

Chester Diocesan Board of Finance

Annual Report and Financial Statements 2024

Company limited by guarantee registered in England no 00007826

Registered charity no 248968

Bankers

National Westminster Bank plc, 33 Eastgate Street, Chester, CH1 1LG
The Charity Bank Limited, Fosse House, 182 High Street, Tonbridge, Kent, TN9 1BE.

Investment managers

CCLA Investment Management Limited, One Angel Lane, London, EC4R 3AB.

Solicitors

Aaron & Partners, Grosvenor Court, Foregate Street, Chester, CH1 1HG
HMD Registry Services Ltd, 53 Park Mount Drive, Macclesfield, SK11 8NS

Auditors

HaysMac LLP, 10 Queen Street Place, London EC4R 1AG

Chester Diocesan Board of Finance Annual Report and Financial Statements
2024

Registered Office: Church House, 5500 Daresbury Park, Daresbury, Warrington
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Chester Diocesan Board of Finance is the financial executive of the Church of England in the Diocese of Chester. It is a company limited by guarantee registered in England (no 00007826) and is a registered charity (no 248968).

Throughout this document, "DBF" refers to Chester Diocesan Board of Finance.

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Membership of the Board

The trustees of the registered charity and the directors of the charitable company are the same. Trustees/directors served for the full year, except where shown.

President: Rt Revd Mark S A Tanner Bishop of Chester
Chair: Mr Ian N Scott-Dunn (until 26th November 2024)
Canon David A Hermitt (from 27th November 2024)

Trustees/Directors:

Rt Revd Julie A Conalty	Bishop of Birkenhead
Rt Revd Samuel J C Corley	Bishop of Stockport
Ven Dr Michael R Gilbertson	Archdeacon of Chester
Ven Jane E Proudfoot	Archdeacon of Macclesfield (from 28 Apr 2024)
Very Revd Timothy R Stratford	Dean of Chester Cathedral
Revd Simon Drew	Chair, House of Clergy, Diocesan Synod (until 26 th Nov 2024)
Revd Christina P Upton	Chair, House of Clergy, Diocesan Synod (from 26 th Nov 2024)
Ms Julie H Withers	Chair, House of Laity, Diocesan Synod

Revd Hana Amner (from 27th November 2024)
Revd Joshua C Askwith (until 26th November 2024)
Revd Nigel Atkinson (from 27th November 2024)
Mr Peter Ball-Foster
Dr J Graham Campbell
Revd George T Crowder
Revd Lesley S Currie
Dr Alan Downen
Revd Stephen Dunton (from 27th November 2024)
Mr John J C Freeman
Revd Simon R Gales (until 26th November 2024)
Revd Daud Gill (from 27th November 2024)
Revd Andrew Q Greenhough (until 26th November 2024)
Mrs Esme A Hammer
Mr John S Haslam
Revd Clair Jaquiss (from 27th November 2024)
Revd Gary Kennaugh (until 26th November 2024)
Revd Anna Leyden (from 27th November 2024)
David G Lowcock (until 26th November 2024)
Dr Peter J Marshall
Canon Dr John P Mason

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Revd Ruth E Mock (from 27th November 2024)
Mrs Julie Okundaye (until 26th November 2024)
Revd Richard L Pennystan (until 26th November 2024)
Revd Michael L Ridley
Revd Michael I A Smith
Revd David A Vestergaard
Dr Christine E Wetherell (until 26th November 2024)
Mrs Gill White (from 27th November 2024)
Mr Sam Wilson (from 27th November 2024)

Key Management Personnel

Canon George B Colville	Diocesan Secretary (until 30 Aug 2024)
Canon Christopher R Penn	Interim Diocesan Secretary (from 4 Sept 2024)
Revd Jennifer C Bridgman	Interim Executive Officer (from 4 Sept 2024)
Mrs Elizabeth A Geddes	Director of Human Resources and Deputy Diocesan Secretary
Revd Canon Simon Chesters	Director of Ministry
Mr Sean Augustin	Diocesan Safeguarding Adviser
Revd Peter M Froggatt	Director of Outreach
Mr Jon Pocock	Strategic Programme Director
Mr Nigel Strange	Head of Finance
Mrs Harriet M Roberts	Interim Director of Communications (from 22 Jul 2024)

Chair's Statement

I am pleased to present the Chair's Statement for Chester Diocesan Board of Finance. The organisation continued to pursue its core purpose, "to maintain and promote the spiritual teaching of the Church of England in the Diocese of Chester". The DBF continued to provide a financial and support function to allow the parishes of the diocese to continue to operate effectively, by collecting contributions from the parishes, funding and housing the clergy, and through providing a number of support services.

I took over as Chair of the Board of Directors at the November meeting of Diocesan Synod. I thank my predecessor, Ian Scott-Dunn, for his nine years of enthusiasm and hard work. He has provided a thorough hand-over process for which I am very grateful.

I also thank George Colville, who left in the summer after 25 years working for the Diocese, latterly as Diocesan Secretary. We are grateful that Canon Christopher Penn has agreed to act as our interim Diocesan Secretary supported by Revd Jennifer Bridgman as Interim Executive Officer. Plans for recruiting a successor are well underway.

We welcome the Ven Jane Proudfoot, who previously served in Grappenhall parish, as the new Archdeacon of Macclesfield.

In addition to its ongoing core functions, other events and processes involved the DBF and will influence its future. Work has progressed on developing the diocesan strategy, with the aim of delivering the vision of reaching the 1.5 million people in the diocese who haven't yet encountered Jesus. This work is taking place through four working groups under the themes of growing disciples, growing leaders, growing communities, and growing connections.

I thank the staff of the DBF, who provide quality support to our parishes. I also thank all those who have left the DBF's employment for the work they have done and welcome new members to the team at Daresbury and at Foxhill. These include Richard Walker, Bishop's Adviser for the Diocesan Discernment of Ordained Ministry, together with new staff in Finance, Safeguarding, Outreach, and the Diocesan Advisory Committee.

Finally, I thank Bishop's Council and all sub-committee members for their work throughout the year.

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The DBF's day-to-day financial performance showed a deficit, but in challenging circumstances, parish share collection has stabilized. We continue to be very grateful to parishes who are the bedrock of the Diocese's mission.

Investments gained a little in value. Most of these investments are endowment funds whose primary function is to generate income for stipends, so maintenance of dividends continues to be of higher importance than end of year valuations. CCLA, with whom the DBF's investments are held, again increased its main dividend rate.

Economic circumstances for parishes and their parishioners remain challenging. In addition, safeguarding and other issues face the church both locally and nationally. Plans for the future, and the risks to be faced, will be continuously kept under review.

Our priority is to use our resources wisely in the pursuit of growing God's kingdom throughout the Chester Diocese and beyond. We pray that God's Holy Spirit may guide and inspire us all.

Canon David A Hermitt
Chair

Trustees' Report

Purposes and Aims

The DBF's core purpose is "to maintain and promote the spiritual teaching of the Church of England in the Diocese of Chester". The directors all believe that the Christian message is relevant and that the DBF's role is to support parishes in living it and telling people about it. Staff working for the DBF also believe this or are in sympathy with this purpose.

Ensuring our work delivers our aims

God has given us a Christian framework for living which benefits the members of the churches in the Diocese and the wider public generally. We provide facilities for public worship, pastoral care, and spiritual, moral and intellectual development; we promote Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society.

The parish is the core unit of Church of England activity; Chester Diocesan Board of Finance provides a financial executive and support function to enable parishes to operate effectively. In practice, this means collecting contributions from parishes, paying and housing the clergy, and delivering diocese-wide services and projects.

The focus of our work

Our main activities aim to deliver benefit in the following ways:-

- **Clergy** - providing parish and other clergy to offer Christian services and spiritual oversight
- **Parochial** - assisting Parochial Church Councils to provide churches, sacred spaces and worship services; assisting with effective accounting and administration
- **Outreach** - assisting parishes as they live out God's love for the world, as expressed in the Anglican Communion's Five Marks of Mission
- **Education** - contributing to the spiritual and moral education of children and young people
- **Ministry Training** - providing training and assistance in order that parishes have clergy and volunteers who are competent, in providing Christian services, such as visiting the sick, and comforting the bereaved
- **Grants** - making grants to enable the national church institutions to function and have a positive wider influence

- **Provision of retreats and Christian conferences** - education, spiritual and physical refreshment at Foxhill House and Woodlands

The majority of the DBF's activity takes place in the Diocese of Chester, which comprises Cheshire, the Wirral, and parts of Greater Manchester.

Who benefits from our services?

The DBF is a public benefit entity. The trustees confirm that they have complied with the duty of the Charities Act 2022 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. We also take account of the Charity Governance Code (see page 28) in ensuring that the charity is effective.

We aim to make our services open to as wide a section of the public as possible. For example:

- Everywhere in the Diocese is part of a Church of England parish that has a member of clergy who has concern for the spiritual welfare of the individuals who reside in it.
- Parishes in wealthier areas generally contribute somewhat more than the cost of their clergy in order that clergy can also be provided in less wealthy areas.
- Training courses and retreats are offered at reduced or no cost where appropriate in order that ability to pay is not a bar.

Strategic Report

Clergy

Provision of clergy

Although the DBF does not employ the parish clergy, it is responsible for training them, paying them, and paying into their pension fund. With approximately 213 trained stipendiary clergy including Archdeacons and clergy who occupy a house and receive a reduced stipend, 31 of whom are curates, this responsibility is by far its largest financial commitment. It can only be met if the parishes pay their Parish Share. Stipend and pension levels

are set nationally with some slight regional flexibility.

Some clergy are not paid stipends. These include self-supporting ministers, ministers in secular employment, and retired clergy. They give excellent service but generally have part time roles and are not usually asked to take charge of a parish.

Clergy in the Diocese are paid under the terms of Common Tenure.

Good clergy, well trained and with high morale, are at the heart of the DBF's purpose. We must ensure that we can continue to raise the money to keep as many as possible in post, for the sake of the Church, the Gospel, and the people and communities of the Diocese.

We are pleased that God has continued to call people to serve in the Diocese and we continue to be able to appoint good clergy to benefices to fill most vacancies as they arise.

Provision of clergy housing

The DBF is responsible for maintaining and insuring clergy houses. This includes carrying out repairs and maintenance works as they arise, and as highlighted in 5-yearly inspections. Major renovation works are usually carried out during vacancies. There is also a phased program of improving the overall standard of housing within the constraints of available funding.

Improvement projects continued, including the replacement of kitchens and bathrooms. Some of the improvement work has been grant funded by Benefact Trust, the owner of Ecclesiastical Insurance.

Vicarages at Birkenhead St James, Cheadle St Mary and Frodsham were replaced. A replacement for the vicarage at Bowdon was purchased. The former vicarage was Runcorn Weston was sold; a replacement having been purchased in the prior year. The vicarage at St John, Chester was sold, pending a replacement. The vicarage at Compstall was sold following a pastoral reorganisation. The development at Poynton was completed and the vicar had moved in.

Chaplains

The DBF also supports chaplains who provide a strong Christian influence in hospitals, hospices, schools, farming, prisons, local industry, Manchester Airport and Chester University.

Bishops

Bishops are the chief pastors of the Diocese. They provide overall focus and lead the mission of the Diocese.

Archdeacons

Archdeacons have the role of pastoral care of the clergy and their families, and oversight of church buildings and vicarages, together with supporting the bishops.

There are two Archdeacons in the Diocese. The Ven Dr Michael Gilbertson is the Archdeacon of Chester. The Ven Jane Proudfoot, formerly vicar at Grappenhall, was appointed Archdeacon of Macclesfield in April 2024.

Assisting Parochial Church Councils

The DBF has continued to provide support to parishes in care and development of their church buildings through the work of the Diocesan Advisory Committee (DAC). It provides informal feedback to parishes and provides formal advice to the Diocesan Chancellor in respect of faculty applications.

The DAC dealt with faculty applications and other permissions, together with site visits where necessary. In addition, policy issues relating to Net Zero, Martyn's Law – the Terrorism (Protection of Premises) Bill, and the Heritage at Risk register.

The Treasurer Support Network continued to grow, At the end of 2024 more than 90 parishes were trained and using the Data Developments accounting package MyFundAccounting - the Church of England's package of choice. The network met throughout the year for discussion, support and training, online and face to face, with the involvement of over 70 treasurers. Over 20 parishes were supported on a regular one to one basis throughout the year with many more receiving assistance with accounting, governance and other issues.

A multidisciplinary vacancy support group now assists parishes with the complexities and opportunities that arise.

Outreach

The DBF aims to inspire and serve churches seeking spiritual and numerical growth. Its work involves parishes in the diocese, and links with the Anglican church in Melanesia and the Democratic Republic of Congo.

The DBF is guided by the Anglican Communion's "Five Marks of Mission" in its approach: -

1. To proclaim the Good News of the Kingdom.
2. To teach, baptise and nurture new believers.
3. To respond to human need by loving service
4. To transform unjust structures of society, to challenge violence of every kind and pursue peace and reconciliation.
5. To strive to safeguard the integrity of creation and sustain and renew the life of the earth.

The DBF continued work in a wide range of areas, in part nationally funded, including: -

Collaborative youth work in Runcorn.

The nationally funded Flourish project which is establishing partnerships between schools or further education colleges and their local churches.

Following the appointment of a Diocesan Environment Adviser, making progress in the Diocesan structures and in parishes in the Eco Diocese and Eco Church initiatives run by A Rocha UK.

Following the appointment of a Diocesan Racial Justice Officer, assisting parishes with engaging with the diaspora communities they serve; and helping tackle issues of racial justice, identified in From Lament to Action, the national churches response to the death of George Floyd in 2021.

Assisting parishes in accessing national church grants for church building maintenance and accessibility, and to progress developments towards Net Zero Carbon.

Continuing to assist parishes with introducing digital methods of giving,

Counselling and supporting clergy and pastoral workers.

Education

The DBF works closely with and provides financial and other support to Chester Diocesan Board of Education (DBE) in its work. Together with the DBE the Board seeks to ensure that schools have high standards, are distinctively Christian, and support the Church's mission to the Diocese, as well as reflecting the Church of England Education Office's Vision for Education. More details can be found in the DBE annual report.

Ministry Development

The DBF administers vocational discernment, selection, initial training, and in-service training for lay and ordained licensed ministries.

In 2024, 10 people were ordained deacon, 7 started ordination and 6 started training for Licensed Lay Ministry. 10 new Lay Ministers were licensed, and 10 curates completed their post ordination training.

The majority of ordinands train with Emmanuel Theological College, alongside residential training at other colleges around the country. Reader training is also delivered by Emmanuel College.

A new scheme of Ministerial Development Review has been well received. We have been piloting a new approach to curate training, where a curate is deployed across several related parishes. A new scheme of training has been introduced for Occasional Worship Leaders.

Cross departmental support to parishes in vacancy including ministry, safeguarding and finance is well received. Collaboration with the safeguarding team continues with the aim of building safer church cultures.

Pastoral supervision and other support for lay and ordained ministers continues.

Grants

The DBF makes certain grants to support clergy and parishes in their work. The Diocese of Chester is also a part of the wider Church of England. In this capacity the DBF contributes funds to the national church to enable it to provide functions that are better carried out at a national level. Examples include funding for theological training colleges, promoting the Church of England's place and views in wider society, and the provision of specialist advice and support.

Retreats and Christian conferences

Foxhill House and Woodlands is a Centre for Prayer and Discipleship for the Diocese of Chester. Foxhill supports the parishes, schools and chaplaincies of the diocese as they implement the diocesan strategy, making a difference to the 1.5 million people who do not know Christ."

2024 saw a marked increase in our use, which was very encouraging. Many groups and individuals came to us for the first time, often on the recommendation of a previous guest.

As well as being a place for conferences and retreats for the diocese of Chester, Foxhill is being increasingly used by neighbouring dioceses that no longer have a retreat house of their own.

Publicity around the bursary scheme has gained momentum, and so last year we were able to offer many more people who would not otherwise have been able to afford to do so – individuals as well as some parish groups – the opportunity to engage with all that Foxhill has to offer. It is a huge joy and a blessing to be able to bless others as they seek to grow closer to Jesus and deepen their own discipleship.

We sought, in the programme for the year, to offer a range of individual and group retreats, providing a variety of opportunities for people to encounter God.

Safeguarding

Safeguarding advice and expertise continued to be vital element of support offered to parishes, and central to the functioning of the diocese.

Following the publication of the National Safeguarding Report Past Cases Review 2 (PCR2) by the Church of England, implementation of the three-year plan continued.

2024 saw the launch of the Church of England National Safeguarding Standards, and its implementation by the DBF. The delivery of training has expanded, now including all employed DBF staff.

Capacity to support parishes including through the network of Parish Safeguarding Officers has increased, and Parish Safeguarding Dashboards are coming into use, allowing parishes to easily track their compliance with national safeguarding standards. The Safeguarding Hub now assists parishes with safer recruitment.

Strategy

Over 2024, we been developing our strategy for delivering the collectively discerned diocesan vision of being Together in Christ, Sharing Hope, so that we can Bless the 1.5 Million People within our diocese who currently have no opportunity to hear the good news of Jesus Christ.

Our strategic programme is centred on four key areas to help us do that:

- **Growing Disciples:** Missional Health
Helping each worshipping community to develop deeper and broader faith through personal and new discipleship.
- **Growing Leaders:** Missional Leadership
Developing and training the leaders we have, and spotting and growing the leaders, we need.
- **Growing Communities:** New Worshipping Communities
Revitalising some of our urban areas and inspiring every setting to consider how they can create at least one missionally focussed way for new people to be drawn into a worshipping community so they can encounter Jesus.
- **Growing Connections:** Expanding Reach and Collaboration
Further developing networks and learning communities across our parishes and broadening our engagement with the full demographic of our diocese, to increase how we partner with others in mission.

The DBF has secured Archbishops' Council funding for two additional 3-year fixed term posts to assist with this work.

Net Zero 2030

The DBF secured a number of streams of funding from Archbishops Council to assist in delivering the call from General Synod for all parts of the Church to be net zero carbon by 2030 including: -

Demonstrator Vicarage Funding - £63,458 to retrofit a vicarage and carry out Energy Performance Surveys

Energy audits for the top 600 churches in England with highest carbon usage in 2023 and the next 600 in 2024 - Chester have had free Energy audits for 26 churches in the year following which churches can apply for a £3,000 grant towards a carbon reduction scheme identified in the audit.

Quick Wins Funding - £58,850 towards straightforward improvements in churches such as the installation of LED lighting. £15,000 was allocated in the year.

Work during the year included: -

Creation of a NZC30 Action Plan for the Diocese

Appointment of a Net Zero Carbon Officer, funded by Archbishops' Council

Appointment of an Environmental Advisor

Carbon literacy Training for parishes

Financial Review

Net expenditure after investment gains amounted to £1,145k (2023 net income after investment gains £714k). Investments gained in value by £282k (2023 gain £1,032k), though it should be noted that valuations have declined since the accounting date. The dividend income on which the DBF relies to supplement parish share income, also continued to increase.

Contributions received from parishes rose to £11.3m (2023 £11.0m), and the parish share collection rate was stable at approximately 87%.

There were a number of parsonage replacements, but with the completion of a number of projects, cash generated by sales outweighed that used for purchases. As a result, cash again rose during the period. The Board has a policy of recycling funds raised from the sale of parsonage houses to fund new parsonage houses and improvements to existing houses, though on occasions, surpluses on the sale and replacement of parsonages are also being used to support day to day activities. While cash rose, it should be noted that funding arising from the replacement of parsonages or disposal of parsonages no longer

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required, will not continue at the same rate into the future. The total valuation of parsonages declined, though this was mainly due to a progression from desktop review to periodic on site valuations.

The DBF received a grant from Benefact Trust of £129,430, which has been applied to continued support to parishes in respect of using church buildings for mission, and the provision of improved clergy housing.

The most significant item of expenditure remained parochial clergy and archdeacons' stipends, national insurance, pension contributions, housing maintenance and ordination training, which declined slightly to £10.7m (2023 £10.9m).

Since 2007, parochial contributions have been requested under a parish share system based on number of allocated clergy and a socio-economic factor; this approach is intended to foster mission and growth.

Following earlier changes to accounting policy, and the inclusion of benefice property on the balance sheet, all property has been subject to at least a desktop review of valuation on at least a five-year rolling basis, and more frequently where appropriate. Property showed a fall in value, in part due to fluctuations as a result of moving from desktop reviews to on-site reviews of valuation at the same time as inspections.

The DBF has investments and cash deposits with the CBF Church of England Funds administered by CCLA. Holdings in the CBF Church of England Investment Fund showed a gain of 2.3% in capital value. The dividend yield at the end of the year was 2.73%. The return on cash in the CBF Church of England Deposit account declined to 4.6% (2023 5.3%).

The Defined Benefits Scheme section of the Church Workers Pension Fund for lay staff closed during the year while in surplus. The small number of remaining members in the scheme were transferred to the Pension Builder Classic Scheme section. As the Defined Benefits Scheme was in surplus at the time of closure, employers pension contributions for the Pension Builder Classic Scheme for next few years will be met from that surplus, rather than by payment by the DBF.

The majority of the DBF's investment assets are held by endowment funds and are therefore not available for current expenditure. In the short term at least, this makes the income from those investments more important than their

current capital value. This has limited the effect of the fluctuations in capital value on day-to-day operations. However, the DBF is conscious that continuing adverse economic conditions may have an impact on parochial contributions, parochial fees, rates of return on cash, and the ability to buy and sell parsonages and other property.

Going concern

The trustees consider that there is a reasonable expectation that the DBF has adequate resources to continue in operational existence for the foreseeable future, and as a result, the trustees continue to adopt the going concern basis in preparing the accounts. The trustees did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the DBF's ability to continue as a going concern.

The basis of this approach includes budgets and forecasts for the following year together with keeping the economic environment and other potential sources of funds under review.

2025 and beyond

The purpose of Chester DBF is "to maintain and promote the spiritual teaching of the Church of England", not least by continuing to facilitate the healthy functioning of the parishes of the diocese.

Challenges for the next few years include: -

- moving to the strategy and implementation phase of the diocesan vision process
- implementing changes to the provision of safeguarding in line with the National Church of England Safeguarding Standards
- operating in the context of financial concerns and uncertainty

While the DBF faces challenges, it continues to be helped by many positives, not least including historically high parish share contribution rates, together with good relationships with parishes in the Diocese.

Risk Management

The Board reviews a register of risks on an ongoing basis, reviewing the combination of likelihood and likely impact of perceived risks. In addition, it

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is currently reviewing its process of identifying risks.

The Board considers that its principal risks at present are: -

- Safeguarding: - issues regarding current and historical cases that could result in reputational problems, legal action, financial impact, together with impact on staff and parishes. Mitigated by policies in place, safeguarding staff employed, clergy and lay appointees in parishes being trained.
- The impact of ongoing societal, economic and political upheaval. The cost of living and other economic issues are sources of continuing uncertainty. While the evolving nature of the situation means it is not possible to accurately quantify the financial impact, the Charity is in a reasonable financial position to help manage this risk. Steps are being taken on an ongoing basis, to minimise the impact on activities and the effect this may have on the stakeholders. The key priority is to ensure, as far as possible, that the DBF's services to parishes continue as effectively as possible.
- Loss of relevance and failure to adapt to changes in society together with declining electoral rolls and ageing congregations in parishes. The Diocese has approved vision themes and priorities is seeking to clarify its vision for the future and is now working towards a strategy to bring that vision to fruition.
- A number of challenging and complex issues where a very wide range of views are held with some risk of polarisation, possibly with financial impact.

There continues to be some risk relating to the DBF's ability to continue to fund increasing stipends, housing, salary, and pensions costs if voluntary contributions from parishes fail to come in. The DBF's largest source of funding is contributions of Parish Share made by parishes. Parish share collection rates declined a little during the year, something reflected in other diocesan boards of finance, and in levels of donations in the secular charity sector.

The Central Services Committee, together with a parish share specific sub-committee, keeps arrears of parish share under review. In addition, it keeps a watch on stipend costs, the cost of clergy housing repair, and staffing costs,

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these being the chief items of expenditure.

Other risks are in the areas of key staff, reputation, and exposure to the consequences of decisions undertaken by separate but related church entities.

Structure, governance, and management

The sections that follow describe the local and national structure of the Church of England and explain the role of Chester Diocesan Board of Finance within it.

Pastoral structure of the Church of England

The smallest pastoral area in the Church of England is the parish. Each parish usually has one parish church (although it may have more) and may also have one or more chapels of ease (often called daughter churches). A benefice is a parish or group of parishes served by an incumbent, and by carrying out the spiritual duties in the parishes of a benefice the incumbent is entitled to a stipend (like a salary) and parsonage house. A deanery is a group of parishes over which a rural dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible. A diocese is the main administrative and pastoral area of the Church of England and contains two or more archdeaconries under the leadership of the Diocesan Bishop. A province covers the area of several dioceses under the oversight of its Archbishop.

Parochial Church Councils

The parochial church council (PCC) is the governing body of a parish. It is made up of the incumbent (who is the chairperson) plus any other clergy licensed to the Benefice, the churchwardens, and elected members plus members of Deanery, Diocesan and General Synods. All parishes have Deanery Synod representatives, and a smaller number have Diocesan or General Synod representatives. PCCs are independent charities, though all but the largest are currently excepted from registration with the Charity Commission. Their accounts can be obtained by contacting the relevant PCC treasurer and do not form part of these accounts. The Charities Act 2022 requires that PCCs with income of over £100,000 register with the Charity Commission.

Deanery Synods

Deanery Synods have two houses: laity, mainly people elected by their parishes, and clergy, mainly the beneficed and licensed clergy of the deanery. The role of a Deanery Synod is to consider matters concerning the Church of England; to bring together the views of the parishes of the deanery; to effect

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decisions made by the Diocesan Synod; to act as a channel of communication to express the views of the parish to Diocesan Synod; to respond to requests from General Synod; to raise with Diocesan Synod such matters as it considers appropriate; and to elect representatives of the deanery to the Diocesan Synod. Deanery Synods generally do not have significant financial transactions.

Diocesan Synod

The Diocesan Synod is the statutory governing body of a diocese. It is elected with representation from all parts of the Diocese and roughly equal numbers of clergy and lay people, who meet in Synod with the Bishops and Archdeacons. The role of Diocesan Synod is to consider matters concerning the Church of England and make provision for such matters in relation to its diocese; to act as a forum for discussion of Christian opinion on any matter of religious or public interest; to advise the Bishop on any matter on which he may consult it; to deal with matters referred by General Synod, and to refer matters to General Synod; and to make provision for the financing of the diocese, in its capacity as the Diocesan Board of Finance.

Chester Diocesan Synod met twice 2024, in March and November. The usual business was completed at both meetings, including the receipt of the Annual Report and Financial Statements for the year ended 31 December 2023, approval of the 2025 budget, and receipt of General Synod reports.

At the March Synod, the Bishops and Diocesan Secretary responded to written questions. Synod received a report on the February session of General Synod which highlighted issues including the future of work, Living Love and Faith, Clergy pensions, and Racial Justice. A detailed update was received on the Lament to Action report. An update was received the Net Zero Action Plan, and the Diocesan Strategy process.

At the November Synod, Bishop Mark gave a presidential address in the context of the difficult issues facing the Church of England. The synod received a report on the July session of General Synod covering Living in Love and Faith, safeguarding, clergy well-being, registrar fees, the National Church Governance Measure, and foodbanks and Social Security. The Annual Report and Financial Statements for 2023 were received, and the budget for 2025 was approved. There was some concern that a significant deficit was anticipated. Synod was informed of a 12-month trial of a Complementary Parish Share Scheme internal to the DBF as an alternative to the Ephesians

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Fund. There was an update on the progress towards appointment of a new Diocesan Secretary / Chief Executive Officer, and the Diocesan Strategy process.

National Church institutions

The General Synod is the legislative and decision-making body of the Church of England at national level. It makes decisions on doctrinal formulae, services and relations with other Churches. It passes Measures which, if accepted by Parliament, have the force of Acts of Parliament. The Synod contains three groups, or houses, of members: - the Houses of Bishops, Clergy and Laity. The Houses of Bishops and Clergy together form the two Convocations of the Province of Canterbury and the Province of York. The Convocations are older than Parliament and before their powers were vested in the General Synod, they were responsible for making decisions on doctrine, services, and relations with other churches.

Archbishops' Council is the Church of England's policy discussion forum. It reports to General Synod.

Cooperating closely with Archbishops' Council, the Church Commissioners manage the historic assets of the Church of England, spending a significant part of their income on pensions for the parochial clergy, and providing selective financial support to Dioceses.

The financial transactions of General Synod, the Church Commissioners, and Archbishops' Council do not form part of these accounts.

Chester Cathedral

Chester Cathedral is a separate charity. Copies of its accounts can be obtained from Chester Cathedral Office, 9 Abbey Square, Chester, CH1 2HU.

Bishops

The costs of Episcopal administration (Diocesan and Suffragan Bishops) are met by the Church Commissioners.

The Diocese of Chester

The Diocese of Chester was created in 1541, following the dissolution of the Abbeys under Henry VIII, and assumed roughly its present dimensions in 1880. It covers an area of 1025 square miles, approximately the old Victorian

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County of Chester, including parts which subsequently became absorbed into Merseyside and Greater Manchester. The rivers Mersey and Tame approximately delineate the boundary with Liverpool and Manchester. There are areas of dense urban population, mainly in the north, stretching from Birkenhead to East Manchester. There are prosperous suburban regions of West and South Wirral, Chester and south of Manchester, with a mainly rural heartland, bounded by the Derbyshire Pennines and the Welsh Border. The overall population is approximately 1.6 million.

The Diocese is divided into two archdeaconries: Chester covering the western half and Macclesfield the eastern, each with nine deaneries. There are 264 parishes, about 100 of which can be described as rural. Compared with many dioceses, there are few teams, and few multi-parish benefices. There are approximately 213 stipendiary clergy. The ministry of Readers and Pastoral Workers is important, with over 230 licensed. The role of licensed self-supporting ministers is substantial, with over 60 in post at present.

The Archdeaconry of Macclesfield approximately covers the part of the diocese to the east of the M6, plus the area around Crewe and Nantwich. The Archdeaconry of Chester approximately covers the rest of the diocese to the west of the M6. Each archdeaconry has a broad mix of urban and rural parishes. The Archdeacon of Chester lives in Chester, and the Archdeacon of Macclesfield lives in Congleton.

The financial affairs of the Diocese are conducted through two registered charities:- Chester Diocesan Board of Finance (Registered charity number 248968), and Chester Diocesan Board of Education (Registered charity number 525790).

Chester Diocesan Board of Finance

Chester Diocesan Board of Finance (DBF), founded in 1873, is constituted in accordance with the provisions of the Diocesan Boards of Finance Measure 1925.

It is a charitable company limited by guarantee, registered in England and Wales, and governed by memorandum and articles of association.

Its principal activity is to maintain and promote the spiritual teaching of the

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Church of England in the Diocese of Chester. It acts as the financial executive of the Diocesan Synod and as custodian trustee for parochial trusts, and other related organisations. There have been no significant changes in activity during the year.

As a registered charity, the DBF is not liable to Corporation Tax on its charitable activities.

The DBF has the following statutory responsibilities: -

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

Charitable donations and grants have been made as part of the normal expenditure of the DBF in the exercise of its objectives. No political donations have been made.

The DBF continues to undertake significant financial transactions with the Archbishops' Council of the Church of England, the Church Commissioners, the Church of England Pensions Board and Parochial Church Councils (PCCs) in the Diocese of Chester. None of these is a connected charity.

Bishop's Council

Bishop's Council has the following functions:

- to plan the business of Diocesan Synod, to prepare the agenda for its sessions, and to circulate to members information about matters for discussion;
- to initiate proposals for action by Diocesan Synod;
- to advise Diocesan Synod on matters of policy;

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- to advise the President on any matters which he may refer to Bishop's Council;
- subject to the directions of Diocesan Synod, to transact the business of the Synod when it is not in session;
- to appoint members of committees or nominate members for election to committees, subject to the directions of the Synod;
- to carry out such other functions as Diocesan Synod may delegate to it.

In practice, Bishop's Council undertakes actions in all the above areas, details of which are reported to Diocesan Synod on a regular basis.

The members of Bishop's Council are also the trustees and the members of the Board of Directors of Chester Diocesan Board of Finance and are therefore responsible for ensuring that the activities of the DBF are conducted in accordance with Charity and Company Law. The Central Services Committee deals with all the financial transactions of the DBF except for

- approval of the annual report and financial statements;
- approval of new policy and material changes in policy;
- approval of significant non-budgeted expenditure;
- major capital expenditure;
- staff remuneration.

The Central Services Committee also oversees matters relating to clergy and lay conditions of service, staffing levels, and other matters.

Bishop's Council receives detailed and regular reports on the activities of the various committees on the discharge of its responsibilities.

As employer of the staff responsible for the administrative and support work of the Diocese, the Board of the DBF records its sincere appreciation of the commitment and hard work of everyone concerned.

Subject to financial limits certain day-to-day decisions have been delegated to senior employees.

Bishop's Council is appointed as follows: -

Ex-officio members: the Bishop of the Diocese; other members of the House of Bishops, the Dean; the chairs of the House of Clergy and Laity; the

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Archdeacons; and the Chair of the Diocesan Board of Finance who is elected by the members.

Appointed members: one member appointed by each of: the members of the DBF, the committee responsible for housing matters, and the Diocesan Advisory Committee for the Care of Churches.

Elected members: 5 clergy and 5 lay persons from each Archdeaconry elected by and from among the members of the appropriate House of that Archdeaconry.

Nominated members: not more than 2 persons nominated by the Bishop.

Co-opted members: not more than 2 persons co-opted by the Council.

A new Bishop's Council is constituted every 3 years, most recently in November 2023. The first meeting of the new council is a full day meeting and includes a training session on the duties and responsibilities of trustees and company directors, together with a description of the main activities of the charity. In addition, new members were made aware of the Charity Governance Code.

Diocesan Mission and Pastoral Committee

Each diocese has a statutory Diocesan Mission and Pastoral Committee (DMPC) appointed under section 2 of the Mission and Pastoral Measure 2011. The functions of the DMPC are as set out in section 3 of the Measure. The DMPC is also consulted about proposals for making a Bishop's Mission Order. DMPCs were originally appointed under the Dioceses, Pastoral and Mission Measure 2007 to replace former diocesan pastoral committees and diocesan redundant churches uses committees.

In the Diocese of Chester, the Bishop's Council is the DMPC. The day-to-day work of the DMPC is undertaken by two archidiaconal mission and pastoral committees to which the majority of the DMPC's powers have been delegated. The membership of the archidiaconal committees consists of the Suffragan Bishop, Archdeacon, Rural Deans and Lay Chairs (or other deanery synod nominees) of each archdeaconry plus three members appointed by Bishop's Council (of which one is an elected member of the Council).

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The Archidiaconal Mission and Pastoral Committees conducted business relating to parish vacancies, appointments, and pastoral reorganisations.

In addition, the committees received reports on and discussed numerous issues including:- the Diocesan Strategy process, digital giving, unconscious bias training, missional strategy resources, the Wirral Waters initiative, the Flourish initiative – encouraging new intergenerational worshipping communities that meet in schools, the Treasure the treasurer roadshow, and the Growing Faith Learning Hub – resources for parents to encourage faith with children at home using plastic building blocks.

Diocesan Closed Churches Uses Committee

The Diocesan Closed Churches Uses Committee (DCCUC) established in accordance with the Pastoral Measure 1983, has had as its sole duty the task of finding suitable alternative uses for redundant church buildings in the Diocese. The responsibilities of the DCCUC were subsumed within those of the Mission and Pastoral Committee, though the closed churches work has been undertaken by a sub-committee.

Work is continuing on planning consents and other matters relating to St Pauls Boughton. Major work to repair a wall at St John the Baptist Godley is now complete. The redundant church at St Luke Dukinfield has been sold, with the net sale proceeds granted to the parish to put towards the cost of a new place of worship. Proposals are being explored to bring Crewe Christ Church back into community use. The sale of St John Altrincham remains dependant on moving a war memorial to St Margaret, Dunham Massey.

Custodian Trusteeship

The Board is Custodian Trustee for trust assets with a market value of approximately £5.4m at 31 December 2024 (£5.4m at 31 December 2023). Most of these trusts are held on behalf of Parishes whose charitable purposes in the advancement of religion are parallel to those of the DBF. The assets of the trusts are held separately from those of the Board. The DBF is responsible for their safe custody but has no right of access to such holdings for its own purposes. The funds are invested in accordance with the wishes of the managing trustees of the trusts and are mainly invested in charity deposits and investment funds.

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The Board also acts as custodian trustee for land and property trusts for parishes; in the main these are PCC (Parochial Church Council) properties such as church halls and curates' houses. Deeds for these are held and recorded to ensure segregation of the assets from those directly belonging to the DBF.

When founded in the 1830's, the University of Chester had close ties with the Anglican Church and was situated on land donated by the Dean and Chapter of Chester Cathedral. Though the University's aims have widened, it still provides training in theology and religious studies. The DBF remains custodian trustee for the University of Chester, holding property on its behalf.

Investment Policy

The Board's investment policy is to hold investments of relatively low risk and in accordance with the Church of England's ethical investment policy. Subject to this, funds are invested as follows:

- Income funds are invested to achieve the highest possible total return whilst maintaining short term liquidity.
- Endowment funds are invested to produce the highest possible reliable income, whilst maintaining capital growth of the endowment over the longer term.

In carrying out this policy the Board has decided primarily to invest in the funds of the Central Board of Finance of the Church of England.

Reserves Policy

Unrestricted funds:- For many years considerable attention has been given by Chester DBF to the preparation of long-term financial estimates though this has become harder in the current environment where levels of uncertainty are increased. To cushion the blow that would otherwise have fallen on parishes, the Board has on occasions used accumulated reserves. Free unrestricted reserves (excluding fixed assets) of £3m represent approximately 3 months expenditure. Taking account of the voluntary nature of the bulk of the Board's income, the Board believes this level of reserves is adequate to maintain cash flow. The Board intends to keep under close review the level of reserves required for cash flow purposes,

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particularly if there is any change in the timing or amount of expected parochial contributions.

Restricted funds:- The DBF's restricted funds totalling £11.7m (2023 £9.8m) are shown in note 20, together with an explanation of the purpose of those funds. The Board uses the pastoral account mainly to reinvest funds from the sale of surplus parsonage houses for the improvement of other parsonage houses. Where not required for this purpose, it can be used to meet the DBF's wider objects.

Endowment funds:- The DBF's endowment funds totalling £131.5m (2023 £150.4m) are shown in note 19 together with an explanation of the purpose of those funds. The majority of this balance (£117.0m (2023 £134.1m)) is benefice property included on the balance sheet as an expendable endowment fund. The gain in the year is due to improved valuation of benefice property (onsite at the same time as quinquennial inspection rather than desktop review) together with some investment gains. In addition to benefice property, the major endowment funds generate income for stipends, and to make grants to retired clergy, widows/widowers and dependants.

Grant making policy

The charity makes a variety of grants to clergy, their dependants, parishes and organisations as need arises and in furtherance of its charitable objects.

Applications are invited from those eligible under the terms of the various grant making funds. Applications are considered on their merits by the trustees. Further details of the funds can be found later in these accounts. Details of the amounts and number of grants are given in note 7.

Related party

Chester Diocesan Board of Education acts as the education authority for the Church of England in the Diocese of Chester, and as such has objects that are closely aligned with those of the charity. Staff working for Chester Diocesan Board of Education are employed on joint contracts of employment and are processed through the DBF's payroll, with costs recharged.

Key Management Personnel

The trustees have delegated much of the day to day running of the DBF to

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several key management personnel. As with all staff employed by the DBF, their remuneration is set by reference to the Croner Job Evaluation Scheme for the Church of England.

Charity Governance Code

The DBF takes account of the Charity Governance Code in its approach to governance and effectiveness as follows: -

Organisational purpose – Bishop's Council – the board of trustees - is clear about the DBF's purpose – "to maintain and promote the spiritual teaching of the Church of England in the Diocese of Chester" and that in practical terms this means assisting parishes to function effectively.

Leadership – the Bishops and Archdeacons of the diocese – who are all trustees - provide direction that the wider board of trustees can unite around.

Integrity – The board of trustees is particularly aware of the need for the parishes and clergy of the diocese to have confidence in the charity and works to that end. It is also aware of the need for the wider public to have confidence in the charity and the sector.

Decision making, risk and control – the board of trustees understands that its role is to set medium term direction, and delegates much day-to-day decision making within that direction to senior employees. The board retains responsibility for, and oversight of, those decisions.

Board effectiveness – because of the requirement of adequate representation of the various parts of the diocese, the board of trustees is somewhat larger than the size recommended by the code. Where specific issues arise, these are often considered by ad hoc subgroups of trustees, reporting back to full trustee meetings.

Diversity – as with other religious charities, the trustees are drawn from a specific group in society – in this case Anglican Christians with experience and time availability to take part in the management of the charity. Within this, the board aims to be as diverse as it can and is assisted by the requirement that the various parts of the Diocese are represented.

Openness and accountability – the trustees and senior staff seek to foster

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open relationships, particularly with the parishes and clergy of the diocese.

Auditors

In respect of each director at the date the directors' report is signed:

- So far as they are aware, there is no information needed by the charity's auditors in connection with preparing their report (relevant audit information) of which they are unaware, and
- The directors of the charity have taken all the steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report, incorporating the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report, incorporating the strategic report, was approved by the Board on 30th June 2025 and signed by order of the Board.

M R Gilbertson

Ven Dr Michael R Gilbertson
Archdeacon of Chester

Independent Auditor's Report to the Members of the Chester Diocesan Board of Finance

Opinion

We have audited the financial statements of the Chester Diocesan Board of Finance for the year ended 31 December 2024 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Chester Diocesan Board of Finance
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Independent Auditor's Report

statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Chester Diocesan Board of Finance
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Independent Auditor's Report

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 29, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with

Chester Diocesan Board of Finance
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Independent Auditor's Report

laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

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

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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

Chester Diocesan Board of Finance
Year ended 31 December 2024
Independent Auditor's Report

Use of our report

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



Lee Stokes (Senior Statutory Auditor)
For and on behalf of
HaysMac LLP,
Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date 15 September 2025

Chester Diocesan Board of Finance
Statement of Financial Activities for the year ended 31 December 2024

Income and Expenditure

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000	Total 2023 £'000
Income and endowments from						
Parochial contributions		11,348	-	-	11,348	11,021
Grants and other donations	3	132	907	-	1,039	1,027
Investment income	4	289	359	-	648	519
Rental income		250	77	-	327	341
Income from charitable activities						
Statutory clergy fees		-	595	-	595	671
Retreat and Conference Centre		250	-	-	250	215
Other income from operating activities		186	248	345	779	1,350
Total		12,455	2,186	345	14,986	15,144
Expenditure on raising funds						
Generating voluntary income		22	-	-	22	20
Investment and Rental costs		-	95	-	95	98
Charitable Activities						
National church responsibility		355	-	-	355	377
Parochial clergy and archdeacons		9,741	948	-	10,689	10,904
Parsonage improvements		-	733	-	733	561
Support to clergy and parishes		2,189	1,091	-	3,280	2,775
Retreat and Conference Centre		443	-	-	443	422
Other expenditure on operating activities		-	-	796	796	305
Total	6	12,750	2,867	796	16,413	15,462
Net income/(expenditure) before investment gains/(losses)		(295)	(681)	(451)	(1,427)	(318)
Net (losses)/gains on investments	14	5	91	186	282	1,032
Net (expenditure)/income		(290)	(590)	(265)	(1,145)	714
Transfers between funds	22	13	2,476	(2,489)	-	-
Other recognised gains/(losses)						
Gains on revaluation of fixed assets	13	(209)	(22)	(15,957)	(16,188)	18,875
Net movement in funds		(486)	1,864	(18,711)	(17,333)	19,589
Reconciliation of funds:						
Total funds brought forward		10,613	9,802	150,432	170,847	151,258
Total funds carried forward		10,127	11,666	131,721	153,514	170,847

The notes on pages 40 to 61 form part of these financial statements. All activities are continuing.

Chester Diocesan Board of Finance
Balance sheet as at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible assets	13	131,667	149,027
Investments	14	13,039	12,729
		144,706	161,756
Current assets			
Debtors	15	754	1,939
Cash at bank on deposit and in hand	16	8,972	7,997
		9,726	9,936
Creditors: amounts falling due within one year	17	(835)	(762)
Net current assets		8,891	9,174
Total assets less current liabilities		153,597	170,930
Creditors: amounts falling due after more than one year	18	(83)	(83)
Total net assets		153,514	170,847
Endowment funds	19	131,721	150,432
Restricted income funds	20	11,666	9,802
Unrestricted funds		10,127	10,613
Total charity funds		153,514	170,847

The notes on pages 40 to 61 form part of these financial statements.

The financial statements were authorised, issued and approved by the Board of Directors on 30 June 2025 and signed on its behalf by



Mr D A Hermitt
Chairman



Ven Dr M R Gilbertson
Archdeacon of Chester

Chester Diocesan Board of Finance is a company limited by guarantee registered in England and Wales (no. 00007826)

Chester Diocesan Board of Finance
Statement of Cash Flows for the year ended 31 December 2024

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Note	2024	2023
		£'000	£'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)		(1,145)	714
(Gains)/Losses on investments	14	(282)	(1,032)
Dividends, interest and royalties from investments		(648)	(519)
(Profit)/loss on the disposal of fixed assets		418	(764)
Decrease/(Increase) in debtors		1,185	(414)
Increase/(Decrease) in creditors		74	(1,025)
Net cash (used in) operating activities		(398)	(3,040)

Statement of Cash Flows

	2024	2023
	£'000	£'000
Net cash (used in) operating activities	(398)	(3,040)

Cashflows from investing activities

Dividends, interest and royalties from investments	648	518
Payments to acquire fixed assets	(2,965)	(1,744)
Payments to acquire investments	(28)	(25)
Receipts from disposal of tangible fixed assets	3,718	4,967
	<u>1,373</u>	<u>3,716</u>

Increase in cash in the year	<u>975</u>	<u>676</u>
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Reconciliation of net cash flow to movement in cash and cash equivalents

	2024	2023
	£'000	£'000
Increase in cash in the year	975	676
Cash and cash equivalents at the beginning of the reporting period	<u>7,997</u>	<u>7,321</u>
Cash and cash equivalents at the end of the reporting period	<u>8,972</u>	<u>7,997</u>

1. Accounting policies and format of accounts

Basis of Preparation

The financial statements have been prepared on the basis of historical cost with the exception that tangible fixed assets are included at fair value and investments at market value.

The financial statements have been prepared in accordance with the Charities SORP (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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Income

All income is included in the Statement of Financial Activities (SoFA) when the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. In respect of contributions from parishes there is no legal entitlement to income, but there is a high commitment from parishes to pay. They are therefore included on the same basis as above, where there is a reasonable prospect of receipt.

Parochial contributions - parishes contribute based on number of incumbent status clergy and a socioeconomic assessment of ability to pay using information derived from the 2011 census. Parish share is accounted for in the period to which it relates. Provisions are made against any amounts of parish share not considered to be collectable.

Grants and other donations - the DBF receives a number of unrestricted and restricted grants, together with recharges where staff are employed on joint contracts.

Investment income - dividends and interest, mainly arising from endowment funds. About half of the income is specifically restricted to funding the payment of stipends; the majority of the remainder is restricted for a range of other purposes.

Rental income - mainly on parsonages where the parish is in vacancy, together with glebe property.

Statutory clergy fees - almost all clergy now assign the legal right to fees for weddings, funerals and sessions of visiting to the DBF.

Diocesan Retreat and Conference Centre - fees from parishes and individuals attending events at the centre.

Other income from operating activities - including fees for training courses, together with income resulting from the winding up of trusts where the proceeds are payable to the DBF. Also other ad-hoc items of income that do not fall into the other income categories.

Expenditure

Expenditure is included on the accrual basis and has been classified under headings that aggregate all of the costs related to the category. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of the resources.

Going concern

The trustees make an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were signed. Having performed the assessment, the Trustees conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis. Chester DBF is heavily supported by Parish Share contributions, and collection rates are under some pressure in the current economic environment. In extreme conditions, the DBF has reasonable reserves, could apply the Capital Reserve Stipends Fund to the payment of stipends, and a number of properties could potentially be mortgaged.

In making the assessment, the Trustees did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on Charity's ability to continue as a going concern. In addition, the trustees consider that the Board has sufficient reserves to continue operations.

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

Allocation of support costs

Support costs are allocated by reference to the activities generating those costs. This inevitably involves estimates, for example a number of staff at the diocesan office are involved in more than one area of activity, so an estimate has to be made of the proportion of time devoted to each. Some items, namely legal fees, are allocated directly to the appropriate sphere of activity. The allocation of support costs is shown in note 5.

Grant making policy

The DBF makes a variety of grants to clergy, their dependants, parishes and organisations as need arises and in furtherance of its charitable objects.

Applications are invited from those eligible under the terms of the various grant making funds. Applications are considered on their merits by the trustees. Further details of the funds can be found later in these accounts. Details of the amounts and number of grants are given in note 7.

Funds

The Statement of Financial Activities shows funds as follows:-

Unrestricted Funds

These are funds available for the general purposes of the Board. Part of the Board's unrestricted funds are designated, that is, set aside for specific purposes.

Restricted Funds

Where there is a specific restriction on the use of a fund, typically imposed by the donor, it is known as restricted. Restricted income is added to the relevant restricted fund, and not to unrestricted, general funds. The Board's restricted funds are shown in note 20.

Endowment Funds

Some of these funds are investments held to produce income, and are sometimes called capital funds. The income from endowment funds is added to the relevant restricted fund. In addition, benefice property, that is, vicarages used to house parish clergy, are also included at fair value in endowment funds. The Board's endowment funds are shown in note 19.

Fixed Assets

Freehold land and buildings held for the board's charitable purposes, are included at fair value as at the balance sheet date using valuations obtained from a qualified valuer. Fixed assets are valued on a rolling five year basis.

Glebe property

Diocesan Glebe property is vested in the DBF under the Endowments and Glebe Measure 1976. It comprises a small number of houses the majority of which are occupied by clergy, together with a range of agricultural and other holdings. These are mainly historical in nature, for example a field adjacent to a vicarage. Any income generated by Glebe property is restricted for the payment of stipends.

Parsonages

Parsonages for the housing of parish clergy are included in fixed assets at fair value. Under s.8 of the Church Property Measure 2018, the DBF may, subject to approval by the Church Commissioners, make a determination that a parsonage house and/or parsonage land which is no longer required for the incumbent's official residence should be transferred to the DBF. Under s.13 of the Church Property Measure 2018, the proceeds of sale of a parsonage house are paid to the Parsonages Board for the diocese, which will then apply the monies to a variety of purposes with the ultimate application of monies being to credit the diocesan Pastoral Account, to the extent that these are not required for the purchase or improvement of parsonage houses. The directors therefore conclude that the DBF controls the parsonage houses, by virtue of its ability to make determinations under s.8, and that it is probable that economic benefit associated with the parsonage houses will flow to the DBF, because the ultimate application of the sale proceeds is to credit one or more of the funds of the DBF. The assets are held on trust, so they form part of the DBF's restricted funds and, being capital in nature, the directors have recognised the assets as an expendable endowment fund.

Parsonage building funds, which typically arise on the sale of a benefice house in advance of its replacement, are also included in the same expendable endowment fund.

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

Depreciation

Depreciation is not provided on buildings as any provision would not be material due to the long expected remaining useful economic lives, and because expected residual values are not materially less than carrying value. The DBF has a policy of regular inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Measure 1972. Disposals of properties tend to occur well before the end of their economic lives, and disposal proceeds are usually not less than carrying value. Impairment reviews are undertaken to ensure that the carrying value is not more than the recoverable amount.

Investment property

Property is held by the DBF for long term charitable use, or to protect another charitable asset. As such, the DBF does not hold any investment property.

Fixtures and Fittings

The cost of replacing fixtures, fittings, computers and other office equipment is generally immaterial. As a result, such items are not capitalised and are written off in the year of purchase.

Investments

Investments are stated at fair value as at the balance sheet date.

Unrealised gains or losses arising on the revaluation of investments are, together with the realised gains and losses arising on the sale of investments, shown in the SoFA as net gains/(losses) on investments.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Taxation

No provision is made for taxation as the company is a charity entitled to the various exemptions afforded by the Corporation Taxes Act 2010.

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension schemes

The Board of Finance contributes to the Church Workers Pension Fund (for lay staff) and the Church of England Funded Pension Scheme (for clergy). Both of these schemes are defined benefit multi-employer pension schemes and it is not possible to identify the assets and liabilities of the schemes which are attributable to the Board.

In accordance with FRS 102, payments to the schemes are accounted for as for defined contribution schemes. Contributions payable in respect of the accounting period are included in Expenditure in the Statement of Financial Activities.

The Board entered in to a deficit contribution plan concerning the Church of England Funded Pension Scheme. Future additional contributions were discounted and resulted in a liability being reflected in the balance sheet. The interest cost of the debt was reflected in the Statement of Financial Activities with the payments (less interest) being offset against the liability. No further deficit contribution payments are required beyond 31 December 2022, so the liability at the balance sheet date is nil.

Further detail is provided in notes 24 and 25.

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the trustees have made the following judgements:

- Valuation of freehold property – freehold property is held at fair value. In order to determine fair value, advice is taken from independent qualified valuers. In this context, judgement is exercised in a number of areas, including local market conditions and investor demand.
- Actuarial assumptions in respect of defined benefit pension schemes - The application of actuarial assumptions, relating to the defined benefit pension schemes that staff are members of, is incorporated in the financial statements in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Other key sources of estimation uncertainty include:

- Provision for bad debts (parish share arrears) – provision required against parish share arrears is arrived at in consultation with those who have awareness of the financial position of the parishes being; finance staff, Archdeacons and parish treasurers.
- Other – there is estimation uncertainty in other areas, such as outstanding clergy fees and accruals of building works complete. The uncertainty in these areas is considered to be significantly lower.

2. Auditors remuneration

The auditors remuneration (inclusive of VAT at 20%) for the year was as follows:-

	2024	2023
	£'000	£'000
Statutory audit	38	35
	38	35

3. Grants and other donations

	2024	2023
	£'000	£'000
Donations to Foxhill Conference Centre	2	2
Grant from Benefact Trust	129	150
Grant to Clergy Sustentation Fund	5	11
Archbishops Council Grant - Past Cases Review 2	-	6
Archbishops Council Grant - Strategy	89	91
Archbishops Council Grant - Wirral Waters	51	45
Archbishops Council Grant - Net Zero 2030	-	15
Archbishops Council Grant - Net Zero Quick Wins	30	-
Archbishops Council Grant - Net Zero Capacity	76	-
Archbishops Council Grant - Minor Repairs and Improvements	54	-
Archbishops Council Grant - Flourish project	42	-
Archbishops Council Grant - Growing Faith Learning Hub	10	-
Archbishops Council Grant - Giving Advisor	48	-
Archbishops Council Grant - Diocesan Investment	46	-
Jesus Shaped People	12	-
Birkenhead legacy	-	28
Donations to Outreach department	1	1
Church Commissioners Resourcing Ministerial Education block grant	18	217
Diocesan Stipends Fund (housing allowances and Emmanuel Theological College)	60	86
Chester Diocesan Board of Education recharge	366	375
	1,039	1,027

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

4. Investment Income	2024	2023
	£'000	£'000
Investment and fixed interest funds	369	357
CBF deposits and bank interest	274	154
Other income including interest on loans to parishes	5	7
	648	518

5. Allocation of Central services and support costs

The Diocesan Board of Finance allocates its support costs according to the percentages below, apart from some legal fees allocated to the area to which they relate.

	Generating voluntary income 2% £'000	Parochial clergy and Archdeacons 20% £'000	Support to clergy and parishes 75% £'000	Retreat and Conference Centre 3.0% £'000	Total 2024 100% £'000
Church House	3	26	96	4	129
Central services	3	29	110	4	146
Central staff	13	136	509	20	678
Legal, financial	2	19	86	3	110
Governance	1	14	53	2	70
	22	224	854	33	1,133

Prior year comparative

	Generating voluntary income 2% £'000	Parochial clergy and Archdeacons 20% £'000	Support to clergy and parishes 75% £'000	Retreat and Conference Centre 3.0% £'000	Total 2023 100% £'000
Church house	3	28	104	4	139
Central services	3	28	103	4	138
Central staff	12	121	454	18	605
Legal, financial	1	13	62	2	78
Governance	1	14	51	2	68
	20	204	774	30	1,028

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

6. Expenditure	Note	Total 2024 £'000	Total 2023 £'000
Generating voluntary income			
Central Services & support costs		22	20
Investment and rental costs			
Rental costs		95	91
Value linked loan interest paid		-	7
		95	98
Charitable Activities			
National church responsibility		355	377
Parochial clergy and archdeacons			
Parochial Clergy and Archdeacons stipends		8,234	8,082
Maintenance of clergy housing		1,487	1,678
National ministry training and ordinands grants		744	940
Central Services & support costs		224	204
		10,689	10,904
Parsonage improvements		733	561
Support to clergy and parishes			
Ministry		420	345
Bishops' and Archdeacons' support, DAC, Chaplains & Ecumenical		272	224
Education		428	375
Outreach		411	348
Safeguarding		335	231
Vision & strategy		115	90
Discretionary and one off items (EIG)		4	12
Clergy/Lay conferences		11	1
Grants to parishes, clergy and others	7	430	349
Change in value of Harrison Legacy receivable		-	26
Central Services & support costs		854	774
		3,280	2,775
Retreat and Conference Centre			
Diocesan Retreat and Conference Centre		410	392
Central Services & support costs		33	30
		443	422
Other expenditure on operating activities			
Loss on disposal of fixed assets		796	305
		16,413	15,462

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

7. Grants to parishes, clergy and others

		2024	2023
		£'000	£'000
Grants to parishes			
Pastoral account grants to parishes		237	265
Marton - E J Massey trust		4	4
Minor Repairs and Improvements		52	-
Flourish projects		35	-
Net Zero Quick Wins		9	-
Birkenhead Priory - clerical or lay assistance		5	5
Thornton Hough - Fryer Legacy income		4	4
Twemlow trust - Balterley		3	3
Emmanuel Theological College		40	-
Energy grants		-	24
		389	305
Grants to Individuals and others			
	No. of grants		
Foxhill grants	19	5	4
Clergy Sustentation grants	10	6	2
Retired Clergy, Widows and Dependents Fund grants	12	28	34
Ministry Hardship grants	1	2	4
		41	44
Total grants		430	349

8. Staff and Office holder costs and numbers

	2024	2023
	£'000	£'000
Wages & salaries	2,159	1,777
Social security costs	209	173
Pension costs	307	279
	2,675	2,229

Average staff numbers based on full time equivalents

	2024	2023
	Number	Number
Cost of generating voluntary income	0.5	0.5
Funding of parochial clergy and archdeacons	5	4.5
Support to clergy and parishes	22	19.2
Diocesan Retreat and Conference Centre	8	8.5
Diocesan administration and central support	11	10.6
	46.5	43.3

The number of staff whose salary excluding pension contributions amounted to more than

£60,000 were as follows:-

	2024	2023
£60,001 - £70,000	2	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1

These employees accrued benefits in the Church of England Defined Benefits Pension Scheme until its closure on 31 May 2024, and following that, in the Church of England Pension Builder Classic Scheme.

In addition to the above, the charity had the equivalent of 8.3 (2023 6.7) full time employees under joint contracts with Chester Diocesan Board of Education. Their employment costs are borne by the charity and recharged to Chester Diocesan Board of Education (note 12).

Average head count for the year was 65.3 (2023 55.5) while the average head count of employees under joint contracts with Chester Diocesan Board of Education was 8.3 (2023 7.4).

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

Office holders costs and numbers

In addition to those paid as employees of the DBF there are a large number of office holders. In the main these are clergy in parishes, but also include Archdeacons and a small number of diocesan sector posts. There was an average of 190 (2023 191) full time equivalent office holders during the year.

	2024	2023
	£'000	£'000
Clergy Stipends	5,907	5,640
Clergy National Insurance	502	462
Clergy Pension Contributions	1,306	1,420
Other clergy payments	324	365
	8,039	7,887

9. Termination payments

Termination payments totalling £56,690 (2023 42,620) were made or accrued in the year.

10. Trustee remuneration and benefits

Bishops' Council, the charity trustee body, and the board of directors of the charitable company, have the same membership. So every trustee is a director, and vice versa.

Trustee remuneration

No remuneration was paid to any of the directors (charity trustees) in their capacity as directors of the company.

The following trustees were in receipt of a stipend and provided with housing for some or all of the year, funded by the DBF:-

Ven Dr Michael R Gilbertson, Archdeacon of Chester	Revd Andrew Q Greenhough
Ven Jane E Proudfoot, Archdeacon of Macclesfield from 28 April 2024	Revd Clair Jaquiss
Revd Hana Amner	Revd Gary Kennaugh
Revd Joshua C Askwith	Revd Anna Leyden
Revd Nigel Atkinson	Revd Ruth Mock
Revd George T Crowder	Revd Richard L Pennystan
Revd Leslie S Currie	Revd Michael L Ridley
Revd Stephen Dunton	Revd Michael I A Smith
Revd Simon Drew, Chair, House of Clergy, Diocesan Synod	Revd Christina P Upton
Revd Simon R Gales	Revd David A Vestergaard
Revd Daud Gill	

The Rt Revd Julie A Conalty, Bishop of Birkenhead, was in receipt of a stipend and housing allowance, the stipend funded by the Church Commissioners and the housing allowance funded by the DBF.

The Rt Revd Samuel J C Corley, Bishop of Stockport, was in receipt of a stipend and provided with housing, the stipend funded by the Church Commissioners and the housing provided by the DBF.

The Very Revd Timothy R Stratford, Dean of Chester, was in receipt of a stipend funded by the Church Commissioners and housing funded by Chester Cathedral.

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £41,750 - £51,175 (2023 £39,477 - £48,389). The stipend, funded by the DBF, paid to Archdeacons was £44,039 (2023 £42,457). The stipend paid to the Dean of Chester was £41,751 (2023 £39,477). Other clergy who were Trustees were paid stipends in the range £30,518 - £32,642 (2023 £28,585 - £30,575).

Trustee expenses

A total of £15,104 (2023 £12,792) was reimbursed to 14 (2023 12) directors during the year. Nearly all expenses reimbursed to directors are in respect of their charitable work for the Diocese. Amounts in respect of their duties as charity trustees are small.

11. Remuneration of key management personnel

The trustees have delegated much of the day to day running of the DBF to a number of key management personnel. The remuneration of these personnel, including employers national insurance, totalled £513,643 (2022 £492,793), together with pension contributions of £80,465 (2023 £90,211). Of these, the highest paid was Liz Geddes, who received £65,218 (2023 £61,088 excluding employers national insurance, together with pension contributions of £16,880 (2023 £17,771). The key management personnel are listed on page 3 of the Annual Report.

12. Related party transactions

Chester Diocesan Board of Education acts as the education authority for the Church of England in the Diocese of Chester, and as such has objects that are closely aligned with those of the charity.

				2024	2023
				£'000	£'000
Chester Diocesan Board of Education funding of joint employment contracts				366	375
13. Tangible Fixed Assets					
	Freehold			Total	Total
	Land and Buildings			2024	2023
	Board	Glebe	Parsonages		
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
Balance at 1 January	8,966	5,971	134,090	149,027	132,611
Additions	-	-	2,965	2,965	1,744
Disposals	(214)	(35)	(3,469)	(3,718)	(4,967)
Profit/loss on disposals	33	(4)	(448)	(419)	764
Revaluations	(231)	156	(16,113)	(16,188)	18,875
Transfers	716	-	(716)	-	-
Balance at 31 December	9,270	6,088	116,309	131,667	149,027

The Board's property comprises the office at Daresbury park, the conference centre at Foxhill together with associated buildings, a small number of closed churches, together with a small number of residential properties, some of which are used to house diocesan appointees. Glebe property comprises a small number of residential properties together with a range of mainly agricultural holdings. Any income arising from Glebe property is restricted to the funding of stipends.

In addition, parsonages for the housing of parish clergy are included in fixed assets at fair value.

All land and buildings are held at valuation. A full desk top valuation was performed by Fisher German LLP as at 31 December 2021, together with site visits where appropriate. From 31 December 2022 and for following years this, property is being revalued on at least a rolling five year basis with many valuations taking place at the same time as quinquennial inspections.

For each class of property, the average percentage change in the value of revalued properties has been applied to the remaining properties of that class not individually valued that year.

The surplus on revaluation has been credited to the Statement of Financial Activities for the year.

In part due to the length of time that many of the buildings have been held, full historic cost information is not available.

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

14. Investments	2024	2023
	£'000	£'000
Market Value at 1 January	12,729	11,671
Acquisitions at cost	28	26
Net (losses)/gains on revaluation	282	1,032
Market Value at 31 December	13,039	12,729

Investments at 31 December comprise

	No of shares	2024 Market Value £'000	No of shares	2023 Market Value £'000
CBF Church of England Investment Fund	534,462	12,452	534,462	12,173
CBF Church of England Fixed Interest Fund	30,414	45	30,414	44
CBF Church of England Property Fund	431,768	532	409,765	502
Churches' Mutual Credit Union Deferred £1	10,000	10	10,000	10
		13,039		12,729

15. Debtors

	2024	2023
	£'000	£'000
Amounts falling due within one year		
Loans to parishes	35	-
Loan to Liverpool DBF	13	13
Balances held by Church Commissioners	129	
Other debtors	99	206
Prepayments and accrued income	344	1,569
Other loans	-	10
	620	1,798
Amounts falling due after more than one year		
Loans to parishes	11	11
Loan to Liverpool DBF	40	47
Value linked loans to parishes (note 18)	83	83
	134	141
Total debtors	754	1,939

Debtors are valued at the undiscounted amount receivable.

The loan to Liverpool DBF was arranged as £100,000 repayable over 15 years interest free. The loan was made to assist Liverpool DBF with constructing premises for the use of St Mellitus, a training institution with similar objectives to the DBF, and that provided training for the DBF. This activity is now carried out by Emmanuel Theological College.

Balances held by Church Commissioners was inflated by the sale proceeds of a closed church.

Value linked loans to parishes have no fixed repayment date and are repayable to the Church Commissioners only on the disposal of the property against which security is held. As a result, the majority of these balances are likely to be repayable after more than one year.

16. Cash at bank, on deposit and in hand

	2024	2023
	£'000	£'000
Balances held by Church Commissioners	-	(3)
Cash in hand, at bank and on bank deposit	1,689	3,936
Charity Bank Deposit	3	3
CBF Church of England Deposit Fund	7,280	4,061
	8,972	7,997

17. Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Ordinary creditors	204	290
Accruals	630	454
Other creditors	2	18
	836	762

Creditors are valued at the undiscounted amount payable.

18. Creditors: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Value linked loans for parishes (note 15)	83	83
	83	83

Creditors are valued at the undiscounted amount payable.

Value Linked Loans from the Church Commissioners are loaned on to parishes on the same terms that they are borrowed. The outstanding loans are for the purpose of assisting the provision of housing for assistant clergy. The loans become repayable on disposal of the property or by agreement between the parish, the DBF, and the Church Commissioners. Value Linked Loan interest is charged at interest rates of 6.4-7.5% pa, the same rate at which the funds are borrowed from the Church Commissioners. Interest payable is included in note 6.

19. Endowment Funds

The endowment funds comprise capital funds, the income of which is credited to the relevant unrestricted or restricted fund:-

	1 January 2024 £'000	Income	(Expenditure) gains/(losses) and transfers £'000	31 December 2024 £'000
Diocesan Conference Centre	150	-	3	153
Steel & William Fletcher Rogers Fund	91	-	3	94
Retired Clergy, Widows and Dependants Fund	3,065	-	70	3,135
Clergy Sustentation Fund	194	-	4	198
Birkenhead Curacy Fund	185	-	4	189
E J Massey	150	-	3	153
Twemlow trust	91	-	3	94
Glebe Land & Buildings	5,971	-	118	6,089
Diocesan Stipends Fund Capital Account	4,389	-	131	4,520
Benefice property	136,146	-	(19,050)	117,096
	150,432	-	(18,711)	131,721

Prior year comparatives:-

	1 January 2023 £'000	Income	(Expenditure) gains/(losses) and transfers £'000	31 December 2023 £'000
Diocesan Conference Centre	137	-	13	150
Steel & William Fletcher Rogers Fund	84	-	7	91
Retired Clergy, Widows and Dependants Fund	2,799	-	266	3,065
Clergy Sustentation Fund	177	-	17	194
Birkenhead Curacy Fund	169	-	16	185
E J Massey	137	-	13	150
Twemlow trust	84	-	7	91
Glebe Land & Buildings	5,855	-	116	5,971
Diocesan Stipends Fund Capital Account	4,027	-	362	4,389
Benefice property	117,637	-	18,509	136,146
	131,106	-	19,326	150,432

Permanent Endowment

Diocesan Conference Centre	Held to produce income for the Foxhill Conference Centre
Steel & William Fletcher Rogers Fund	Making of grants for women and girls in need on the Wirral
Retired Clergy, Widows and Dependants Fund	Making of grants for relief in need of retired clergy, widows, spouses of the clergy, and in certain circumstances meeting the cost of clergy pension contributions
Clergy Sustentation Fund	Making of grants to members of the clergy in need of assistance.
Birkenhead Curacy Fund	Fund for clerical or lay assistance at Birkenhead Priory Parish
E J Massey	For the maintenance and upkeep of church and churchyard at Marton
Twemlow trust	The trust arose to pay grants to Honorary Canons of Chester Cathedral with a wish that they preach at Balterley Memorial Chapel.

Expendable endowment

Glebe Land & Buildings	Glebe property, the rental income from which is used for funding stipends
Diocesan Stipends Fund Capital Account	The accounts are governed by the Diocesan Stipends Measure 1953 as amended by the Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure. The main function of the fund is to provide income for stipends; it can also be used for other purposes permitted by the Measures.
Benefice property	Benefice houses - vicarages/parsonages, together with any parsonage building funds held for specific benefices.

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

20. Restricted Funds

The income funds of the Board of Finance include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:-

	1 January 2024	Income	(Expenditure), Gains, (Losses) & Transfers	31 December 2024
	£'000	£'000	£'000	£'000
Capital Reserve Stipends	3,895	-	89	3,984
Clergy Sustentation	58	12	(6)	64
UPA Projects	15	1	-	16
Canon White Trust	2	-	-	2
Jane Hannah Graham Trust	342	13	-	355
Retired Clergy Widows and Dependants	721	118	(25)	814
Steel & William Fletcher Rogers Fund	43	5	-	48
Twemlow trust	-	3	(3)	-
Parish Mission and Ministry	27	-	-	27
Diocesan Pastoral Account	3,684	200	1,447	5,331
Birkenhead Curacy Fund	-	5	(5)	-
Foxhill Retreat Fund	164	12	(3)	173
RME block grant	190	18	(47)	161
Ministry hardship	14	-	(2)	12
Parish energy grants	10	-	-	10
Harrison legacy	626	-	(34)	592
Diocesan Strategy	-	89	(89)	-
Net Zero Starter	11	-	(4)	7
Net Zero Quick Wins	-	30	(9)	21
Net Zero Capacity	-	76	(39)	37
Minor Repairs and Improvements	-	54	(52)	2
Flourish Chester	-	42	(42)	-
Giving Advisor Fund	-	48	(48)	-
Growing Faith Learning Hub	-	10	-	10
Wirral Waters	-	51	(51)	-
Jesus Shaped People	-	12	(12)	-
Restricted Committee income*	-	1,354	(1,354)	-
	9,802	2,153	(289)	11,666

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

Prior year comparatives:-	1 January 2023	Income	(Expenditure), Gains, (Losses) & Transfers	31 December 2023
	£'000	£'000	£'000	£'000
Capital Reserve Stipends	3,558	-	337	3,895
Clergy Sustentation	42	17	(1)	58
UPA Projects	14	1	-	15
Canon White Trust	2	-	-	2
Jane Hannah Graham Trust	339	3	-	342
Retired Clergy Widows and Dependants	658	103	(40)	721
Steel & William Fletcher Rogers Fund	39	4	-	43
Twemlow trust	-	2	(2)	-
Parish Mission and Ministry	27	-	-	27
Diocesan Pastoral Account	3,267	194	223	3,684
Birkenhead Curacy Fund	-	5	(5)	-
Foxhill Retreat Fund	162	-	2	164
RME block grant	188	217	(215)	190
Ministry hardship	18	-	(4)	14
Parish energy grants	34	-	(24)	10
Harrison legacy	652	-	(26)	626
Net Zero	-	15	(4)	11
Wirral Waters	-	45	(45)	-
Restricted Committee income*	-	1,601	(1,601)	-
	9,000	2,207	(1,405)	9,802

*In all cases Committee expenditure exceeds restricted income, the balance being funded from unrestricted funds.

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

Details of the Restricted funds are as follows:

Capital Reserve Stipends	Fund for payment of stipends
Clergy Sustentation	The charity is endowed (see note 20) The income is for the making of grants to members of the clergy in need of assistance.
UPA Projects	Raised for projects in Urban Priority Areas.
Canon White Trust	Repair and restoration of churches in the Diocese.
Jane Hannah Graham Trust	The making of grants and loans for the provision, restoration and repair of churches and parsonage houses.
Retired Clergy Widow and Dependants	The charity is endowed (see note 20) Making of grants for relief in need of retired clergy, widows, and spouses of the clergy. In certain circumstances meeting clergy pension contributions.
Steel and William Fletcher Rogers Fund	The charity is endowed (see note 20) Making of grants for women and girls in need on the Wirral.
Twemlow trust	The charity is endowed (see note 20). The trust arose to pay grants to Honorary Canons of Chester Cathedral with a wish that they preach at Balterley Memorial Chapel.
Parish Mission and Ministry	Funding from Archbishops Council. Can be spent on parish mission and ministry activities, or stipends.
Diocesan Stipends Income Fund	Applied towards the payment of stipends
Birkenhead Curacy Fund	Fund for clerical or lay assistance at Birkenhead Priory Parish
Foxhill Retreat Fund	The fund arose from a donation from the former Chester Retreat House and is to be used to fund retreats.
Diocesan Pastoral Account	The account is governed by the section 78 of the Pastoral Measure 1983. It must initially be used in meeting the costs incurred for the purposes of the measure, or in meeting the costs of disposing of or maintaining houses or churches vested in the DBF or Church Commissioners. If the DBF is satisfied the fund is not required or likely to be required for the above, it may be applied to other purposes of the diocese or any benefice or parish in the diocese.
RME Block grant	Archbishops Council funding for the training of ordinands.
Harrison legacy	The DBF is due to receive a legacy for the support of children, young people and families in the Diocese of Chester.
Diocesan Strategy	Archbishops Council funding to develop and implement diocesan strategy.
Ministry hardship	Archbishops Council funding to make cost of living assistance grants to clergy.
Parish energy grants	Archbishops Council funding to make grants to parishes to assist with energy costs.
Net Zero Starter	Archbishops Council funding for initial consultancy work.
Net Zero Quick Wins	Archbishops Council funding for grants to parishes eg for LED lighting.
Net Zero Capacity	Archbishops Council funding for a Net Zero Officer.
Minor Repairs and Improvements	Archbishops Council funding for grant to parishes for minor repairs and improvements.
Flourish Chester	Archbishops Council funding for a small number of projects in partner schools.
Giving Advisor Fund	Archbishops Council funding for part of the costs of a giving advisor.
Growing Faith Learning Hub	Archbishops Council funding for the Growing Faith Learning Hub Project.
Wirral Waters	Archbishops Council funding for the Wirral Waters worshipping community.
Jesus Shaped People	Funding for Jesus Shaped People Champion

21. Analysis of net assets between funds

	Tangible Fixed Assets £'000	Investments £'000	Net Current Assets £'000	Long term Liabilities £'000	2024 Total Net Assets £'000	2023 Total Net Assets £'000
Unrestricted Funds						
General Funds	4,433	53	1,629	(83)	6,032	6,183
Designated						
Office refurbishment	-	489	-	-	489	502
EIG Reserve	-	-	128	-	128	133
Lay Training	-	-	18	-	18	18
Fryer Trust	-	146	-	-	146	143
Bishop of Birkehead house	-	-	678	-	678	678
Bishop of Birkenhead Fund	-	-	28	-	28	28
Diocesan Conference Centre	2,608	-	-	-	2,608	2,928
Total Unrestricted Funds	7,041	688	2,481	(83)	10,127	10,613
Restricted Funds						
Capital Reserve Stipends	-	3,984	-	-	3,984	3,895
Clergy Sustentation	-	-	64	-	64	58
RME block grant	-	-	161	-	161	190
UPA Projects	-	-	16	-	16	15
Canon White Trust	-	-	2	-	2	2
Jane Hannah Graham Trust	-	-	355	-	355	342
Retired Clergy Widows and Dependants	260	-	553	-	813	721
Pastoral Account	1,968	-	3,364	-	5,332	3,684
Parish Mission and Ministry	-	-	27	-	27	27
Net Zero Starter	-	-	7	-	7	11
Foxhill Retreat Fund	-	85	88	-	173	164
Steel & William Fletcher Rogers	-	-	48	-	48	43
Minor Repairs and Improvements	-	-	2	-	2	-
Growing Faith Learning Hub	-	-	10	-	10	-
Net Zero Quick Wins	-	-	21	-	21	-
Net Zero Capacity	-	-	37	-	37	-
Ministry Hardship Fund	-	-	12	-	12	14
Parish Energy grants	-	-	10	-	10	10
Harrison Legacy	-	-	592	-	592	626
Total Restricted Funds	2,228	4,069	5,369	-	11,666	9,802
Endowment Funds						
Diocesan Conference Centre	-	153	-	-	153	150
Steel & William Fletcher Rogers	-	94	-	-	94	91
E J Massey	-	153	-	-	153	150
Twemlow trust	-	94	-	-	94	91
Retired Clergy Widows and Dependants	-	3,135	-	-	3,135	3,065
Clergy Sustentation Fund	-	198	-	-	198	194
Glebe Land & Buildings	6,089	-	-	-	6,089	5,971
Birkenhead Curacy Fund	-	189	-	-	189	185
Diocesan Stipends Fund Capital	-	4,266	254	-	4,520	4,389
Benefice property	116,309	-	787	-	117,096	136,146
Total Endowment Funds	122,398	8,282	1,041	-	131,721	150,432
Total Funds	131,667	13,039	8,891	(83)	153,514	170,847

Chester Diocesan Board of Finance
Notes to the accounts for the year ended 31 December 2024

Prior year comparatives:-

	Tangible Fixed Assets £'000	Investments £'000	Net Current Assets £'000	Long term Liabilities £'000	2023 Total Net Assets £'000
Unrestricted Funds					
General Funds	4,323	10	1,933	(83)	6,183
Designated					
Office refurbishment	-	502	-	-	502
EIG Reserve	-	-	133	-	133
Lay Training	-	-	18	-	18
Fryer Trust	-	143	-	-	143
Bishop of Birkehead house	-	-	678	-	678
Bishop of Birkenhead Fund	-	-	28	-	28
Diocesan Conference Centre	2,928	-	-	-	2,928
Total Unrestricted Funds	7,251	655	2,790	(83)	10,613
Restricted Funds					
Capital Reserve Stipends	-	3,895	-	-	3,895
Clergy Sustentation	-	-	58	-	58
RME block grant	-	-	190	-	190
UPA Projects	-	-	15	-	15
Canon White Trust	-	-	2	-	2
Jane Hannah Graham Trust	-	-	342	-	342
Retired Clergy Widows and Dependants	258	-	463	-	721
Pastoral Account	1,457	-	2,227	-	3,684
Parish Mission and Ministry	-	-	27	-	27
Net Zero	-	-	11	-	11
Foxhill Retreat Fund	-	83	81	-	164
Steel & William Fletcher Rogers	-	-	43	-	43
Ministry Hardship Fund	-	-	14	-	14
Parish Energy grants	-	-	10	-	10
Harrison Legacy	-	-	626	-	626
Total Restricted Funds	1,715	3,978	4,109	-	9,802
Endowment Funds					
Diocesan Conference Centre	-	150	-	-	150
Steel & William Fletcher Rogers	-	91	-	-	91
E J Massey	-	150	-	-	150
Twemlow trust	-	91	-	-	91
Retired Clergy Widows and Dependants	-	3,065	-	-	3,065
Clergy Sustentation Fund	-	194	-	-	194
Glebe Land & Buildings	5,971	-	-	-	5,971
Birkenhead Curacy Fund	-	185	-	-	185
Diocesan Stipends Fund Capital	-	4,170	219	-	4,389
Benefice property	134,090	-	2,056	-	136,146
Total Endowment Funds	140,061	8,096	2,275	-	150,432
Total Funds	149,027	12,729	9,174	(83)	170,847

22. Transfers between funds

Transfers were made to from/to unrestricted funds as follows:-

	2024	2023
	£'000	£'000
To/(from) Restricted funds		
In respect of housing allowances (1)	(70)	(70)
In respect of replacements and, sale of surplus, vicarages (2)	2,489	1,205
Other transfers	57	3
	2,476	1,138
To/(from) Endowment funds		
In respect of replacements and, sale of surplus, vicarages (2)	(2,489)	(1,205)
	(2,489)	(1,205)
Total transfers to from/to unrestricted funds	13	67

(1) A number of housing allowances are paid to clergy living in their own accommodation. These are funded from the pastoral account on the basis that there is no corresponding vicarage to buy and/or maintain.

(2) In 2024 transfers included surpluses on the replacements of Bowdon, Cheadle and Frodsham vicarages, together with additional receipts relating to sales at Compstall, Latchford, and Weston.

23. Staff Pensions Schemes

Chester DBF participates in the Church Workers Pension Fund for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has two sections, and Chester DBF participates in both:

1. the Defined Benefits Scheme, which is now closed for future accrual.
2. the Pension Builder scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme section

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. This does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2024: £50,357, 2023: £109,509), plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £50,357 for 2024 (2023: £109,509).

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

A valuation of DBS is carried out once every three years. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

Since 31 December 2023, the Board has entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the Church Workers Pension Fund.

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2023 or 31 December 2024.

The movement in the provision is set out below:

	2024	2023
	£'000	£'000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	-	-
Balance sheet liability at 31 December	<u>-</u>	<u>-</u>

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

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

	December 2024	December 2023	December 2022
Discount rate	n/a	n/a	0.00%

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

Pension Builder Scheme

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable 2024: £70,736 (2023: £165,129).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

24. Church of England Funded Pensions Scheme

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

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £1,305,701 in 2024 (2023: £1,413,076), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £nil (2023: £nil).

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pa pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI 2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

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

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

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil
31 December 2024	Nil

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

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

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Notes to the accounts for the year ended 31 December 2024

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there were no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 31 December 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

	2024	2023
	£'000	£'000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	-
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan, and change in discount rate and inflation assumptions between year-ends.

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

25. Prior year comparative Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2023
	£'000	£'000	£'000	£'000
Income and endowments from				
Parochial contributions	11,021	-	-	11,021
Grants and other donations	181	846	-	1,027
Investment income	175	344	-	519
Rental income	237	104	-	341
Income from charitable activities				
Statutory clergy fees	-	671	-	671
Diocesan Retreat and Conference Centre	215	-	-	215
Other income from operating activities	38	243	1,069	1,350
Total Income	11,867	2,208	1,069	15,144
Expenditure on raising funds				
Generating voluntary income	20	-	-	20
Investment and Rental costs	11	87	-	98
Charitable Activities				
National church responsibility	377	-	-	377
Funding of parochial clergy and archdeacons	9,615	1,289	-	10,904
Parsonage improvements	-	561	-	561
Support to clergy and parishes	1,918	857	-	2,775
Retreat and Conference Centre	422	-	-	422
Other expenditure on operating activities	22	-	283	305
Change in CEFPS deficit recovery plan	-	-	-	-
Total Expenditure	12,385	2,794	283	15,462
Net income/(expenditure) before investment gains/(losses)	(518)	(586)	786	(318)
Net gains/(losses) on investments	(13)	344	701	1,032
Net income	(531)	(242)	1,487	714
Transfers between funds	67	1,138	(1,205)	-
Other recognised gains/(losses)				
Gains/(losses) on revaluation of fixed assets	(75)	(94)	19,044	18,875
Net movement in funds	(539)	802	19,326	19,589
Reconciliation of funds:				
Total funds brought forward	11,152	9,000	131,106	151,258
Total funds carried forward	10,613	9,802	150,432	170,847