

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2024

Company number - 00097256
Registered charity number – 249355

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
ANNUAL REPORT
For the year ended 31 December 2024

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Mission Statement

The Diocese of Lincoln is called by God to
faithful worship,
confident discipleship and
joyful service.

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

This combined report satisfies the legal requirements for a:

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

LEGAL OBJECTS

The legal objects of the Diocese of Lincoln cover the historic county of Lincolnshire.

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

The LDTBF has the following statutory responsibilities: -

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

The strategic priorities of the LDTBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Lincoln (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 within the Diocesan Budget.

PUBLIC BENEFIT STATEMENT

The Trustees, having considered section 4 of the Charities Act 2011, have satisfied themselves that they have complied with the duty to have regard to the Public Benefit guidance published by the Charity Commission. The trustees review its work each year and consider outcomes and plans for the future. They take into account the Charity Commission's guidance on public benefit when reviewing its purpose and in considering how planned activities will meet that aim. Our main activities ensure that we have in place ministry to support the people of greater Lincolnshire which covers the three local authority areas of Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council in the gospel of God. We do this by providing members of Clergy and lay ministers to work with the parishes and people in greater Lincolnshire.

STRATEGIC REPORT

The charitable objects of the Lincoln Diocesan Trust and Board of Finance are:

- to support the development of a growing, worshipping, celebrating, and proclaiming Christian presence in each community of the Diocese
- to support projects and enterprises in harmony with that purpose

STRATEGIC PRIORITIES

The context for the strategy is the diocesan vision – *to be a healthy, vibrant, and sustainable church transforming lives in greater Lincolnshire* – and under it the diocesan mission of – *faithful worship, confident discipleship and joyful service*.

In July 2015, the Diocesan Synod agreed the following six strategic priorities. These have been reaffirmed by Synod and taken as the basis for the current strategy *Time to Change Together* (see below):

1. Faithful Worship

Our first purpose is to worship God. Prayer is the foundation of all growth in the Church. God provides the growth, and we are called to support and enable it to happen.

2. Confident Discipleship

Our second purpose is to grow the Church in depth of commitment and in numbers of people to uncover and build God's Kingdom in greater Lincolnshire.

3. Joyful Service

Our third purpose is to demonstrate the love of God for his world through the Word and the service that Christians offer to those in their communities.

These three priorities are the basis for change and growth in our churches and communities that will follow from our pastoral and missional activities. In addition, there are three enabling priorities:

4. Ministry

Ordained and lay ministers form the mainstay of the church's presence in communities and provide essential local leadership, witness, care, and support. It is a priority to develop a whole-life approach to supporting ministry from vocation, through formation and training, and all the stages of ministerial development to retirement ministry.

5. Resources

The Diocese possesses resources of buildings, money and staff which are to be managed efficiently and effectively now and in the future.

6. Partnerships

It is a priority to achieve closer relationships with the communities that the Diocese serves. Partnerships that enhance the resources and activities of the Diocese will be encouraged.

Progress in the Year

The Diocese of Lincoln has continued to embed its major strategic programme, *Time to Change Together (TTCT)*, achieving key milestones and successes throughout 2024. This report outlines the progress made, challenges faced, and future plans for our ministry and mission. In January 2024, Rachel McLafferty joined the Diocese as Strategic Programme Manager, overseeing the implementation of strategic initiatives.

Key Developments and Achievements

Clergy Collaboration and Support

In February 2024, ordained ministers from across the Diocese gathered at Swanwick Conference Centre to explore the theology, practicalities, and principles of collaboration. This event provided clergy with an opportunity to meet within their respective Local Mission Partnerships (LMPs), fostering stronger relationships, support networks, and shared ministry goals.

Financial Sustainability and Covenant Pledges

As detailed later in this report, covenant pledges have delivered better-than-expected income. However, challenges such as increasing costs, and fluctuating congregational numbers create concerns regarding the ability of benefices and LMPs to remain committed to their financial pledges.

Clergy Recruitment and the Lincoln Offer

The Diocese has focused on significant recruitment efforts for stipendiary clergy roles. Retirements and transitions have resulted in clergy numbers falling below the targeted levels for incumbents. To address recruitment challenges, we developed the *Lincoln Offer*—a consistent and positive framework that highlights the benefits of ministry within the Diocese. This initiative articulates existing advantages while introducing new incentives to attract clergy. In 2024 an extended gardening offer was offered to clergy which has been positively welcomed.

Children, Youth, and Families Ministry

Following the appointment of a Diocesan Children's, Youth, and Families Enabler, we successfully recruited Deanery Partnership Enablers, who meet regularly to share best practices, strengthen networks, and support parishes within their respective deaneries. We anticipate achieving a full complement of enablers by the end of 2025.

Strengthening Lay and Local Leadership

We welcomed Lynne Smith who was appointed as Warden of Lay Ministry, a role that that would support those who carry out the vital role of Lay Ministry in the Diocese. The partnership with *St Hild Lincoln* continues to flourish, with 11 Ordinands and 12 Readers undertaking training in 2025. Further growth in ministry training and development across Lincolnshire is anticipated in the coming years. Another significant achievement was the formal launch, recruitment, and training of **Focal Ministers**. The Diocese led its first course in Focal Ministry, with commissioned ministers set to take on their roles in January 2025. Plans are in place to run two additional cohorts in 2025.

Administrative and Mission Support

The *Deanery Partnership Administrators* have been actively engaging as a unified team, providing administrative and pastoral support within their parishes. Their collaborative approach strengthens the operational efficiency of our mission and ministry. Diocesan Mission Enablers also met regularly and are in the process of piloting a mission tool for churches 'Seeking God, Seeking Growth'.

National Funding and Strategic Growth

Church Planting and Revitalisation

The Diocese has continued to benefit from funding from the national church. The *Resourcing the Urban Church* initiative—part of the national *Strategic Development Fund (SDF)* programme—has supported church plants and revitalisation efforts in Grantham, Spalding, Grimsby, and Lincoln. Additional locations have been identified for future revitalisation, with staff training well underway.

The national church has shifted its funding approach towards a more general and integrated model. During 2024 we reflected on these opportunities and plan to submit substantial funding application in 2025. This bid will be informed by the development of a 10-year Diocesan Strategy for which work began towards in 2024. However, discussions continue regarding the disparity of historical financial assets between dioceses, which could impact future financial planning.

Environmental Sustainability – Carbon Net Zero 2030

The Diocese received national funding to support our commitment to achieving *Carbon Net Zero by 2030*. Consultants have developed an environmental action plan, which was approved by Diocesan Synod in November 2024. We successfully appointed a Net Zero Programme Manager and Net Zero Enabler to work with parishes, churches, schools, and diocesan departments.

Acknowledgements

We express our gratitude to the *Archbishops' Council* and the *Church Commissioners* for their continued generosity and support. Their contributions have been instrumental in advancing our mission and ensuring the sustainability of ministry across the Diocese of Lincoln.

PROVISION OF RESOURCES

In 2024, the LDTBF continued to provide the resources for the above diocesan activities supported by significant financial, governance and HR expertise. In addition:

Safeguarding 2024

Safeguarding in 2024 continued to build upon the practice established the year before. The Safeguarding Strategy was embedded, with a Communications Plan and a Training Strategy developed out of it. The IICSA 1 and 8 project phase ended successfully, and the project was rolled out nationally with the East Midlands Regional Network now established. Safeguarding in the Church of England is experiencing national turbulence, however, in the Diocese of Lincoln it remains grounded and focussed.

The Diocese of Lincoln underwent the National Safeguarding Audit Programme, carried out by INEQE. The report is due to be published in early March along with an Action Plan for how the recommendations will be addressed. The report was robust and although does not produce a one-word outcome (like Ofsted), it did find a safe diocese with a strong safeguarding culture. There are a number of recommendations made, some specific to the Diocese of Lincoln while others are in line with national recommendations as seen in their Annual Report which was published Monday 10th February 2025.

The Diocesan Safeguarding Team also requested to attend Deanery Synods, where we focussed on issues specific to that Deanery; prior to attending we asked what they would like us to focus on, but we also consulted our records to find key themes that would be pertinent to address.

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A key focus of all the Deanery Synods was compliance with Safer Recruitment and People Management, the importance of Lone Working policies and discussions around boundaries and physical touch. 2024 had a focus on education; informing parishes and stakeholders on what is required of them and challenging poor attitudes where necessary. 2025 will now focus on enabling; helping them to comply with the policies and processes they were previously educated about. This will look like providing templates, examples of good practice and 'how-to' video guides – all utilising the new website as a resource hub.

Operational and strategic improvements were seen throughout 2024, despite a higher than average number of serious cases and resource-consuming projects. The Diocesan Safeguarding Advisory Panel, with its independent chair, receives regular reports and deep dives and is kept assured of the delivery of safeguarding in the Diocese of Lincoln.

Governance and Leadership

The Diocese continues to work on greater inclusiveness and diversity in our appointments and committees, boards, and leadership. 2024 started with our second major Racial Justice Sunday service in the cathedral. Our volunteer Bishop's Advisor on Disability has continued in their role this year and is working to establish a Disability and Accessibility Group. Unconscious bias training is a requisite of all those who sit on selection panels for clergy or staff.

A significant cultural change in our committees and boards is the understanding of the importance of managing risk and our risk register. This is now a well understood feature of all our work and is helping to drive our policy and strategy. The newly established Finance Committee met regularly in 2024 and the terms of reference for all associated financial committees have now been revised in line with this more strategic approach. The Search and Nominations Committee have worked hard to populate the new Finance Committee with appropriately skilled trustees as well as external and independent members. It is hoped that this new committee will assist us in financial management as well as ensuring a greater link between our mission and financial strategies.

Church Buildings and Pastoral

During 2024 the Diocesan Advisory Committee for the Care of Churches (DAC) continued to help parishes in the care, repair, and maintenance of their church buildings. Members of the DAC, its advisers and officers of the Church Buildings Team continued to make site visits and parishes were grateful for their time, knowledge, and support.

The Historic Churches Support Officer (part funded by Historic England), and the Church Development Officer continued to provide Surgery meetings – via Zoom – for church representatives to obtain advice about faculty procedures, support in completing grant applications and other church building-related matters. With the help and assistance of officers, Marshall's Charity continued to grant aid work on church buildings in the diocese and those who were in receipt of a grant were very grateful for the Charity's support, particularly during this time when other grant opportunities have become much more difficult to access.

The Church Buildings Team Bulletin which has been sent to all clergy and churchwardens goes from strength to strength and offers information on grant body deadlines, training, and good practice. Where churches have been looking at the possibility of closure the team has been working with the Church Buildings Council in Westminster for the preparation of their statutory Church Buildings Reports and has worked with the Archdeacon of Lincoln on the formation of a diocesan trust to support Type 4 and 5 churches.

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The Secretary and Assistant Secretary support the work of the Diocesan Mission and Pastoral Committee (one of the functions of the Bishop's Council of Diocesan Trustees) and its three Archidiaconal Mission and Pastoral Committees. During 2024 this has particularly been focused on the continuing formation of local mission and deanery partnerships and rationalisation of the number of deaneries.

Property Assets & Trusts

Property Assets & Trusts continued with the provision and maintenance of clergy housing with the focus was on essential repairs and maintenance against a backdrop of continued high construction inflation. A new gardening offer for clergy occupiers was introduced which was well received. A restructured capital programme focussing on energy upgrades was progressed, comprising solar panels with battery back-up, with ten houses upgraded in 2024 and a further ten identified for 2025, with further upgrades planned for future years, linking in with the Diocese Net Carbon Zero Programme.

Following the re-organisation of the Diocese through Time to Change Together (TTCT), the sale of houses continued with the aim of reducing the estate to around 125 houses to reflect the clergy staffing complement. A further ten or so houses have yet to be identified for sale in addition to those already short-listed for possible sale. Sixteen houses were sold in 2024 in difficult market conditions, raising around £5.24m. A further twenty-two houses are identified for sale in 2025, which are anticipated to raise in the region of £7.2m, depending on Market performance.

Property Assets and Trusts also managed the circa 11,147-acre glebe estate through retained agents Savills, raising £2.02m in glebe sales in 2024 from the sale of land holdings at Scotter and North Killingholme. We continue to focus on monitoring the return from our Glebe Assets

Sales proceeds in excess of that which is required to cover the ongoing deficit are reinvested into financial investments, the interest from which is put towards the Diocese running costs.

Assets & Trusts continued to administer on behalf of parishes £24m worth of local trusts with assistance being given to parishes in drawing down funds as required. They also acted as custodian of legal documents such as title deeds and managed the relationship with solicitors in property transactions.

Volunteers

The LDTBF is hugely dependent on the many people involved in church activities both locally and at Diocesan level. 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 more so now than at any other time.

The LDTBF greatly values the considerable time given by all the committee members across the Diocese in pursuit of the mission, faithful worship, confident discipleship, and joyful service. Grateful thanks are given to you all.

Other related parties include

The Archbishop's Council to which LDTBF currently 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.

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The Church Commissioners from which the LDTBF receives grants, and which acts on behalf of clergy with HM Revenue and Customs. The LDTBF pays for clergy stipends through the Church Commissioners.

The Church of England Pensions Board, to which the LDTBF pays retirement benefit contributions for stipendiary clergy. The Pension Board also offers schemes to provide housing for clergy in retirement known as the CHARM scheme.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of the transaction's merits more detailed disclosure, this is given in note 27 and 28 to the financial statements.

FINANCIAL REVIEW

The principal role of the Trustees is to act as custodians of the Diocese's assets. The Diocese saw a decrease in the general funds of £25k, as a result of a transfer from the designated fund. The pension fund liability for the Clergy pension fund remained at £Nil (2023: Nil). The designated fund increased by £33k, and the restricted funds show an increase of £1.8m as result of the disposal of surplus properties. The endowment funds saw an overall increase of £7.1m as a result of the increased values in our glebe holdings (agricultural land) and gains on investments in the year.

The principal changes during the year were as follows:

Agricultural Portfolio: The valuation of the agricultural holdings saw an increase in value of £5.4m with sales of £1.7m. The overall value of the glebe holdings increased to £63.6m. (2023: £59.9m) (note 15(a)); an overall increase of 9.11%. The Property Director with the support of Savills administered the 11,147 acres of glebe estate during the year. We continued with the implementation of the 5-year Agricultural Glebe Estate Strategy developed in 2024. This has set the framework for maximising income from the estate and continues to be annually reviewed by the Investments Committee.

Investment Portfolio: The value of the investment portfolio increased by £2.4m, a positive result considering inflation and interest rates during 2024 (note 15(b)). During the year the Board transferred £8m from board property sales into investments to increase the level of income earned. The policy previously adopted whereby surplus property is identified and disposed of continued with the proceeds being re-invested to generate additional income and a corresponding reduction in maintenance costs also being achieved. The value of the investments at the end of the year was £60.8m (2023: £50.4m).

Parsonages Portfolio: The Board disposed of sixteen surplus properties raising £5.24m and undertook capital works on twenty properties. Part of the proceeds were re-invested into investments funds through the Diocesan Pastoral Fund and the remaining proceeds were held as cash in hand. The Property department undertook the maintenance and repair of around 160 clergy houses and continued to let those properties across the Diocese that were not required for immediate occupation by Clergy. This produced income of £290k in 2024 (2023 £389k), due to the reduction in let properties.

Operating Financial Performance

The difference between the Diocese's annual running costs (mainly the cost of paying and housing stipendiary clergy and curates, training and supportive administration) and its annual income (mainly covenant pledges and investment income) resulted in a deficit for 2024 on the general fund.

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The surplus for 2024 (before net gains on investments and other recognised gains/losses) was £1.2m (2023: £3.9m). This is as a result of the profit on disposal of surplus properties and increased returns on our investments. The operating deficit for 2024 on the general fund was consistent with 2023 at £2.5m (2023: £2.5m). The general fund continues to be funded with the total return transfer from the permanent endowment.

Covenant pledges

As in previous years, parishes continued to be impacted by the increasing costs and the longer-term challenges post Covid. Despite this, parishes' contribution to the cost of stipendiary ministry increased again in 2024. There was an increase of £63,562 (+1.7%) on 2023 income, and that compares with an increase of £72,953 (+2%) in 2023 against 2022.

Eighty two percent of parishes either fulfilled or exceeded the amount requested for 2024.

The Trustees are extremely grateful to all those parishes which fulfilled their Covenant Pledge during the year, despite the difficult circumstances and are especially grateful to those parishes that gave more than they originally pledged. Thank you also to those parishes which made their pledges by monthly instalments, which greatly assisted with cashflow.

Focus on Covenant Pledge will continue during 2025, as Pledge Conversations are held with each LMP in relation to parish pledges for 2026 onwards.

Balance sheet position

The value of fixed assets including investments during 2024 increased by £14m. The increase in value of our agriculture land was £5.4m with disposals of £1.7m showing an overall increase for the year of £3.7m. During the year there was £8m of new investments, and despite the turbulence in the investment markets, we saw an overall increase of £2.3m in their value, along with an increase in value of our Board properties of £0.4m. We continued with the disposal of our surplus housing which saw a reduction in our holdings of £4.2m.

Balance Sheet Funds

The Trustees consider that the Balance Sheet together with details in note 21 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the Balance Sheet date totalled £192m. (2023: £183m.), it must be remembered that included in this total are properties, mostly in use for ministry, whose value amounted to £52.7m. (2023: £56.4). These are held within fixed assets with the remaining balance relating to other properties which the LDTBF owns, for example Edward King House. The majority of the remaining assets are held as restricted funds and cannot necessarily be used for the general purposes of the LDTBF.

Reserves policy

Unrestricted reserves

The Trustees have considered financial risk, liquidity requirements and the timing of cashflows throughout the year. They consider it appropriate to hold a balance of readily realisable assets in the general fund equivalent to three months gross expenditure from unrestricted funds estimated at £3.0m (2023: £3.0m). Free reserves on 31 December 2024, show a positive balance of £1.3m which remains short of the £3.0m. The Trustees recognise that the current balance is not sufficient, and this is part of the considerations under Time to Change Together to be able to cover the costs of stipendiary ministry in the diocese. The Trustees are continuing to utilise Total Return.

The law governing the use of Diocesan Endowment funds changed in 2016 and the Trustees adopted total return during 2017. The adoption of this enables the Trustees to use a portion of the unapplied total return from the Endowment Stipend Fund to fund the shortfall on stipends and housing. The date used for the initial value of the trust for investment and the initial value of the unapplied total return was 1996 as this was the first year that the SORP was adopted. The value of the investments for the Stipend Endowment Funds as at 1996 has been inflated by RPI up to and including 2016. This established the baseline as £51m. The Trustees used the guidance issued by the Church Commissioners in the Total Return Guide. The Trustees also took into account the change in legislation to the Diocesan Stipends Funds (amendment) Measure 2016. The Trustees took the advice of the trust auditors and the professional expertise within the Trust body. Please refer to note 20.

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 prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in note 22. At 31 December 2024 total designated reserves were £841k (2023: £808k).

Restricted and endowment funds

As set out in note 22 LDTBF holds and administers a large number of restricted and endowment funds. As of 31 December 2024, restricted and endowed funds totalled £190m (2023: £181m).

Grant making policy

The Memorandum of Association of the LDTBF explicitly permits the LDTBF to make grants in pursuance of its objects, and the nature of the grants made in 2024 are indicated in note 11.

Investment policy

The LDTBF is empowered by its memorandum of association to invest monies not immediately required for its purposes. In addition, the LDTBF acts as trustee of a number of trust funds, and these must be invested in accordance with the related trusts. The LDTBF's policy is to regularly review the assets of each fund for which it is responsible, in relation to the purposes of each fund, and to identify appropriate investment vehicles. Note 21 provides details of the assets of each fund, together with the related purposes, and note 15b summarises the movements in investments during the year.

The Assets Committee continued to monitor its holdings and the fund managers in which these funds are held. The Committee continued to be aware of the risks to the portfolio particularly around general economic factors domestically and abroad. This will continue to be monitored in relation to any changes to inflation and interest rates. Regular reviews were carried out with the fund managers and frequent information was available to the Committee to keep them up to date with developments around fund performance.

The Trustees' investment policy is to preserve the real value of the investment portfolio and to contribute to financing the activities of the Diocese. Growth continued in 2024 with £8m of new investment along with an increase in the overall market value of £2.3m.

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The Trustees reviewed the investment portfolio in 2024 and continued to monitor the changes implemented to the holdings in 2023 as recommended by the Asset Committee. During 2024 it was agreed to invest with Baillie Gifford, along with increased investments in LGT Wealth Management and CBF Church of England. The funds are detailed below: -

- CBF Church of England Investment Fund, managed by CCLA Investment Management
- Edentree Responsible & Sustainable Global Equity Fund for Charities, managed by Edentree Investment Management
- Cazenove Capital, managed by Schroder & Co. Limited
- LGT Wealth Management, encompassing Heritage and abrdn
- Baillie Gifford

The Assets Committee reviews the performance of the funds at each of its meetings and holds annual review with its fund managers. The Assets Committee makes recommendations to the Trustees around the investments.

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 which is reviewed by the Risk Management Committee and any associated committee and monitored by the Audit and Governance Committee. This is subject to regular review by the Trustees with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Diocesan Secretary.

During the Annual Risk Review which took place in February 2025, Trustees considered the following risks and mitigations to be most critical to the strategic objectives of the organisation:

Detail	Rating	Control and mitigation	Key management activities
The unrepresentative age profile of our congregations, in particular the lack of children, young adults and working age people, leading to a danger in continuity and diminishing congregation size.	Critical	The Children, Youth and Families Panel and the Mission and Ministry Committee oversee the work of the Diocesan Children, Youth and Families Enabler. The College of St Hugh brings together the different growth strands of Time to Change Together, including support and training for age-specific missional activity. The Transformation Fund has funded a number of Children and Youth workers and activities across the diocese. The possibility of focused work on mission and ministry to young, working age adults is under consideration.	A Diocesan Children, Youth and Families Enabler has been recruited and Deanery Partnership CYF Enablers are being recruited. Their role will be in supporting local workers and parish projects including acting as a repository for good practice and shared learnings. The Transformation Fund will continue to make grants available for appropriate projects.

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Congregation numbers continue to fall resulting in a 'cycle of decline', a drop in Covenant Pledges and therefore available resources to invest in mission and ministry.	Critical	The strategic development funding programme is ongoing which aims to revitalise our urban areas. Congregation numbers are monitored by annual statistics and Covenant Pledge returns. New 10-year strategy is being created to continue the growth aspirations of TTCT.	Focus being placed on growth of mature and committed discipleship through planning, resources and support. Eight out of nine Deanery Partnership Mission Enablers have been appointed, and an early output is a Mission Action Planning tool called "Seeking God: Seeking Growth" which is currently being piloted in multiple locations across the Diocese
Volatile financial markets and the need for investment expenditure may impact on our long-term budget plan, which may result in the need to draw down on Total Return for the longer term which would shrink our income and lead to an increasing deficit.	High	Regular management accounts reviewed by the Finance Committee and BCDT. Our auditors have been content with our approach to Total Return following detailed forecasting projections created in 2020 and then updated regularly. Monitoring any reductions in costs where possible.	As of the end of 2024 the deficit was significantly reduced with the benefit of windfalls on disposals. Additional funds from disposals have been successfully reinvested or held on deposit earning a high rate of interest. The new Finance Committee is looking more strategically at our use of funds and Total Return for the long term.
That the necessary culture change (partnerships, generosity, growth) required under Time to Change Together and the developing strategy is not achieved. That the endpoint becomes financial rather than missional and that insufficient energy is put into the culture change required.	High	The Bishop's Council of Diocesan Trustees consider TTCT at every meeting receiving regular updates on progress. Devoted section of the website provides the necessary high-level vision as well as practical guides.	A new Strategy Working Party has been established to advise Trustees on the next phase of strategic change with the aim of the Board adopting a new and costed strategy for the Diocese before the Summer.
That we will not be able to train locally for ordination or recruit externally sufficient numbers of ordained and lay ministers to meet our deployment needs, which may stifle our missional activity and accelerate general decline.	High	The senior team have created a new "Lincoln Offer" as part of a drive towards positive clergy recruitment from outside the diocese. The establishment of St Hild Lincoln is increasing the range of opportunities to candidates. The Mission and Ministry Committee are responsible for review and reporting to the Bishop's Council of Diocesan Trustees, and two diocesan representatives have now been appointed onto the St Hild Council.	After an alarming drop in 2023, vocation numbers have bounced back encouragingly thanks to proactive work by the DDOV and the establishment of St Hild, Lincoln. A first cohort of 24 Focal Ministers has been recruited and trained with a second cohort due to begin in February 2025. The Warden of Lay Ministry continues to promote and provide opportunities for vocational exploration for all kinds of Lay Ministry

Trustees acknowledge the interrelation between many of their key strategic risks, in that they all relate in some way to the mission objectives of the Diocese and our ability to meet those objectives with an appropriate and sustainable level of resource. The lack of the younger generation represented in our church congregations relates more broadly to shrinking congregations in general, which in turn has an impact on our financial sustainability. The Trustees monitor these principal risks regularly and receive assurance from the Audit and Governance Committee who in turn monitor the work of the operational Risk Management Committee.

Following the 2025 review, Trustees agreed that the current risk control framework is robust enough to provide the necessary assurance that risk is taken seriously at all levels, and that the culture of risk management desired can be seen throughout the organisation.

STRUCTURE AND GOVERNANCE

While the LDTBF is responsible for the funding of clergy stipend costs, the national clergy payroll is administered by the Archbishops' Council, a charity which the LDTBF reimburses regularly for the costs of stipendiary clergy deployed in the Diocese. Caring for the 104 trained stipendiary clergy and 20 training curates in the Diocese is a priority of the LDTBF and represents by far its largest financial commitment. Although the LDTBF does not employ the parish clergy, it is responsible for training them, paying them, and paying into their pension fund. 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 Employment Tribunals and other useful services.

For many, the clergy house represents the domestic heart of the benefice, serving not only as a home but also as a base for ministry. The LDTBF recognises the importance of a safe, secure and well-maintained house and continued with a programme of refurbishments and improvements.

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 Church of England has a General Synod comprised of ex-officio and elected representation 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.

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The Lincoln Diocese is itself divided into twenty-two deaneries, each with its own Synod. Each deanery consists of several parishes which may be a member of a benefice, and each parish has a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the bishop shares responsibilities with the Diocesan Synod.

In 2024 the Diocese initiated a consultation process with deaneries to examine the rationalisation of the number of deaneries within the Diocese. The outcome of this consultation is expected in 2025.

Organisational structure

The Lincoln Diocesan Trust and Board of Finance (LDTBF) is a company limited by guarantee (No. 097256) and a registered charity (No. 249355) governed by its Memorandum and Articles of Association. This means that the trustees of the charity which make up the membership of the Bishop's Council of Diocesan Trustees are also the company's directors and that the Trust is bound by charity and company law and regulations.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Lincoln. It exists to transact the business of the Diocese of Lincoln and provide financial and administrative support to the Diocese and its associated activities. LDTBF serves as the Diocese's Board of Finance in accordance with Ecclesiastical Law. LDTBF also acts as custodian of certain funds and properties held for the benefit of others (principally parishes of the Diocese).

Governance and policy of the Diocesan Board of Finance is the responsibility of the Trustees, who are also the trustees for the purposes of charity law. In October 2018 the Trustees adopted new Articles of Association which brought the LDTBF, the Bishop's Council and Diocesan Synod Standing Committee and the Diocesan Mission and Pastoral Committee (DMPC) into one coterminous body called the Bishop's Council of Diocesan Trustees.

This body fulfils all of the statutory and non-statutory duties of the LDTBF. The Diocesan Bishop appoints, subject to the approval of the Diocesan Synod, the Chair of the LDTBF.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the bishop's staff team. The Synod membership is elected every three years, the last elections having been in July 2024.

The eleven elected members of the Bishop's Council of Diocesan Trustees are elected by Diocesan Synod and from its number. Nine of these positions are spread equally over the three archdeaconries of the Diocese, with the remaining two elected as chairs of the Houses of Laity and Clergy. The Diocesan bishop is an ex-officio member, as are the Suffragan bishops, the Dean of Lincoln, the three archdeacons, the chair of the LDTBF and the chair of the DMPC (if not already the Diocesan bishop). The details of the Trustees who served during the year are set out on page 22.

While the LDTBF is a separate legal entity with clear responsibilities under both company and charity law, as well as a governing memorandum of articles of association, by virtue of the National Institutions Measure 2000 the LDTBF is subject to the direction of Synod in all of its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Decision making structure

Lincoln Diocesan Trust and Board of Finance Limited: monitors management accounts and budgets, the use of assets and investment policies. It also undertakes its responsibilities under the Parsonages Measure; the Repair of Benefice Building Measure 1972; the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 (with respect to parochial property); the Endowment and Glebe Measure 1976 (with regard to property assets); and the Pastoral Measure 1983 (with regard to redundant churches).

Corporate priorities and the overall financial strategy for the Diocese are its primary objects to promote, assist and advance the work of the Church of England within the Diocese of Lincoln as set by the Diocesan Synod, and the LDTBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary.

The company membership, which as of October 2018 is the membership of Diocesan Synod, meets once a year in a general meeting to receive and approve the Annual Report and financial statements and to approve the appointment of the auditors. The Bishop's Council of Diocesan Trustees acting as the LDTBF approves these matters in their trustee meeting prior to the general meeting.

The Bishop's Council of Diocesan Trustees acts as the Standing Committee of Diocesan Synod, the Diocesan Mission and Pastoral Committee (DMPC) and the Bishop's Council, as well as the board of finance in order to ensure that mission and money are discussed in the same room and by the same key stakeholders.

Diocesan Synod and the Bishop's Council of Diocesan Trustees delegate various responsibilities to committees, in order for the 'heavy lifting' to be done away from the main trustee meeting. These non-statutory committees and working groups are combined with other statutory committees to form the governance structure of the diocese.

Four meetings of Diocesan Synod were held in 2024, including a meeting in April which also acted as the Annual General Meeting of the LDTBF. The Bishop's Council of Diocesan Trustees met five times, in person, acting as Standing Committee, DMPC, Bishop's Council and the Board of Finance.

The Standing Orders were reviewed and re-approved by Diocesan Synod at the end of 2023, after the complete re-write done as part of the governance changes in 2018. The recent changes reflected the lessons learned over the past 5 years, including the need for appropriate flexibility we required during the pandemic. At the end of 2023, the BCDT agreed to create a new Finance Committee which is chaired by the Chair of the LDTBF (Muriel Robinson), which has replaced the Financial Reporting Advisory Panels.

Audit and Governance Committee (Chair: Mr David Cowell)

The main purpose of the committee is to monitor and review the integrity of the Diocese's Annual Report and accounting policies; the effectiveness of the Diocese's governance, internal controls and risk management systems including an assessment of the adequacy of resource to support the same. It is also responsible for monitoring the relationship with, and effectiveness of, the external audit function; the nature and quality of financial information used by the LDTBF to discharge its activities as Trustees of the Diocese.

Assets Committee (Chair: Canon Nigel Bacon)

The Assets committee develops and recommends to the LDTBF the strategy for, and operational utilisation of, the LDTBF's assets portfolio in a balanced manner, and for the purposes of providing income in support of the stipends fund, balancing revenue requirements with opportunities for maximising capital growth whilst balancing risks.

Finance Committee (Chair: Professor Canon Muriel Robinson)

The Finance Committee reviews the Financial Performance and strategic financial management of the LDTBF; it reports to the BCDT.

Trusts Committee (Chair: The Revd Elaine Turner)

The Trusts Committee supports the LDTBF in fulfilling its function as Custodian Trustee of funds and properties, mainly parochial trusts, and as primary Trustee of funds and properties held by LDTBF within certain specific charitable trusts, excluding Diocesan Glebe and the Diocesan Stipends Fund Capital account.

Clergy Housing Committee (Chair: Mr David Wright)

The Clergy Housing Committee seeks to provide housing that is appropriate, cost effective, efficient and well maintained. The committee makes recommendations for the purchase and disposal of properties for housing clergy to the Assets Committee who will assist this committee in discharging its responsibilities on behalf of the LDTBF as the Parsonages Board of the Diocese of Lincoln, under the Repair of Benefice Buildings Measure 1972.

Diocesan Advisory Committee (Chair: The Revd Elaine Turner)

The function of the Diocesan Advisory committee is to act as an advisory body on matters affecting places of worship in the diocese and to give advice when requested on the granting of faculties, architecture, archaeology, art and the history of places of worship. The DAC will also advise on the use, care, planning, enhancement, design and redundancy of places of worship, as well as their contents and connected churchyards.

Mission and Ministry Committee (Chairs: Bishop Nicholas Chamberlain and Bishop David Court)

The committee supports, and works under the direction of, the Bishop's Council of Diocesan Trustees in the specific areas of Mission and Ministry. As such, the committee serves as a forum for formulating and bringing forward strategic proposals for approval; monitors and facilitates the implementation of such proposals following their approval; supports all who work in the Mission and Ministry Teams; and serves as a critical friend to the Mission and Ministry teams.

Search and Nominations Committee (Chair: Canon Niccy Fisher)

The committee seeks out, provides scrutiny of and recommends appointed members to boards, committees and working groups of the diocese and our partners. The committee also encourages engagement for elected positions and works towards a greater standard of diversity, representation, and skills.

Training for Trustees

Trustees are given an extensive induction at the beginning of their term and training which is tailored to their specific needs. There were two newly elected trustees in 2024 who went through the trustee induction programme. A triennial residential trustee training and strategy session took place in January 2022 and January 2025, with topics including finance, risk management, trustee responsibilities, decision making and working together through difference. A standing item on all trustee agendas is 'relevant legislative changes', so that Trustees remain abreast of any changes to company, charity or ecclesiastical law of which they should be concerned.

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Some staff hold the title of 'Director', namely the Finance Director and the Director of Ordinands but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the code of conduct and maintain their entry in the record of declarations of interest and loyalty. They complete an annual declaration of 'fit and proper status', whilst declaring any related party transactions for that year. Trustees are now also required to complete a successful enhanced Disclosure and Barring Service check, in line with Charity Commission best practice.

Remuneration of key management personnel

Salary increases of all staff are paid in line with increases to the clergy stipend. This includes emoluments of higher-paid employees. Please refer to note 12 for further details.

Delegation of day-to-day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities rely upon the Diocesan Secretary and their colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the LDTBF in accordance with the policies framed by the Trustees.

Funds held as Custodian Trustee

The LDTBF 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 LDTBF does not control them, and they are segregated from the LDTBF's own assets by means of a separate bank account and accounting system.

Further details of financial trust assets, whose market value amounted to £24m at 31 December 2024 (2023: £24m), are available from the LDTBF on request, and are summarised in note 28. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody.

TRUSTEES' RESPONSIBILITIES

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

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

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the LDTBF's website. Legislation in England/Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions. To protect the Trustees as both Trustees and Directors third party indemnity insurance is place.

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the Trustees are aware:

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

APPOINTMENT OF AUDITORS

The re-appointment of HaysMac as auditors to the LDTBF will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

Trustees

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

Ex-officio:

The Diocesan Bishop
The Bishop of Grimsby
The Bishop of Grantham
The Dean of Lincoln

The Interim Dean of Lincoln

The Archdeacon of Boston
The Archdeacon of Stow & Lindsey
The Archdeacon of Lincoln

The Rt Revd Stephen Conway
The Rt Revd Dr David Court
The Rt Revd Dr Nicholas Chamberlain
The Very Revd Dr Simon Jones (from 24 Sep 2024)
The Revd Canon Nick Brown (from 12 Jan 2024 to 24 Sep 2024)
The Venerable Dr Justine Allain Chapman
The Venerable Alyson Buxton
The Venerable Gavin Kirk

Trustees (continued)

Elected by Synod:

Chair of the House of Laity
Chair of the House of Clergy

Canon Nigel Bacon
The Revd Canon Martyn Taylor
The Revd Georgina Machell (to 24 Sep 2024)
The Revd Julie Donn
The Revd Rachel Heskins
Mrs Susan Slater (to 16 Nov 2024)
Dr James Tannock (from 27 April 2024)
Mrs Ruth Brewin
Mr Paul Brewster
Mrs Susan Watt
Mr Paul Davie

Appointed by the Diocesan Bishop:

Chair of the LDTBF (with the approval of Synod)
Chair of the Audit and Governance Committee
Chair of the Clergy Housing Committee

Canon Prof Muriel Robinson
Mr David Cowell
Mr David Wright

Senior staff and advisers

Diocesan Secretary

The Revd Canon David Dadswell (to 31 Dec 2024)
Andrew Holmes ACMA CGMA (from 1 Jan 2025)

Director of Finance

Ann Treacy FCMA, CGMA (to 11 Apr 2024)
Andrew Holmes ACMA CGMA (from 1 May 2024)

Registered Office

Edward King House, Minister Yard, Lincoln, LN2 1PU

Bankers

National Westminster Bank Plc, (Smith Bank Branch), Lincoln, LN2 1DS

Auditors

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

Solicitors

Lee Bolton Monier-Williams, 1 The Sanctuary Westminster London SW1P 3JT
Chattertons Solicitors, 1 Flavian Road, Lincoln, LN2 4GR

Investment Advisers

CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Schroder & Co. Limited, 1 London Wall Place, London, EC2Y 5AU
Edentree Investment Management Ltd, Sunderland, SR43 4AU
LGT Wealth Management, 14 Cornhill, London, EC3V 3NR
Baillie Gifford, Carlton Square, 1 Greenside Row, Edinburgh EH1 3AN

Senior staff and advisers (continued)

Glebe Agents

Savills, Olympic House, Doddington Road,
Lincoln, LN2 1AS

Parsonage Agents

Mundy's Estate Agent, 29 Silver Street,
Lincoln, LN2 1AS

Insurers

PIB Insurance Brokers, Poppleton Grange,
Low Poppleton Lane, York, YO26 6GZ

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 5 – 15 within their capacity as company directors.

BY ORDER OF THE TRUSTEES



Muriel Robinson

Chair

27th March 2025



Andrew Holmes

Diocesan Secretary

27th March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED

Independent auditor's report to the Trustees of Lincoln Diocesan Trust and Board of Finance Limited

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

If we identify such material inconsistencies or apparent material misstatements; we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LINCOLN
DIOCESAN TRUST AND BOARD OF FINANCE LIMITED**

INDEPENDENT AUDITOR'S REPORT (continued)

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and concluded that the risk was low. Audit procedures performed by the engagement team included:

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

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

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

Use of our report

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



Adam Halsey

(Senior Statutory Auditor)

For and on behalf of HaysMac, Statutory Auditors

10 Queen Street Place, London EC4R 1AG

Date: 20/05/2025

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
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							
Donations	2						
- Parish contributions		3,786	-	-	-	3,786	3,723
- Archbishop's Council		1,207	-	459	-	1,666	1,648
- Other donations		159	-	160	-	319	231
Charitable activities	3	480	-	11	-	491	606
Other trading activities	4	22	-	291	-	313	446
Investments	5	90	-	613	2,771	3,474	3,400
Other income	6	52		1,114	429	1,595	3,459
Total income		5,796	-	2,648	3,200	11,644	13,513
Expenditure on							
Raising funds	7	-	-	11	436	447	316
Charitable activities	8	8,515	-	1,476	-	9,991	9,309
Total expenditure		8,515	-	1,487	436	10,438	9,625
Net income/(expenditure) before investment gains/(losses)		(2,719)	-	1,161	2,764	1,206	3,888
Loss on disposal of fixed assets	-	-	-	(41)	-	(41)	-
Net gains/(losses) on investments	15	17	-	667	1,623	2,307	2,590
Net income/(expenditure)		(2,702)	-	1,787	4,387	3,472	6,478
Transfers between funds	13	2,677	33	(8)	(2,702)	-	-
Other recognised gains/(losses)							
Actuarial gains/(losses) on pension scheme	26	-	-	-	-	-	-
Gains/(losses) on revaluation of properties	14,15	-	-	(5)	5,457	5,452	3,935
Net movement in funds		(25)	33	1,774	7,142	8,924	10,413
Total funds brought forward		1,328	808	26,566	154,327	183,029	172,616
Total funds carried forward	19	1,303	841	28,340	161,469	191,953	183,029

All activities derive from continuing activities. The notes on pages 31 to 59 form part of the financial statements. Details of comparative figures by fund are included in note 29.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2024

	Total 2024 £'000	Total 2023 £'000
Total income (excluding endowments)	8,444	9,219
Total expenditure (excluding endowments)	(10,002)	(9,309)
Surplus of income over expenditure in the year before transfers	(1,558)	(90)
Net gains/(losses) on investments	684	371
Transfers from endowment of total return applied in the year	2,702	2,530
Net income/expenditure for the year	1,828	2,811
Other comprehensive income:		
Revaluation of fixed assets	(5)	305
Net (losses) on disposal of fixed assets	(41)	-
Transfer of fixed assets to restricted funds	-	-
Total comprehensive income	1,782	3,116


The Income and Expenditure Account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities and includes the amounts which are included in the columns headed Unrestricted Funds, Restricted Funds but does not include the income and expenditure within the Endowment Funds.

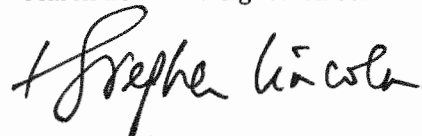
LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
BALANCE SHEET
For the year ended 31 December 2024

	Note	£'000	2024 £'000	£'000	2023 £'000
FIXED ASSETS					
Tangible assets	14		54,995		58,652
Investments	15		124,429		110,394
			<u>179,424</u>		<u>169,046</u>
CURRENT ASSETS					
Debtors	16	1,096		607	
Cash on deposit		10,000		10,253	
Cash at bank and in hand		2,360		3,817	
		<u>13,456</u>		<u>14,677</u>	
CREDITORS: amounts falling due within one year	17	(855)		(622)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			12,601		14,055
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>192,025</u>		<u>183,101</u>
CREDITORS: amounts falling due after more than one year					
Other creditors			(72)		(72)
			<u></u>		<u></u>
NET ASSETS			191,953		183,029
FUNDS					
Endowment funds	19,21		161,469		154,327
Restricted income funds	19		28,340		26,566
Unrestricted income funds:					
General funds	19		1,303		1,328
Designated funds	19		841		808
			<u></u>		<u></u>
TOTAL FUNDS			<u>191,953</u>		<u>183,029</u>

The Board does not have a separate revaluation reserve as the historic cost of most historical assets is not known. Valuation gains or losses are added or deducted from the appropriate fund.

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 27th March 2024 and signed on behalf of the Board by:


Muriel Robinson
Chair


The Rt Revd Stephen Conway
Bishop of Lincoln

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2024

		2024	2023
	£'000	£'000	£'000
Net cash inflow / (outflow) from operating activities		(3,841)	(3,058)
Cash flows from investing activities			
Dividends, interest and rent from investments	3,474	3,400	
Proceeds from the sale of tangible fixed assets	5,229	8,130	
Purchase of tangible fixed assets	(542)	(1,396)	
Proceeds from the sale of investments	2,087	4,056	
Purchase of investments	(8,117)	(1,006)	
Net cash provided by / (used in) investing activities		2,131	13,184
Cash flows from financing activities			
Loans repaid to LDTBF	-	41	
Net cash provided by / (used in) financing activities		-	41
Change in cash and cash equivalents in the reporting period		(1,710)	10,167
Cash and cash equivalents at 1 January		14,070	3,903
Cash and cash equivalents at 31 December		12,360	14,070
Reconciliation of net movements in funds to net cash flow from operating activities			
Net movement in funds for the year ended 31 December		8,924	10,413
Adjustment for:			
Depreciation charges		10	6
Dividends, interest and rent from investments		(3,474)	(3,400)
Loss/ (Gain) on revaluation of tangible fixed assets		5	(305)
(Gain)/Loss on revaluation of investments		(2,307)	(2,590)
(Gain) on revaluation – investment properties		(5,457)	(3,630)
Loss on disposal of fixed assets		41	-
(Profit) on sale of fixed assets		(1,327)	(3,445)
Decrease / (Increase) in debtors		(489)	301
Increase / (Decrease) in creditors		233	(408)
Net cash provided by / (used in) operating activities		(3,841)	(3,058)
Analysis of cash and cash equivalents			
Cash in hand		2,360	3,817
Notice deposits (less than 3 months)		10,000	10,253
		12,360	14,070

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2024

ANALYSIS OF CHANGES IN NET DEBT

	As at 1 January 2024 £	Cashflow £	Other Changes £	As at 31 December 2024 £
Cash and cash equivalents				
Cash	3,817	(1,457)	-	2,360
Deposit accounts	10,253	(253)	-	10,000
Borrowings	14,070	(1,710)	-	12,360
Debt due within one year	-	-	-	-
Debt due within one year	72	-	-	72
	72	-	-	72
Total	13,998	(1,710)	-	12,288

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in c), and fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity is a Public Benefit Entity registered in England and Wales.

The principal accounting policies and estimation techniques are as follows.

a) Income

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

i) **Covenant Pledge contributions** The principal source of income comes from voluntary giving in the form of parish contributions which includes amounts received up to 17 January of the following year. Income also includes any arrears received from previous years.

ii) **Rent and investment income** Rent and investment income are recognised as income when receivable.

iii) **Interest and dividends** are recognised as income when receivable.

iv) **Grants** received which are subject to pre-conditions specified by the donor which have not been met at the year-end are included in creditors and carried forward to the following year.

v) **Parochial fees** are recognised as income in the year to which they relate.

vi) **Donations** other than grants are recognised when receivable.

vii) **Gains on disposal of fixed assets** for LDTBF's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

viii) **Stipends fund income** The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, satisfied.

1. ACCOUNTING POLICIES (continued)

b) Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the LDTBF to pay out resources. Expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to the Statement of Financial Activity category.

Costs of raising funds These are the costs of managing the Endowment, Glebe and Unrestrictive funds' investments, plus the costs associated with letting the vacant parsonages and board houses.

Charitable expenditure Charitable Expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese.

Resourcing ministry and mission includes the direct costs for the clergy and parishes plus the costs of supporting the work of the parishes in greater Lincolnshire. This principally includes the cost of clergy stipends, costs of maintaining clergy housing in the parishes, the payment of grants to assist parish work plus the related staff costs and overheads.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the LDTBF, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment but not accrued as expenditure.

Support costs consist of central management, administration and governance costs. These are costs which are directly attributable to a specific charitable activity.

Pension costs and other post-retirement benefits The LDTBF contributes to the Church of England Pension Scheme for Clergy. Clergy are members of the Church of England Funded Pensions Scheme. The pension costs are charged as resources expended which represent the LDTBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding liabilities for the pension scheme to which the LDTBF participates is recognised at the present value of contributions payable that arise from the deficit funding agreement. The Liability is recognised in creditors falling due within one year and after more than one year.

In addition to the above scheme the LDTBF also operates the Lincoln Diocesan Trust and Board of Finance Limited scheme for the benefit of office staff. This scheme closed to new members in 2003 and does not form part of these accounts. The LDTBF also contributes to a group stakeholder pension for other employees. This is the Lincoln Diocesan Trust Scheme with Royal London.

c) Tangible fixed assets and depreciation

Freehold properties and parsonages

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value.

1. ACCOUNTING POLICIES (continued)

c) Tangible fixed assets and depreciation (continued)

Properties which are identified as Board properties are revalued on a five-year annual rolling programme. This valuation is conducted by the Property Director who is a registered member of the Royal Institution of Chartered Surveyors (RICS).

The LDTBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

Value linked loans from the Church Commissioners that are administered by the LDTBF and the corresponding equivalent value of the property to which they relate are all included in the balance sheet as an asset and corresponding liability in accordance with the recommendation of the Diocesan Accounts Guide. These properties are revalued on a rolling five-year basis.

Investment properties

In accordance with FRS102, investment properties are carried at their fair value, and this is considered by the Trustees annually. The aggregate surplus or deficit is recognised in the Endowment and Glebe Fund. Investment properties are valued on an annual basis by a registered RICS qualified valuer.

Parsonage houses

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

d) Non-Property fixed assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation

Depreciation of non-property assets is provided in order to write off the cost of other fixed assets over their currently expected useful lives at the following rates: -

Computer	25% per annum	straight line basis
Fixtures and fittings	14.30% per annum	straight line basis (i.e. over 7 years)

1. ACCOUNTING POLICIES (continued)

Other investments

All other investments are stated at fair value. Realised gains or losses are recognised in the Statement of Financial Activities when investments are sold. Unrealised gains and losses are accounted for on revaluation of investments at the year end.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, 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 underlying 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 if the revision affects only that period or in the period of the revision and future periods. Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to determining the value of the pension scheme deficit and are discussed above and the revaluation of Board properties and of the glebe agriculture land.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

e) Other accounting policies

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

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

1. ACCOUNTING POLICIES (continued)

Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

Operating Leases - The LDTBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or first break clause whichever is shorter in time.

Funds

Funds over which the LDTBF's control is limited by statute or the terms of a trust deed, or which are restricted in their use, have been defined as 'restricted funds'. Funds which are controlled by the LDTBF and over which there are essentially no restrictions as to their use (either by statute or trust) have been defined as "unrestricted". Designated funds are unrestricted funds that have been set aside by the LDTBF for purposes designated by the LDTBF policy. Such designations may be set aside from time to time according to policy decisions.

Endowment funds

The Endowment funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the LDTBF (Stipends Fund Capital and Parsonage Houses), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

Trust Funds

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the LDTBF acts as trustee and controls the management and use of the funds, are included in the LDTBF's own financial statements as charity branches. Trusts where the LDTBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the relevant note to the financial statements.

Reserves Policy

The target for free reserves (net of fixed assets and investments) is currently set at an amount equivalent to three months' gross expenditure from unrestricted funds estimated at £3.0m.

f) Going Concern

Having reviewed the funding facilities available to the charity together with future projected cash flows, the trustees have an expectation that the charity has adequate resources to continue its activities for the foreseeable future. Trustees are aware of the longer-term sustainability of the Diocese and are putting in place measures to ensure that there is a long term financial and operational strategy in place to support the organisation in the future. They do consider that there were no material uncertainties over the charity's financial viability at the date of signing the accounts. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the Diocese through the Covenant Pledge system.

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024	Total funds 2023
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Current year apportionment	4,028	-	-	-	4,028	3,955
Shortfall in contributions	(232)	-	-	-	(232)	(232)
	<u>3,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,796</u>	<u>3,723</u>
Receipts for previous years	(10)	-	-	-	(10)	-
	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>-</u>
Total Income	<u>3,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,786</u>	<u>3,723</u>

Current year covenant pledges represent 94% of the total apportioned (2023 – 94%). During 2023 the basis for the collection of parish share changed to a covenant pledge system. This resulted in a change in the level of ask from a formula-based approach to a level where parishes pledge what they can offer. This resulted in an increased percentage contribution. All parish contributions in the year ended 31 December 2024 were attributable to the general fund.

Archbishop's Council

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024	Total funds 2023
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Lowest Income Funding	1,207	-	-	-	1,207	1,167
Strategic Development	-	-	291	-	291	481
Strategic Capacity	-	-	62	-	62	-
Sustainability Grant	-	-	56	-	56	-
Ministry Experience Scheme	-	-	6	-	6	-
Parish Giving Support	-	-	32	-	32	-
Parish Repairs and Improvements	-	-	12	-	12	-
	<u>1,207</u>	<u>-</u>	<u>459</u>	<u>-</u>	<u>1,666</u>	<u>1,648</u>

The Lowest Income Communities Funding is the annual grant for the parish mission fund, which may be used for specific parish mission and development projects or for clergy stipends. All of this amount received in the year ended 31 December 2024 was attributable to the general fund. The LDTBF has been successful with a range of Strategic Development Fund bids for various initiatives.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2. DONATIONS (continued)

Other donations

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024	Total funds 2023
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Benefact Grant	106	-	-	-	106	123
Historic England – Historic Churches						
Support Officer	-	-	13	-	13	-
Church Army	-	-	46	-	46	-
Marshall's Charity	-	-	8	-	8	-
Donations	53	-	93	-	146	108
	<u>159</u>	<u>-</u>	<u>160</u>	<u>-</u>	<u>319</u>	<u>231</u>

Total income from other donations for the year ended 31 December 2023 of £231k was split as follows: £46k in endowment funds and £185k in unrestricted funds

3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024	Total funds 2023
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Statutory fees	476	-	-	-	476	486
Church Commissioners'						
Fees from training	-	-	11	-	11	117
Income recharged for Support to parishes	4	-	-	-	4	3
	<u>480</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>491</u>	<u>606</u>

Total other income from other charitable activities for the year ended 31 December 2023 of £606k was split between funds as follows: £110k in restricted funds and £496k in unrestricted funds

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024	Total funds 2023
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Housing income	-	-	291	-	291	446
Rents receivable	22	-	-	-	22	-
	<u>22</u>	<u>-</u>	<u>291</u>	<u>-</u>	<u>313</u>	<u>446</u>

Total income from other trading activities for the year ended 31 December 2023 of £446 was split as follows: £384k in restricted funds and £62k in unrestricted funds

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds	Endowment funds	Total funds 2024	Total funds 2023
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Dividends receivable	6	-	613	1,248	1,867	1,634
Interest receivable	84	-	-	424	508	655
Rents receivable	-	-	-	1,099	1,099	1,111
	<u>90</u>	<u>-</u>	<u>613</u>	<u>2,771</u>	<u>3,474</u>	<u>3,400</u>

Total investment income for the year ended 31 December 2023 of £3,400k was split between funds as follows: £2,608k in endowment funds, £704k in restricted funds and £88k in unrestricted funds

6. OTHER INCOME

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024	Total funds 2023
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Gain on sale of Properties & Glebe	-	-	1,085	241	1,326	3,445
Gain on sale of Investments	-	-	1	-	1	-
Sale receipts from churches	-	-	28	-	28	14
Sale of Glebe Mineral Rights	-	-	-	188	188	-
Contribution to office running costs	52	-	-	-	52	-
	<u>52</u>	<u>-</u>	<u>1,114</u>	<u>429</u>	<u>1,595</u>	<u>3,459</u>

Total other income for the year ended 31 December 2023 of £3,459k was split between funds as follows: £1,640k in endowment funds and £1,819k in restricted funds

7. RAISING FUNDS

RAISING FUNDS (2024)	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024
	General £'000	Designated £'000	£'000	£'000	£'000
Glebe agent's fee	-	-	-	436	436
Parsonage rental costs	-	-	11	-	11
	<u>-</u>	<u>-</u>	<u>11</u>	<u>436</u>	<u>447</u>

RAISING FUNDS (2023)	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2023
	General £'000	Designated £'000	£'000	£'000	£'000
Glebe agent's fee	-	-	-	308	308
Parsonage rental costs	-	-	8	-	8
	<u>-</u>	<u>-</u>	<u>8</u>	<u>308</u>	<u>316</u>

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

8. CHARITABLE ACTIVITIES

CHARITABLE ACTIVITIES (2024)	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2024
	General £'000	Designated £'000	£'000	£'000	£'000
Contributions to Archbishops' Council					
Training for Ministry	301	-	-	-	301
National Church					
Responsibilities	180	-	-	-	180
Grants & Provisions	31	-	-	-	31
Retired clergy housing costs	125	-	-	-	125
Pooling of ordinands maintenance grants	121	-	-	-	121
	<u>758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>758</u>
Resourcing Ministry and Mission					
Parish Ministry Stipends and national insurance	3,504	-	-	-	3,504
Pension contributions	693	-	-	-	693
Housing costs	689	-	958	-	1,647
Removal and resettlement grants	130	-	-	-	130
Other expenses	132	-	-	-	132
	<u>5,148</u>	<u>-</u>	<u>958</u>	<u>-</u>	<u>6,106</u>
Support for parish ministry	1,238		518	-	1,756
Support costs	1,271	-	-	-	1,271
	<u>2,509</u>	<u>-</u>	<u>518</u>	<u>-</u>	<u>3,027</u>
Expenditure on Education					
Support for church schools and parishes	100	-	-	-	100
	<u>8,515</u>	<u>-</u>	<u>1,476</u>	<u>-</u>	<u>9,991</u>

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

8. CHARITABLE ACTIVITIES (continued)

**CHARITABLE ACTIVITIES
(2023)**

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2023
	General	Designated	Funds	Funds	2023
	£'000	£'000	£'000	£'000	£'000
Contributions to					
Archbishops' Council					
Training for Ministry	306	-	-	-	306
National Church					
Responsibilities	179	-	-	-	179
Grants & Provisions	32	-	-	-	32
Mission agency pension costs	10	-	-	-	10
Retired clergy housing costs	122	-	-	-	122
Pooling of ordinands maintenance grants	84	-	-	-	84
	<u>733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>733</u>
Resourcing Ministry and Mission					
Parish Ministry Stipends and national insurance	3,486	-	-	-	3,486
Pension contributions	838	-	-	-	838
Housing costs	664	-	678	-	1,342
Removal, resettlement and grants	98	-	-	-	98
Other expenses	62	-	-	-	62
	<u>5,148</u>	<u>-</u>	<u>678</u>	<u>-</u>	<u>5,826</u>
Support for parish ministry	1,302	-	380	-	1,682
Support costs	968	-	-	-	968
	<u>2,270</u>	<u>-</u>	<u>380</u>	<u>-</u>	<u>2,650</u>
Expenditure on Education					
Support for church schools and parishes	100	-	-	-	100
	<u>8,251</u>	<u>-</u>	<u>1,058</u>	<u>-</u>	<u>9,309</u>

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

**ANALYSIS OF EXPENDITURE INCLUDING
ALLOCATION OF SUPPORT COSTS (2024)**

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs 2024 £'000
Raisings funds	446	-	-	446
Charitable activities:				
Contributions to Archbishop's Council	-	758	-	758
Resourcing parish ministry	6,106	1,757	1,271	9,134
Education	-	100	-	100
	<u>6,552</u>	<u>2,615</u>	<u>1,271</u>	<u>10,438</u>

**ANALYSIS OF EXPENDITURE INCLUDING
ALLOCATION OF SUPPORT COSTS (2023)**

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total costs 2023 £'000
Raisings funds	316	-	-	316
Charitable activities:				
Contributions to Archbishop's Council	-	733	-	733
Resourcing parish ministry	5,826	1,682	968	8,476
Education	-	100	-	100
	<u>6,142</u>	<u>2,515</u>	<u>968</u>	<u>9,625</u>

10. ANALYSIS OF SUPPORT COSTS

**ANALYSIS OF SUPPORT COSTS
(2024)**

	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Central administration	1,000	-	-	-	1,000
Governance:					
External audit	31	-	-	-	31
Registrar and Chancellor	136	-	-	-	136
Synodical costs	104	-	-	-	104
	<u>1,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271</u>

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

10. ANALYSIS OF SUPPORT COSTS (continued)

**ANALYSIS OF SUPPORT COSTS
(2023)**

	Unrestricted funds	Restricted	Endowment	Total
	General	Designated	Funds	funds
	£'000	£'000	£'000	2023
				£'000
Central administration	705	-	-	705
Governance:				
External audit	31	-	-	31
Registrar and Chancellor	109	-	-	109
Synodical costs	123	-	-	123
	<u>968</u>	<u>-</u>	<u>-</u>	<u>968</u>

11. ANALYSIS OF GRANTS MADE

	Number	Individuals	Institutions	2024	2023
		£'000	£'000	Total	Total
				£'000	£'000
From unrestricted funds for national Church responsibilities:					
Contributions to Archbishop's Council	6	-	758	758	733
From unrestricted funds:					
Support for Board of Education	1	-	100	100	100
PEV Episcopal Visitors	3	3	-	3	-
Churches Together in Lincolnshire	1	-	9	9	8
Transformation Grants	12	-	67	67	77
Elloe East Deanery	-	-	-	-	25
Clergy Settlement Grants	15	42	-	42	41
Clergy 1st Appointment Grants	10	31	-	31	28
Miscellaneous grants	-	-	-	-	4
Clergy Robing Grants	-	-	-	-	2
Ordinands in training	4	36	-	36	32
Ministry Division grants	11	6	-	6	35
Minor Repair Grants	3	-	12	12	-
	<u>60</u>	<u>118</u>	<u>188</u>	<u>306</u>	<u>352</u>

In the year ended 31 December 2024 grants of £118k (2023: £114k) were awarded to individuals, £188k (2023: £238k) to institutions.

12. STAFF COSTS

	2024	2023
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	1,732	1,458
National insurance contributions	168	140
Pension costs	210	137
	<u>2,110</u>	<u>1,735</u>

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

12. STAFF COSTS (Continued)

	2024	2023
	Number	Number
The average number of persons employed by the charity during the year were:		
Administration and financial management	24	18
Property	5	5
Discipleship & Ministry, Stewardship	11	15
Safeguarding & inclusion	4	4
	<hr/>	<hr/>
Total for the Charity	44	42
	<hr/>	<hr/>

	2024	2023
	Number	Number
The numbers of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:		
£80,001 - £90,000	2	2
£120,001 - £130,000	1	-
	<hr/>	<hr/>

Pension payments of £79,697 were made in 2024 in respect of the above individuals (2023: £20,624). There were no members of staff who received employee benefits in excess of £60,000.

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 the Diocesan Secretary, Property Director and the Director of Finance.

Remuneration, pensions and expenses for the three employees amounted to £376,964 (2023: £279,093).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee (2023 – None). Trustees received travelling and out of pocket expenses, totalling £5,869 (2023– £16,114) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as Trustees.

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

	Stipend	Housing
The Rt Revd Stephen Conway	No	No
The Rt Revd Dr Nicholas Chamberlain	No	Yes
The Rt Revd Dr David Court	No	Yes
The Venerable Alyson Buxton	Yes	No
The Venerable Dr Justine Allain Chapman	Yes	Yes
The Venerable Gavin Kirk	Yes	Yes
The Rev Julie Donn	Yes	No
The Revd Georgina Machell	Yes	Yes
The Revd Rachel Heskins	Yes	Yes

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

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

12. STAFF COSTS (Continued)

The LDTBF paid an average of 101 (2023 – 115) stipendiary clergy as officeholders holding parochial or Diocesan appointments in the Diocese, and the costs were as follows:

	2024 £'000	2023 £'000
Stipends	3,223	3,216
National insurance contributions	281	270
Pension costs - current year	696	838
- deficit reduction	-	-
- interest cost	-	-
	<u>4,200</u>	<u>4,324</u>

The above figure also includes a pension payment in relation to the loss of office in year of NIL (2023: £9,357).

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £42,350 - £51,910 (2023 range £39,952 - £48,972). The annual rate of stipend, funded by the LDTBF, paid to Archdeacons in 2024 was in the range £41,792-£43,405 (2023 range £39,057-£40,564) and other clergy who were Trustees were paid in the range £28,670 - £31,152 (2023 range £26,921 - £29,087). The Archbishops' Council has estimated the value to the occupant, gross of income tax and national insurance, of church provided housing in 2024 at £12,393 (2023 at £11,824). The value of housing provided to Diocesan Bishops is £32,400.

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000
From General Fund to Designated Fund	(33)	33	-	-
From Restricted Fund to General Fund	8	-	(8)	-
From Endowment Funds Unapplied Total				
Return to the General Fund	2,702	-	-	(2,702)
	<u>2,677</u>	<u>33</u>	<u>(8)</u>	<u>(2,702)</u>

£33k was transferred from the general fund to the designated fund which related to the unspent element of the Transformation Fund during 2024. This has been transferred to fund future missional projects. The £8k transferred from Restricted Fund to the General Fund relates to costs capitalised during the year on property CCTV under the Marshall Charity Grant income. The Trustees adopted total return in 2017 and as per the agreed policy £2.7m has been transferred to the General Fund from the Endowment Fund to fund costs of stipends in line with the measure.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

14. TANGIBLE FIXED ASSETS – Land & Building

	Freehold Land & Buildings £'000	Office Equipment £'000	Total £'000
Cost of valuation			
At 1 January 2024	58,615	189	58,804
Additions	542	1	543
Transfers	-	-	-
Disposals	(4,185)	(140)	(4,325)
Revaluation	(5)	-	(5)
At 31 December 2024	54,967	50	55,017
Depreciation			
At 1 January 2024	-	152	152
Disposals	-	(140)	(140)
Charge for the year	-	10	10
At 31 December 2024	-	22	22
Net Book Value			
At 31 December 2024	54,967	28	54,995
At 31 December 2023	58,615	37	58,652

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

Benefice properties were included in the balance sheet at historic cost as at 1st January 2015. The Board does not revalue these properties on an annual basis. The value of these properties at that date was £38,421,104.

Board houses are valued on a rolling programme over five years by the Board taking professional advice from the Property Director who is a qualified RICS surveyor. The RICS Global Valuation Standards (the Red Book) and their definitions of Market and Fair Value was followed. The method of valuation used was the comparable method and a cautious approach was adopted estimating values, having regard to the slow housing market. Historic Cost values are not available on these properties.

The freehold properties included houses with a value for insurance purposes of £2,057,500 as at 31 December 2024 together with redundant churches and the glebe estate insured by the tenants.

The value which is held in the balance sheet relating to Edward King House is £1,705,433. This is considered to be a fair value.

On 31 December there was a housing stock of 165 properties with a value of £52,785,975 of which 25 were let.

Two Value Linked Loans are outstanding with the Church Commissioners amounting to £72,500 of which £5,532 interest is due within a year (note 17). The Board has no financial interest in the value of these houses.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

15. TOTAL INVESTMENT ASSETS

	2024	2024
	£'000	£'000
Investment properties - 15 (a)	63,649	59,921
Investments – 15 (b)	60,780	50,473
	<u>124,429</u>	<u>110,394</u>
Total investment assets	<u>124,429</u>	<u>110,394</u>

15(a). INVESTMENT PROPERTIES

	2024	2023
	£'000	£'000
Market value at 1 January 2024	59,921	58,707
Disposals	(1,729)	(2,416)
(Loss)/Gain on revaluation	5,457	3,630
	<u>63,649</u>	<u>59,921</u>
Market value as at 31 December 2024	<u>63,649</u>	<u>59,921</u>

The investment properties are revalued by Savills by a RICS registered valuer. These were revalued as at 31st December 2024. During 2024 209.959 acres of development land were disposed of. The valuations were undertaken in line with the definition of Market Value as defined in the RICS Red Book, as detailed below:

Market Value (MV) is defined in IVS 104 paragraph 30.1 as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The assets have been valued individually based upon the tenancy units by Parish. The portfolio is a mixture of properties of varying size dispersed across most of Lincolnshire, therefore the properties have been valued separately, as they are located in differing locations across the County. Desktop research has been undertaken in carrying out this valuation and has relied upon management records to establish land use across the holdings principally between arable and grass as this information was not provided. The let assets have been valued on a combination of comparison or investment bases depending on the letting and type of property. Within these individual asset listings, where appropriate, they have been split further between uses such as arable, pasture, buildings and houses.

There are restrictions placed on these investments. Trust law only permits expenses to be charged to permanent endowments when incurred in the administration of or protection of the investments or property and income generated must be spent on furthering its charitable purposes.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

15(b). FIXED ASSET INVESTMENTS

	As at 1 January 2024 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	As at 31 December 2024 £'000
Endowment Funds						
CBF Church of England Fund	8,795	-	-	-	201	8,996
Edentree Responsibility & Sustainable Global Equity Fund B	2,384	-	-	-	(150)	2,234
Cazenove Capital	8,399	-	-	-	325	8,724
LGT Abrdn	10,614	2,333	-	-	805	13,752
LGT Wealth Management	10,121	2,333	-	-	442	12,896
	<u>40,313</u>	<u>4,666</u>	<u>-</u>	<u>-</u>	<u>1,623</u>	<u>46,602</u>
Diocesan Pastoral Fund						
CBF Church of England Fund	2,063	2,333	-	-	25	4,421
Edentree Responsibility & Sustainable Global Equity Fund	5,511	-	-	-	577	6,088
Cazenove Capital	1,956	-	-	-	76	2,032
Ballie Gifford	-	1,000	-	-	(15)	985
	<u>9,530</u>	<u>3,333</u>	<u>-</u>	<u>-</u>	<u>663</u>	<u>13,526</u>
Trust funds						
M & G Charifund	117	-	(117)	-	-	-
CBF Church of England Fund	202	118	-	-	4	324
	<u>319</u>	<u>118</u>	<u>(117)</u>	<u>-</u>	<u>4</u>	<u>324</u>
Unrestricted Funds						
Edentree Humphrey Bequest	311	-	-	-	17	328
	<u>311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>328</u>
Total	<u>50,473</u>	<u>8,117</u>	<u>(117)</u>	<u>-</u>	<u>2,307</u>	<u>60,780</u>

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

16. DEBTORS

	2024	2023
	£'000	£'000
Due within one year		
Debtors	225	139
Other debtors and prepayments	771	456
Interest free loans within the Diocese	100	12
Total debtors	1,096	607

17. CREDITORS: amounts falling due within one year

	2024	2023
	£'000	£'000
Creditors	302	188
Other taxes and social security	51	48
Other creditors and accruals	502	386
Total creditors: amounts falling due within one year	855	622

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

	2024	2023
	£'000	£'000
Church Commissioners value-linked loan	72	72
Pension deficit	-	-
Total creditors: amounts falling due after more than one year	72	72

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. During the year the valuation of the pension fund administered by the Church England has shown no liability for future years and this is reflected above.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

19. SUMMARY OF FUND MOVEMENTS

SUMMARY OF FUND MOVEMENTS 2024

	As at 1 January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	As at 31 December 2024 £'000
UNRESTRICTED FUNDS						
General	1,328	5,796	(8,515)	2,677	17	1,303
DESIGNATED FUNDS						
Pension Reserve	1	-	-	-	-	1
Building Committee Reserve	30	-	-	-	-	30
Clergy Conference	9	-	-	-	-	9
Vat Buffer Fund	100	-	-	-	-	100
Transformation Fund	231	-	-	33	-	264
Resource Church Funding	437	-	-	-	-	437
	808	-	-	33	-	841
RESTRICTED FUNDS						
Pastoral fund	25,877	2,481	(1,466)	(8)	617	27,501
Pastoral No.2 Account	27	-	-	-	-	27
Trusts	319	2	-	-	4	325
Other Restricted	343	165	(21)	-	-	487
	26,566	2,648	(1,487)	(8)	621	28,340
ENDOWMENT FUNDS						
Permanent						
Trust for Investment	36,524	-	-	1,424	-	37,948
Unapplied Total Return	41,965	2,771	-	(4,126)	1,623	42,233
Other Investment Assets	32,908	429	(436)	-	5,457	38,358
Expendable						
Parsonage Fund	42,930	-	-	-	-	42,930
	154,327	3,200	(436)	(2,702)	7,080	161,469
Total funds	183,029	11,644	(10,438)	-	7,718	191,953

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

19. SUMMARY OF FUND MOVEMENTS (continued)

SUMMARY OF FUND MOVEMENTS 2023

	As at 1 January 2023	Income	Expenditure	Transfers	Gains and Losses	As at 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS						
General	1,188	5,721	(8,251)	2,665	5	1,328
DESIGNATED FUNDS						
Pension Reserve	159	-	-	(158)	-	1
Building Committee Reserve	30	-	-	-	-	30
Clergy Conference	9	-	-	-	-	9
Vat Buffer Fund	100	-	-	-	-	100
Transformation Fund	208	-	-	23	-	231
Resource Church Funding	437	-	-	-	-	437
	943	-	-	(135)	-	808
RESTRICTED FUNDS						
Pastoral fund	22,818	3,370	(961)	-	650	22,877
Pastoral No.2 Account	27	-	-	-	-	27
Other Restricted	618	128	(105)	-	21	662
	23,463	3,498	(1,066)	-	671	26,566
ENDOWMENT FUNDS						
Permanent						
Trust for Investment	34,231	-	-	2,293	-	36,524
Unapplied Total Return	41,961	2,654	-	(4,869)	2,219	41,965
Other Investment Assets	27,900	1,640	(308)	46	3,630	32,908
Expendable						
Parsonage Fund	42,930	-	-	-	-	42,930
	147,022	4,294	(308)	(2,530)	5,849	154,327
Total funds	172,616	13,513	(9,625)	-	6,525	183,029

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

20. ENDOWED FUND – TOTAL RETURN

	Trust for Investment	Unapplied Total Return	Other Investment Assets	Total Endowment
ENDOWED FUND – TOTAL RETURN 2024	£'000	£'000	£'000	£'000
At the beginning of the reporting period:	36,524	41,965	32,908	111,397
Income				
DBF Fundraising	-	-	-	-
Dividends	-	1,672	-	1,672
Rents	-	1,099	-	1,099
Sale of Glebe - Profit	-	-	429	429
Expenditure				
Stipends Cost	-	-	(436)	(436)
Gain/(Loss) on fixed assets	-	-	-	-
Gain/(Loss) on investments	-	1,623	5,457	7,080
Transfer to cover stipends	-	(2,702)	-	(2,702)
Indexation	1,424	(1,424)	-	-
Gain on pension	-	-	-	-
Gain on revaluation of property	-	-	-	-
At end of the reporting period	37,948	42,233	38,358	118,539
	Trust for Investment	Unapplied Total Return	Other Investment Assets	Total Endowment
ENDOWED FUND – TOTAL RETURN 2023	£'000	£'000	£'000	£'000
At the beginning of the reporting period:	34,231	41,961	27,900	104,092
Income				
DBF Funding	-	-	46	46
Dividends	-	1,497	-	1,497
Rents	-	1,111	-	1,111
Other Glebe Income	-	-	1,640	1,640
Expenditure				
Stipends Cost	-	-	(308)	(308)
(Loss) on fixed asset	-	-	-	-
(Loss) on investments	-	2,219	3,630	5,849
Transfer to cover stipends	-	(2,530)	-	(2,530)
Indexation	2,293	(2,293)	-	-
At end of the reporting period	36,524	41,965	32,908	111,397

The Trustees adopted total return during 2017 and £1.4m was released in 2024 (2023 - £2.3m) from the unapplied total return fund. The Trustees have adopted total return under the Diocesan Stipend Funds (Amendment) Measure 2016.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

21. SUMMARY OF ASSETS BY FUND

SUMMARY OF ASSETS BY FUND 2024	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Creditors	Net Assets
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds – General	28	328	947	-	1,303
Unrestricted - designated					
Pension Reserve	-	-	1	-	1
Building Committee Reserve	-	-	30	-	30
Clergy Conference	-	-	9	-	9
Discipleship Donation Fund	-	-	-	-	-
Vat Buffer Fund	-	-	100	-	100
Transformation Fund	-	-	264	-	264
Resource Churches funding	-	-	437	-	437
	-	-	841	-	841
Restricted					
Pastoral fund	14,365	13,526	(390)	-	27,501
Pastoral No.2 Account	-	-	27	-	27
Trusts	-	324	1	-	325
Other Restricted	-	-	487	-	487
	14,365	13,850	125	-	28,340
Endowment Permanent					
Trust for Investment	-	31,841	6,107	-	37,948
Unapplied Total Return	-	42,233	-	-	42,233
Other Investment Assets	2,181	36,177	-	-	38,358
Expendable					
Parsonage Fund	38,421	-	4,581	(72)	42,930
	40,602	110,251	10,688	(72)	161,469
Total funds	54,995	124,429	12,601	(72)	191,953

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

21. SUMMARY OF ASSETS BY FUND (continued)

SUMMARY OF ASSETS BY FUND 2023	Tangible Fixed Assets £'000	Investments £'000	Net Current Assets £'000	Long Term Creditors £'000	Net Assets £'000
Unrestricted funds – General	37	311	980	-	1,328
Unrestricted – designated					
Pension Reserve	-	-	1	-	1
Building Committee Reserve	-	-	30	-	30
Clergy Conference	-	-	9	-	9
Vat Buffer Fund	-	-	100	-	100
Transformation Fund	-	-	231	-	231
Resource Church Funding	-	-	437	-	437
	-	-	808	-	808
Restricted					
Pastoral fund	14,931	9,530	1,759	-	26,220
Pastoral No.2 Account	-	-	27	-	27
Other Restricted	-	319	-	-	319
	14,931	9,849	1,786	-	26,566
Endowment Permanent					
Trust for Investment	-	27,519	9,005	-	36,524
Unapplied Total return	-	41,965	-	-	41,965
Other Investment Assets	2,158	30,750	-	-	32,908
Expendable					
Parsonage Fund	41,526	-	1,476	(72)	42,930
	43,685	100,234	10,481	(72)	154,327
Total funds	58,652	110,394	14,055	(72)	183,029

22. DESCRIPTION OF FUNDS

General fund

The general fund is the LDTBF's unrestricted undesignated fund available for any of the LDTBF's purposes without restriction.

Designated funds

The designated fund are those funds which have been set aside out of general funds by the Board for a specific purpose over whose use and purpose the Board has discretion.

Pension Fund Reserve

The fund is no longer required to smooth the payments for liabilities arising from the staff pension scheme. The fund was subject to a valuation in 2023 and the fund remains fully funded and in surplus.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

22. DESCRIPTION OF FUNDS (continued)

Designated funds (continued)

Building Committee Reserve

The Church Building Committee makes grants to parishes from this fund. Grants are recognised as they are made.

VAT Buffer Fund

Parishes with listed Church Buildings are entitled to claim grants from government agencies equivalent to the VAT on certain repairs. However, the grants can only be claimed after the payments have been made and for large projects the additional cost of VAT creates cash flow problems for parishes. The VAT Buffer Fund is available to provide short term interest free loans to assist parishes with this difficulty.

Other Designated Funds

From time-to-time funds are set aside for future expenditure such as the clergy conference and the Transformation Fund. In 2018, the Trustees designated £1.5m as their contribution to the Strategic Development Fund bid which the diocese was successful in securing in December 2018. A remaining balance of £437k is in place at the end of 2024.

Restricted Funds

Pastoral Fund

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

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

Endowment Funds

The three accounts below were set up when the LDTBF adopted Total Return in 2017.

Trust for Investment Fund

This fund contains the value of the original glebe portfolio based on the value in 1996. This value formed the basis for the total return calculation. This figure is increased each year in line with inflation by using the December inflation figure of the current year. This inflationary retail price index figure is used to increase the value of the fund. The figure for 2024 was 3.9% increasing the value of the fund to £37.9m.

Unapplied Total Return

Unapplied Total Return was adopted by the LDTBF at its board meeting in September 2017, where the amount identified to be realised was £51m. Details relating to this are in Note 20.

Other Investment Assets

This relates to the value of the assets which were left after the calculation was carried out to identify the unapplied total return value. This includes Edward King House and the Salthouse properties.

Parsonage property fund (Expendable Funds)

The benefice property fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

22. DESCRIPTION OF FUNDS (continued)

Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the DBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the LDTBF.

23. CAPITAL COMMITMENTS

At 31 December 2024 the LDBF had capital expenditure commitments authorised but not contracted for in 2024 of £NIL (2023 - £NIL), and no expenditure contracted for but not yet due in 2024 (2023 - £NIL).

24. OPERATING LEASES

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

	2024	2023
	£'000	£'000
Other operating leases		
Amounts due:		
Within one year of the balance sheet date	12	12
In the second to fifth years inclusive of the balance sheet date	12	24
	<u>24</u>	<u>36</u>

25. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

There were no post balance sheet events.

26. PENSIONS

Salaried Staff

Defined Benefits Scheme

LDTBF operates a defined benefits scheme for its salaried employees with 2 (2023: 2) active members. The scheme is closed to new members.

Salaried Staff

Defined Benefits Scheme

The employees contributed £815 in the year (2023: £765) and the charge in the Trust's accounts for the year ended 31 December 2024 amounted to £15,780 (2023: £25,473).

The scheme was actuarially valued as at 1st April 2023. The actuarial statement stated that the scheme's assets, which comprised investments with Legal and General, were sufficient to cover the anticipated liabilities as they fall due. The scheme is funded at 148% which corresponds to a surplus of £2.3m.

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

26. PENSIONS (continued)

Stakeholder Pension Provision

Since 2010 new employees have been offered a stakeholder pension. Contributions of £121,073 (2023: £102,646) were made in year on behalf of 40 employees. The contributions relate to unrestricted activities.

Church of England Funded Pension Scheme

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

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

This scheme is considered to be a multi-employer last person standing as described in Section 28 of FRS.102. This means it is not possible to attribute the scheme's assets and liabilities to a specific Responsible Body, and this means 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 £696k (2023: £838k) plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £0 (2023: £0).

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment 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 2023 in line with the CMI2020 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

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

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

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

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

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

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

26. PENSIONS (Continued)

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 31st December 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

A reconciliation of the balance sheet liability is set out below:

	2024 £'000	2023 £'000
Balance sheet liability as at 1 January	-	-
Contributions paid	-	-
Interest cost (recognised in the SOFA)	-	-
Re-measurement of the balance sheet liability*(recognised in the SOFA)	-	-
	<u> </u>	<u> </u>
Balance sheet liability as at 31 December	<u> </u>	<u> </u>

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between yearends.

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

27. RELATED PARTY TRANSACTIONS

The Diocese maintains a register of Trustees' interests. Trustees have declared payment arising from their stipendiary ministry, where applicable. There were no other related party transactions. Any such transactions are at arm's length under the normal commercial terms applied by the Trust and are of part of its normal activities.

Edenham Regional House

Edenham Regional House is a separate charity. LDTBF has an interest in the property as well as having some of the same aims and objectives. The parsonage is occupied by a member of the Clergy and the LDTBF have a liability to maintain the property. The LDTBF uses the facilities at commercial rates.

Parochial Church Councils

Parochial Church Councils (PCCs) support LDTBF financially with payments of parish share. Many committee members and trustees are also members of the PCCs within the Diocese. Much of LDTBF's activity is in support of PCCs through practical assistance and advice and in the provision of grants and loans. At the end of the year there were outstanding loans to the following parishes:

	2024 £	2023 £
Saxby all Saints PCC	-	3,000
Wilsford PCC	-	9,343
Old Bolingbroke PCC	38,933	-
Hackthorn w Cold Hanworth PCC	17,060	-
Ulceby PCC	9,200	-
Little Steeping PCC	29,000	-
Huttoft PCC	6,205	-
	<u> </u>	<u> </u>
Total outstanding loans to parishes	<u>100,398</u>	<u>12,343</u>

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

28. FUNDS HELD AS CUSTODIAN TRUSTEE

The LDTBF acts as Diocesan Authority or custodian trustee for 806 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. 707 relate to parochial funds with the remaining 99 being held for educational and non-parochial funds. Assets held in this way are not aggregated in these financial statements as the LDTBF does not control them. The assets are held in separate funds identified by the names of the parishes or the trusts to which they relate. They are operated via a separate trust bank account and all statements are issued to the parishes as and when they are received. The financial assets held in this way may be summarised as follows:

	2024	2023
	£'000	£'000
CBF Church of England Deposit Fund (Capital)	1,440	2,483
CBF Church of England Investment Fund accumulation income	2,046	2,027
CBF Church of England Investment Fund	17,318	16,001
CBF Church of England Fixed Interest Securities	-	56
COIF income and accumulation shares	176	172
M & G Charifund	2,349	3,097
M & G Charibond	37	38
Edentree Investment Management	171	166
Miscellaneous Investments	90	90
	<hr/>	<hr/>
Total assets held as custodian trustee	<u>23,627</u>	<u>24,130</u>

LINCOLN DIOCESAN TRUST AND BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

29. PRIOR YEAR COMPARATIVE SOFA

	Note	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2023 £'000
Income and endowments from						
Donations						
Parish contributions	2	3,723	-	-	-	3,723
Archbishop's Council		1,167	-	481	-	1,648
Other donations		185	-	-	46	231
Charitable activities	3	496	-	110	-	606
Other trading activities	4	62	-	384	-	446
Investments	5	88	-	704	2,608	3,400
Other income	6	-	-	1,819	1,640	3,459
Total income		5,721	-	3,498	4,294	13,513
Expenditure on						
Raising funds	7	-	-	8	308	316
Charitable activities	8	8,251	-	1,058	-	9,309
Total expenditure		8,251	-	1,066	308	9,625
Net income/(expenditure) before investment gains/(losses)		(2,530)	-	2,432	3,986	3,888
Loss on disposal of fixed assets	-	-	-	-	-	-
Net gains/(losses) on investments	15	5	-	366	2,219	2,590
Net income/(expenditure)		(2,525)	-	2,798	6,205	6,478
Transfers between funds	13	2665	(135)	-	(2,530)	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on pension scheme	26	-	-	-	-	-
Gains/(losses) on revaluation of properties	14,15	-	-	305	3,630	3,935
Net movement in funds		140	(135)	3,103	7,305	10,413
Total funds brought forward		1,188	943	23,463	147,022	172,616
Total funds carried forward	19	1,328	808	26,566	154,327	183,029