control mechanisms are set out below:

a) Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk exposure

The Commissioners is subject to credit risk as it invests in fixed interest securities (either directly or through external managers), Over The Counter (OTC) derivatives, has cash balances and undertakes securities lending activities. Credit risk arising on derivatives depends on whether the derivative is listed on an exchange or is an OTC contract between two counterparties. The latter are not guaranteed by a regulated exchange and therefore the Commissioners is subject to risk of failure of the counterparty. The table below details the Commissioners' exposure to credit risk as at 31 December 2024.

	Consolidated	
	2024 £m	2023 £m
Trade debtors	13.2	10.8
Outstanding investment trades	149.5	154.2
Dioceses (Clergy Stipends and Diocesan Debtors Accounts)	–	0.1
Joint venture (ChECS)	1.6	2.7
Loans	1.4	1.3
Other debtors	3.6	3.7
Accrued income	9.5	11.0
Prepayments	3.9	2.7
OTC derivatives contract – debtors	5.2	15.1
Securities exposed to credit risk	1,280.4	859.6
Current asset investments	246.8	272.6
Cash at bank	687.2	667.3
Securities under Stock Lending programme	93.1	180.9
Total credit risk exposure	2,495.4	2,182.0

Of the above financial assets, none of the Commissioners' financial assets subject to credit risk are past their due date or were impaired during the year.

Risk management policies and procedures

Credit risk arising on fixed interest securities included within current asset investment is mitigated by investing in high-quality government and supranational bonds where the credit risk is minimal. The Commissioners also invests in investment grade, high yield and emerging market debt, which are included in Securities exposed to credit risk. The proportion at year end for each is 29%, 55% and 16% respectively. The Commissioners manages the associated credit risk by mandating the investment managers to diversify their portfolios to minimise the impact of default by any one issuer.

OTC derivative counterparties are selected (and retained) for trading a specific derivative instrument type, after an assessment of their credit quality, their competence with respect to trading a product, and subject to agreeing to the Commissioners' minimum standards within legal arrangements. For certain transactions, collateral may also be exchanged to minimise counterparty credit risk.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 2024

23. FINANCIAL RISK MANAGEMENT continued

a) Credit risk continued

Risk management policies and procedures continued

The Commissioners lends certain equity and fixed income securities under a securities' lending programme. The Commissioners manages the credit risk arising from securities' lending activities by restricting the amount of stock that may be lent, only lending to approved borrowers who are rated investment grade and through collateral arrangements.

Cash is held with financial institutions which are at least investment grade credit rated, with the maximum deposit limit for any one counterparty set by reference to its credit rating and G-SIB (Global Systematically Important Banks) status. Credit default swaps (CDS) spreads and rating notifications are monitored to ensure exposures remain within the approved limits. To reduce our credit risk exposure to any single financial institution we also invest in money market liquidity funds. These must have a AAAmmf or equivalent rating to be eligible for investment and limits are in place on the maximum allowable exposure to any single fund.

b) Liquidity risk

Liquidity risk is the risk that the Commissioners will encounter difficulties raising cash to meet its obligations when they fall due.

Liquidity risk exposure

This is a risk to the Commissioners, given the value of the Commissioners' commitments to charitable and investment activities.

The following table details the Commissioners' financial liabilities as at 31 December 2024:

	Consolidated	
	2024 £m	2023 £m
Creditors falling due within one year		
Trade creditors	10.3	7.8
Dioceses and other Church bodies	9.5	7.9
Other creditors	5.8	5.6
Taxation and National Insurance contributions	–	9.4
Accruals and deferred income	30.1	31.7
Grants payable	127.9	85.7
Outstanding investment trades	37.2	24.1
Derivative open contracts	38.5	41.1
Total Liquidity Risk Exposure within one year (note 14)	259.3	213.3

	Consolidated	
	2024 £m	2023 £m
Creditors falling due after one year		
Grants payable	127.1	106.0
Bond liabilities	542.1	541.7
Total Liquidity Risk Exposure after one year (note 15)	669.2	647.7

For private market commitments which are not part of the financial liabilities as of 31 December 2024, please refer to note 2(d).

Risk management policies and procedures

The Commissioners forecasts asset and liability cashflows across the portfolio, to ensure that there are no liquidity mismatches in terms of the size or timing of expected cashflows. In order to further mitigate liquidity risks, the Commissioners holds appropriate levels of liquid assets, including holding cash and cash equivalents (cash at bank and money market fund investments) and current asset investments (short-dated fixed income instruments) sufficient to fund the next 18 months' worth of planned distributions after including net new investments, forecast income, cash receipts and expenditure.

c) Market risk

This comprises currency risk, interest rate risk and other price risk.

i) Currency risk: This is the risk that the fair value or future cash flows arising in respect of a financial asset or liability will fluctuate because of changes in foreign currency exchange rates.

Currency risk exposure

The functional currency and currency for most of the Commissioners' expenditure is sterling. However, the Commissioners holds financial assets denominated in currencies other than sterling and is impacted by fluctuations in foreign currency exchange rates.

The following table details the asset value exposed to currency risk as at 31 December 2024:

	2024 £m	2023 £m
Investment Assets excluding foreign currency contracts		
USD	6,411.5	5,863.4
EUR	684.8	608.0
CNY	83.7	63.0
Other currencies	505.4	417.8
Foreign Currency Contracts		
USD	(623.5)	(767.8)
EUR	–	–
CNY	–	–
Other currencies	–	–
Net Exposure		
USD	5,788.1	5,095.6
EUR	684.8	608.0
CNY	83.7	63.0
Other currencies	505.4	417.8

	Impact on gain for the financial year 2024 £m	Impact on gain for the financial year 2023 £m
10% US dollar appreciation	578.8	509.6
10% Euro appreciation	68.5	60.8
10% Renminbi appreciation	8.4	6.3

NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2024

23. FINANCIAL RISK MANAGEMENT continued

Risk management policies and procedures

Currency exposures are monitored and reported on at least a monthly basis. The Commissioners may use foreign currency forwards and options contracts to reduce the impact of changes in foreign currency exchange rates in relation to investments priced in certain currencies other than sterling.

In addition, the Commissioners has an investment policy to hold a minimum of 25% of total assets denominated in sterling.

ii) Interest rate risk: This is the risk that the value of an asset or liability will fluctuate because of changes in market interest rates (i.e. for fixed interest rate assets or liabilities) or that future cashflows will fluctuate due to changes in interest rates (i.e. for floating rate assets or liabilities).

Interest rate risk exposure

The Commissioners' holds cash and cash equivalents which includes money market fund instruments as detailed on the Balance Sheet. These are floating rate interest bearing assets, which are subject to interest rate risk. The Commissioners also invests in high-quality government and supranational bonds for liquidity management purposes.

The Commissioners is also exposed to interest rate risk due to investments in public and private credit markets. These investment strategies are implemented by external investments managers, who consider the impact of changes in interest rates as part of their credit assessment.

As at 31 December 2024, £2,178m (2023: £1,691m) of assets were exposed to interest rate risk.

As stated in the accounting policies, the Commissioners' fixed interest bond liabilities are measured at amortised cost using the effective interest rate method, rather than at fair value.

Risk management policies and procedures

The Commissioners takes into account the possible effects of a change in interest rates on the fair value and cash flows of the interest-bearing financial assets and liabilities when making investment decisions.

iii) Other price risk: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

This is a risk for the Commissioners because its ability to support the Church over the long term is dependent on maintaining in real terms the purchasing power of the asset base.

Other price risk exposure

The following table details the asset value exposed to other price risk as at 31 December 2024:

	Consolidated	
	2024 £m	2023 £m
Listed securities	3,790.1	3,173.0
Unlisted securities	4,473.1	4,318.4
Direct property	1,622.0	1,597.6
Indirect property	96.5	109.0
Value-linked loans	66.6	69.5
Timberland	125.7	146.5
Standing timber	200.5	256.9
Indirect timberland	72.5	66.7
Infrastructure	239.3	230.2
Total investments (note 2(a))	10,686.3	9,967.8
Derivatives open contracts debtors	17.3	23.3
Derivatives open contract creditors	38.5	41.1
Total price risk exposure	10,742.1	10,032.2

Risk management policies and procedures

The Commissioners manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets. The asset allocation is regularly monitored to identify whether the current allocation, including intended changes, is in line with the targeted allocation as agreed with the Assets Committee. Price risk is also managed through active hedging strategies, which are expected to offset losses during market stress events. In 2024, exchange-traded derivatives (Held at Dec24: £399m notional value, Held at Dec23: £nil) were used alongside OTC index swaps (Held at Dec24: £798m, Held at Dec23: £800m notional value) in these hedging strategies with the OTC swap products positioned to hedge more severe or prolonged market events.

