

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

LEICESTER DIOCESAN BOARD OF FINANCE (THE)

Company number - 00227087

Registered charity number – 249100

ANNUAL REPORT

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CHAIR'S REPORT

2024 saw many significant developments in the Diocese, particularly the implementation of the Governance Review recommendations and the continuing formation of Minster Communities. Some Parishes saw an increase in attendances, but not back to pre-covid levels. Regrettably, Parish Contributions continue to decline. The overall financial position of the Diocese is still weak, although steps continue to be taken to make improvements and move towards a balanced budget.

The main structural change to the Diocese's organisation during the year was the merger of the Finance Committee (also known as the DBF Trustee Board) and the Bishop's Council. This was implemented on 1 August 2024. The new Trustee Board has already held four meetings and is rapidly getting a feel for the main issues. The issues are varied and diverse, ranging from safeguarding to the development of a strategic plan for the Diocese and a subsequent grant application to the National Church. In addition, several committees have either been merged or dropped altogether. The advisory function of The Bishop's Council is carried on by the new Bishop's Advisory Forum.

The Diocesan Board of Finance and the new Trustee Board, when making appointments to Boards and committees, have been conscious of the need to diversify the membership, whilst also ensuring that the members have the balance of skills and experience necessary. The Trustee Board is most grateful for the work carried out by Madeleine Wang (Chair) and the other members of the Nominations and Remuneration Committee, in identifying suitable people for appointments. In order to encourage a more diverse Board/committee membership, a scheme of 'Participant Observer' has been introduced to give a number of people the opportunity to develop Board/committee skills. Nevertheless, it has not always been readily possible to identify suitable people to fill all the roles available.

National discussions on safeguarding are continuing, including at the recent General Synod. The Trustee Board will consider very carefully the outcome of these discussions in due course. The Board and I are, however, grateful for the diligent work of Rachael Spiers, the Diocesan Safeguarding Adviser, her team and the work of the Diocesan Safeguarding Oversight Group. The recent report of the Group provides a most helpful assessment of the positive position in the Diocese.

A considerable amount of work has been undertaken during the year on preparing a diocesan strategic plan and investment proposal for work with children and young people. This was approved by Synod at its meeting on 3 September. Work continues with the aim of submitting the diocesan investment proposal to the National Church by October 2025.

The rolling out of Minster Communities continues. Unfortunately, considerable misinformation has been spread about the purpose of Minster Communities and the financial situation in the Diocese, which has caused uncertainty and to some extent delayed the programme. The process of forming Minster Communities as a framework for our life together and our witness in the world, is more than simple organisational change; It is a deep-rooted process of discernment, of seeking God's guidance as we seek to use the resources God has given us to the best of our abilities. The Diocese really values the positive input that many people have and are putting into the Minster Community process.

The national initiative regarding 'Living in Love and Faith' continues, led at national level by Bishop Martyn. This an extremely sensitive issue which the Diocesan Synod has discussed several times. We await further guidance from the National Church before this can be taken forward.

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The Diocese has a difficult financial situation with the underlying financial structural operating deficit being around £2m. Over the last few years, action has been taken with the aim of reaching a balanced budget by 2028. Over the last three years the number of Diocesan staff paid for from our own funds has been reduced by 13 saving circa £1m or circa £367k annually. As the cost of clergy, and associated support, represents a large majority of the Diocesan budget, it is impossible to achieve a balanced budget without reducing their number. The Diocese recognises the significant impact this has, and will continue to have, on the life and mission of the Church at all levels. Recent work carried out by National Church Institutions may lead to the provision of some additional financial assistance to dioceses, but this is most unlikely fully to resolve the Diocese's annual financial deficit.

Attention is sometimes drawn to the number of Diocesan staff compared to other Dioceses. There are 22 staff who are employed to run commercial and other income-generating activities at St Martins House and St Martins Lodge. These commercial ventures provide additional funds which support the Diocese in parishes, schools and chaplaincies. In the past year, our non-charitable trading activities have been dealt with by the subsidiary company St Martins Hospitality Ltd.

Parish Contributions continue to be the largest income source at nearly £4m. However, as mentioned in previous Annual Reports, this is not increasing with inflation and, indeed is declining in cash terms. As a result, and taking general inflation into account, including increases in stipend and salary increases, income is by not keeping up with increases in expenditure. As a result, the operating deficit (being the net loss before gains on investments and gains on sales of DBF and parsonage properties) in 2024 was £2.34m, slightly adverse to the budgeted deficit of £2.15m despite a reduction in overall costs.

Every step is being taken to reduce costs and improve income. For example, the diocesan policy on the sale of low income yielding agricultural Glebe land has been changed to facilitate the sale of this land, with the receipts being invested to ensure an improved financial return. Houses which are unlikely to be needed in the future are also being sold. The Diocese also continues to make pragmatic use of the Unapplied Total Return facility.

During the year two key new appointments have been made; Sophie Holder was appointed as the Diocesan Director of Racial Equity and Adam Clarke as Net Zero Carbon Programme Manager. Both posts are fully funded by the National Church. We look forward to seeing the outcome of their work.

I would like to take this opportunity to thank all those involved with the life and work of the Diocese. Without the hard work of all the staff and the many volunteers involved, the Diocese would not be able to undertake God's work in so many different areas.

Canon David Palmer
Chair of Leicester Diocesan Board of Finance
6 May 2025

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
(a company limited by guarantee not having share capital)

ANNUAL REPORT

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2024.

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

These accounts are consolidated as they contain the results of St Martins Hospitality Ltd for the first time. St Martins Hospitality Ltd. started trading on 1 January 2024 having been incorporated in November 2023.

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The Objects of the Diocese of Leicester covers the entire county of Leicestershire.

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

The LDBF has the following statutory responsibilities:

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

The strategic priorities of the company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Leicester (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally; including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, taking forward the commitments arising from the Diocesan Synod including the Diocesan budget.

STRATEGIC REPORT

Strategic aims

The main role of the LDBF is to identify and manage the financial aspects of the provision of ministry within the Diocese in order to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities in the Diocese.

The Diocese of Leicester is on a journey we are calling 'Shaped By God Together'.

The world around us has changed significantly over recent years. So, as we live out our faith and seek to grow in numbers of disciples, depth of discipleship and loving service of the world, we need to learn new ways to engage with an ever-changing world.

Looking to the future, we want to prioritise our work with children, young people and families, especially through partnership with our schools. We also want the mission and ministry across the diocese to be sustainable, both financially and in terms of the pastoral burden on clergy, lay ministers and church officers. We understand that we cannot continue as we are, which will only stretch our resources ever thinner.

Out of the 'Shaped by God Together' process of discernment, reflection and conversation, about twenty Minster Communities will be formed by 2027. Minster Communities are groups of churches and fresh expressions working collaboratively and sharing resources to enable effective mission.

Overall objectives for the year

In response to the above strategic priorities determined by the Diocesan Synod, several groups, including the Bishop's Council, the Bishop's Leadership team and Deanery Synods, have discussed and consulted widely to agree specific objectives for this and subsequent years. These objectives are:

- To promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Leicester.
- To maintain a sound financial structure required to support the clergy in the payment of stipends, managing parsonages and other ministerial housing and providing other facilities in support of the clergy and lay people in parishes across the Diocese.
- To support the National Church institutions through an annual grant, including a contribution to the cost of training Ordinands and for providing retirement housing for clergy.
- To support The Leicester Diocesan Board of Education ("LDBE") by way of a grant towards staff costs.

Through carrying out these objectives and in promoting the whole mission of the church (pastoral, evangelistic, social and ecumenical), the Trustees are confident (having had regard to Charity Commission guidance) that LDBF delivers public benefit through community engagement, resourcing education and supporting those in need both spiritually and physically. If we can do this whilst at the same time, continuing to reduce our structural deficit, then the Trustees consider that this is success.

Activities and achievements in the year

We have continued to develop the Minster Community project in the period and have reduced our structural deficit compared to 2023, though we recognise we have more to do in this regard.

The Christian Presence

Clergy form a central part in the life of churches in the Leicester Diocese and carry out important roles in communities. As well as engaging in a wide variety of community and church projects, clergy carried out 349 weddings (including marriage blessings), 1,398 funerals (both in and outside of church) and 832 baptisms during 2023 – the figures are only available one year in arrears. Whilst the LDBF is responsible for funding of clergy stipend costs, the national clergy payroll is administered by the Archbishops' Council, a charity which the LDBF reimburses regularly for the costs of stipendiary clergy deployed in the Diocese. Caring for the 76 trained stipendiary clergy and 20 training curates, assistant curates and assistant priests we had at the end of 2024 in the diocese is a priority of the LDBF and represents by far its largest financial commitment. Although the LDBF does not employ the parish clergy, it is responsible for training them, paying and housing them, and paying into their pension fund. New terms of service were introduced in 2011 in the form of Common Tenure under which all new clergy are appointed (some present clergy chose to retain their freehold). The new package gives greater clarity on the rights and obligations of clergy and requires that they participate in a process of continual professional development and ministerial development review. It also gives clergy access to tribunals and other useful services.

For many, the clergy house represents the domestic heart of the parish, serving not only as a home but also as a base for ministry. LDBF recognises the importance of a safe, secure and maintained house, and strives to continue with this work as well as carrying out programmed refurbishments and improvements, as available money allows.

During all interregnums, the Area Deans worked closely with the churchwardens of the relevant parishes and ensured that, in every case, scheduled services continued and, with very few exceptions, other activities within the community continued uninterrupted. This was largely made possible by the increasing pool of both retired and self-supporting ministers in the diocese together with the administrative support for the area deans being funded by LDBF.

Other related parties include:

- The Archbishops' Council to which it pays a donation based on an apportionment system for funding national training of Ordinands and the activities of the various national boards and councils, as well as General Synod.
- The Church Commissioners from which the LDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The LDBF pays for clergy stipends through the Church Commissioners.
- The Church of England Pensions Board, to which the LDBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- Parochial Church Councils ("PCC's"), to which LDBF is required to be custodian trustee in relation to PCC property. LDBF has no control over PCC's, which are independent charities. The accounts of PCC's and deaneries do not form part of these financial statements.
- Leicester Diocesan Board of Education (charity number 1151692), to which LDBF provides grant support.
- Leicester Cathedral Chapter, to which LDBF provides certain accounting services.

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- Launde Abbey Trustees, to which LDBF provides long term loans used to refurbish the abbey (the Diocesan Retreat house) and to cover compensation and legal fees. At 31 December 2024, the loans plus interest, totalled £865,138. All loans have been fully provided for and are secured on the value of Launde Abbey (for details see note 18 on pages 48 and 49).
- Coventry Diocesan Board of Finance (The) (company no. 00319482; charity no. 247828), with which LDBF had a joint working arrangement for one member of staff during 2024.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of the transactions merits more detailed disclosure this is given in note 29 to the financial statements.

Volunteers

LDBF is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly at times of crisis. Within this context, the LDBF greatly values the considerable time given by all the committee members across the Diocese in pursuit of the mission of the LDBF.

Future plans

A central priority within Jesus' ministry was his calling of twelve disciples - "appointed... to be with him and to be sent out" Mark 3:15. He devoted much time to teaching and mentoring them. He sent them out to continue his work of announcing and giving signs of the kingdom.

The Diocese of Leicester has similarly chosen to focus on this theme of discipleship. Shaped by God in our lives and communities we seek the growth of His Kingdom in:

- the depth of discipleship,
- the number of disciples of Jesus,
- loving service of the world.

The diocesan family of churches has discerned five strategic priorities which express how we will support churches to respond to these three key areas:

- New - REACH those with no contact with church.
- Intercultural - LEARN with global majority heritage people.
- Intergenerational - BRING TOGETHER all generations.
- Reconciling - MODEL peace, justice and reconciliation.
- Eco - CHAMPION care for God's creation.

We have therefore asked our parish churches, our fresh expressions of church, our chaplaincies, and our schools to work to these priorities. Each Christian community must discern for themselves how to act on these priorities in their own context. It is not for the Board of Finance or the Bishop to dictate how individuals and communities should interpret these priorities. Rather the work of our central support staff is focused on enabling this discernment in each context and helping each community to channel their resources to these priorities. It is for the Bishop to hold each individual minister and each community to account for how they are doing this ("low control, high accountability").

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The major budget element continues to be directed towards the maintenance of a ministerial presence in every parish and the training and development of lay members of the church to support the work of the clergy.

We have embarked upon a restructure of the Diocese following a review entitled 'Shaped by God Together' which reported to The Diocesan Synod during Autumn 2021. We have already restructured the central diocesan structure and we are setting up Minster Communities. Our first Minster Community (a collection of parishes, fresh expressions of church and schools) was inaugurated at the end of April 2023.

The ongoing objective is to be able to adequately resource diocesan needs, as determined by Synod and informed by local and national Church institutions.

Financial review

Financial Performance

Parish Contribution, the money given by parishes to the Diocese to fund its mission and ministry, is the main incoming resource for the Diocese. This decreased by £43k to £3.94m (2023: £3.98m).

The Trustees are grateful to all the parishes for their contributions during the year, and especially to those parishes that make regular contributions by instalments, which is essential in keeping the Diocese's need to maintain a cash flow reserve to a minimum.

LDBF had a net £295k decrease in total funds in 2024 (2023: £1.25m decrease). The 2024 result was affected by a £1.45m deficit on operations and a £1.285m decrease in the value of St Martins House offset by a £1.63m increase in the value of our Glebe portfolio.

Overall, the value of fixed asset investments increased; Glebe properties are £37.66m (2023: £37.26m); other investments are £6.78m (2023: £6.49m), resulting in a net increase in investment assets of £692k.

The Trustees had prepared a 2024 budget that had a significant net operational deficit. The budget for 2025 also shows a significant deficit. These deficits can be offset by asset sales in the short term, via the Unapplied Total Return release mechanism. We have sufficient relatively liquid assets (such as our stock market investments) for the short term. It is anticipated returning to a breakeven budget by 2028. This is to be achieved by carrying out continuous reviews of the major cost areas and implementing cuts over the next three years.

The Trustees are of the opinion that LDBF continues to be a going concern.

Significant Property Transactions

Land and building additions during the year (included in tangible fixed assets and investment properties) totalled £469k (2023: £272k). The majority of funds were spent improving and refurbishing the current stock of LDBF properties.

There was one area of land purchased during 2024 at Houghton on the Hill to complement a neighbouring holding. This land was purchased for £189k.

Our policy continues to be:

- to replace unsuitable properties;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

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Balance sheet position

The Trustees consider that the Balance Sheet together with details in note 22 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. Whilst the net assets at the balance sheet date totalled £79.0m (2023: £79.29m) it must be remembered that included in this total are land & buildings, whose value amounted to £74.07m (2023: £74.25m). Additionally, some of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the LDBF.

Fundraising

LDBF raise funds through Parish Contribution (based on offers given by the Parishes) and via an annual Bishop's Lent appeal. No professional fundraisers are employed in these activities. The Lent appeal is an invitation to the General Public to contribute to a stated objective. No direct fundraising to individuals is undertaken. LDBF has not received any complaints related to our fundraising activities.

Reserves policy

Free reserves

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Trustees' policy is to hold a minimum balance of readily realisable assets in the general fund equivalent to at least three months budgeted expenditure for 2025. At 31 December 2024 the amount required under this policy totalled £2.98m (2023: £2.86m). General unrestricted free reserves at 31 December 2024 totalled £7.70m (2023: £7.90m).

Currently, the Trustees consider that the holding of unrestricted free reserves in excess of the minimum reserve policy is justified on the basis that the Diocese is experiencing structural deficits that will take several years to address and, therefore, significant unrestricted free reserves are needed.

Designated funds

The Trustees may, with the approval of the board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Designated funds are reviewed annually and, in the event that the purpose of a designated fund is no longer considered to be adequate justification for their retention, that fund is returned to general funds. A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2024, total designated reserves were £0.27m (2023: £0.26m).

Restricted and endowment funds

As set out in note 24, LDBF holds and administers several restricted and endowment funds. At 31 December 2024 restricted funds totalled £1.43m (2023: £1.77m) and endowment funds totalled £69.61m (2023: £69.37m). Neither fund category is available for the general purposes of the LDBF except for the portion of the endowment fund set aside in the Total Return policy adopted on 1st January 2020. Capital released, as allowed by this policy, has to be spent on clergy stipends. The balance of Unapplied Total Return at 31 December 2024 was £11.17m (2023: £11.99m).

Grant making policy

The Memorandum of Association of the LDBF explicitly permits the LDBF to make grants in pursuance of its objects. Grants are disclosed in note 12.

Grants are made in line with the aims of the Charity to provide and widen Christian ministry within the Diocese of Leicester.

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Investment policy

The LDBF is empowered by its Memorandum of Association to invest monies not immediately required for its purposes. In addition, the LDBF acts as trustee for a number of trust funds, and these must be invested in accordance with the related trusts. The LDBF's policy is to review regularly the assets of each fund for which it is responsible, in relation to the purposes of each fund, and to identify appropriate investment vehicles. Note 21 provides detail of the assets of each fund, together with the related purposes, and note 16 summarises the movements in fixed asset investments during the year.

The Trustees' investment policy is to hold investments in a balanced mix of a charity property fund with Savills Investment Management Limited (Savills) and equities with two portfolio managers (RBC Brewin Dolphin and Charles Stanley). Both RBC Brewin Dolphin and Charles Stanley have been instructed to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography or tobacco. The investments held, and their return during the year, are set out in the following table:

	Funds at 31 December 2024 £'000s	Proportion of Portfolio	Income yield in year	Total Return in year
RBC Brewin Dolphin listed investments	1,121	30.2%	2.61%	5.65%
Charles Stanley listed investments	1,000	26.9%	3.14%	10.98%
Savills Investment Management				
Property Fund	1,499	40.4%	4.78%	5.32%
CCLA funds	43	1.2%	3.95%	13.70%
Other investments	50	1.3%	0.00%	0.00%
	<u>3,713</u>	<u>100.0%</u>		

The Investment Committee regularly reviews the performance of the funds comparing their performance to benchmarks set out in the investors' reports and hence make recommendations to the Trustees on future investment opportunities.

Overall, the income yield was 3.67% and the total return was 7.06%. The Trustees consider the returns to be satisfactory and at least in line with expectations.

Principal risks and uncertainties

The Trustees are responsible for the identification, mitigation and or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the Trustees on an annual basis with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Diocesan Chief Executive and the Director of Finance.

The risk register identifies three broad areas where the risk of either failure to act or the impact of the events is considered 'high'. These areas and the associated mitigation strategies are:

External risk:

- **Reputational risk from scandals and theological disagreements;** Incidents would be managed through Archdeacon reviews and/or the Communications department.
- **Economic risk from a fall in parish contributions;** Continued close analysis and review of budgets and treasury / investment management.
- **Demographic changes;** There is a "Shaped by God Together" strategic plan (see "future plans" on page 8 above) to diversify the Church via Minster Communities.

Operational risk:

- **Personnel risk;** There are processes for performance development and for replacing key personnel who leave. There is also a contract with an external HR consultant.
- **Property;** The risk is to not have the correct amount and/or quality of property to house clergy. To mitigate this LDBF has a fully resourced Property department. An independent review of property management and transactions is reviewed by the appropriate committee (Glebe, etc.).
- **IT;** Systems are off the shelf and easily replaceable. Data is backed up daily and can be restored within 24 hours. There are rules for internet usage monitored by the IT Manager. The IT Manager ensures compliance with The Data Protection Act and the General Data Protection Regulations.
- **Safeguarding and health & safety;** A health & safety policy has been issued to all staff. DBF has a department of 3.65 FTE staff (2023: 3.65) dedicated to safeguarding who report to the Director of Operations and Governance.
- **Insurance;** Policies are reviewed annually with a suitably qualified broker.
- **Finance;** Financial processes have been implemented and are periodically reviewed. Changes in the amount of income or cost streams are analysed and appropriate corrective action implemented.

Governance risk:

- **Trustees;** Procedures exist to appoint and retain suitable Trustees
- **Staff structure;** Staff structures are periodically reviewed and set to ensure best practice is adhered to.
- **National network;** There is engagement with national initiatives whilst liaising with other Dioceses to ensure best practice is maintained.

STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England

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

The National Church has a General Synod comprised of ex-officio and elected representatives from each Diocese and it agrees and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese is itself divided into 10 deaneries, each with its own Synod. Within each parish there is a Parochial Church Council (PCC) which is a charity in its own right and, as such, legally distinct from LDBF. Each PCC shares with the parish priest responsibility for the mission of the church in that place in a similar way to that in which The Bishop shares responsibilities with the Diocesan Synod.

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

Organisational structure

The Leicester Diocesan Board of Finance (The) ("LDBF") is a company limited by guarantee (No. 00227087) and a registered charity (No. 249100) governed by its Memorandum and Articles of Association.

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

Following a review of governance structures over the last few years, revised Articles of Association were adopted in 2024, and a new governance structure came into effect on 1 August 2024. This new structure brings together the Trustee responsibilities of the old Finance Committee with responsibility for the formulation and coordination of policies on mission, ministry and finance held by Bishop's Council. The new trustee body is called the Trustee Board and has 13 members. The trustees are the Bishop of Leicester (who is the ex officio President of LDBF), the Chair of LDBF, the Bishop of Loughborough, the Archdeacons of Leicester and Loughborough, the Dean of Leicester, the Chairs of the Houses of Clergy and Laity of Diocesan Synod, the Chair of the Resources and Compliance Committee, the Chair of the Audit and Risk Committee, a member of the Diocesan Board of Education (DBE), a senior school leader appointed by the DBE, and a person co-opted by the Trustee Board. Both the Chair of LDBF and the Chair of the Resources and Compliance Committee are appointed by the Diocesan Synod. The details of trustees who served during the year are set out on page 17.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the diocese with responsibility for setting the vision and strategy of the diocese, guided by the Bishop's Leadership Team. The Synod membership is elected every three years in accordance with the Church Representation Rules, the most recent elections having taken place in 2024. Whilst LDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing

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Memorandum and Articles of Association, LDBF is subject, by virtue of the National Institutions Measure 2000, to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations. It is The Synod which approves the annual LDBF budget.

Decision making structure

As noted above, the creation of the new Trustee Board means that there is clarity over responsibility for both strategy and finance, with the Trustee Board taking clear responsibility for both, while taking account of the directions of the Synod. The Bishop's Leadership Team is the executive of LDBF and reports to the Trustee Board. The revised Articles of Association dispense with the requirement for an annual general meeting, which means that the Annual Report and Accounts are now approved by the Trustee Board. They are also presented to Diocesan Synod for discussion. Each year Synod receives, and agrees, the annual budget, which has been prepared and approved by LDBF. The Trustee Board meets at least 6 times a year. There is also one meeting held jointly with the Bishop's Advisory Forum.

The Bishop's Advisory Forum (BAF) is a new body which reports to the Trustee Board, and which takes on the function of advising The Bishop on significant issues. It is a much larger body than the Trustee Board, with the aim of ensuring a diverse range of people and perspectives to offer input to the formation of policy and strategy. The BAF meets three times a year with one of these meetings taking place over two days and being held jointly with the Trustee Board.

Other committees which report to the Trustee Board are as follows:

Joint Archdeaconry Mission Committee, which is responsible for overseeing and recommending to the Trustee Board plans for the creation of individual Minster Communities within the diocese's overall framework. The Committee also has a role in matters covered by the Mission and Pastoral Measure, such as parish reorganisation and suspension of the patron's right of presentation.

Diocesan Safeguarding Oversight Group, which is a group made up of diocesan senior and safeguarding staff, parish representatives and external members from relevant bodies, and has responsibility for overseeing and scrutinising safeguarding provision in the diocese. The Group is chaired by an Independent Chair, with no links to the diocese, and operates in line with the responsibilities set out in the House of Bishops' Practice Guidance. In other dioceses, this group is known as the Diocesan Safeguarding Advisory Panel.

Audit and Risk Committee, which is responsible for assisting the trustees in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

Resources and Compliance Committee, which is responsible for ensuring that diocesan resources are used appropriately in line with the vision, budgets, plans, and strategies agreed and adopted by Diocesan Synod and the Trustee Board. The Committee also ensures compliance with relevant legislation on behalf of the Trustee Board and maintains an overview of governance arrangements.

Nominations and Remuneration Committee, which is responsible for monitoring and maintaining a flow of people to fill places on boards, committees and other bodies so that vacant places are filled, an appropriate turnover of members is maintained, a good mix of the necessary skills is available, and membership reflects the diversity of the diocese. This includes recommending people for appointment to certain specific roles. The Committee is also responsible for reviewing remuneration of senior diocesan officers where this is not set by national policies or processes.

There is a further level of bodies reporting to some of the committees above. One key subcommittee, reporting to the Resources and Compliance Committee, is the Assets and Liabilities Subcommittee.

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Assets and Liabilities Subcommittee, which is responsible for overseeing the use and stewardship of the physical and financial assets of the Diocese, in line with legal requirements such as to best serve the ministry and mission of the church at both local and diocesan levels. This Subcommittee has delegated authority to undertake the statutory responsibilities of the diocese in relation to Houses, Glebe and Closed Church Buildings.

There are also a number of statutory committees which influence the operation of LDBF, although not subcommittees of the Trustee Board:

Diocesan Mission and Pastoral Committee (DMPC), which is responsible for approving pastoral reorganisations, and other relevant matters under the Mission and Pastoral Measure, taking account of available clergy numbers, and current patterns of ministry. The Trustee Board serves as the DMPC, with detailed consideration of matters being undertaken by the Joint Archdeaconry Mission Committee.

Diocesan Advisory Committee for the Care of Churches, which advises on matters affecting places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents, and the care of churchyards.

Diocesan Board of Patronage, which is constituted under the Patronage (Benefices) Measure 1986, and is sole or joint patron for around 20 benefices.

Vacancy in See Committee, which is responsible for representing the Diocese in the appointment process for the diocesan bishop.

Trustee recruitment, selection and induction

Recruitment of people to governance roles has been strengthened under the new structure, with the Nominations and Remuneration Committee playing a key role. For Trustees who are appointed rather than ex officio, a process is followed involving collection of relevant information (such as a biography or CV), references and an interview. In some cases, roles are advertised. Trustees are given an induction when first appointed and are informed of the role and purpose of the committees. Terms of reference drawn up under the new structure require all bodies to undertake an annual review of their effectiveness.

Delegation of delivery of activities of the company

The Trustees rely upon the Bishop's Leadership Team, as the executive of LDBF, and on the Chief Executive and Diocesan Secretary, and their colleagues, for the delivery of the activities of the company. A scheme of delegation is in place. This was reviewed and updated by the Resources and Compliance Committee and subsequently approved by the Trustee Board in 2024.

Senior management remuneration

Senior management remuneration is considered and authorised by the Trustee Board, following receipt of a recommendation from the Nominations and Remuneration Committee. For 2024, the same percentage increase was applied for all staff and clergy, including senior managers. No bonuses were paid to any staff or clergy in 2024. Bonuses are not paid as a matter of current policy.

Funds held as Custodian Trustee

LDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the LDBF does not control them, and they are segregated from the LDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust

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assets, whose market value amounted to £3.107m as at 31 December 2024 (2023: £2.717m), are available from the LDBF on request, and are summarised in note 30. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the LDBF's solicitor, Stone King LLP.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees (as Directors of LDBF for the purposes of Company Law) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Charitable Company and of the income and expenditure of the Charitable Company for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP FRS 102
- Make judgements and 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 assume that the company will continue in operation

The Trustees are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information, and to establish that the Charitable Company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Annual Reports, may differ from legislation in other jurisdictions.

APPOINTMENT OF AUDITORS

The re-appointment of HaysMac LLP (who changed their name from Haysmacintyre LLP during 2024) as auditors to LDBF will be proposed to the Trustee Board.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
(a company limited by guarantee not having share capital)

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ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the Charitable Company during 2024. The following Trustees were in post during the year and at the date of this report:

Bishop of Leicester:	The Right Reverend M J Snow
Bishop of Loughborough:	The Right Reverend M L V Muthalaly (appointed 18 May 2024)
Dean of Leicester:	Reverend K S F Rooms (appointed 25 June 2024)
Chair:	Canon D J Palmer
Vice Chair:	Mr C J Sheldon
Chair of LDBE:	Mr R M Andrews (appointed 18 May 2024, resigned 31 December 2024)
Archdeacons (ex officio):	The Venerable R V Worsfold - Archdeacon of Leicester The Venerable C Wood - Archdeacon of Loughborough
Elected by:	
Synod House of Clergy	The Reverend A R Leighton (resigned 31 July 2024) The Reverend C D Taylor (resigned 31 July 2024) The Reverend S A Bailey (appointed 18 May 2024)
Synod House of Laity	Mr D B Beeson (resigned 31 July 2024) Mrs M V Wang (resigned 31 July 2024) Canon S Adshead
Bishop's Nominees	Dr S M Gorton (resigned 1 August 2024)
Co-opted by the Board	Reverend Dr J K Patel (appointed 31 October 2024) Mrs A M Greenwood (appointed 2 December 2024)

Senior staff and advisers

Diocesan Chief Executive:	Mr Jonathan Kerry
Director of Operations & Governance:	Mr Andrew Brockbank
Director of Finance & Property:	Mr Simon Wilson
Director of Parish Transition & Ministry Development:	Reverend Stuart Burns

Registered Office: St Martins House,
7 Peacock Lane,
Leicester LE1 5PZ

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
(a company limited by guarantee not having share capital)

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Bankers:

Barclays Bank plc,
Dominus Way,
Meridian Business Park,
Leicester LE19 1RP

Auditors:

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

Solicitors:

Stone King LLP,
Boundary House
91 Charterhouse Street
London EC1M 6HR

Investment Advisers:

Savills Investment Management
Limited,
33 Margaret Street,
London W1G 0JD

Charles Stanley & Co. Limited,
25 Luke Street,
London EC2A 4AR

RBC Brewin Dolphin,
1st Floor,
Waterfront House,
Waterfront Plaza,
35 Station Street,
Nottingham NG32 3DQ

CCLA Investment Management
Limited,
80 Cheapside,
London EC2V 6DZ

**Glebe Agents
and Valuers:**

Andrew Granger & Co.,
44 – 46 Forest Road,
Loughborough,
Leicestershire LE11 3NP

Christie & Co.,
Suite 402 Bridlesmith House,
38 Bridlesmith Gate,
Nottingham NG1 2GQ

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 6 - 12 within their capacity as company directors.

BY ORDER OF THE TRUSTEES

D J Palmer
Chair

J W Kerry
Diocesan Chief Executive

6 May 2025

6 May 2025

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LEICESTER DIOCESAN BOARD OF FINANCE (THE)

Opinion

We have audited the consolidated financial statements of Leicester Diocesan Board of Finance (The) (the 'charitable company') for the year ended 31 December 2024, which comprise the consolidated and charitable company Statement of Financial Activities, the Income and Expenditure Account, the consolidated and charitable company Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the consolidated 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 consolidated financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2024 and of the group and parent 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 group 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 consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and Chair's Report. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated 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.

Opinion 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' Annual Report (which includes the Strategic Report and the Directors' Report prepared for the purposes of company law), for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the Strategic Report and the Directors' Report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company consolidated 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 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible for assessing the group and the parent 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 group or parent 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 consolidated 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 consolidated 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LEICESTER DIOCESAN BOARD OF FINANCE (THE) (Continued)

Based on our understanding of the Group company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety and Charity Law. We considered the extent to which non-compliance might have a material effect on the consolidated financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the consolidated financial statements such as include the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax.

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates such as valuation of the investment properties.

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

Use of our report

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

Lee Stokes (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor
6 May 2025

10 Queen Street Place
London
EC4R 1AG

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024

	Note	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income and endowments from							(Page 23)
Donations							
Parish contributions	2a	3,813	-	122	-	3,935	3,978
Archbishops' Council	2b	-	-	2,589	-	2,589	2,735
Other donations	2c	21	5	4	-	30	19
Charitable activities	3	334	-	69	-	403	453
Other activities	4	1,070	-	-	794	1,864	1,567
Investments	5	206	11	79	611	907	968
Other	6	849	-	8	238	1,095	986
Total income and endowments		6,293	16	2,871	1,643	10,823	10,706
Expenditure on							
Raising funds	7	-	-	-	217	217	165
Charitable activities	8	10,065	18	87	-	10,170	10,617
Other	9	1,195	-	-	688	1,883	1,789
Total expenditure		11,260	18	87	905	12,270	12,571
Net (expenditure) / income before losses and gains on investments		(4,967)	(2)	2,784	738	(1,447)	(1,865)
Gain on investments		175	5	-	1,668	1,848	973
Net (expenditure) / income		(4,792)	3	2,784	2,406	401	(892)
Transfers between funds	14	5,284	8	(3,127)	(2,165)	-	-
Other recognised losses							
Loss on revaluation of fixed assets		(696)	-	-	-	(696)	(354)
Net movement in funds		(204)	11	(343)	241	(295)	(1,246)
Total funds brought forward		7,900	258	1,769	69,366	79,293	80,539
Total funds carried forward	21	7,696	269	1,426	69,607	78,998	79,293

All activities derive from continuing activities. The notes on pages 30 to 60 form part of the financial statements.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024

COMPARATIVES 2023

	Note	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
Income and endowments from						
Donations						
Parish contributions	2a	3,978	-	-	-	3,978
Archbishops' Council	2b	-	-	2,735	-	2,735
Other donations	2c	16	-	3	-	19
Charitable activities	3	379	5	69	-	453
Other activities	4	864	-	-	703	1,567
Investments	5	206	10	125	627	968
Other	6	510	-	-	476	986
Total income and endowments		<u>5,953</u>	<u>15</u>	<u>2,932</u>	<u>1,806</u>	<u>10,706</u>
Expenditure on						
Raising funds	7	-	-	-	165	165
Charitable activities	8	10,449	22	146	-	10,617
Other	9	1,229	-	-	560	1,789
Total expenditure		<u>11,678</u>	<u>22</u>	<u>146</u>	<u>725</u>	<u>12,571</u>
Net (expenditure) / income before losses and gains on investments		(5,725)	(7)	2,786	1,081	(1,865)
(Loss) / Gain on investments		(1,229)	(10)	-	2,212	973
Net (expenditure) / income		(6,954)	(17)	2,786	3,293	(892)
Transfers between funds	14	8,649	(554)	(3,439)	(4,656)	-
Other recognised losses						
Loss on revaluation of fixed assets		(354)	-	-	-	(354)
Net movement in funds		<u>1,341</u>	<u>(571)</u>	<u>(653)</u>	<u>(1,363)</u>	<u>(1,246)</u>
Total funds brought forward		<u>6,559</u>	<u>829</u>	<u>2,422</u>	<u>70,729</u>	<u>80,539</u>
Total funds carried forward	21	<u><u>7,900</u></u>	<u><u>258</u></u>	<u><u>1,769</u></u>	<u><u>69,366</u></u>	<u><u>79,293</u></u>

All activities derive from continuing activities. The notes on pages 30 to 60 form part of the financial statements.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2024

	Total 2024 £'000	Total 2023 £'000
Income before losses and gains on investments	9,180	8,900
Expenditure	(11,365)	(11,846)
Operating deficit for the year	(2,185)	(2,946)
Net gain / (loss) on investments	180	(1,239)
Net transfer from endowment funds	2,165	4,656
Net income for the year	160	471
Other comprehensive losses:		
Revaluation of fixed assets	(696)	(354)
Total comprehensive (expenditure) / income	(536)	117

The income and expenditure account is derived from the Consolidated Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities. The notes on pages 30 to 60 form part of the financial statements.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
CONSOLIDATED BALANCE SHEET
At 31 December 2024

Company Number – 00227087

		2024	2023
	Note	£'000	£'000
FIXED ASSETS			
Tangible assets	15	31,329	34,157
Investments	16	44,439	43,747
		<u>75,768</u>	<u>77,904</u>
CURRENT ASSETS			
Assets held for resale	17	2,086	-
Stock		7	44
Debtors	18	796	766
Cash on deposit, at bank and in hand		1,405	4,341
		<u>4,294</u>	<u>5,151</u>
CREDITORS: amounts falling due within one year	19	<u>(1,064)</u>	<u>(3,726)</u>
NET CURRENT ASSETS		<u>3,230</u>	<u>1,425</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>78,998</u>	<u>79,329</u>
CREDITORS: amounts falling due after more than one year	20	<u>-</u>	<u>(36)</u>
NET ASSETS		<u><u>78,998</u></u>	<u><u>79,293</u></u>
FUNDS			
Endowment funds			
(Including investment revaluation reserve of £29,685k (2023: £28,288k))		69,607	69,366
Restricted income funds			
(Including investment revaluation reserve of £Nil (2023: £Nil))		1,426	1,769
Unrestricted income funds:			
General funds			
(Including revaluation reserve debit of £897k (2023: credit £421k))		7,696	7,900
Designated funds			
(Including investment revaluation reserve of £31k (2023: £26k))		269	258
TOTAL FUNDS	21	<u><u>78,998</u></u>	<u><u>79,293</u></u>

The Consolidated Statement of Cash Flows and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 6 May 2025 and signed on behalf of the Board by:

D J Palmer - Chair

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)
CHARITY ONLY STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024**

	Note	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income and endowments from							(Page 27)
Donations							
Parish contributions	2a	3,813	-	122	-	3,935	3,978
Archbishops' Council	2b	-	-	2,589	-	2,589	2,735
Other donations	2c	21	5	4	-	30	19
Charitable activities	3	334	-	69	-	403	453
Other activities	4	703	-	-	-	703	1,567
Investments	5	206	11	79	661	957	968
Other	6	838	-	8	238	1,084	986
Total income and endowments		5,915	16	2,871	899	9,701	10,706
Expenditure on							
Raising funds	7	-	-	-	217	217	165
Charitable activities	8	10,065	18	87	-	10,170	10,617
Other	9	718	-	-	-	718	1,789
Total expenditure		10,783	18	87	217	11,105	12,571
Net (expenditure) / income before losses and gains on investments		(4,868)	(2)	2,784	682	(1,404)	(1,865)
Gain on investments		175	5	-	1,668	1,848	973
Net (expenditure) / income		(4,693)	3	2,784	2,350	444	(892)
Transfers between funds	14	5,284	8	(3,127)	(2,165)	-	-
Other recognised losses							
Loss on revaluation of fixed assets		(696)	-	-	-	(696)	(354)
Net movement in funds		(105)	11	(343)	185	(252)	(1,246)
Total funds brought forward		7,900	258	1,769	69,366	79,293	80,539
Total funds carried forward		7,795	269	1,426	69,551	79,041	79,293

All activities derive from continuing activities. The notes on pages 30 to 60 form part of the financial statements.

**LEICESTER DIOCESAN BOARD OF FINANCE (THE)
CHARITY ONLY STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024**

COMPARATIVES 2023

	Note	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
Income and endowments from						
Donations						
Parish contributions	2a	3,978	-	-	-	3,978
Archbishops' Council	2b	-	-	2,735	-	2,735
Other donations	2c	16	-	3	-	19
Charitable activities	3	379	5	69	-	453
Other activities	4	864	-	-	703	1,567
Investments	5	206	10	125	627	968
Other	6	510	-	-	476	986
Total income and endowments		5,953	15	2,932	1,806	10,706
Expenditure on						
Raising funds	7	-	-	-	165	165
Charitable activities	8	10,449	22	146	-	10,617
Other	9	1,229	-	-	560	1,789
Total expenditure		11,678	22	146	725	12,571
Net (expenditure) / income before losses and gains on investments						
		(5,725)	(7)	2,786	1,081	(1,865)
(Loss) / Gain on investments						
		(1,229)	(10)	-	2,212	973
Net (expenditure) / income						
		(6,954)	(17)	2,786	3,293	(892)
Transfers between funds	14	8,649	(554)	(3,439)	(4,656)	-
Other recognised losses						
Loss on revaluation of fixed assets		(354)	-	-	-	(354)
Net movement in funds						
		1,341	(571)	(653)	(1,363)	(1,246)
Total funds brought forward						
		6,559	829	2,422	70,729	80,539
Total funds carried forward						
	21	7,900	258	1,769	69,366	79,293

All activities derive from continuing activities. The notes on pages 30 to 60 form part of the financial statements.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
CHARITY ONLY BALANCE SHEET
At 31 December 2024

Company Number – 00227087

		2024		2023	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	15		31,323		34,157
Investments	16		44,439		43,747
			<u>75,762</u>		<u>77,904</u>
CURRENT ASSETS					
Assets held for resale	17	2,086		-	
Stock		-		44	
Debtors	18	796		766	
Cash on deposit, at bank and in hand		1,318		4,341	
		<u>4,200</u>		<u>5,151</u>	
CREDITORS: amounts falling due within one year	19	(921)		(3,726)	
NET CURRENT ASSETS			<u>3,279</u>		<u>1,425</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>79,041</u>		<u>79,329</u>
CREDITORS: amounts falling due after more than one year	20		-		(36)
NET ASSETS			<u><u>79,041</u></u>		<u><u>79,293</u></u>
FUNDS					
Endowment funds					
(Including investment revaluation reserve of £29,685k (2023: £28,288k))			69,551		69,366
Restricted income funds					
(Including investment revaluation reserve of £Nil (2023: £Nil))			1,426		1,769
Unrestricted income funds:					
General funds					
(Including revaluation reserve debit of £897k (2023: credit of £421k))			7,795		7,900
Designated funds					
(Including investment revaluation reserve of £31k (2023: £26k))			269		258
TOTAL FUNDS			<u><u>79,041</u></u>		<u><u>79,293</u></u>

The Consolidated Statement of Cash Flows and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 6 May 2025 and signed on behalf of the Board by:

D J Palmer - Chair

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	2024	2023
	£'000	£'000
Net cash outflow from operating activities	(3,534)	(3,564)
Cash flows from investing activities		
Dividends, interest and rent from investments	907	1,030
Proceeds from the sale of tangible fixed assets	1,828	1,888
Proceeds from the sale of fixed asset investments - shares	251	2,695
Proceeds from the sale of fixed asset investments - Glebe	788	1,360
Purchase of tangible fixed assets	(344)	(363)
Purchase of fixed asset investments	(482)	(259)
Net cash provided by investing activities	2,948	6,351
Cash flows from financing activities		
Contributions to Clergy and Lay staff pension plans	-	-
Net cash used in financing activities	-	-
Change in cash and cash equivalents in the period	(586)	2,787
Cash and cash equivalents at 1 January	1,991	(796)
Cash and cash equivalents at 31 December	1,405	1,991
Reconciliation of net movements in funds to net cashflow from operating activities		
Net movement in funds for the year ended 31 December	(295)	(1,246)
Adjustments for:		
Depreciation charges	146	418
Dividends, interest and rent from investments	(907)	(1,030)
Repayment and write off of parish loans	6	54
Advancement of Parish loans	-	(1)
Profit on sale of fixed assets	(940)	(977)
Loss on revaluation of fixed assets	651	354
Transfer of fixed assets	1,486	-
(Profit) / Loss on sale of fixed asset investments - shares	(16)	22
Loss / (Profit) on sale of fixed asset investments - Glebe	75	(221)
Gain on revaluation of fixed asset investments	(1,907)	(780)
Transfer of fixed asset investment properties	600	-
Increase in assets held for resale	(2,086)	-
Decrease / (Increase) in stock	37	(5)
Increase in debtors	(36)	(66)
Decrease in related party credit balances	(21)	(12)
Decrease in creditors	(327)	(74)
Net cash outflow from operating activities	(3,534)	(3,564)
Analysis of cash and cash equivalents		
Cash at bank and in hand	110	1,791
Notice deposits (less than 3 months)	1,295	2,550
	1,405	4,341
Borrowings		
Bank loans due within one year	-	(2,350)
Total cash and cash equivalents	1,405	1,991

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments which, in the main, are included at their market value at the balance sheet date, and certain tangible fixed assets which are included at fair value. The consolidated financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS 102). The financial statements have been prepared in UK sterling currency and rounded to the nearest £1,000.

Basis of consolidation

The consolidated financial statements incorporate those of Leicester Diocesan Board of Finance (The) ("LDBF") and, for the first time, its subsidiary undertaking, St Martins Hospitality Ltd ("SMHL"). All financial statements consist of the year to 31 December 2024.

LDBF holds 100% of the shares of SMHL which began trading on 1 January 2024 having been incorporated in November 2023. The Charitable company has taken the exemption to not publish a subsidiary cashflow statement.

Going Concern

The 2025 budget has a significant net operational deficit. However, this is lower than the deficit for 2024. These deficits can be offset by asset sales in the short term, via the Total Return release mechanism which is used to fund clergy stipends. We have sufficient assets to cope in the short term. It is anticipated returning to a breakeven budget by 2028. Therefore, the Trustees consider that there is no material uncertainty regarding going concern.

The principal accounting policies are as follows;

a) Income

All income is included in the Statement of Financial Activities when LDBF is legally entitled to it as income, ultimate receipt is probable and the amount recognised can be quantified with reasonable accuracy.

- i) **Parish Contributions** are recognised as income of the year in respect of which it is received, and up to 31 January of the following year.
- ii) **Income from other trading activities;**
Housing rental receivable is recognised as income in the period to which it relates. Bookshop and Café sales represent goods sold over the counter and are recognised on the date of sale. Internet sales are recognised on the date of notification. Conferencing and events income is recognised on the date of the associated event. Cancellation charges are recognised on the date of notification.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received, which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year end, are included in creditors to be carried forward to the following year.
- v) **Parochial fees** are recognised as income of the year to which they relate.
- vi) **Donations**, other than grants, are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the LDBF's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- viii) **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended. The use of the income is restricted for clergy stipends. The income is fully expended within the year of receipt (as the expenditure is greater) and the legal restrictions therefore are satisfied. It is on this basis that the expenditure is shown in the General Fund in the Statement of Financial Activities and is offset by the income which, initially, is shown in the Restricted Fund, but then transferred to the General Fund.

b) Expenditure

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

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

1. ACCOUNTING POLICIES (continued)

- i) **Costs of raising funds** are costs relating to the temporary renting out of parsonages, agent's costs for Glebe investment properties and management fees on investment assets.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing and supporting mission and ministry in the parishes of the Diocese, and expenditure that supports education within the Church of England schools in the Diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of LDBF, such grants being recognised as expenditure when the conditions attaching have been fulfilled. Grants offered subject to such conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** are central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated based on the proportion of the net amount spent on resourcing and support of mission and ministry.
- v) **SMH trading and letting costs** are staff, cost of goods sold, and building costs charged on an accruals basis.
- vi) **Pension contributions** relate to LDBF staff who are members of the Church Workers Pension Fund. Clergy are members of the Church of England Funded Pensions Scheme (see note 27). The pension costs, charged as resources expended, represent LDBF's contribution payable in respect of the accounting period in accordance with FRS102. Deficit funding for the pension schemes is accrued at current value in creditors distinguished between contributions falling due within one year and after one year.

c) Tangible fixed assets and depreciation

Freehold properties

Depreciation is not provided on the majority of LDBF properties as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. LDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972. Properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

St Martins House (SMH) and St Martins Lodge (SML)

St Martins House is valued at open market value at 31 December. SMH is divided into a fixed asset and a fixed asset investment property. 2% straight line annual depreciation on cost is provided on the fixed asset.

St Martins Lodge is valued at open market value at 31 December.

Properties subject to value linked loans

There was one property which had been bought with the assistance of a value-linked loan from the Church Commissioners. The property and loan were carried at original cost. This property was sold during the year. The Church Commissioners are entitled to be repaid the appropriate proportion of the value of the property when disposed. The appropriate proportion being the proportion of the loan supplied compared to the original cost of the property.

Investment properties

Glebe properties (except St Martins Lodge), which are held for investment purposes and rented out, are subject to formal revaluation every three years with the most recent revaluation being as at 31 December 2024. In between formal revaluations, management carry out an annual desk top revaluation based on appropriate and recognised property indices. Properties are, therefore, included at the year-end market value as indicated by the management revaluation exercise or the formal revaluation. The next formal revaluation will be carried out as at 31 December 2027.

Parsonage houses

LDBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

1. ACCOUNTING POLICIES (continued)

requires the accounting treatment to follow the substance of arrangements rather than strict legal form. LDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house but, in the meantime, legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at cost.

d) Other tangible fixed assets

All capital expenditure on other tangible fixed assets over £500 is depreciated. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following rates:-

Computer equipment - 50% per annum on a straight-line basis

Fixtures and fittings - 50% per annum on a straight-line basis

e) Other accounting policies

- i) **Fixed asset investments** are included in the Balance Sheets at market value and the gain or loss taken to the Statement of Financial Activities.
- ii) **Stock** is included at the lower of cost and net realisable value and relates to food and drink for public resale.
- iii) **Leases** refer to operating leases entered into for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates.

f) Critical accounting estimates and judgements

In the application of LDBF's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates, and associated assumptions, are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key estimates and assumptions made in these accounts are;

- Investment properties are valued at the Trustees' estimate which is based on a market valuation completed by a qualified valuer every three years. In between formal valuations the Trustees use appropriate market indices.
- The present value of the clergy and lay pension schemes' defined liabilities depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions in determining the net cost of income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying value of any pension liability.

g) Fund balances

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

- **Unrestricted funds** are LDBF's corporate funds and are freely available for any purpose within the Charitable Company's objects, at the discretion of LDBF. There are two types of unrestricted funds:
 - i) **General funds** which LDBF intends to use for the general purposes of LDBF, and
 - ii) **Designated funds** set aside from unrestricted funds for a purpose specified by the Trustees.
- **Restricted funds** are income funds subject to either legal measure or donor imposed conditions.
- **Endowment funds** are those held on trust to be retained for the benefit of LDBF as a capital fund. In the case of the endowment funds administered by LDBF (Stipends Glebe and Endowment Capital Funds), there are discretionary powers to convert capital into income and therefore these funds are classified as expendable endowment. The Parsonage Houses Fund, where there is no provision for expenditure of capital, is classified as permanent endowment.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where LDBF acts as Trustee and controls

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

1. ACCOUNTING POLICIES (continued)

the management and use of the funds, are included in LDBF's own financial statements as charity branches. Trusts where LDBF acts as Custodian Trustee with no control over the management of the funds, are not included in the financial statements but are summarised in note 30.

2. DONATIONS

2a. Parish Contributions

GROUP & CHARITY

All donations are collected from the parishes of the Diocese.

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Current year	3,813	-	122	-	3,935	3,978
	<u>3,813</u>	<u>-</u>	<u>122</u>	<u>-</u>	<u>3,935</u>	<u>3,978</u>

2023 funds are all Unrestricted General Funds

2b. Archbishops' Council

GROUP & CHARITY

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Stipend support	-	-	1,152	-	1,152	1,187
Resource churches grant	-	-	517	-	517	756
Strategic change grant	-	-	345	-	345	193
IWC grant	-	-	333	-	333	310
Parish Church grant	-	-	85	-	85	-
Legal cost contribution	-	-	49	-	49	47
Youth worker grant	-	-	43	-	43	48
Curate grant	-	-	23	-	23	44
Ordinand grant	-	-	17	-	17	132
Carbon offset grant	-	-	17	-	17	15
Racial equity grant	-	-	8	-	8	-
Other grants	-	-	-	-	-	3
	<u>-</u>	<u>-</u>	<u>2,589</u>	<u>-</u>	<u>2,589</u>	<u>2,735</u>

2023 funds are all Restricted Funds

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2c. Other Donations

GROUP & CHARITY

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	21	5	4	-	30	19
	<u>21</u>	<u>5</u>	<u>4</u>	<u>-</u>	<u>30</u>	<u>19</u>

GROUP & CHARITY - 2023

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£'000	£'000	£'000	£'000	£'000
Donations	16	-	3	-	19
	<u>16</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>19</u>

3. CHARITABLE ACTIVITIES

GROUP & CHARITY

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Parochial fees	199	-	-	-	199	206
Benefact Trust grant	102	-	-	-	102	119
ANIC grant	-	-	49	-	49	-
Historic England grant	-	-	18	-	18	30
Course fees and other	5	-	-	-	5	2
Other	28	-	2	-	30	59
Tree of Life donations	-	-	-	-	-	37
	<u>334</u>	<u>-</u>	<u>69</u>	<u>-</u>	<u>403</u>	<u>453</u>

GROUP & CHARITY - 2023

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£'000	£'000	£'000	£'000	£'000
Parochial fees	206	-	-	-	206
Benefact Trust grant	119	-	-	-	119
Historic England grant	-	-	30	-	30
Course fees and other	2	-	-	-	2
Other	52	5	2	-	59
Tree of Life donations	-	-	37	-	37
	<u>379</u>	<u>5</u>	<u>69</u>	<u>-</u>	<u>453</u>

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

4. OTHER TRADING ACTIVITIES

GROUP	Unrestricted funds		Restricted funds	Endowment funds	Total funds	Total funds
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Housing rental income	564	-	-	-	564	389
Property grants	6	-	-	-	6	6
Building insurance claim	7	-	-	-	7	43
SM Lodge & New Street income	-	-	-	794	794	703
Bookshop, café and conferencing income	493	-	-	-	493	426
	<u>1,070</u>	<u>-</u>	<u>-</u>	<u>794</u>	<u>1,864</u>	<u>1,567</u>

CHARITY	Unrestricted funds		Restricted funds	Endowment funds	Total funds	Total funds
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Housing rental income	564	-	-	-	564	389
Property grants	6	-	-	-	6	6
Building insurance claim	7	-	-	-	7	43
SM Lodge & New Street income	-	-	-	-	-	703
Bookshop, café and conferencing income	126	-	-	-	126	426
	<u>703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>703</u>	<u>1,567</u>

GROUP & CHARITY 2023	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			2023
	£'000	£'000	£'000	£'000	£'000
Housing rental income	389	-	-	-	389
Property grants	6	-	-	-	6
Building insurance claim	43	-	-	-	43
SMLodge & New Street income	-	-	-	703	703
Bookshop, café and conferencing income	426	-	-	-	426
	<u>864</u>	<u>-</u>	<u>-</u>	<u>703</u>	<u>1,567</u>

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

5. INVESTMENT INCOME

GROUP	Unrestricted funds		Restricted funds £'000	Endowment funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
	General	Designated			2024 £'000	2023 £'000
	£'000	£'000				
Glebe rents	-	-	-	552	552	549
Listed securities	-	-	-	59	59	78
Unlisted securities	1	9	79	-	89	132
SMH rental income	73	-	-	-	73	138
Bank and other interest	132	2	-	-	134	71
	206	11	79	611	907	968

CHARITY	Unrestricted funds		Restricted funds £'000	Endowment funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
	General	Designated			2024 £'000	2023 £'000
	£'000	£'000				
Glebe rents	-	-	-	602	602	549
Listed securities	-	-	-	59	59	78
Unlisted securities	1	9	79	-	89	132
SMH rental income	73	-	-	-	73	138
Bank and other interest	132	2	-	-	134	71
	206	11	79	661	957	968

GROUP & CHARITY 2023	Unrestricted funds		Restricted funds £'000	Endowment funds £'000	Total funds 2023 £'000
	General	Designated			2023 £'000
	£'000	£'000			
Glebe rents	-	-	-	549	549
Listed securities	-	-	-	78	78
Unlisted securities	-	7	125	-	132
SMH rental income	138	-	-	-	138
Bank and other interest	68	3	-	-	71
	206	10	125	627	968

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

6. OTHER INCOME

GROUP	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024	Total funds 2023
	General £'000	Designated £'000				
Gain on parsonage sales	-	-	-	238	238	470
Glebe sundry income	-	-	-	-	-	6
Gain on DBF property sale	656	-	-	-	656	507
DBS Pension surplus	170	-	-	-	170	-
Other income	23	-	8	-	31	3
	<u>849</u>	<u>-</u>	<u>8</u>	<u>238</u>	<u>1,095</u>	<u>986</u>

CHARITY	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024	Total funds 2023
	General £'000	Designated £'000				
Gain on parsonage sales	-	-	-	238	238	470
Glebe sundry income	-	-	-	-	-	6
Gain on DBF property sale	656	-	-	-	656	507
DBS Pension surplus	170	-	-	-	170	-
Other income	12	-	8	-	20	3
	<u>838</u>	<u>-</u>	<u>8</u>	<u>238</u>	<u>1,084</u>	<u>986</u>

GROUP & CHARITY - 2023	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2023
	General £'000	Designated £'000			
Gain on parsonage sales	-	-	-	470	470
Glebe sundry income	-	-	-	6	6
Gain on DBF property sales	507	-	-	-	507
Other income	3	-	-	-	3
	<u>510</u>	<u>-</u>	<u>-</u>	<u>476</u>	<u>986</u>

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

7. FUND RAISING COSTS

GROUP & CHARITY	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	Total funds
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Glebe agent's fees	-	-	-	68	68	48
Other Glebe costs	-	-	-	134	134	97
Investment management fees	-	-	-	15	15	20
	<u>-</u>	<u>-</u>	<u>-</u>	<u>217</u>	<u>217</u>	<u>165</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>217</u>	<u>217</u>	<u>165</u>

2023 funds are all Endowment Funds

8. CHARITABLE ACTIVITIES

GROUP & CHARITY	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	Total funds
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
8a Contributions to Archbishops' Council						
Training for Ministry	196	-	-	-	196	195
National Church Responsibilities	168	-	-	-	168	176
Retired clergy housing costs	82	-	-	-	82	77
	<u>446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>446</u>	<u>448</u>
	<u>446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>446</u>	<u>448</u>

2023 funds are all Unrestricted General Funds

GROUP & CHARITY	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds	Total funds
	General	Designated			2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
8b Resourcing Mission and Ministry						
Parish Ministry stipends and National Insurance (NI)	3,385	-	-	-	3,385	3,533
Clergy pension contributions	649	-	-	-	649	728
Non parochial salaries, NI and pension	345	-	-	-	345	361
Housing costs	1,416	-	-	-	1,416	1,330
Ordinand, removal & resettlement grants	119	-	-	-	119	127
Interregna costs	52	-	-	-	52	43
Resource church costs	86	-	-	-	86	181
Other expenses	246	-	-	-	246	287
Support costs	838	-	-	-	838	732
	<u>7,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,136</u>	<u>7,322</u>
	<u>7,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,136</u>	<u>7,322</u>

2023 funds are all Unrestricted General Funds

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

8. CHARITABLE ACTIVITIES (continued)

GROUP & CHARITY	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
8c Support for Mission and Ministry						
Salaries, NI and pension costs	1,383	-	-	-	1,383	1,298
Leicester Cathedral grants	-	-	-	-	-	525
Growth fund grants	21	-	-	-	21	38
Capital fund grants	-	-	-	-	-	-
Other grants	150	17	44	-	211	202
Closed churches costs	-	-	36	-	36	23
Other costs	482	1	7	-	490	355
Support costs	285	-	-	-	285	272
	2,321	18	87	-	2,426	2,713
GROUP & CHARITY - 2023						
	Unrestricted funds		Restricted	Endowment	Total Funds	
	General	Designated	funds	funds	2023	
	£'000	£'000	£'000	£'000	£'000	
Support for Mission and Ministry (continued)						
Salaries, NI and pension costs	1,298	-	-	-	1,298	
Leicester Cathedral grants	525	-	-	-	525	
Growth fund grants	34	-	4	-	38	
Capital fund grants	-	-	-	-	-	
Other grants	64	19	119	-	202	
Closed churches costs	-	-	23	-	23	
Other costs	352	3	-	-	355	
Support costs	272	-	-	-	272	
	2,545	22	146	-	2,713	
GROUP & CHARITY	Unrestricted funds	Restricted	Endowment	Total funds	Total funds	
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
8d Support for education						
Support for church schools	162	-	-	-	162	134
	162	-	-	-	162	134
2023 funds are all Unrestricted General Funds						
TOTAL GROUP & CHARITY CHARITABLE ACTIVITIES 2024	10,065	18	87	-	10,170	10,617
TOTAL GROUP & CHARITY CHARITABLE ACTIVITIES 2023	10,449	22	146	-	10,617	

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

9. OTHER EXPENDITURE

GROUP	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
SM Lodge & New Street costs	-	-	-	688	688	560
SMH costs	1,195	-	-	-	1,195	1,229
	<u>1,195</u>	<u>-</u>	<u>-</u>	<u>688</u>	<u>1,883</u>	<u>1,789</u>

CHARITY	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
SM Lodge & New Street costs	-	-	-	-	-	560
SMH costs	718	-	-	-	718	1,229
	<u>718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718</u>	<u>1,789</u>

GROUP & CHARITY - 2023	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2023
	£'000	£'000	£'000	£'000	£'000
SM Lodge & New Street costs	-	-	-	560	560
SMH costs	1,229	-	-	-	1,229
	<u>1,229</u>	<u>-</u>	<u>-</u>	<u>560</u>	<u>1,789</u>

10. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

GROUP	Activities	Grant		Total costs	Total costs
	Undertaken	Funding of	Support	2024	2023
	Directly	Activities	Costs	£'000	£'000
	£'000	£'000	£'000		
Raising funds	217	-	-	217	165
Charitable activities:					
Contributions to Archbishops' Council	-	446	-	446	448
Resourcing Mission and Ministry	6,047	251	838	7,136	7,322
Supporting Mission and Ministry	1,909	233	285	2,427	2,713
Support for education	162	-	-	162	134
Other expenditure	1,882	-	-	1,882	1,789
	<u>10,217</u>	<u>930</u>	<u>1,123</u>	<u>12,270</u>	<u>12,571</u>

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

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

CHARITY	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs 2024 £'000	Total costs 2023 £'000
Raising funds	217	-	-	217	165
Charitable activities:					
Contributions to Archbishops' Council	-	446	-	446	448
Resourcing Mission and Ministry	6,047	251	838	7,136	7,322
Supporting Mission and Ministry	1,909	232	285	2,426	2,713
Support for education	162	-	-	162	134
Other expenditure	718	-	-	718	1,789
	9,053	929	1,123	11,105	12,571

GROUP & CHARITY - 2023

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs 2023 £'000
Raising funds	165	-	-	165
Charitable activities:				
Contributions to Archbishops' Council	-	448	-	448
Resourcing Mission and Ministry	6,353	237	732	7,322
Supporting Mission and Ministry	1,677	764	272	2,713
Support for education	134	-	-	134
Other expenditure	1,789	-	-	1,789
	10,118	1,449	1,004	12,571

11. ANALYSIS OF SUPPORT COSTS

GROUP & CHARITY	Unrestricted funds		Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
	General £'000	Designated £'000				
Central administration	933	-	-	-	933	826
Governance:						
Registrar and Chancellor	135	-	-	-	135	129
Audit costs:						
- External audit	34	-	-	-	34	31
- Other services	3	-	-	-	3	4
Synodical costs	18	-	-	-	18	14
	1,123	-	-	-	1,123	1,004

2023 funds are all Unrestricted General Funds.

External audit costs in 2024 were £34,500 (2023: £31,350). Other auditor service costs in 2024 were £2,808 (2023: £3,960). These amounts are inclusive of VAT.

LECESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

12. ANALYSIS OF GRANTS MADE

GROUP & CHARITY	Number	Individuals £'000	Institutions £'000	2024 Total £'000	2023 Total £'000
From unrestricted funds for national Church responsibilities:					
Contributions to Archbishops' Council	1	-	446	446	448
From unrestricted funds:					
Diocesan Board of Education support grants	2	-	162	162	134
University Chaplaincies	3	-	121	121	117
Maintenance grants to Ordinands	12	102	-	102	88
St Philip's Centre	1	-	53	53	51
Resettlement and first appointment grants	15	42	-	42	58
Leicester Cathedral	-	-	-	-	25
St Peter's Church grant for Premises Officer	-	-	-	-	13
Retired clergy fund grants	191	11	-	11	11
Citizens UK grant	1	-	11	11	10
Ecumenical support (Churches Together)	1	-	10	10	10
Reader and Clergy training grants	22	7	-	7	9
Archdeacons' fund grants	17	5	-	5	7
International Links	1	-	2	2	-
Total	266	167	359	526	533
From restricted or endowment funds for various purposes:					
Strategic Development Fund grants	27	-	92	92	55
Parish church grants	21	-	85	85	-
Ordinand training grants	11	40	-	40	110
Growth fund grants	3	-	21	21	38
Leicester Cathedral	-	-	-	-	500
JD Player interest	-	-	-	-	6
Total	62	40	198	238	709
Total	329	207	1,003	1,210	1,690

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

13. STAFF COSTS

	2024	2023
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	2,162	1,891
National Insurance contributions	207	182
Pension costs	206	132
	2,575	2,205

	2024	2023
	Number	Number
The average number of persons employed by LDBF during the year:		
SMH Conference Centre	26.8	31.0
Administration and financial management	8.3	8.0
Property	3.0	3.0
Discipleship, Ministry & Stewardship	25.6	26.7
Safeguarding & inclusion	5.0	5.0
Parochial lay staff	5.0	2.0
	73.7	75.7

	2024	2023
	Number	Number
The average number of persons employed by LDBF during the year based on full-time equivalents:		
SMH Conference Centre	20.2	25.9
Administration and financial management	7.1	7.3
Property	1.6	1.6
Discipleship & Ministry, Stewardship	25.2	23.5
Safeguarding and inclusion	3.7	3.7
Parochial lay staff	1.0	1.5
	58.8	63.5

	2024	2023
	Number	Number
The numbers of staff (including diocesan appointed clergy) whose emoluments amounted to more than £60,000 (including benefits in kind but excluding pension contributions and NIC's) were as follows:		
£60,001 - £70,000	3	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-

Pension payments of £50,741 (2023: £23,520) were made for these employees.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

13. STAFF COSTS (continued)

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the diocese. During 2024 they were:

Diocesan Chief Executive	Jonathan Kerry
Director of Operations and Governance	Andrew Brockbank
Director of Finance and Property	Simon Wilson
Director of Parish Transition and Ministry Development	Reverend Doctor Stuart Burns

Remuneration (excluding NIC's) and pensions for these 4 employees or office holders amounted to £352,289 (2023: £333,791).

Trustees' emoluments

No Trustee received remuneration for services as a Trustee. The Trustees received travel and out of pocket expenses, totalling £4,229 (2023: £2,244) in respect of their duties as Trustees.

In addition, Trustees were paid fees totalling £5,488 (2023: £11,227) for Diocesan work.

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

	Stipend	Housing
The Venerable RV Worsfold	Yes	Yes
The Venerable C Wood	Yes	Yes
The Reverend SA Bailey	Yes	Yes
The Reverend Dr J K Patel	Yes	Yes

The LDBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The LDBF is also responsible for the provision of housing for stipendiary clergy in the Diocese but excluding the Diocesan Bishop and cathedral staff.

The LDBF paid an average of 114 (2023: 126) clergy as office holders holding parochial or non-parochial appointments in the Diocese, and their costs were as follows:

	2024	2023
	£'000	£'000
Stipends and salaries	3,432	3,589
National Insurance contributions	307	313
Pension costs	729	841
Housing allowances	105	118
	<u>4,573</u>	<u>4,861</u>

The annual rate of stipend, funded by the LDBF, paid to the two Archdeacons in 2024 was in the range £40,000 - £45,000 (2023: range £35,000 – £40,000) and other clergy who were Trustees were paid in the range £30,000 - £35,000 (2023: range £0 – £30,000).

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

14. ANALYSIS OF TRANSFERS BETWEEN FUNDS	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
2024				
Church Commissioners' and Historic England grant income	2,639	-	(2,639)	-
Net Glebe rental income used for general purposes	501	-	-	(501)
Stipend Glebe Unapplied Total Return transfer	1,500	-	-	(1,500)
Growth fund transfer	4	-	(4)	-
Church Extension fund transfer	2	(2)	-	-
Ordinand fund transfer	31	-	(31)	-
Restricted income used to fund stipends	190	-	(190)	-
Restricted income used to fund retired clergy grants	-	10	(10)	-
Property fund transfers	417	-	(253)	(164)
	5,284	8	(3,127)	(2,165)
2023				
Church Commissioners' and Historic England grant income	2,670	-	(2,670)	-
Net Glebe rental income used for general purposes	605	-	-	(605)
Stipend Glebe Unapplied Total Return transfer	1,200	-	-	(1,200)
General fund transfer to Growth fund	(1)	-	1	-
Ordinand fund transfer	36	-	(36)	-
Endowment income used to fund stipends	32	-	-	(32)
Other Restricted fund transfers	3	-	(3)	-
Designated fund transfers to General fund	562	(562)	-	-
Restricted income used to fund retired clergy grants	575	8	(583)	-
Property fund transfers	2,967	-	(148)	(2,819)
	8,649	(554)	(3,439)	(4,656)

Church Commissioners' grant income - Within restricted funds there is income received from The Archbishops' Council of £1.15m (2023: £1.19m) to fund the payment of stipends, £517k (2023: £756k) to fund the Resource Church project, £333k (2023: £310k) to fund the IWC project, and £345k (2023: £193k) to fund The Strategic Change transition project from unrestricted funds.

Stipends Glebe rental income - This income is rental income from endowment properties. The income is used to fund the payment of stipends from unrestricted funds.

Stipends Glebe Unapplied Total Return transfer – This transfer has been made from the Unapplied Total Return fund and is for the funding of clergy stipends. The Unapplied Total Return Fund is part of the Stipends Glebe endowment fund.

Property fund transfers – This relates to £416k of funds spent on parsonage property improvements and repairs.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

15. TANGIBLE FIXED ASSETS

GROUP

	SMH	Parsonage	DBF	Other	Total
	£'000	houses	properties	equipment	£'000
		£'000	£'000	£'000	
Cost or valuation					
At 1 January 2024	2,685	18,104	14,217	1,065	36,071
Additions	-	159	73	112	344
Revaluation	(1,455)	-	759	-	(696)
Disposals	-	(85)	(804)	-	(889)
Transfers	-	-	(1,486)	-	(1,486)
At 31 December 2024	1,230	18,178	12,759	1,177	33,344
Depreciation					
At 1 January 2024	-	-	911	1,003	1,914
Disposals	-	-	-	-	-
Charge for the year	45	-	-	101	146
Revaluation	(45)	-	-	-	(45)
At 31 December 2024	-	-	911	1,104	2,015
Net Book Value					
At 31 December 2024	1,230	18,178	11,848	73	31,329
At 1 January 2024	2,685	18,104	13,306	62	34,157

All of the properties in the Balance Sheet are freehold and are vested in the LDBF. One property had been purchased with the help of a value-linked loan from the Church Commissioners. That property has been disposed of in 2024; the appropriate share of the net sale proceeds requires to be remitted to the Commissioners, and the related loan liability extinguished. The holding cost of the property at the date of sale was £40,046. The property was sold for a net £44,663 (after extinguishing the loan amount).

All properties at 31 December 2024 and 31 December 2023 are valued at cost, apart from St Martins House which has been revalued by Christie & Co., Chartered Surveyors. All property repairs are charged as expenditure.

As at 31 December 2024, St Martins House (SMH) has been valued by Christie & Co., Chartered Surveyors. The property was valued at £2,900,000 (2023: £4,230,000) on an open market basis.

£1,230,000 (2023: £2,684,802) of the SMH value was deemed to represent a fixed asset, the balance of £1,670,000 (2023: £1,545,198) was deemed to represent a fixed asset investment (see note 16 below). If SMH had not been revalued, the fixed asset element would have been included at its historical cost of £2,760,000 less accumulated depreciation of £588,197.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

15. TANGIBLE FIXED ASSETS

CHARITY

	SMH £'000	Parsonage houses £'000	DBF properties £'000	Other equipment £'000	Total £'000
Cost or valuation					
At 1 January 2024	2,685	18,104	14,217	1,065	36,071
Additions	-	159	73	104	336
Revaluation	(1,455)	-	759	-	(696)
Disposals	-	(85)	(804)	-	(889)
Transfers	-	-	(1,486)	-	(1,486)
At 31 December 2024	1,230	18,178	12,759	1,169	33,336
Depreciation					
At 1 January 2024	-	-	911	1,003	1,914
Disposals	-	-	-	-	-
Charge for the year	45	-	-	99	144
Revaluation	(45)	-	-	-	(45)
At 31 December 2024	-	-	911	1,102	2,013
Net Book Value					
At 31 December 2024	1,230	18,178	11,848	67	31,323
At 1 January 2024	2,685	18,104	13,306	62	34,157

16. FIXED ASSETS INVESTMENTS

GROUP & CHARITY

	At 1 January 2024 £'000	Additions £'000	Transfers £'000	Disposals £'000	Change in Market Value £'000	At 31 December 2024 £'000
Unrestricted funds						
Investment properties	2,895	-	-	-	175	3,070
Investment in subsidiary	-	-	-	-	-	-
Unlisted investments	-	-	31	-	-	31
Total	2,895	-	31	-	175	3,101
Designated funds						
Unlisted investments	161	-	-	-	5	166
Endowment funds						
Investment properties	37,256	237	(600)	(863)	1,626	37,656
Listed investments	2,016	245	-	(234)	94	2,121
Unlisted investments	1,419	-	(31)	-	7	1,395
	40,691	482	(631)	(1,097)	1,727	41,172
Total	43,747	482	(600)	(1,097)	1,907	44,439

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

The valuation of investments at 31 December 2024 was carried out by the Board's Investment Advisors as shown in the Administrative Details on page 18.

Included in Endowment Fund investment properties is St Martins Lodge, which is a property purchased during 2015 costing a total of £4,531,444 (including subsequent refurbishment costs). St Martins Lodge has been developed into a high quality, 28 bed overnight accommodation facility. At 31 December 2024, St Martins Lodge was valued by Christie & Co. at £2,160,000 (2023: £2,175,000) on an open market basis.

The unrestricted fund fixed asset investments contain the fixed asset element of St Martins House and the Community House. The Community House was revalued by Andrew Granger & Co. at £1,350,000 during 2023. At the end of 2024, management have used property valuation indices to revalue the property at £1,400,000. The next formal valuation will be carried out to coincide with other DBF properties in December 2027. Until then, management will continue to use property valuation indices.

The Charity owns 100% of the share capital of St Martins Hospitality Ltd (Company number: 14711191) which was incorporated in England in November 2023. The purpose of the company is to develop commercial income opportunities and income. In its first year of trading, St Martins Hospitality Ltd had turnover of £1.17m, total costs of £1.20m and a loss before taxation of £28.2k. As at 31 December 2024, St Martins Hospitality Ltd had net liabilities of £28.1k.

17. ASSETS HELD FOR RESALE

Assets held for resale comprises five properties that were being actively marketed at 31 December 2024 and which were sold in early 2025. One property was held as an investment asset and the other four were held as fixed assets. On 31 December 2024, the assets were revalued, within investment assets and fixed assets, to their market value and transferred to current assets.

18. DEBTORS	GROUP 2024 £'000	GROUP 2023 £'000	CHARITY 2024 £'000	CHARITY 2023 £'000
Due within one year				
Trade debtors	54	33	-	33
Parish contribution	135	200	135	200
Loans to parishes	24	30	24	30
Amounts owed by related parties	34	34	34	34
Other debtors	248	147	313	147
Prepayments and accrued income	251	272	240	272
	746	716	746	716
Due after more than one year				
Loans to parishes	45	45	45	45
Equity loan	5	5	5	5
Total debtors	796	766	796	766

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

18. DEBTORS (continued)

The loans above are represented by:

GROUP & CHARITY	Due within one year £'000	Due after one year £'000	Total £'000
Unsecured loans			
Loans to parishes	24	45	69
Total unsecured loans	24	45	69
Secured loans			
Trustees of Launde Abbey	-	865	865
Provision on Launde Abbey loan	-	(865)	(865)
Equity loan	-	5	5
Total secured loans	-	5	5
Total loans outstanding	24	50	74

Unsecured loans

The Parish loans are generally for one off cashflow support with varying periods of repayment. The loans attract a commercial rate of interest, currently varying between 3% and 5% per annum.

Secured loans

There is a loan to the Trustees of Launde Abbey for £865,138, which has been fully provided for (which includes accrued interest). On 31 December 2018, an agreement was reached whereby the loan was secured as a first charge against the total value of Launde Abbey. On any disposal of Launde Abbey in its entirety, LDBF would recover the greater of 21.89% of disposal proceeds - based on the valuation of the property at 9 April 2015, being £3,950,000 - or £865,138. In the event of a part disposal, LDBF would receive £865,138 on the first part disposal and then be entitled to 21.89% of total part disposal proceeds where there are future part disposals, where the total of all part disposal proceeds exceeds £865,138. Any excess of funds paid to LDBF over £865,138 is deemed to be a premium on the loan.

LDBF is the Custodian Trustee of Launde Abbey which is the Diocesan retreat house.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

19. CREDITORS: amounts falling due within one year	GROUP		CHARITY	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	228	293	193	293
Bank loan	-	2,350	-	2,350
Taxation and social security	94	94	78	94
Other creditors	225	307	225	307
Accruals	199	579	107	579
Deferred income	313	77	313	77
Amounts owed to related parties	5	26	5	26
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	1,064	3,726	921	3,726
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20. CREDITORS: amounts falling due after more than one year	GROUP AND CHARITY	
	2024	2023
	£'000	£'000
Church Commissioners' value-linked loan	-	36
	<u> </u>	<u> </u>
Total	-	36
	<u> </u>	<u> </u>

The £2,350,000 bank loan was provided by Barclays Bank Plc since 20th September 2023 and was repaid on 20th September 2024.

The value-linked loan (VLL) was secured by guarantee against a property. The loan was repayable, when the property was sold, in proportion to the sale value to the original percentage of the cost of the house originally loaned. The proportion of the loan on this property was 94.74%. The property was sold during 2024.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

21. SUMMARY OF GROUP FUND MOVEMENTS

	Balances at 1 January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and (Losses) £'000	Balances at 31 December 2024 £'000
UNRESTRICTED FUNDS						
General Funds	7,900	6,293	(11,260)	5,284	(521)	7,696
Designated funds						
Retired Clergy Fund	156	8	(13)	9	5	165
Church Extension Fund	-	2	-	(2)	-	-
Archdeacons' Discretionary Fund	102	6	(5)	1	-	104
Total Designated Funds	258	16	(18)	8	5	269
Total unrestricted funds	8,158	6,309	(11,278)	5,292	(516)	7,965
RESTRICTED FUNDS						
Pastoral Fund	1,558	9	(36)	(253)	-	1,278
Church Commissioners', Historic England and other grant income	-	2,761	-	(2,761)	-	-
Endowment Income Fund	169	79	(2)	(77)	-	169
Growth Fund	-	4	-	(4)	-	-
Ordinand Training Fund	42	18	(49)	(32)	-	(21)
Total Restricted Funds	1,769	2,871	(87)	(3,127)	-	1,426
ENDOWMENT FUNDS						
Permanent						
Parsonage Houses	18,104	238	-	(164)	-	18,178
Expendable						
Stipends Glebe (see note 23)	50,087	1,405	(905)	(2,001)	1,662	50,248
Other Endowment Capital	1,175	-	-	-	6	1,181
Total Endowment Funds	69,366	1,643	(905)	(2,165)	1,668	69,607
Total funds	79,293	10,823	(12,270)	-	1,152	78,998

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

21. SUMMARY OF GROUP FUND MOVEMENTS - 2023

	Balances at 1 January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at 31 December 2023 £'000
UNRESTRICTED FUNDS						
General Funds	6,559	5,953	(11,678)	8,649	(1,583)	7,900
Designated funds						
Retired Clergy Fund	164	5	(14)	8	(7)	156
Church Extension Fund	558	2	-	(560)	-	-
Workplace Chaplaincy Fund	2	-	-	(2)	-	-
Archdeacons' Discretionary Fund	105	8	(8)	-	(3)	102
Total Designated Funds	829	15	(22)	(554)	(10)	258
Total unrestricted funds	7,388	5,968	(11,700)	8,095	(1,593)	8,158
RESTRICTED FUNDS						
Pastoral Fund	1,727	2	(23)	(148)	-	1,558
Church Commissioners', Historic England and other grant income	-	2,670	-	(2,670)	-	-
Endowment Income Fund	635	125	(8)	(583)	-	169
Growth Fund	-	3	(4)	1	-	-
Bishop Jeune Ordinands' Fund	1	-	-	(1)	-	-
The Alan Everitt Fund	2	-	-	(2)	-	-
Diocesan Capital Fund	-	-	-	-	-	-
Ordinand Training Fund	57	132	(111)	(36)	-	42
CofE Stipend Trust Reserve	-	-	-	-	-	-
Total Restricted Funds	2,422	2,932	(146)	(3,439)	-	1,769
ENDOWMENT FUNDS						
Permanent						
Parsonage Houses	20,453	470	-	(2,819)	-	18,104
Expendable						
Stipends Glebe (see note 23)	48,996	1,336	(725)	(1,806)	2,286	50,087
Other Endowment Capital	1,280	-	-	(31)	(74)	1,175
Total Endowment Funds	70,729	1,806	(725)	(4,656)	2,212	69,366
Total funds	80,539	10,706	(12,571)	-	619	79,293

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

22. SUMMARY OF ASSETS BY FUND	Fixed assets Tangible £'000	Investments £'000	Net Assets / (Liabilities) £'000	Total Assets £'000
Unrestricted funds – General	13,151	3,101	(8,556)	7,696
Unrestricted - Designated				
Retired Clergy / Clergy widows	-	121	44	165
Church Extension Fund	-	-	-	-
Archdeacons' Discretionary Fund	-	45	59	104
	-	166	103	269
Restricted				
Pastoral Fund	-	-	1,278	1,278
Church Commissioners' Fund	-	-	-	-
Endowment Funds:				
Drew Trust Income Fund	-	-	-	-
Horwood Robinson Income Fund	-	-	-	-
CE Huston Income Fund	-	-	-	-
D Huston Income Fund	-	-	-	-
Chippington Income Fund	-	-	-	-
JD Player Memorial Fund	-	-	169	169
Diocesan Growth Fund	-	-	-	-
Ordinand Training Fund	-	-	(21)	(21)
	-	-	1,426	1,426
Endowment Expendable				
Stipends Glebe Fund (see note 23)	-	39,991	10,257	50,248
Endowment Capital Funds:				
Drew Trust Investment Fund	-	191	-	191
Horwood Robinson Investment Fund	-	186	-	186
CE Huston Investment Fund	-	567	-	567
D Huston Investment Fund	-	138	-	138
Chippington Investment Fund	-	99	-	99
Permanent				
Parsonage Houses Fund	18,178	-	-	18,178
	18,178	41,172	10,257	69,607
Total funds	31,329	44,439	3,230	78,998

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

23. ANALYSIS OF STIPENDS GLEBE ENDOWMENT FUND

With effect from 1st January 2019, the company adopted a Total Return strategy to its Stipends Glebe fund. An exercise was carried out to determine the Endowment fund value and the unapplied Total Return value applicable to the Stipends Glebe Fund. In this regard, records and information, including those held at our Land Agents Andrew Granger & Co. were used to determine the initial value of the endowment. Subsequently, the official Retail Price Index ("RPI") was used to obtain the value of the original endowment as at 1st January 2019; The value calculated was £29,048,439. The difference between this value and the balance sheet value, being £46,395,636, at that date was deemed to be the unapplied total return available for transfer to general funds, i.e. £17,347,197.

During 2024, there were income and investment gains in the period of £2,162,707 (2023: £2,896,864). £979,105 (2023: £1,440,614) was transferred back to the endowment capital fund as recognition of the increase in value of the endowment as measured by CPI over 2024 being 2.57%. In addition, there were transfers out of Unapplied Return to the General Fund totalling £2,000,722 (2023: £1,805,414) which was used to fund stipends. The balance as at 31 December 2024 was £11,171,801 (2023: £11,988,922).

	Endowment: Stipends Glebe £'000	Unapplied Total Return £'000	Total £'000
As at 1 January 2024	38,098	11,989	50,087
Movements in the reporting period			
Investment income: Glebe rents and dividends	-	1,405	1,405
Investment returns: Realised and unrealised gains / (losses) on shares and the Glebe portfolio	-	1,662	1,662
Less: Investment management costs	-	(905)	(905)
Total movements in the reporting year	-	2,162	2,162
Unapplied Total Return allocated in Income in the year	-	(2,001)	(2,001)
Allocation to capital	979	(979)	-
Net movements in the reporting year	979	(818)	161
As at 31 December 2024	39,077	11,171	50,248

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

24. DESCRIPTION OF FUNDS

GENERAL FUNDS	General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.
DESIGNATED FUNDS	Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes below.
RESTRICTED FUNDS	Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes below.
ENDOWMENT FUNDS	Endowment funds are funds held on trust to be retained for the Charity as capital funds. Where the whole of the fund must be permanently maintained it is known as permanent endowment. Where there is a power of discretion to convert endowed funds into income, the fund is classed as expendable endowment.

Designated funds

The Retired Clergy Fund represents funds set aside for the benefit of retired clergy and their spouses, including those widowed, divorced or separated.

The Church Extension Fund represents funds put aside over a number of years by the Board to give loans to Parochial and District Church Councils to help with extensions, improvements and repairs to church buildings.

The Archdeacons Discretionary Fund is used by the Archdeacons to pay grants to needy clergy and their families within the Diocese.

Restricted funds

The Pastoral Fund is a capital and income fund where both may be expended. It may be used for a variety of purposes except for employment costs. It is the Board's policy to use these funds primarily for the purchase of, and improvement (including repairs) to, parsonage houses.

Prior to 2007 the balance included funds of £281,989 held by the Church Commissioners from the sale of parsonage houses which could not be released for other uses until such time as new pastoral schemes for the parishes involved had become operative and the appropriate PCC consents to the funds being released.

In 2007 these funds were released to the Diocese but had to be ring-fenced for the same reason. £286,530 including accumulated interest was received by the Diocese, a small amount of which was immediately expendable, but the remainder placed in a separate fund in relation to one parish. At 31 December 2024 this fund stood at £313,428 (2023: £313,363) and is included in the Pastoral Fund balance.

Restricted Income from the Church Commissioners is received from them to support Stipends and Clergy Pension Costs. Income is transferred to the General Fund to be applied against payment of such costs.

Endowment Income Funds represent accumulated income and income arising from endowment funds that has not yet been expended.

The Diocesan Growth Fund was formerly known as the **Church Commissioners' Mission Fund** and represents additional funds given to the Board by the Church Commissioners that have arisen as a result of better returns on their investment assets.

The Ordinand Training Fund provides discretionary training grants to Ordinands.

Endowment funds

The Stipends Glebe Fund represents the value of property and investments held under the Endowments and Glebe Measure 1976, invested to produce income to be applied for the augmentation of stipends.

Endowment Capital Funds are funds, the majority of which are, for the augmentation of stipends.

The Parsonage Houses Fund represents the deemed value of the parsonage houses calculated as set out in note 1c to these financial statements.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

25. CAPITAL COMMITMENTS

At 31 December 2024 the LDBF had nil (2023: £166,250) capital expenditure commitments authorised but not contracted for, and nil (2023: nil) contracted for but not yet due.

26. OPERATING LEASES

Total commitments under non-cancellable operating leases are as follows:

	2024	2023
	£'000	£'000
Non land & buildings operating leases where the lease expires:		
Within one year of the balance sheet date	1	-
In the second to fifth years inclusive of the balance sheet date	22	8
More than five years from balance sheet date	-	-
	<u><u> </u></u>	<u><u> </u></u>

27. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

There were no post balance sheet events or contingent liabilities.

28. PENSIONS

The LDBF participates in two defined pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the LDBF and the other participating employers. One of these is the **Church of England Funded Pensions Scheme ("CEFPS")** for stipendiary clergy. The other is the **Church Workers Pension Fund ("CWPF")** for lay staff. The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014. There are no active members in the LDBF Defined Benefit Scheme section.

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

Church of England Funded Pension Scheme

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend being paid as the normal pension on reaching the age of 68 on completion of maximum service of 41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's National Minimum Stipend payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided by the Church Commissioners under the previous arrangements.

LDBF 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 applied to pensionable stipends.

At the end of the year, LDBF was paying contributions for 109 members (2023: 115) of the scheme out of a total membership of approximately 8,500 active members.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

28. PENSIONS (continued)

Church of England Funded Pension Scheme (continued)

This 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 that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, which were £729,284 (2023: £841,250), plus any contributions in respect of any Scheme deficit. The 2021 valuation showed the Scheme to be fully funded. The deficit contributions paid in 2024 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 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%;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the 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% pa, and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023.

The deficit recovery contributions payable under the recovery plan in force at each 31 December was 7.1% at 31 December 2021 (payable from 1 January 2021 to 31 December 2022), nil at 31 December 2022, nil at 31 December 2023 and nil at 31 December 2024. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022 and remained in place until December 2022.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there were no 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 2024 is set out in the table below.

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

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

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

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

28. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme

The Defined Benefits Scheme (“DBS”) section of the CWPF provides benefits for lay staff based on final pensionable salaries. LDBF has no active members in this section.

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. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers’ sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The Scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme’s assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS.

This means that contributions are accounted for as if the Scheme were a defined contribution scheme. As from 1 January 2024, LDBF had no active members in this section of the CWPF. There were nil pension costs for 2024 (2023: credit of £37,482).

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 on the advice of the Actuary.

A valuation of the Scheme is carried out once every three years. The most recent was carried out at 31 December 2022 and showed a surplus of £73.6m. The next actuarial valuation is due on 31 December 2025.

Since 31 December 2023, The Church of England Pensions Board has entered into a full buy-in agreement with Aviva to insure all accrued benefits within the Defined Benefit Scheme 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 these financial statements at 31 December 2023 or 31 December 2024.

LDBF has ceased contributions to the Defined Benefit section of the CWPF as from 1 January 2024. Active members of the Defined Benefit section as at 31 December 2023 have been transferred to the Pension Builder section of the CWPF.

The movement in the provision is set out below;

	2024	2023
	£’000	£’000
Balance sheet liability at 1 January	-	-
Deficit contributions paid	-	-
Interest cost (recognised in the SOFA)	-	-
Remaining change to the balance sheet liability (recognised in the SOFA)	-	-
	<hr/>	<hr/>
Balance sheet liability at 31 December	<hr/> <hr/>	<hr/> <hr/>

The remaining change to the balance sheet liability comprises changes in the agreed recovery plan and changes in discount rates between year ends.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

28. PENSIONS (continued)

The balance sheet liability represents the present value of the deficit contributions agreed at 31 December 2024 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 (p.a.)	n/a	n/a	0.0%

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

Church Workers Pension Fund – Pension Builder Scheme

LDBF participates in the Pension Builder Scheme section of 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 schemes separately from those of LDBF and the other participating employers.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections - a deferred annuity section known as **Pension Builder Classic** and a cash balance section known as **Pension Builder 2014**.

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 subdivision of assets between employers in either section of the Pension Builder Scheme.

The Scheme is considered to be a multi-employer scheme, as described in section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are the contributions payable and were £149,180 (2023: £121,684).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent scheme valuation completed was carried out at 31 December 2022. The next valuation is due at 31 December 2025.

For the Pension Builder Classic section, the 2022 valuation revealed a deficit of £34.8m on the ongoing assumptions used. At the most recent annual review, effective 1 January 2025, the Pensions Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (when 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.

For the Pension Builder 2014 section, the 2022 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, LDBF may become responsible for paying a share of that employer's pension liabilities.

LEICESTER DIOCESAN BOARD OF FINANCE (THE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

29. RELATED PARTY TRANSACTIONS

As noted in the Trustees' Report the Board is related to the Leicester Diocesan Board of Education (LDBE), the University Chaplaincies at the three universities in the Diocese of Leicester, Leicester Cathedral Chapter (LCC), Launde Abbey Trustees (LAT), St Philips Centre (SPC), Bishop's Lodge (BL), Coventry Diocesan Board of Finance (The) (CDBF), Together Leicester (ToL), and Leicester City of Sanctuary (LCOS). Details of grants made to these bodies are given in note 12 of the financial statements.

During 2024, LDBF recharged LCC £45,241 (2023: £91,366), of which nil (2023: £15,683) were salaries or a stipend.
During 2024, LDBF recharged LDBE £12,087 (2023: £26,817), for rent and service charges. Conversely, LDBE recharged LDBF £111,549 (2023: £114,077) all of which was a recharge for the Diocesan Director of Education. In addition, LDBF paid a grant of £50,000 (2023: £20,000) to LDBE.
During 2024, LAT recharged LDBF £22,010 (2023: £33,666).
During 2024, LDBF recharged CDBF £61,397 (2023: £152,828), of which £49,440 (2023: £51,318) were salaries. Conversely, CDBF recharged £20,840 (2023: £18,456) for internet costs.
During 2024, LDBF recharged BL £843 (2023: £3,046).
During 2024, SPC recharged LDBF £47,192 (2023: £44,592), of which £47,192 (2023: £43,385) were salary or pension costs.
During 2024, LDBF recharged ToL £32,464 (2023: £31,266), of which £32,464 (2023: £31,232) were salary costs.
During 2024, LDBF recharged LCOS £49,684 (2023: £73,264), of which £49,684 (2023: £73,192) were salary costs.

There were no other related party transactions in the current or previous accounting period other than small payments made to Trustees as described in note 13.

At the end of the year, the following amounts, all of which are included in debtors or creditors as appropriate, were receivable / (payable) by the Board in respect of related parties:

	2024 £'000	2023 £'000
Amounts receivable / (payable) by the Board		
Leicester Diocesan Board of Education	-	(19)
Coventry Diocesan Board of Finance (The)	5	10
Leicester Cathedral Chapter	1	15
Launde Abbey Trustees	23	(2)
St Philips Centre	(5)	(4)
Bishop's Lodge	1	-
Together Leicester	-	5
Leicester City of Sanctuary	4	7

30. FUNDS HELD AS CUSTODIAN TRUSTEE

The LDBF acts as Diocesan Authority or Custodian Trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964, where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the LDBF does not control them. The financial assets held in this way may be summarised as follows:

	2024 £'000	2023 £'000
CBF Church of England Investment Fund - income shares	1,110	1,085
CBF Church of England Deposit Fund	1,193	855
Other common investment fund holdings	522	507
Direct holdings in UK equities	195	194
CBF Church of England Fixed Interest Securities Fund – income shares	53	51
Cash at bank	34	25
Total assets held as Custodian Trustee	3,107	2,717