

Agenda Item 2(i)

The Bath and Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2023

June 2024

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Introduction by the Chair of the Board of Finance

Once again the Diocesan Board of Finance (DBF) has had a disappointing year financially. A quick glance at the accounts might suggest the opposite with the DBF posting a modest surplus, but that overlooks the fact that the positive outcome is a result of profits on the sale of properties and a gain in the value of its investments compensating for a fall in regular income. The gains mask an operating deficit of around £1.6 million, this can be calculated from the £1m deficit shown on the Statement of Financial Activity unrestricted account and removing the gains identified on sales of properties in note 6 (£541k). Whilst it is helpful that we have surplus assets to sell to help bridge the deficit, once they are sold they are gone forever. Indeed the result would have been even worse were it not for the sterling efforts of the property team to maximise income from vacant properties together with the higher than usual levels of unfilled stipendiary posts which led to an underspend in that area.

The underlying problem is that 2023 was yet another year when the collection of parish share fell significantly short of what is needed to pay the bills, and in particular short of what is needed to pay for the stipendiary clergy the Diocese deploys. Indeed, the shortfall was even greater than in 2022, suggesting parishes are still struggling to get on top of their own financial challenges – inevitable perhaps in the strong headwinds of spiralling costs in energy, insurance and repairs. The DBF extremely grateful for those parishes that continue to pay their parish share in full, and in some case pay more than they are asked for.

The principle of mutual support which underpins the parish share methodology is fundamental to the way the DBF finances its partnership with parishes to live and tell the story of Jesus here in Somerset. At the start of 2024 the Diocese embarked on a consultation to change the way it assesses parish share and in particular to find a way to be more transparent about how much it costs to provide and support ministry at the benefice level. The proposed revised method, which has been worked on over a number of years, is based on a benefice share rather than a parish share, and will be voted on by the Diocesan Synod in the autumn. If approved the new system will be introduced from January 2025 and phased-in over a number of years. The DBF still needs to collect the same amount of income as currently, albeit the distribution of where that income comes from will change, and it will still need parishes to rise to the challenge of playing their part in the ministry of the Diocese.

There is however so much to be thankful for and in particular for the stories of growing faith across the Diocese, some of which are captured in a separately published document in April 2024 [Living and telling the story of Jesus - Growing church Transforming communities.](#)

Ian Theodoreson – DBF Chair

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A legal framework

The Trustees, who are also directors for the purposes of company law, present their annual report together with the audited financial statements for the year ended 31 December 2023.

The Diocese of Bath and Wells is one of 42 dioceses that make up the Church of England. Each diocese is a separate legal entity. The Diocese of Bath & Wells provides support to the parishes in Somerset, and it is the parishes that represent the visible presence of the Church 'on the ground'. Each parish, and Wells Cathedral too, is a separate legal entity, and therefore, although there is a pooling of financial resources into the Common Fund, their results are not presented in these financial statements.

The company, the Bath and Wells Diocesan Board of Finance (DBF), was incorporated on 6 March 1915 as a company limited by guarantee (No. 139557) and its governing documents are its Memorandum and Articles of Association. The DBF is registered with the Charity Commission (No. 249398).

A1 Legal Objects

The DBF's principal object is to promote, assist and advance the work of the Church of England in the Diocese of Bath and Wells by acting as the financial executive of the Bath and Wells Diocesan Synod.

The DBF has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Church Property Measure 2018
- the repair of benefice houses as the Diocesan Parsonages Board under the Repair of Benefice Buildings Measure 1972
- the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991
- the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils (PCCs) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the DBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Bath and Wells (in respect of their 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.

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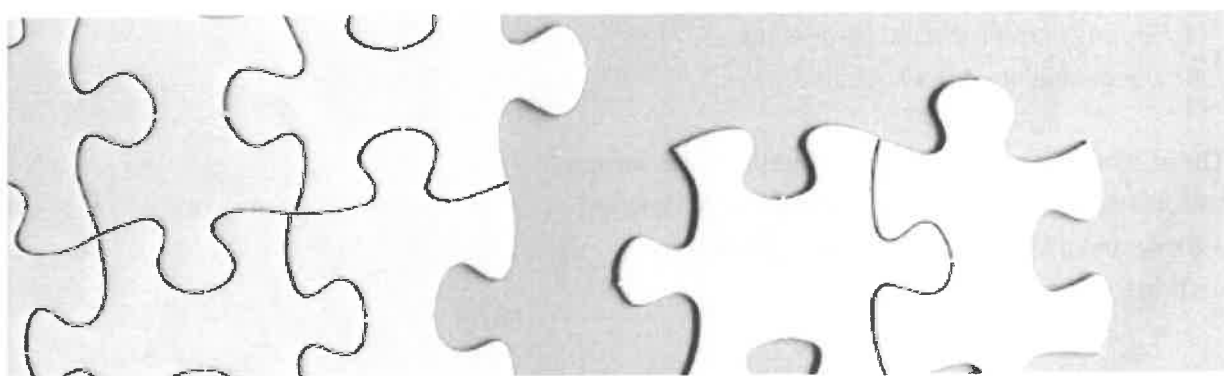
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A2 Public Benefit

The Trustees are aware of the Charity Commission's guidance on public benefit in 'The Advancement of Religion for the Public Benefit' and have regard to that guidance in their administration of the charity. The DBF believes that this report provides evidence of the public benefit of the charity's work in 2023.

As described more fully throughout the report, the DBF provides funds to support ministers of religion in the diocese, to support education and to support the maintenance of many buildings including parsonages and churches, many of which form an important part of the historic fabric and architectural heritage of the area. The vast majority are available to the public at large and none are restricted to members of the Church of England.

The religious purposes of the Church of England are serious and tend to the moral and spiritual improvement of the public or, in other words, to the cure of souls. The ministers of religion seek to advance and promote the Christian religion amongst the people of the diocese and to sustain their belief in God, in part through the provision of public religious services, open to all, and in part through bearing Christian witness.



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B Strategic Report

B1 Strategic Aims

In line with its legal and charitable objects, the role of the DBF is to identify and manage the financial aspects of the provision of ministry within the diocese to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities of the diocese.

Diocesan vision

The diocesan vision is:

"In response to God's immense love for us, we seek to be God's people living and telling the story of Jesus."

Strategic Priorities

During 2023, a broad consultation was undertaken to reflect on the diocese vision, and there were many opportunities for them to come together and ask, 'What will help us live out our vision, and what difference will that make?'. Two aspirations emerged from that, which are for the diocese to be:

Growing church Transforming communities

There are four areas of focus for the diocese to put vision into practice:

1. Valuing and cherishing the people and resources they already have
2. Developing new Christian worshipping communities
3. Sharing in ministry and leadership
4. Deepening and growing faith.

These strategic priorities govern the implementation of the strategy. They provide a framework for decision making and planning, at diocesan level and for archdeaconries and deaneries.



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B2 Key achievements in the year

Refreshing the diocesan vision together

2023 was Bishop Michael Beasley's first full year as the Bishop of Bath and Wells, having been installed at Wells Cathedral on 12 November 2022. The year began with a consultation, undertaken between January and April, to hear from people across the diocese as to how they were living and telling the story of Jesus in their context: churches, schools, chaplaincies and other communities. This enabled them to see how the diocesan vision was being lived out and how best they could do that together. The four areas of focus offered by Bishop Michael to enable their vision (as above) were accepted as a foundation for the diocese common direction of travel across their different contexts.

Autumn visits

During autumn 2023, Bishop Michael and Bishop Ruth, with members of the diocesan support services team, undertook a series of visits to hear about life in the deaneries and reflect together on God's vision for the communities of the deaneries and the wider diocese.

Inspirational stories of good practice were shared and insights given about where God is active in their communities and where, as churches, schools and chaplaincies, they need to be joining in. Equally the challenges faced by the parishes were named and discussed, such as the ongoing impact of the Covid pandemic, managing our church buildings and church finances.

Finances

The DBF has had a structural deficit for many years. During the first half of the year, concerns continued about the rate of parish share payments to the Common Fund. Whereas historically the contribution rate had been 98%, post Covid, the DBF were still only seeing rates of return of 87%.

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Therefore, in early summer 2023, Bishop Michael wrote a letter to each parish in the diocese to explain the parlous state of the finances and request for parishes to pay their parish share.

Concurrently, it was recognised that the Common Fund methodology that apportions parish share to parishes had not been fit for purpose for some time and so after six years of work by the Common Fund Committee, in November 2023, Diocesan Synod approved a proposed benefice share methodology for wider consultation in the first half of 2024.

In 2023, the DBF's continuing strategic review of housing requirements and glebe assets across the diocese, has again enabled surplus assets to be identified. Realisation of these assets reduced the pressure on DBF reserves, parishes and the Common Fund by bridging the deficit.

In this financial climate, the DBF appreciate that parish treasurers are having to support their parishes through difficult times. Since Covid, there has been a turnover of 40% in treasurers and so in November 2023 a number of training workshops were held for the team of treasurers to give support in understanding the role and what help is available both from the finance team and a group of experienced treasurers. The annual pattern of these meetings is to be reinstated.

Giving and Funding

The ongoing structural deficit is in large part due to parishes not being in a position to pay their parish share into the ommon Fund. To assist with this, the Giving and Funding Team gave support to parishes and rolled out Ways to Give (Ways to give to your church) and the Parish Giving Scheme. This has begun to help reduce the burden on parish treasurers for managing Gift Aid claims and promotes increased levels of regular, committed giving across the diocese.



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Clergy deployment and pastoral reorganisation

The Clergy Deployment Report that was presented to Bishop's Council in March 2020 (just prior to lockdown) the number of posts from 178 to 150 to ease the structural deficit. In 2023, the deaneries continued to work hard on their deanery plans, supported by their archdeacons, to enable this reduction. Support has been given by the Secretariat Team to enable these plans to begin to be shaped into pastoral schemes so that the requisite legal process can be undertaken.

Shared local ministry

The flourishing of shared local ministry is vital to build up the body of Christ in the local church and to lead the church in mission. The diocesan Support Services Team has worked alongside deaneries and parishes as they continue to explore the development of shared local ministry by developing a framework for the discernment and equipping of a range of ministries.

Education and Go Team

In 2023, the diocesan priorities included work with children and young people with new initiatives such as Launchpad and the recent Bishops' Mission Order (BMO) for a priest to identify and develop young leaders. Nationally, potential changes to Church Articles and the Memorandum of Understanding regarding the diocesan relationship with the Department for Education, schools and multi-academy trusts (MATs) were anticipated. There was also a new vision of a flourishing education system, aligned with Growing Faith, to be launched by the Church of England Education Office.

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All six dioceses across the south west region confirmed that they were seeking to work more closely and would adopt and adapt the Diocese of Salisbury model, a Programme for Church School Flourishing (PCSF). This programme, 'our trust in your trust', equips multi-academy trusts to ensure that their own church schools flourish, securing Christian distinctiveness, with support and quality assurance through the appropriate diocesan education team and Diocesan Board of Education (DBE). Over 60% of schools are now academised and several trusts are already seeking to employ leads for church school distinctiveness.

It was recognised that continued financial constraints on the diocese and across education more widely mean that funding, internal or external, to expand the education team is unlikely and thus there is little scope for a more expensive team to deliver a school improvement service or for service level agreements with schools and trusts, making opportunities to work with and through trusts increasingly necessary.

Net-zero carbon by 2030

As part of the strategic intent to move towards becoming a net-zero carbon diocese by 2030, the diocese Property Team has ascertained the current energy and environmental performance of the majority of their housing stock. Where possible and financially viable the DBF aims to improve energy efficiency and carbon output of the housing portfolio.

Services to parishes – support realignment

The support services offered by the DBF continued to evolve to meet the needs of the parishes. There were a number of appointments and changes in the DBF staffing structure to seek to improve the support offered. These included staffing changes to improve the management of parochial fees and returns to the Church of England and strengthening the support is given to parishes in liaising with the Diocesan Advisory Committee (DAC).



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B3 Financial Performance

Financial outturn

The operating deficit on general funds prior to investment gains and transfers was £1m: the impact of investment gains, actuarial movements and transfers between funds which includes the total return adjustment, meant the unrestricted reserves increased by £0.2m.

The operating deficit primarily arose from continued low levels of parish share receipts. The diocese continues to face significant pressures in unrestricted reserve levels and ensuring it holds sufficient cash reserves to support operational activities. However, unlike many dioceses, the DBF holds a significant level of endowed funds which it can draw upon. (In 2019 the Trustees elected to adopt total return accounting on certain permanent endowed funds allowing it to draw down of up to 4% of the balance held as unapplied total return as at the balance sheet date. In the year to 31 December 2023 this transfer amounted to £1.4 million – see note 18 to the accounts).

Income and expenditure

The Statement of Financial Activities (SOFA) for the year on page 31 shows total income including from endowments of £15.3m (2022 - £15.3m) and total expenditure of £15.1m (2022 - £15.2m), resulting in net income of £0.2m (2022 - £0.1m).

Income remained consistent with 2022, with the reduction in parish share contributions offset by increases in rental income from clergy houses, gains on disposal of properties and grants received. Total expenditure remained fairly consistent despite increasing costs impacted by high levels of inflation. This is mainly due to a higher level of stipendiary vacancies compared to 2022.

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Realised and unrealised investment gains of £1.6m (2022: losses £2.3m), contributed to the net increase in total funds of £1.8m (2022 – net decrease of £1.8m). Total fund balances increased from £103.1m to £104.9m

Parish Share

In 2023 the DBF did not adjust the allocation between parishes compared with the 2022 level but requested that an inflationary increase of 2% be applied. Every effort was made by the DBF to review the costs covered by the Common Fund into which Parish Share contributions are made, to ensure the Common Fund was sustainable. A large part of the costs were stipends, pensions, staff salaries and building maintenance costs, which all increased broadly in line with inflation.

Many parishes were unable to sustain their historic levels of giving and, for a third year in a row, the contribution rate fell from its historic levels of around 99%. In 2023, the DBF received 87% of share requested from parishes in year (2022 – 91% in year), a shortfall on the requested amount of £1.4m, which meant that the diocese had to subsidise an increasing level of ministry costs from its own reserves.

Grants received

The DBF gratefully acknowledges grants received from Benefact Trust of £105,875 (2022 - £121,000) and from The Foundation of St. Matthias totalling £62,000 (2022 - £35,000). The DBF also received the following grants from the Archbishops' Council:

- £300,556 (2022 - £330,450) Strategic Development Funding towards the Pioneer Project
- £278,451 (2022- £401,000) block grant for ordinands' training fees and expenses under the Resourcing Ministerial Education process.
- £117,895 Low Income Communities Funding



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Balance Sheet

The net assets at the balance sheet date totalled £104.9m (2022 - £103.1m). This includes properties totalling £65.4m (2022 - £65.6m), which are mainly used to house stipendiary clergy. Much of the remainder of the assets shown in the balance sheet are held in restricted and endowment funds and cannot necessarily be used for the general purposes of the DBF. (See notes 23 and 24 to the accounts.)

The Trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern and have prepared the financial statements on that basis.

Reserves policy - free reserves

The Trustees require reserves to:

- meet short term excesses of expenditure over income
- provide funds for expenditure with long life horizons such as clergy housing
- fund future initiatives such as the changing structure of ministry and the deployment of clergy.

It is the DBF's policy to maintain the readily realisable assets in the Unrestricted General Fund at between three and six months' unrestricted expenditure. The aim is to ensure the availability of sufficient liquid funds to enable the DBF to meet its daily commitments. As at 31 December 2023, free reserves stood at £2.6m (2022 - £2.4m) which is around two months' expenditure. These are not budgeted to increase in 2024 as the diocese has once again been forced to set a deficit budget supported by disposing of assets such as investments and houses to support the operating deficit.

Designated and other reserves

The diocese holds a number of other reserves for operational purposes which are detailed in full in note 23 of the accounts.

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Grant-making policy

The DBF makes grants in pursuance of its objects, and the nature of grants made in 2023 is set out in note 12 to the accounts. Grants are made to the national church to cover a proportion of its central costs and to cover the cost of training for ministry. Grants are also paid to other connected charities and charitable projects which support the furtherance of the DBF's objects.

Investment policy

The DBF invests monies not immediately required for its operational purposes in listed investments managed on its behalf by two separate investment managers, Brewin Dolphin and CCLA. All investments are held in accordance with the Church of England's Ethical Investment Advisory Group's (EIAG) guidance – the EIAG is widely held to be a leading think tank in the field of ESG (Environmental, Social and Governance) investing.

The DBF also holds glebe (property) investments in agricultural land, commercial and residential land and buildings and the rents received and the gains arising on disposal are used to help fund clergy stipends. The diocese seeks to achieve a 4% real return on all its investments which is used to fund the day-to-day operations of the diocese.

In addition, the DBF acts as trustee of a number of trust funds, and these are invested in accordance with the related trusts. Note 24 to the accounts provides details of the assets of each fund, together with the related purposes, and note 18 summarises the movements in investments during the year.



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Programme-related investments

The DBF provides loan finance to PCCs and related projects through two loan initiatives:

- **CCLA backed Diocesan Loan Scheme (closed to new applications)** This scheme allowed PCCs to obtain loan finance from the DBF at low interest rates for periods from 5-7 years to facilitate building or other projects which further the mission of the church. The DBF received loan funding from CCLA totalling £1m which is available to provide these loan facilities until May 2026. Loans range from £3,000 to £150,000. At 31 December 2023 the total loans outstanding from parishes from this scheme was £208K (2022 - £270K).
- **Diocesan Loan Fund**
The DBF has designated a £500k reserve to allow further loans to be extended to PCCs where CCLA funds are not available. These loans are repayable over variable periods and are at a low interest rate. At 31 December 2023 loan balances outstanding, prior to bad debt provision, were £374K.

The DBF considers these investments assist PCCs to achieve the mutual charitable objects of furthering the mission of the church within the diocese and complement the PCCs' use of grant funding and local fundraising including pledged donations which are received over a number of years. Provision is made in the accounts for any assessed non-recoverable balances. The bad debt provision has been assigned both to the designated funds and unrestricted general funds.

People resources

The DBF and the parishes it serves are resourced with clergy, either licensed or with permission to officiate, including not only stipendiary parish priests, curates and archdeacons but also self-supporting ministers, chaplains, ministers with a House for Duty and many retired clergy. In addition, there are also lay ministers, either licensed or with permission to officiate, including Readers, authorised lay ministers and lay chaplains.

The DBF is dependent on the huge number of people involved in church activities both locally and at diocesan level. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church, particularly at times of crisis. Within this context, the DBF greatly values the considerable time given by all committee members and other volunteers across the diocese in pursuit of the mission of the diocese.

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Related parties

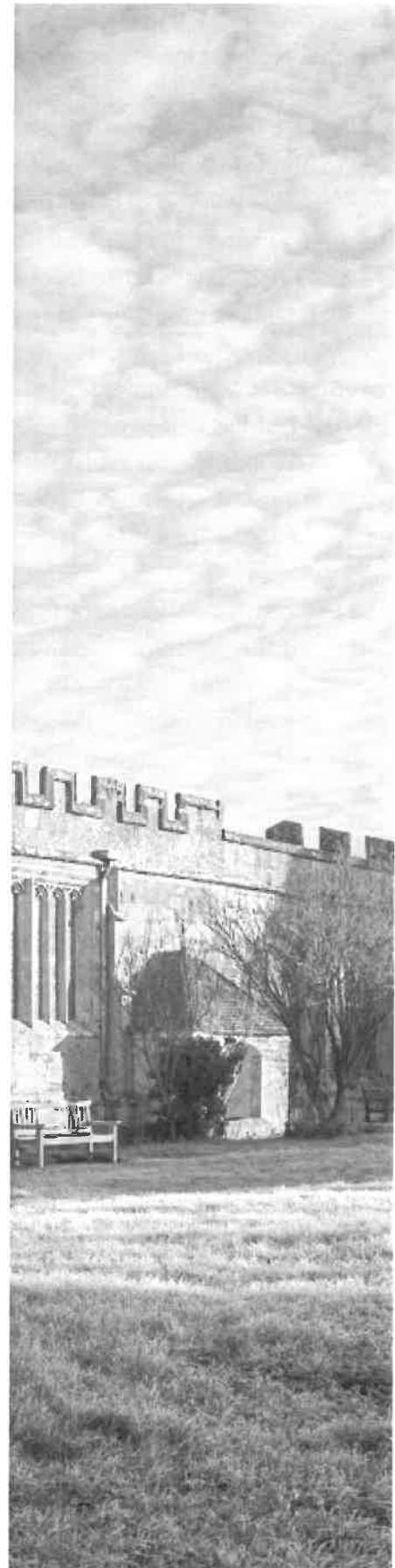
The DBF identifies the following as related parties for the purpose of reporting:

- General Synod, Church Commissioners and Archbishops' Council

The DBF has to comply with Measures passed by the General Synod of the Church of England and also makes certain annual payments to the Archbishops' Council towards the running costs of the national church. As disclosed in note 13 to the accounts, certain costs of the bishops, including stipends and pension contributions are borne by the Church Commissioners.

Parochial Church Councils (PCCs)

- The DBF is required by Measure to be custodian trustee in relation to certain PCC property, but has no control over PCCs, which are independent registered or excepted charities. The accounts of PCCs and deaneries do not form part of these financial statements. PCCs are able to influence the decision making within the DBF and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.



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Other

- The Church of England Pensions Board to which the DBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- The Chapter of Wells Cathedral from which the DBF receives modest alms. Some diocesan events held in the Cathedral are paid for by the DBF. The DBF provides HR and Safeguarding services to the Chapter under service level agreements.
- The Foundation of St Matthias, of which three DBF employees are trustees, from which the DBF receives grants for educational services.
- The Bath and Wells Multi Academy Trust (BWMAT)
- The BWMAT rents out meeting space from the DBF and the DBF provided educational services to BWMAT during the year. BWMAT occupy school buildings under agreements with the DBF. The DBF does not exercise control over these buildings and therefore they are not recognised as assets in these financial statements. The BWMAT's company name and number is The Bath and Wells Diocesan Academies Trust (08207095).
- The Palace Trust, Wells, of which the Bishop of Bath and Wells is a trustee.
- Discretionary trust funds administered by employees of the DBF. DBF trustees of these trusts are as follows:

The Stone Trust (5 DBF trustees, 1 DBF employee); The Herbert Trust (2 DBF Trustees); Bishop's Rib (1 DBF Trustee); Wells Clerical Charity (2 DBF trustees); The Archdeaconry of Taunton Fund for Clergy, their Widows and Dependants (1 DBF trustee); The Wynne Willson Scholarship Fund (2 DBF trustees); and The Bath Clerical Families Fund (2 DBF trustees). Except for the Bath Clerical Families Fund, management charges are paid by the trusts to the DBF and the DBF receives an annual grant from the Bishop's Rib towards the working costs of the three Archdeacons.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where the materiality of the transactions merits more, detailed disclosure is given in note 13 to the financial statements.



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B4 Future Plans

The diocesan Support Services Team will continue to support deaneries and parishes as they work through the impact of the reduction in stipendiary ministry to ensure ministries are enabled across the diocese.

All of the diocese is working on renewing and revitalising their vision for the life and ministry of their parishes, schools and chaplaincies and plans to engage with deaneries and parishes to discuss with this longer-term work to grow and transform the communities they support.

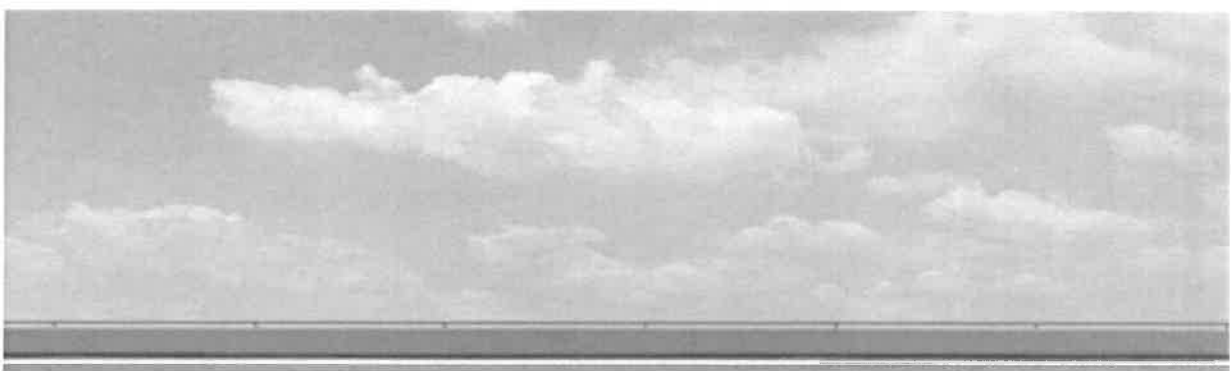
The new benefice share proposals will be consulted on in the first half of 2024, aiming for a new Common Fund methodology will be brought to the Diocesan Synod in July 2024 for final decision.

The diocese plans to provide further practical assistance in identifying and mobilising different ways for individuals to give to their parishes and churches.

The DBF is working on a funding application to the Church of England's diocesan investment programme (DIP) that is administered by the Strategic Mission and Ministry Investment Board (SMMIB). The DIP funding is being released to enable the strategic priorities and the bold outcomes of the Church of England's vision to become a reality in local parishes and communities across the diocese.

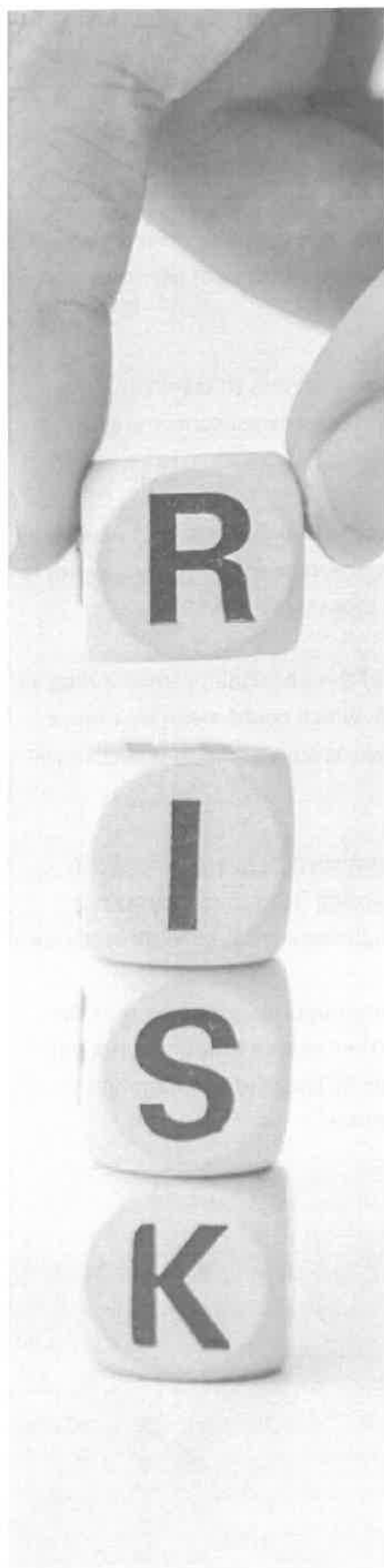
The diocese is aware of the continued financial difficulties and will continue to seek to obtain best returns on its assets. In property this is through maximising rental income or continued sale of assets and exploring glebe development opportunities to seek to reduce the financial pressure on the DBF reserves and the Common Fund.

Work continues on identifying the adjustments required in order to achieve net-zero carbon diocese by 2030.



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B5 Risk management

The Trustees have overall responsibility for risk management and internal controls. Consequently, there is a risk management strategy designed to ensure that the principal risks to the organisation are identified and managed. The Trustees delegate to the Audit and Risk Management Group (ARMG) the task of ensuring that risks are identified, considered, and brought to their attention.

Risks are reviewed regularly and incorporated in the General Risk Register. Risks 'Assessed' as high are detailed in the High-Risk Register, which identifies what steps are already being taken to mitigate the risk, and what the 'Reviewed' risk will be if further steps are taken. This assists Trustees in the management of risk including the determination of risk appetite.

During 2024 the format of the risk register format will be reviewed and updated with the aim of making it easier for Trustees to understand and to use, which is especially important in these challenging times.

Principal risks and uncertainties arising from 2024

The last few years have required the organisation to consume reserves and use property sales to prop up the financial position of the diocese. This was again a feature of 2023 with the structural deficit of day-to-day costs exceeding normal income continuing despite efforts to constrain costs.

Even with significant efforts to re-build and grow church life there are still considerable limits on the capacity of parishes to improve their financial position and hence to pay parish share into the Common Fund to the necessary level. It is difficult at this stage to know therefore whether the DBF restructuring, clergy deployment plans, or proposed revised common fund contribution methodology, currently in consultation, for example will be sufficient or whether more will be needed.

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Relying on investment gains to cover operating costs is not sustainable and is also unpredictable and unreliable.

Principal risks include insufficient cash flow due to parish receipts not meeting budgeted levels and clergy levels not reducing to budget levels, in conjunction with a failure to develop new sources of income. Risks also include a possibility of continuing slow rebuilding of church membership and attendance with consequential difficulties of rebuilding parish reserves and funding parish share. This is particularly highlighted by the significant number of parishes continuing to struggle to fulfil their parish share commitments.

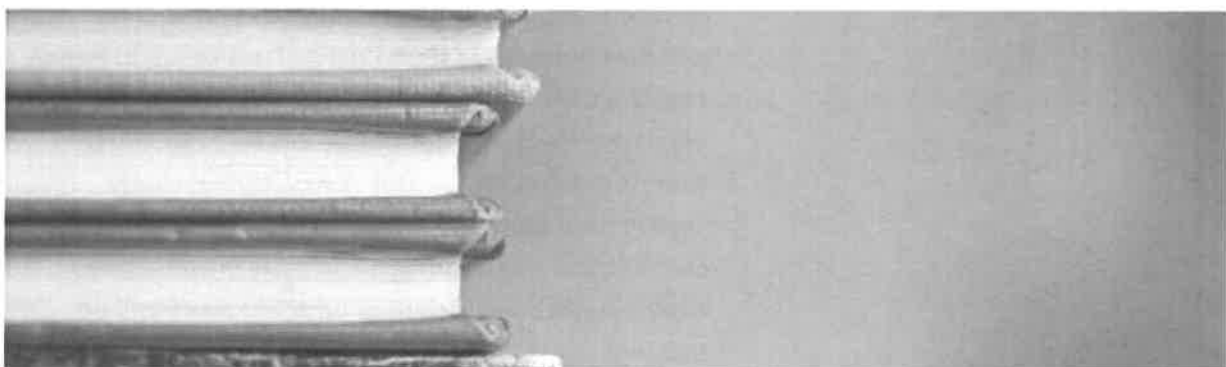
Mitigations in place include regular performance monitoring and readiness to take corrective action if necessary; as well as significant levels of communication to parishes concerning the importance of parish share and providing greater support for parishes.

The potential costs of implementing the Church of England policy of becoming carbon neutral by 2030 remains a risk. A multi-disciplinary task force has been proposed and the Property Team has identified steps it needs to take, but the risk remains high until more work is done.

A potentially high risk exists for education, principally because of the uncertainty surrounding an increase in the number of church schools applying to join MATS, which could mean that more temporary/fixed staff will have to be engaged to carry out the work; something the diocese will find difficult to plan for.

As ever, safeguarding remains a high-level risk to which significant resources are invested in mitigation. A proposal under the Jay review to separate safeguarding from the dioceses is potentially on the horizon, but how or when this would be brought forward is currently unknown.

Some progress has been made in the implementation of recommendations coming out of the major review of governance structures undertaken in 2021. Further implementation work will continue during 2024, pushing forward the enhancing of the role of Trustees, developing a schedule of delegation, and exploration of a nominations committee.



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C Structure and Governance

C1 Organisation and decision-making structure

The statutory governing body of the diocese is the Diocesan Synod, which is an elected body with representation from all parts of the diocese. Its legal basis is the Synodical Government Measure 1969.

Membership consists of ex-officio members, including the bishops and archdeacons, clergy members elected by the houses of clergy and lay persons elected by the houses of laity in deanery synods. In addition, up to five other people may be co-opted by the House of Clergy or the House of Laity and a maximum of ten members nominated by the Bishop of Bath and Wells. Diocesan Synod normally meets three times a year during March, July and October. Synod elects members to serve as trustees on the Bishop's Council, the standing committee of Diocesan Synod.

Since 1 April 2008, the members of the Bishop's Council have also formed the Board of Directors (the Board) of the Board of DBF, and the members of the Diocesan Synod have been the members of the DBF. The Finance Group of the Bishop's Council acts for and assists the Board in its more detailed work. The Board has delegated responsibility for the day-to-day management of the DBF to the Diocesan Secretary who is supported by a management team. The Diocesan Secretary also meets regularly with the three archdeacons.

C2 Trustee recruitment, selection and induction

The Board of the DBF includes:

- Ex-officio Trustees
- Trustees who have been elected by Synod to serve for three years
- Trustees appointed by the Bishop of Bath and Wells for the same term.

All new Trustees are given an induction pack with key information about the DBF, their role as Trustees and their role as company directors. All Trustees receive induction training when first appointed and receive ongoing training, as appropriate.

C3 Remuneration of key management personnel

Emoluments of higher paid employees are determined by the Conditions of Service Group. Remuneration is set following a remuneration policy which includes regular appraisals, and remuneration and salary benchmarking. The policy has been approved by the Board. Details of the aggregate remuneration of key management personnel is shown in note 14 to the accounts.

The Bath and Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2023

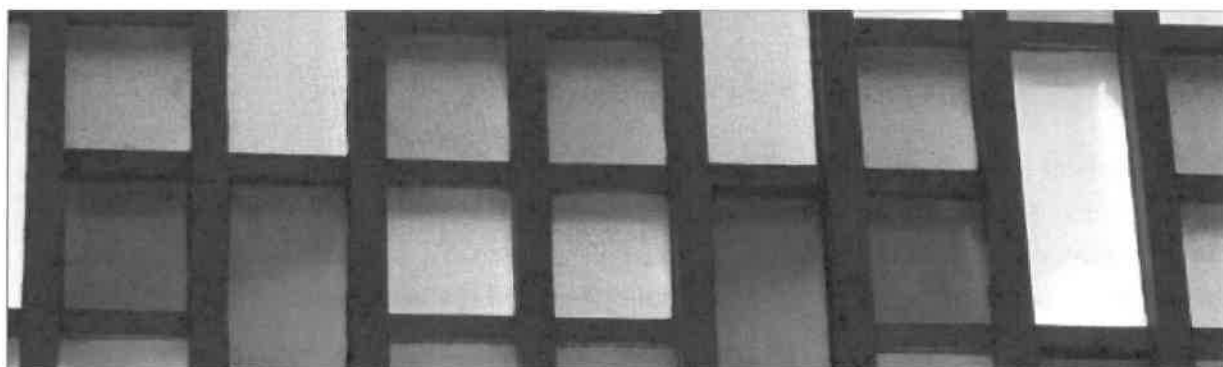
C4 Funds held as custodian trustee

The DBF 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 PCCs and others. These assets are not aggregated in the financial statements as the DBF does not control them, and they are segregated from the DBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £13m at 31 December 2023 (2022 - £12m), are available from the DBF on request, and are summarised in note 30. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the DBF.

C5 Funds held on behalf of schools and Zambian dioceses

The DBE is incorporated within the DBF and receives contributions from governors of church schools within the diocese and government grants in connection with major repair and capital projects to church schools. The DBE administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the DBE and as such the income does not form part of these financial statements. The amount held at 31 December 2023 was £523,499 (2022 - £949,817).

The DBF manages UK bank accounts for the link dioceses in Zambia as managing agents. The monies do not belong to the DBF and as such do not form part of these financial statements. The amount held at 31 December 2023 was £20 (2022 - £15).



The Bath and Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2023

D Trustees' responsibilities

D1 Trustees' responsibilities for Annual Reports and Accounts

The Trustees are responsible for preparing the Trustees' Report, incorporating the Strategic Report, in accordance with applicable law and regulations.

Company law requires the Trustees (in their capacity as directors) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that year.

In preparing those financial statements the trustees are required to:

- select the most suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards and the Charities SORP (FRS102), subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the corporate and trust assets of the company and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Bath and Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2023

D2 Statement of disclosure to the auditors

The trustees have taken all the necessary steps to ensure that they are aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

D3 Appointment of auditors

A resolution to reappoint Sayer Vincent LLP as auditors to the company and to authorise the Trustees to fix their remuneration will be proposed at the Annual General Meeting.

No trustee had any beneficial interest in the company during 2023. The names of the Trustees (who also act as directors) who served during the period 1 January 2023 to the date of approval of these accounts are shown in section F. Trustees' remuneration and expenses are detailed in note 13 to the accounts.

The trustees declare that they have approved the trustees' report (incorporating the strategic report) above.

Signed on behalf of the Board

Rt Revd N M R Beasley
Trustee

I Theodoreson
Chair

Date: 19 June 2024



The Bath and Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2023

E Legal and Administrative Details

Registered Office	Flourish House 2 Cathedral Avenue Wells Somerset BA5 1FD
Telephone	01749 670777
E-mail	general@bathwells.anglican.org
Website	www.bathandwells.org.uk
Chairs	
DBF Chair and Chair of the Finance Group	Mr I Theodoreson FCA
DBF Vice-Chair and Chair of the Houses Committee	Dr A A Palmer LLM PhD FCIB
DBF Vice-Chair and Chair of the Conditions of Service Group	Mrs M Lee BSc
Chair of Investments Committee	Mr I Theodoreson FCA
Chair of Common Fund Committee	The Venerable Dr A Youings
Chair of the Audit and Risk Management Group	The Revd D Perreau
Officers	
Diocesan Secretary	Mrs J Hollingsworth
Assistant Diocesan Secretary	Mr P Evans BA ACIS
Head of Finance and Operations	Mr M Pinnock BSc FCA
Head of Property and Glebe	Mr J Millard BSc MRICS
HR Manager	Ms E Andrews MSc
Safeguarding Adviser	Mr B Goodhind BSc BA DIPS
Agents	
Solicitor and Diocesan Registrar	C Jones LLB
Consultant Land Agents	Greenslade Taylor Hunt 1 High Street Chard Somerset TA20 1QF
Auditors	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD
Investment Managers	CCLA Investment Management Limited Senator House 85 Queen Victoria St London EC4V 4ET Brewin Dolphin Pynes Hill Woodwater Park Exeter EX2 5FD

The Bath and Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2023

F Members and Trustees

The members of the Bath and Wells Diocesan Synod are members of the DBF. Similarly, members of the Bishop's Council are directors and trustees of the DBF.

The Bishop's Council consists of the following members:

- Ex-officio – the Bishop of Bath and Wells (the President), the Bishop of Taunton, the Archdeacons, the Dean of Wells, the Vice-Presidents (Chairs of Diocesan Synod House of Clergy and Laity)
- Nominated – Up to five lay members nominated by the president, including the Chairs of the DBF and DBE
- Elected – five members (two clergy and three lay) of the three archdeaconries

The Bishop's Council appoints the Finance Group with delegated powers to manage the operational financial affairs of the DBF.

The following served as Directors and Trustees for the period from 1 January 2023 to 14 June 2024

Ex officio

The Rt Revd N M R Beasley

The Rt Revd R Worsley

The Venerable A Gell

The Venerable S Hill

The Venerable Dr A Youings

The Very Revd J Davies (until 6 January 2023)

The Revd Preb J Haslam (until 31 July 2023)

The Revd R Driver (from 28 September 2023)

Dr C Mason

Bishop of Bath and Wells' nominees

Ms T J Khodabandehloo

Mrs M Lee

Dr A A Palmer

The Revd N Tegally

Mr I Theodoreson

The Bath and Wells Diocesan Board of Finance Annual Report

For the year ended 31 December 2023

Elected

Bath Archdeaconry

The Revd M A C Andrews

The Revd R Driver (until 28 September 2023)

The Revd T Lewis (elected 1 February 2024)

Mr P Edge

Mr J Loring

Dr E I Marshall (until 5 October 2023)

Mr H Taylor (elected 1 March 2024)

Wells Archdeaconry

The Revd B Faulkner (elected 23 January 2024)

The Revd D M Keen (until 3 August 2023)

The Revd R J Miles

Mr R Dean

Mr T Hind

Dr R Sage

Taunton Archdeaconry

The Revd A E Fulton

The Revd J B V Laurence

Mrs S G Bult

Mr S Grimshaw

Mr N Tall

Independent Auditor's Report to the Members of The Bath and Wells Diocesan Board of Finance

For the year ended 31 December 2023

Independent Auditor's Report

Opinion

We have audited the financial statements of The Bath and Wells Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023 and of its incoming resources and application of resources, including its 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 Bath and Wells Diocesan Board of Finance'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.

Independent Auditor's Report to the Members of The Bath and Wells Diocesan Board of Finance

For the year ended 31 December 2023

Other information

The other information comprises the information included in the trustees' annual report, including the strategic report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic 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, or returns adequate for our audit have not been received from branches not visited by us]; or
- The 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

Independent Auditor's Report to the Members of The Bath and Wells Diocesan Board of Finance

For the year ended 31 December 2023

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following: 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 enquired of management, and the Audit and Risk Management Group, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 1. Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

Independent Auditor's Report to the Members of The Bath and Wells Diocesan Board of Finance

For the year ended 31 December 2023

2. Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

3. The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

Independent Auditor's Report to the Members of The Bath and Wells Diocesan Board of Finance

For the year ended 31 December 2023

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.

Noellia Serrano (Senior Statutory Auditor)

For and on behalf of Sayer Vincent LLP, Statutory Auditors

Date: 24 September 2024

110 Golden Lane
London
EC1Y 0TG

The Bath and Wells Diocesan Board of Finance Statement of Financial Activities

For the year ended 31 December 2023

Statement of Financial Activities

		Unrestricted Funds	Restric- ted Funds	Endow- ment Funds	Total Funds 2023	Total Funds 2022
	Note	General	Desig- nated			
		£'000	£'000	£'000	£'000	£'000
Income and endowments from						
Donations						
Parish Contributions	2a	9,130	-	-	9,130	9,338
Other donations	2b	76	106	1,176	1,358	1,408
Charitable activities	3	659	-	27	686	636
Other activities	4	980	-	298	1,278	797
Investments	5	754	5	164	1,188	975
Other income	6	678	-	2	1,961	2,135
Total income and endowments		12,277	111	1,667	15,601	15,289
Expenditure on						
Raising funds	7	257	-	-	282	251
Charitable activities	8	13,063	158	1,563	14,842	14,906
Other Expenditure		-	-	-	-	-
Impairment of properties	17	-	-	-	-	-
Total expenditure		13,320	158	1,563	15,124	15,157
Net (expenditure) / income before investment gains / (losses)		(1,043)	(47)	104	477	132
Net gains / (losses) on investments	9	224	17	116	1,632	(2,271)
Net (expenditure) / income		(819)	(30)	220	2,109	(2,139)
Transfers between funds	15	1,022	245	1,312	(2,579)	-
Other recognised gains						
Remeasurement gains/(losses) on defined benefit pension schemes	28	-	-	-	-	306
Net movement in funds		203	215	1,532	2,109	(1,833)
RECONCILIATION OF FUNDS						
Total funds brought forward		2,381	7,312	2,106	103,063	104,896
Total funds carried forward	23	2,584	7,527	3,638	105,172	103,063

All activities derive from continuing activities. The notes on pages 35 to 82 form part of the financial statements.

The Bath and Wells Diocesan Board of Finance Income and Expenditure Account

For the year ended 31 December 2023

	Total 2023 £'000	Total 2022 £'000
Total income	14,055	13,519
Total expenditure	15,041	15,046
Net operating expenditure for the year	(986)	(1,527)
Net (losses)/gains on investments	357	(865)
Net expenditure for the year	(629)	(2,392)
Other comprehensive income:		
Remeasurement gains/(losses) on defined benefit pension schemes	-	166
Total comprehensive expenditure	(629)	(2,226)

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.

The Bath and Wells Diocesan Board of Finance

Balance Sheet

For the year ended 31 December 2023

		2023	2022
	Note	£'000	£'000
Balance Sheet - Company No. 139557			
Fixed Assets			
Intangible assets	16	3	5
Tangible assets	17	66,254	66,664
Investments	18	38,362	41,703
		104,619	108,372
Current Assets			
Stock		5	5
Debtors	19	1,998	2,038
Assets held for resale	20	448	151
Cash on deposit	21	1,572	1,620
Cash at bank and in hand	21	2,890	2,298
		6,913	6,112
Creditors: amounts falling due within one year	22	(1,855)	(6,553)
Net Current (Liabilities)/Assets		5,058	(441)
Total Assets Less Current Li		109,677	107,931
Creditors: amounts falling due after more than one year	22	(4,505)	(4,868)
Pension scheme liabilities	27	-	-
Net Assets		105,172	103,063
Funds			
Endowment funds		91,423	91,264
Including revaluation reserve of £19,201k (2022 - £18,881K)			
Restricted income funds		3,638	2,106
Including revaluation reserve of £572k (2022 - £462K)			
Unrestricted income funds:			
General funds		2,584	2,381
Including revaluation reserve of £76k (2022 - £61K)			
Designated funds		7,527	7,312
Including revaluation reserve of £15k (2022 - £12K)			
Total Funds	23	105,172	103,063

The Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 19 June 2024 and signed on behalf of the Board by:

Balance Sheet

Rt Revd N M R Beasley
Trustee

Mr I Theodoreson
Trustee

The Bath and Wells Diocesan Board of Finance

Cash Flow Statement

For the year ended 31 December 2023

Cash Flow Statement

	2023 £'000	2022 £'000
Cash flows from operating activities		
Net cash used in operating activities	(2,819)	(809)
Cash flows from investing activities		
Dividends, interest and rent from investments	1,215	1,100
Proceeds from the sale of:		
Tangible fixed assets	2,850	3,953
Fixed asset investments	5,634	4,962
Purchase of:		
Tangible/Intangible fixed assets for the use of the DBF	(786)	(1,937)
Fixed asset investments	(2,189)	(2,461)
Net cash provided by investing activities	6,724	3,569
Cash flows from financing activities		
Loans repaid by the DBF	(3,361)	(4,441)
New loans received by the DBF	-	2,850
Net cash provided by financing activities	(3,361)	(1,591)
Change in cash and cash equivalents in the year	544	1,169
Cash and cash equivalents at 1 January	3,918	2,749
Cash and cash equivalents at 31 December	4,462	3,918

Reconciliation of net income to net cash flow from operating activities

Net income for the reporting period (as per the Statement of Financial Activities)	477	132
Adjustments for:		
Investment gains/(losses)	1,632	(2,271)
Depreciation and amortisation	226	235
Investment income	(1,215)	(1,100)
Notional interest in present value calculation	27	125
Repayment of loans advanced	59	148
Advancement of loans	-	(25)
Repayment of pension schemes net of remeasurement costs	-	(298)
Gain on disposal of fixed assets	(1,978)	(1,467)
(Increase)/Decrease in debtors	(320)	199
Decrease in creditors	(1,727)	(1,486)
Decrease in provisions	-	(21)
Net cash used in operating activities	(2,819)	(2,857)

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

Notes to the Financial Statements

1 Accounting Policies

The financial statements have been prepared under the historical cost accounting rules modified to include the revaluation of investments, and in accordance with SORP 2019, the FRS102 accounting standard and the Companies Act 2006. The DBF is a Public Benefit Entity as defined by FRS102.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiary on a line-by-line basis. The subsidiary is Bath and Wells DBF Services Ltd. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The surplus increase in funds of the parent charity for the year was £2.1m (2022: £1.8m - deficit). The balance sheet of the subsidiary at the year end is made up of only a bank balance.

- i. A desktop valuation is carried out annually of Investment Properties by Greenslade Taylor Hunt, with a full external valuation carried out every five years. Any permanent diminution is taken to the income and expenditure account for the year; and
- ii. No depreciation or amortisation is provided in respect of freehold investment properties.

This treatment, as regards the DBF's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the trustees consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any principal uncertainties, related events or conditions that may cast significant doubt on the ability of the DBF to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the DBF has adequate resources to continue in operational existence for the foreseeable future. The financial statements are prepared on a going concern basis.

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

The principal accounting policies and estimation techniques are as follows.

(a) Income

All income is included in the SOFA when the DBF 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. **Parish Share** is recognised as income of the year in respect of which it is receivable. Amounts undertaken to be paid by the parishes are only accrued if either payment is received by 28 February in the following year or there has been a definite commitment to pay.
- ii. **Rent receivable and parochial fees** are recognised as income of the year to which they relate.
- iii. **Interest and dividends** are recognised as income when receivable, in the case of dividends that is when the DBF's right to receive the dividends has been established (i.e. when the distribution has been declared).
- iv. **Donations, grants and legacies** are recognised when receivable (except in the case of any grants with pre-conditions of entitlement specified by the donor which have not been met at the year end. These are included as creditors to be carried forward to the following year).
- v. **Gains on disposal of fixed assets** for the DBF'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.
- vi. **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. The income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied.

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

(b) Expenditure

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

i. **Costs of raising funds are costs** relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.

ii. **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and Church of England schools in the diocese.

iii. **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the DBF, such grants being recognised as expenditure when the related conditions 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.

iv. **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated primarily on the basis of head count.

v. **Pension contributions.** The DBF's staff are members of the Church Workers' Pension Fund (CWPF) and Clergy are members of the Church of England Funded Pensions Scheme (CEFPS). The pension costs charged as resources expended represent the DBF's contributions payable in respect of the year, in accordance with FRS102. Deficit funding for the pension schemes to which the DBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year. Further details are given in note 27.

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

(c) Intangible fixed assets

Computer software which is separable from the operation of computer hardware is classified as intangible assets in accordance with FRS102 and is amortised to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other software over their expected useful economic lives on a straight-line basis at a rate of 25% per annum.

(d) Tangible fixed assets and depreciation

i. Investment properties

Any properties which are held for investment purposes and rented out have been included at their fair value.

ii. Parsonage houses

The DBF 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 DBF 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 at their cost or estimated market value at time of acquisition if received by gift or transfer.

Depreciation is not provided on the foregoing properties listed in (i) and (ii) above for the following reasons:

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.

Buildings are maintained in a sound condition by a continual repairs and improvements programme, the cost of which is charged to the income and expenditure account. 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 and any movements on the impairment are reflected in the SOFA.

iii. Houses financed by Value Linked Loans

The DBF holds an equity interest in a number of houses provided for separated clergy spouses financed by value linked loans from the Church Commissioners. FRS 102 requires the revaluation of loans annually to reflect the current market value of the equity interest. Accordingly, these houses are included at estimated market value matched by the loan value (included in long term liabilities).

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

Other tangible fixed assets

Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their expected useful economic lives on a straight-line basis at the following rates:

Leasehold Office buildings	1% per annum
Solar PV Panels	4% and 5% per annum
Fixtures and Fittings	10% per annum
Office Equipment	20% per annum
Computer Equipment	25% per annum

(e) Fixed Asset Investments

Fixed Asset Investments have been included on the following bases:

- i. Listed investments at their quoted bid price at the balance sheet date.
- ii. Unlisted investments at their market value at the balance sheet date, as provided by the CCLA Investment Management Limited.
- iii. Investment land and property is included at market value based on its existing use.

It is the policy of the DBF to carry out a valuation of the investment properties every five years to establish market value. In the intervening period the DBF adjusts the market value in the light of information available if this is material. The DBF's professional agents valued 33% of the DBF's Glebe investment land assets at 31 December 2023.

Gains and losses on disposal and revaluation of investments are credited or charged to the appropriate fund in the SOFA.

The Diocesan Stipends Fund (DSF) and Stipends Capital Fund permanent endowments comprise assets including Glebe land, listed financial investments and unlisted financial investments which must be held as capital. The Stipends Capital Fund incorporates the Stipends Augmentation Trusts (SAT) fund. From 31 December 2019 the charity has operated a total return approach to the management of the Glebe land and listed and unlisted financial investments representing the DSF and SAT permanent endowment funds. Using this approach, the charity is required to analyse the funds between the amount held for investment and the unapplied total return. The charity is permitted to allocate, from the unapplied total return element to income funds, such sums as the Directors see appropriate provided the Directors exercise their statutory duty to be even handed between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets.

Investments held by the DBF as Custodian Trustee are not included in these financial statements as assets of the DBF but are listed in note 29.

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

(f) Financial Instruments

All loans and borrowings which are basic financial instruments and; i) which are due for repayment in more than one year, and ii) bear interest at a rate lower than equivalent market rate, are recognised at the present value of cash receivable / payable (including interest). The DBF discount rate of 4% is used which is the rate of return which can reasonably be expected from DBF long term investments, and the effective interest rate amortisation is included in finance revenue / expenditure in the SOFA.

Equity Loans are included at market value.

(g) Funds

The DBF's funds have been grouped under the following headings:

i. Unrestricted Funds

Unrestricted funds are available for any charitable purpose of the DBF. Designated funds are a type of unrestricted fund which the DBF has earmarked for a particular purpose. There are no legally binding restrictions and the DBF is free to re-designate should this be appropriate.

ii. Restricted Funds

Restricted funds are subject to specific conditions imposed by the donor, these conditions being legally binding upon the DBF.

iii. Endowment Funds

Permanent endowment funds are a particular type of Restricted Fund which must be held on trust to be retained for the benefit of the DBF as a capital fund. Where the DBF must permanently maintain the whole of the fund it is known as a permanent endowment. Where there is discretion to convert endowed capital into income it is known as expendable endowment.

(h) Key areas of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

i. Useful economic lives of fixed assets

Other than investment properties and houses provided for clergy, fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed depending on a number of factors including product life cycles and maintenance programmes. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

ii. Basis of non-depreciation of fixed assets

Depreciation is not provided on Investment properties and houses held for clergy use for the reasons stated above (note 1d).

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

iii. Revaluation of agricultural (glebe) and other land

The DBF carries its agricultural (glebe) and other land at valuation with changes in value being recognised in the SOFA. A full revaluation of agricultural land is completed every five years. In intervening years approximately 30% of the land is valued annually and the average adjustment percentage is then applied to the full land portfolio, excluding land under offer which is valued at the offered sales value.

iv. Assumptions underlying the pension liabilities

The DBF has recognised liabilities in respect of deficit contributions to the two Church of England pension schemes in which it participates. The measurement of both liabilities is affected by a number of assumptions which are set out in detail in note 28, including discount rates, future contribution rates and the duration of the deficit recovery period.

v. Discount rates used in NPV calculations

The Board considers an appropriate discount rate to be used in NPV calculations is based on the opportunity cost of income foregone from investments.

vi. Recoverability of parish loans

The Board has considered an appropriate level of provision for non-recoverability of loans given to parishes, estimating the potential shortfall in loan receipts or on-going Common Fund payments.

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
2a Parish Contributions						
Parish Share						
Current year's allocation	10,504	-	-	-	10,504	10,194
Additional Payments	1	-	-	-	1	15
Arrears for previous years	36	-	-	-	36	409
Shortfall in contributions	(1,411)	-	-	-	(1,411)	(1,280)
	9,130	-	-	-	9,130	9,338
Total Parish Share receipts represent 86.9% of the allocation (2022 – 91.6%)						
2b Other Donations						
Benefact Trust	-	106	-	-	106	121
Foundation of St Matthias	-	-	62	-	62	35
RME Ordinands Grant	-	-	278	-	278	401
SMF Grant Funding	-	-	158	-	158	78
SDF Grant Funding	-	-	300	-	300	330
Cost of living energy grant	-	-	-	-	-	309
Low income Communities Funding	-	-	118	-	118	-
Post of First Responsibility	-	-	53	-	53	-
Donations, Grants, Sponsorships & Legacies	76	-	207	-	283	134
	76	106	1,176	-	1,358	1,408
3 Charitable Activities						
Statutory fees and chaplaincy income	610	-	-	-	610	574
Course fees and other	49	-	27	-	76	62
	659	-	27	-	686	636
4 Other Activities						
Rental income from clergy houses, schools and the Diocese office	762	-	-	-	762	619
Support services	218	-	298	-	516	178
	980	-	298	-	1,278	797
5 Investment Income						
Dividends receivable	163	5	107	265	540	699
Interest receivable	68	-	57	-	125	53
Notional Interest re net present value	(27)	-	-	-	(27)	(125)
Income from Glebe land and properties	551	-	-	-	551	348
	754	5	164	265	1,188	975
6 Other Income						
Gain on disposal of properties	541	-	-	1,281	1,822	2,014
Solar PV Panel FiT Income	137	-	-	-	137	118
Other	-	-	2	-	2	3
	678	-	2	1,281	1,961	2,135

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

	Unrestricted General £'000	Funds Desig- nated £'000	Restr- icted Funds £'000	Endow- ment Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
7 Costs of raising funds						
Stockbroker's fees	10	-	-	25	35	64
Value Linked loans interest	12	-	-	-	12	11
Interest cost & expenses: pension schemes	1	-	-	-	1	12
Glebe Land & Clergy Houses letting costs	234	-	-	-	234	164
	257	-	-	25	282	251
8 Charitable activities						
Contribution to Archbishops' Council						
Training for Ministry	92	-	301	-	393	393
National Church Responsibilities	230	-	-	-	230	240
Grants and provisions	40	-	-	-	40	33
Mission Agency pension contributions	13	-	-	-	13	16
Retired Clergy Housing (CHARM) & Grants	156	-	-	-	156	148
Pooling of ordinand candidates' costs	(10)	-	-	-	(10)	(49)
	521	-	301	-	822	781
Resourcing Ministry and Mission						
Parish Ministry:						
Stipends and Social Security	5,099	106	364	-	5,569	5,617
Pension contributions	1,308	-	-	-	1,308	1,413
Housing costs	1,606	-	167	51	1,824	1,813
Removal, resettlement and other grants	186	-	-	-	186	165
Other expenses	33	-	-	-	33	25
	8,232	106	531	51	8,920	9,033
Support for ministry	3,866	52	731	7	4,656	4,673
	12,098	158	1,262	58	13,576	13,706
Expenditure on Education						
Church Schools: Administration	444	-	-	-	444	419
	13,063	158	1,563	58	14,842	14,906

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

	Unrestricted Funds	Restr-	Endow-	Total	Total
	General	Desig-	icted	Funds	Funds
	£'000	nated	Funds	2023	2022
	£'000	£'000	£'000	£'000	£'000
9 Gains/(losses) on Investment Assets					
Unrealised gains/(losses) after revaluation (*)	93	17	116	1,303	(2,100)
Realised gains/(losses) on disposal	131	-	-	(28)	(171)
	224	17	116	1,275	(2,271)

(*) includes £0.4m gain in relation to the revaluation of Glebe Agricultural Land (2022 - £0.2m).

10 Analysis Of Expenditure Including Allocation Of Support Costs

	Activities undertaken	Grant	Support	Total	Total
	Directly	funding of	Costs	2023	2022
	£'000	activities	£'000	£'000	£'000
Raising Funds	282	-	-	282	251
Charitable Activities:					
Contributions to Archbishops' Council	301	521	-	822	781
Resourcing ministry and mission	11,663	649	1,265	13,576	13,706
Education	389	-	55	444	419
	12,634	1,170	1,320	15,124	15,157

	Unrestricted Funds	Restr-	Endow-	Total	Total
	General	Desig-	icted	Funds	Funds
	£'000	nated	Funds	2023	2022
	£'000	£'000	£'000	£'000	£'000
11 Analysis Of Support Costs					
Central Administration	1,204	-	-	1,204	1,213
Support for Schools	-	-	55	55	54
Governance:					
External Audit	38	-	2	40	22
Professional Fees	4	-	-	4	4
Diocesan and General Synod Expenses	17	-	-	17	9
	1,263	-	57	1,320	1,302

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements

For the year ended 31 December 2023

12 Analysis Of Grants Made

	Total Grants		Total Inst-	2023	2022
	No. of	to indivi-	itutional		
	Grants	duals	Grants		
		£'000	£'000	£'000	£'000
a) National Church Responsibilities					
From Unrestricted General funds to:-					
Archbishops' Council, General Synod, etc.	1	-	230	230	240
Training Ordinands	1	-	393	393	393
Grants and Provisions	1	-	40	40	33
Inter-diocesan support of Mission Agency clergy pension contributions	1	-	13	13	16
CHARM	1	-	156	156	148
National Pooling adjustment		-	(10)	(10)	(49)
	5	-	822	822	781
b) General Grants					
From Unrestricted General Funds to:-					
Ordinands in training	21	297	-	297	354
Energy support grants	83	-	38	38	268
Somerset Churches Together	-	-	-	-	4
Bath and West Show Tent	1	-	2	2	2
	105	297	40	337	628
From Restricted Funds to:					
Zambian Dioceses	1	1	-	1	8
Clergy (including retired and clergy widows)	5	11	-	11	14
	6	11	-	11	22
Total Grants Payable	116	308	862	1,170	1,431

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

13 Trustees and Related Parties

In 2023 the trusts which are administered from the DBF's registered office paid management charges of £4,496 to the DBF (2022 - £4,496).

The Rib Trust made a grant of £38,000 to the Board (2022 - £37,500) towards the Archdeacons' working costs. The Foundation of St Matthias made a grant to the Diocesan Board of Education of £34,500 (2022 - £34,500) towards the work of the School RE Advisers, Resource Centre and Further Education development. There were no amounts outstanding at the end of the year.

Trustees' emoluments

No trustee received any remuneration for services as trustee, 11 trustees (2022 - 10) were reimbursed with a total of £17,528 (2022 - £10,967) for the cost of travel and subsistence incurred in the course of services performed as trustees in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as trustees.

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

13 Trustees and Related Parties (continued)

Stipends and other benefits received by trustees in respect of their capacities other than trusteeship, serving as ecclesiastical office holders through the Church Commissioners (at the expense of the DBF unless indicated) were:

Office Holder	Individual	Stipendiary package
The Bishop of Bath And Wells	The Rt Revd M Beasley	Funded by the Church Commissioners: £48,389 stipend & defined benefit pension scheme, living accommodation & car for official use.
The Bishop of Taunton	The Rt Revd R Worsley	Funded by the Church Commissioners: £39,477 stipend, car for official use & defined benefit pension scheme Funded by the DBF: Living accommodation
Archdeacons	The Ven S Hill The Ven A Gell The Ven Dr A Youings	£38,976 stipend, defined benefit pension scheme and living accommodation.
	Revd M Andrews Revd D Keen Revd A Fulton Revd J Haslam Revd J Laurence Revd R Driver	£28,805 stipend, defined benefit pension scheme and living accommodation.
	Revd R Miles	£28,639 stipend, defined benefit pension scheme plus housing

In total 10 (2022 - 11) trustees received stipends and pension contributions as follows:

	2023	2022
	£	£
Stipends	298,634	307,074
Pension Contributions	66,366	105,351
	<u>365,000</u>	<u>412,425</u>

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

14 Staff And Office holders

	2023	2022
14a Staff Costs	£'000	£'000
Staff costs during the year were as follows:		
Wages and salaries	2,257	2,088
Stipends of ordained staff members	0	0
National insurance contributions	213	201
Pension costs	237	214
	2,707	2,503

During the year, the DBF made termination payments in respect of one members of staff (2022 - 1) totalling £4,205 (2022 - £12,099). This amount is included in staff costs above.

The average number of employees during the year was:	No.	No.
Lay Workers	0.0	0.2
Mission Support and Ministry Development	31.7	30.0
Non stipendiary ministry including pioneers	9.3	12.0
Other support services	30.8	28.4
Education	14.0	12.3
	85.7	82.9

The average number of employees during the year, based upon full-time equivalents, was: (*)	No.	No.
Lay Workers	0.0	0.2
Mission Support and Ministry Development	19.8	18.7
Non stipendiary ministry including pioneers	7.9	9.0
Other support services	24.4	22.5
Education	11.9	11.7
	64.1	62.0

(*) Including 2.0 (2022 - 1.0) staff whose time was recharged or funded by external organisations

Of the average number of employees, 44 were based in the Diocesan office (2022 - 59), 9 were based in other locations (2022 - 13) and 11 were based in Parishes and Deaneries (2022 - 16).

Mission Support and Ministry Development is made up of three teams: Deanery and Parish Support, Mission Development and Ministry Training and Formation. Other support services is made up of seven teams: Communications, Facilities, Finance, HR, Property, Safeguarding and Secretariat. Education is made up of three teams: Schools Organisation, Schools Effectiveness and Growing Faith and Everyday Faith.

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

	2023	2022
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
Pension contributions of £21,908 (2022: £22,623) were made for these employees.		

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

14a Staff Costs (continued)

Remuneration Of Key Management Personnel

Key management personnel are those deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2023 they were:

Role	Office Holder
Diocesan Secretary and Company Secretary	Jenny Hollingsworth
Head of Finance and Operations	Matthew Pinnock
Director of Education	Edward Gregory
Head of Mission Support and Ministry Development Acting Head of Mission Support and Ministry Development	Revd Charlie Peer (to 31 January 2023) Julia Hill (from 1 February 2023)

Remuneration, pension contributions and expenses for 5 (4 FTE) (2022 - 4 (3.4 FTE)) key management personnel were as follows:

	2023 £'000	2022 £'000
Salaries/ Stipends	278	217
National Insurance contributions	33	27
Pension Contributions	28	23
	339	267
Expenses	3	2

14b Office holders

Office holders not employees

The average number of stipendiary clergy holding parochial, deanery or archidiaconal posts in the diocese was:

At a cost of:

	2023 FTE No.	2022 FTE No.
	178	186
	£'000	£'000
Stipends & Housing Allowances	5,054	5,119
National Insurance Contributions	415	429
Apprenticeship Levy	23	23
Pensions contributions	1,308	1,611
	6,800	7,182

The number of FTE stipendiary clergy in 2023 and 2022 has reduced partly due to the commenced reductions in stipendiary posts. The average level of vacancies in 2023 was estimated at 27 (2022 - 25), being 16.8% of all posts (2022 - 14.2% of all posts).

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements

For the year ended 31 December 2023

	Unrestricted Funds		Restr-	Endow-
	General	Designated	icted Funds	ment Funds
	£'000	£'000	£'000	£'000
15 Analysis Of Transfers Between Funds				
Transfer to Tangible Fixed Assets fund	(338)	338	-	-
Transfer from Designated Pioneer project fund	-	(93)	93	-
Unapplied total return drawdown	1,360	-	-	(1,360)
Net transfer parsonages to/(from) DPA account	-	-	1,219	(1,219)
	1,022	245	1,312	(2,579)

	Computer Software £'000
16 Intangible Fixed Assets	
Cost	
At 1 January 2023	171
Additions	-
Disposals	
At 31 December 2023	171
Amortisation	
At 1 January 2023	166
Charge for the year	2
Disposals	
At 31 December 2023	168
Net book value	
At 31 December 2023	3
At 31 December 2022	5

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements
For the year ended 31 December 2023

17 Tangible Fixed Assets	Freehold/ Leasehold Land and Buildings	Solar PV Panels	Office Equip't	Total
Cost	£'000	£'000	£'000	£'000
At 1 January 2023	66,408	732	1,264	68,404
Additions	765	-	21	786
Disposals	(973)	(3)	-	(976)
At 31 December 2023	66,200	729	1,285	68,214
Depreciation and Impairment				
Depreciation at 1 January 2023	81	303	642	1,026
Impairment at 1 January 2023	711	-	-	711
Impairment charge for the year	-	-	-	-
Depreciation charge for the year	19	36	168	223
Disposals	-	(1)	-	(1)
At 31 December 2023	811	339	810	1,959
Net book value				
At 31 December 2023	65,389	391	475	66,254
At 31 December 2022	65,613	429	622	66,664

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

		2023	2023	2022	2022
		No.	£'000	No.	£'000
Freehold / Leasehold Land and Buildings					
Freehold					
Benefice property:	Parsonage houses	167	41,524	168	41,770
Glebe property:	Curates' houses	27	7,832	26	7,500
	Other houses	27	6,581	28	7,178
		54	14,413	54	14,678
Corporate property:	Curates' houses	2	563	2	563
	Other houses	22	5,474	22	5,162
Houses bought with val. linked loans (at valuation)		3	523	3	523
Edginton house		1	281	1	281
		28	6,841	28	6,529
Leasehold					
Long leasehold		1	2,611	2	2,636
Total Freehold / Leasehold Land and Buildings		250	65,389	252	65,613

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

Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. These are stated at valuation, as is the related loan liability (note 22).

Of the total land and buildings at 31 December 2023, 247 properties (£64,866k) are valued at cost or deemed cost (2022 - 249), and three properties (£523k) at valuation (2022 - three).

Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

During the year no buildings were impaired, where their market value was estimated to be below their cost.

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements
For the year ended 31 December 2023

	Agricultural Land	Other Land & Property	Unlisted Investments	Listed Investments	Total 2023
	£'000	£'000	£'000	£'000	£'000
18a Fixed Assets Investments					
At 1 January 2023	20,159	639	6,737	14,168	41,703
Additions	-	-	-	2,189	2,189
Disposals	(389)	-	-	(6,773)	(7,162)
Transfers / Reclassifications	-	-	-	-	-
Revaluation	219	-	633	780	1,632
At 31 December 2023	19,989	639	7,370	10,364	38,362
Cost at 31 December 2023	Not known	Not known	4,146	9,569	
Cost at 31 December 2022	Not known	Not known	4,146	13,810	
Investments comprise:-				2023	2022
Listed Investments (Equities)				£'000	£'000
UK Investments				2,253	3,761
Non-UK Investments				5,023	7,072
				7,276	10,833
Listed Investments (Unit Trusts)					
UK Investments				274	288
Listed Investments (Fixed Interest)					
UK Investments				1,887	2,027
Non-Uk Investments				927	1,020
				2,814	3,047
Listed Investments Total				10,364	14,168
(iii) Unlisted Investments				£'000	£'000
322,418 Central Board of Finance of the Church of England Investment Fund Share (2022 - 322,418)				7,289	6,662
3,139 COIF Charity Investment Fund Income Shares (2022 - 3,139)				62	57
2,000 Central Board of Finance of the Church of England Fixed Interest Fund Shares (2022 - 2,000)				3	3
Somerset Savings and Loans Ltd				16	15
				7,370	6,737
(iv) Other Land and Property				2023	2022
				£'000	£'000
Glebe Property				610	610
Other Land				29	29
				639	639

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18b Application of the Power of Total Return on Investments

As disclosed in the Investment policy of the Trustees report from 31 December 2019 the DBF adopted a total return approach to investments with regard to the Glebe land, listed financial investments and unlisted financial investments portfolios of the DSF and SAT permanent endowments. The investment power of total return permits the DBF to invest the permanent endowment of the Diocesan Stipends Fund (DSF) and Stipends Augmentation Trusts (SAT) element of the Stipends Capital Fund in order to maximise total return and apply an appropriate portion of the unapplied total return (UTR) each year. Until the power is exercised to transfer a portion of the UTR to income funds, the UTR remains part of the permanent endowment.

The initial value for implementing total return for investments was determined at 31 December 1995 and valued at £8.571m and £0.688m for the DSF and SAT funds, respectively. This was the amount held in Glebe property and listed and unlisted financial investments at this date. The UTR was calculated as at 31 December 2019 and valued at £19.457m and £0.331m for the DSF and SAT funds, respectively. This represents the increase above inflation of the value of these investments since the initial valuation, adjusted for the introduction of any new investment in the portfolios since initial valuation.

	Trust for investment £'000	UTR £'000	Total Endowment £'000
(i) Diocesan Stipends Fund (DSF)			
At 1st January 2023			
Base value of permanent endowment	15,110	-	15,110
Unapplied Total Return	-	20,729	20,729
Total	15,110	20,729	35,839
Movements in the reporting period			
Indexation of base level of endowment	1,269	(1,269)	-
Unapplied total return allocated to income in the year	-	(1,303)	(1,303)
Additional UTR allocated for purchase of property	-	-	-
Investment return: dividends and interest	-	213	213
Investment return: Glebe rents	-	436	436
Investment returns: Realised and unrealised gains and (losses)	-	550	550
Less investment management costs	-	(32)	(32)
Total	1,269	(1,406)	(136)
At 31st December 2023			
Base of the permanent endowment	16,379	-	16,379
Add indexation of base level of endowment	-	-	-
Unapplied Total Return	-	19,323	19,323
Total	16,379	19,323	35,703

During the year, there was a transfer of £1,303K from UTR to income funds for expenditure in relation to the Diocesan Vision, in line with the Diocese Total return policy of 4% of average endowed investment value plus Glebe rents.

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	Trust for investment £'000	UTR £'000	Total Endowment £'000
(ii) Stipends Augmentation Trusts (SAT)			
At 1st January 2023			
Base value of permanent endowment	1,213	-	1,213
Unapplied Total Return	-	131	131
Total	1,213	131	1,343
Movements in the reporting period			
Indexation of base level of endowment	51	(51)	-
Unapplied total return allocated to income in the year	-	(57)	(57)
Investment return: dividends and interest	-	32	32
Investment returns: Realised and unrealised gains and (losses)	-	57	57
Less investment management costs	-	(5)	(5)
Total	51	(23)	28
At 31st December 2023			
Base of the permanent endowment	1,264	-	1,264
Unapplied Total Return	-	107	107
Total	1,264	107	1,371

During the year, there was a transfer of £57K from UTR to income funds for expenditure in relation to the Diocesan Vision, in line with the Diocese Total return policy of 4% of average endowed investment value.

18c Subsidiary investments

Subsidiary name	Company number	Share Capital
Bath and Wells DBF Services	12396582	Limited by guarantee B&WDBF sole member

The transactions and balances for the subsidiary were as follows:

	2023	2022
Income (£000s)	50	46
Expenditure (£000s)	50	46
Assets (£000s)	64	106
Liabilities (£000s)	64	106
Net Assets (£000s)	-	-

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	2023 £'000	2022 £'000
19 Debtors		
Due within one year		
a) Parish Share	253	393
b) Central Board of Finance Deposit Fund Loans	55	66
c) Loans to PCCs from Designated Fund or FCG	84	15
d) School Loans	73	74
e) Other Loans	1	2
d) Closed School Expenses and other School debtors	131	59
f) Other Debtors and Prepayments	601	541
g) Equity Loans	485	485
	1,683	1,635
Due after one year		
b) Central Board of Finance Deposit Fund Loans (*)	62	97
c) Loans to PCCs from Designated Fund or FCG (*)	253	306
	315	403
Total debtors	1,998	2,038

(*) these amounts are stated at net present value using a discount rate of 4%

Debtors Notes:

(a) Parish Share

Parish Share debtors comprise balances of requested contributions outstanding which have been paid in full after the year end or where an arrangement to pay has been agreed.

(b) Central Board of Finance Deposit Fund loans

These are loans made by the DBF from the CBF Deposit Fund under the Church Funds Investment Measure 1958 for forward lending to parishes and are therefore shown both in Debtors and Creditors. Loans are normally provided for a period of five or ten years and are repayable by equal annual instalments. The rate of interest is equivalent to the monthly average rate declared by the CCLA CBF Deposit Fund plus 0.55%.

(c) Loans to PCCs from Diocesan Loan Fund

These are loans advanced from the £1m designated Diocesan Loan Fund repayable over various terms up to 20 years and at various interest rates.

At 31 December 2023, the significant balances were:

- i. A £400,000 loan was provided to Nailsea Holy Trinity PCC on 28 October 2010 for the purchase of the former rectory at 2 Church Lane Nailsea upon its sale by the DBF. The rate of interest on the loan is 1% above the Bank of England base rate, payable annually in arrears. The term of the loan was extended in 2015 to October 2024. The loan is repayable in variable annual instalments and the present value of the balance at 31 December 2023 was £37,778. The DBF holds a legal charge on the property, discharged upon repayment of the loan capital and accrued interest by the PCC.

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ii. A £225,000 loan was provided to Keynsham PCC on 23 November 2010 for the purchase of the former rectory at 1 The Park, Keynsham upon its sale by the DBF. The term of the loan was extended in 2017 to the end of 2034. The rate of interest on the loan is 2% above the Bank of England base rate, payable annually in arrears and the present value of the balance outstanding at 31 December 2023 was £49,372. The DBF holds a legal charge on the property, discharged upon repayment of the loan capital and accrued interest by the PCC.

A loan of £290,000 to the PCC of Heathfield with Cotford St Luke, provided through a back-to-back arrangement with NatWest bank, and as such there is a corresponding creditor (see note 22). The rate of interest is 1% above base rate and the term of the loan is five years. The loan is secured using a second charge on land at Cotford St Luke and its associated assets. This loan had an outstanding balance of £279,342 at the year end.

(d) School Loans

The DBF acts as 'banker' to school governors for capital and repair works at voluntary aided schools. The accounts are paid by the DBF and the costs are recovered from the Department for Education, the Local Education Authority and the governors themselves for their respective liabilities.

(e) Other Loans

This amount includes loans to individuals from restricted charitable funds and staff car loans.

(f) Other Debtors and Prepayments

This figure is made up of sundry debtors, prepayments, accrued interest and dividends, rents recoverable and expenses on closed schools to be recovered upon sale, and accrued bond interest.

(g) Equity Loans

Equity loans are made to retired clergy and clergy spouses to enable them to purchase property on a shared equity basis. At 31 December 2023 the value of loans advanced amounted to £485,007 in respect of three properties.

	2023	2022
	£'000	£'000
20 Assets held for resale		
Closed churches awaiting disposal	448	151

The value represents an estimate of expected sales proceeds receivable.

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For the year ended 31 December 2023

21 Cash at bank and on deposit	Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total	2022 Total
	£'000	£'000	£'000	£'000	£'000
Cash on deposit	676	484	233	1,393	1,279
Cash at bank and in hand	1,534	1,280	76	2,890	2,298
Cash held by broker for investment	21	-	158	179	341
	2,231	1,764	467	4,462	3,918

22 Creditors	2023	2022
	£'000	£'000
Due within one year		
a) Bank loans	465	3,316
Fund for Church Growth grants approved not yet paid	35	35
Closed Church Schools	522	492
Other Creditors and Accruals	833	2,710
	1,855	6,553
Due after one year		
a) Bank loans	3,053	3,323
b) Central Board of Finance Deposit Fund Loans (*)	929	1,022
c) Value Linked Loans	523	523
	4,505	4,868

(*) these amounts are stated at net present value using a discount rate of 4%

Creditors Notes

(a) Bank Loans

The DBF took a loan with NatWest to fund the investments in PV panels in April and June 2013. Interest currently charged at 1.5% above base rate.

A £200,000 loan was taken out with NatWest bank in 2016 to finance a house purchase. The term of the loan is 10 years, at a fixed interest rate of 2.67%. A further £170,000 loan was taken out with NatWest bank in 2016 to finance a house purchase. The term of the loan is 10 years, at a fixed interest rate of 3.73%.

During the year, there were a number of loan agreements with NatWest bank;

- **Pioneer House mortgages.** Four loan agreements are entered into in order to finance the purchase of houses for Pioneer Ministers. The terms of these agreements are each either five or six years. These loans are secured on the pioneer houses. The balance outstanding at the year end was £689,948.

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- **Flourish House purchase.** A loan of £2,575,000 was agreed to fund the purchase of Flourish House, the new Diocesan office building. The terms of this agreement is seven years and the interest rate is 1.53% above base rate. This loan is secured on Flourish House. This loan was paid off in full in the financial year.
- **Parish loans.** A loan of £290,000 was agreed in order to provide an onward loan to the PCC of Heathfield with Cotford St Luke (see debtors note 19). The term of this loan is five years and the interest rate is 1.65% above base rate. During the prior year, this loan has had a capital repayment holiday applied to it, extending the loan period for a further nine months. This loan is secured by way of a third party charge on St Luke's Centre on land at Cotford St Luke. The balance outstanding at the year end was £236,604.

(b) Central Board of Finance Deposit Fund Loan

This loan was made to the DBF from the Deposit Fund under the Church Funds Investment Measure 1958 for forward lending to parishes. In 2016 £1m was loaned to the DBF for 10 years on an interest only basis to allow loan funds to be committed and available to be drawn by parishes when required. Repayments have been made in the year and the present value of this loan was £929,356 at 31 December 2023. The rate of interest is equivalent to the monthly average rate declared by the CCLA CBF Deposit Fund plus 0.55%.

(c) Church Commissioners' Value Linked Loans

The loans are repayable either when the houses concerned are sold or cease to be occupied by a licensed lay worker or clergy spouse whose marriage has broken down. Interest is charged by the Commissioners on the amount loaned initially and borne by the DBF, rising annually by the increase in the Retail Price Index. The loans are represented by Freehold land and buildings (note 17).

The Diocesan Annual Report and Financial Statements Guide recommends that the loans should be revalued annually in line with the basis adopted by the Church Commissioners. The recommendation has now been adopted by the DBF and the corresponding fixed assets (see note 17) have been revalued as a separate identifiable asset class.

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	At 01.01.23	Income	Expend- iture	Transfers	Reval- uation	At 31.12.23
	£'000	£'000	£'000	£'000	£'000	£'000
23 Summary Of Fund Movements						
Unrestricted Funds						
(a) General	2,381	12,277	(13,320)	1,022	224	2,584
	2,381	12,277	(13,320)	1,022	224	2,584
Designated Funds						
(b) Tangible Fixed Assets Fund	6,009	-	(27)	338	-	6,320
(c) Loan Fund	500	-	-	-	-	500
(d) Fund for Church Growth	47	-	-	-	-	47
(e) Pastoral Care & Counselling Scheme	171	5	-	-	17	193
(f) Mission Development Fund	577	-	(25)	(93)	-	459
(g) Benefact Trust	-	106	(106)	-	-	-
(h) Other Designated	8	-	-	-	-	8
	7,312	111	(158)	245	17	7,527
Total Unrestricted Funds	9,693	12,388	(13,478)	1,267	241	10,111

Notes on Unrestricted funds

(a) General Fund

The General Fund reserve represents those assets held by the DBF for carrying out its general activities. It provides the assets and liquidity for the DBF to carry out its objectives, including statutory compliance, administration of funds and some housing.

(b) **Tangible Fixed Assets Fund** represents the value in the Balance Sheet of: Board houses kept for the purpose of housing current and future clergy; solar PV panels on clergy houses and office equipment; less creditors held for the specific purposes of financing these assets.

(c) **Diocesan Loan Fund** £1m was transferred to this fund in 2014 to allow parishes the possibility of applying for loans to assist with their capital projects and other initiatives. This fund has been reduced to £500k.

(d) **The Fund for Church Growth (FCG)** exists to support local mission and outreach in the diocese.

(e) **The Pastoral Care and Counselling Scheme** was set up in 1993 to provide trained therapists and counsellors to support clergy and their family in the diocese.

(f) **The Mission Development Fund** exists to resource the developing strategy into the future and to enable applications to the National Church's Strategic Development Fund.

(g) **Benefact Trust** recurrent grant given to support missional work within the diocese. This fund has been designated to financially support providing ministry in areas of deprivation.

(h) **Other designated funds** consisting of amounts designated from the General Fund to be spent on specific projects by departments.

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	At 01.01.23	Income	Expend- iture	Transfers	Reval- uation	At 31.12.23
	£'000	£'000	£'000	£'000	£'000	£'000
23 Summary Of Fund Movements (continued)						
Restricted Funds						
(a) Schools Income Fund	179	147	(168)	-	68	226
(b) Diocesan Pastoral Account	610	298	(139)	1,219	-	1,989
(c) Support of clergy and dependants	212	16	(3)	-	15	240
(d) Retired clergy funds	48	8	(8)	-	-	48
(e) Porlock Wyld Trust	79	6	-	-	3	88
(f) Edginton Trust	181	9	-	-	-	190
(g) Zambia Link	219	15	(18)	-	-	216
(h) Modern Slavery link	4	-	-	-	-	4
(i) Smith Bequest	381	10	-	-	30	421
(j) DBE Restricted Grants	32	62	(55)	-	-	39
(k) Abbey House Fund	63	-	(3)	-	-	60
(l) Strategic Development Fund	-	301	(394)	93	-	-
(m) Other Restricted	98	796	(775)	-	-	118
Total Restricted Funds	2,106	1,667	(1,563)	1,312	116	3,638

Notes on Restricted Funds:

The income funds of the DBF include restricted funds comprising the above unexpended balances of donations, grants and investment income held on trusts to be applied for specific purposes.

(a) Schools Income Fund which may be used for the same purposes as the Schools Capital Fund (see Expendable Endowments) and may also be used for any of the following:

- The provision of advice, guidance and resources for the management of or education in any relevant school in the diocese.
- The provision of services for the carrying out of any inspection of a school in the diocese required by Part 1 of the School Inspection Act 1996
- To defray the cost of employing staff in connection with

-the application of income of the relevant trust assets for the above purposes

-The application of capital or income of the relevant trust assets for any purpose referred to in paragraph 1 of Schedule 36.

By virtue of section 557(10) of the Education Act 1996 a relevant school includes an Academy

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(b) Diocesan Pastoral Account (DPA) made up from the sales or transfers of churches and parsonage houses which have become redundant under pastoral re-organisation. The purposes of the fund are laid down in Sections 93 and 94 of the Mission and Pastoral Measures 2011; the main ones being:

- Costs incurred for the purpose of the Measure except for salaries of regular diocesan employees.
- Costs of disposing or maintaining houses or churches vested in the DBF or Commissioners.
- For the benefit of another diocese or transfer to the DSF Capital or Income Fund.

(c) Support of Clergy and Dependants Funds are revenue funds made up of trust income and donations specifically given for the relief of clergy, their widows and dependants.

(d) Retired Clergy Funds to be used to provide assistance generally to retired clergy.

(e) Porlock Wyld Trust being accumulated income to be used for the same purposes as the trust capital — see Endowment Funds

(f) Edginton Trust being accumulated income to be used in the maintenance of a residence for retired clergy.

(g) Zambia Link including the Coppen bequest, which was given to strengthen the link between the diocese and the five dioceses in Zambia.

(h) Modern Slavery Link, which was given to put towards projects which focuses on dealing with issues of modern slavery across the diocese.

(i) Smith Bequest to be used for lay ministry (excluding training for the Ministry) and in-service clergy training.

(j) DBE Restricted Grants consisting of the balance of restricted grants and donations to the DBE.

(k) The Abbey House Fund to be used to give support to both laity and clergy to enable them to attend retreats and quiet days.

(l) Strategic Development Funding being funding received from the national church.

(m) Other Restricted consisting of the balance of restricted legacies, grants and donations to the DBF.

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	At 01.01.23	Income	Expend- iture	Transfers	Reval- uations	At 31.12.23
	£'000	£'000	£'000	£'000	£'000	£'000
23 Summary Of Fund Movements						
(continued)						
Endowment Funds						
Expendable Endowment						
(a) Parsonage Houses Fund	41,770	996	(25)	(1,219)	-	41,522
(b) Schools Capital Fund	661	-	-	-	-	661
(c) Porlock Wyld Trust	131	-	-	-	12	143
(d) Retired Clergy Funds	320	-	-	-	29	349
	42,882	996	(25)	(1,219)	41	42,675
Permanent Endowment						
(e) Diocesan Stipends Fund Capital	45,343	285	(54)	(1,303)	1,051	45,322
(f) Stipends Capital	1,612	265	(4)	(57)	60	1,876
(f) General Capital	787	-	-	-	74	861
(f) Support of Ordinands	42	-	-	-	4	46
(g) Crockat and Cowley Trusts	165	-	-	-	15	180
(h) Edginton Trust	372	-	-	-	24	396
(i) Other Permanent Endowment	61	-	-	-	6	67
	48,382	550	(58)	(1,360)	1,234	48,748
Total Endowment Funds	91,264	1,546	(83)	(2,579)	1,275	91,423
All Funds	103,063	15,303	(15,124)	-	1,632	104,874

Notes on Endowment Funds:

Endowment funds are held on trust to be retained for the benefit of the charity as a capital fund. Where the whole of the fund must be permanently maintained it is known as permanent endowment. Where there is power of discretion to convert endowed funds into income, the fund is classified as expendable endowment.

Expendable Endowments

(a) Parsonage Houses Fund represents the value of benefice houses at the Balance Sheet date, together with the Parsonages Building funds held by the Church Commissioners. The houses are used to provide accommodation for the parochial clergy. The diocese is not free to dispose of the houses except in accordance with the appropriate measures. There is provision for the net proceeds of sale to be applied to either the DPA or DSF capital once a disposal has been effected.

(b) Schools Capital Fund comprises redundant Church of England school premises, teachers' houses and associated endowments which have been vested in the DBF by Orders under the Education Acts 1944 and 1973. The use of the fund is restricted under Section 17 of the Education Act 1993. The uses include the purchase, erection, maintenance and improvement of any school or teacher's house in the relevant area.

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(c) Porlock Wyld Trust relates to the Parsons Hill Estate (since sold) was left to the DBF, as sole trustee, “upon trust for such charitable purposes connected with the ecclesiastical parish of Porlock as the Lord Bishop of Bath and Wells in his absolute discretion thinks fit”. There is no restriction on expenditure of capital.

(d) Retired Clergy Funds:

- **Thatcher Trust** is to be used for purchase (or repair/ maintenance) of accommodation for retired clergy or the widows or augmentation of income for such persons. Balance £38,162 as at 31 December 2023 (2022 - £41,752).
- **Elwell Trust** is to be used for the grant or augmentation of pensions to retired clergy at any time beneficed in the diocese. Balance £11,133 as at 31 December 2022 (2022 - £11,133).
- **Edwards Trust** relates to a property which was given to the DBF in 1977, as sole trustee, to be used for the accommodation of retired clergy in the diocese. The property was sold in 2002. A resolution was made by the DBF in April 2000 to modify the purpose of the Trust to provide for clergy housing generally. Balance £295,648 as at 31 December 2023 (2022 - £270,224).

Permanent Endowments

(e) Diocesan Stipends Fund (DSF) Capital Account represents the value of glebe property and investments at the balance sheet date, less any inter-fund debtor or creditor. The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992. Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the DSF Income Account, as well as gifts, bequests and donations. The main function of the fund is to produce income for the stipends, but it may also be used for other purposes including: acquiring glebe property; investing in a subsidiary; developing and protecting glebe amenities; investment; discharging loans and levies on glebe; improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976.

(f) Stipends Capital, General Capital and Support of Ordinands

These funds are made up of the capital of a number of trusts which are represented by fixed asset investments.

- **Stipends Capital** income is restricted and can be used only to augment clergy stipends.
- **General Capital** income is unrestricted and is credited to the General Fund.
- **Support of Ordinands Fund** income is restricted and can be used only to train candidates for Church of England ministry.

(g) Crokatt and Cowley Trusts comprised two properties which were left to the DBF for the purposes of providing accommodation for retired clergy of the Church of England. One property was sold in 1997 and the other in 2001. A resolution was made by the DBF in 2001 to modify the purposes of the trusts so as to make provision instead for assistance generally to retired clergy.

(h) Edginton Trust comprised a property for use as a residence for retired clergy. This was sold in 2001 and a replacement house was purchased in 2004 at Friary Close, Clevedon.

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(i) Other:

- **Miss S M Osborne Trust** — £1,000 was left to the DBF, as sole trustee, to apply the income “by way of grant in or towards the repair of fabric of any ancient parish church of historic interest and beauty in the diocese”. Balance £1,448 as at 31 December 2023 (2022 - £1,371)
- **Dorothy Stuckey Trust** — £2,000 was left to the DBF, as sole trustee, to apply the income for upkeep of fabric of the parish church at Yatton or toward the maintenance of an assistant clergyman or both. Balance £22,809 as at 31 December 2023 (2022 - £20,847)
- **Miss M A Rees-Mogg Legacy** — The legacy dates from 1935 and the income only can be used for the assistance of necessitous clergy and their widows and orphans. Balance £45,346 as at 31 December 2023 (2022 - £41,447).

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	Tang. & Intang. Fixed Assets	Invest- ments	Other Assets	Credit-Interfund ors DR / (CR)	Net Assets	
24 Summary Of Assets By Fund	£'000	£'000	£'000	£'000	£'000	
Unrestricted General Funds	-	1,279	2,368	(2,641)	1,579	2,584
Designated						
Tangible Fixed Assets Fund	10,039	-	-	(3,719)	-	6,320
Loan Fund	-	-	370	-	130	500
Fund For Church Growth	-	-	47	-	-	47
Pastoral Care & Counselling Scheme	-	197	-	-	(4)	193
Mission Development Fund	-	-	459	-	-	459
Other Designated	-	-	8	-	-	8
Total Designated Funds	10,039	197	884	(3,719)	126	7,527
Restricted Funds						
Schools Income Fund	-	-	226	-	-	226
Diocesan Pastoral Account	-	-	1,989	-	-	1,989
Support Of Clergy And Dependants	-	167	73	-	-	240
Retired Clergy Funds	-	-	48	-	-	48
Porlock Wyld Trust	-	36	52	-	-	88
Edginton Trust	124	-	66	-	-	190
Zambia Link	-	-	216	-	-	216
Modern Slavery link	-	-	4	-	-	4
Abbey House	-	-	60	-	-	60
Smith Bequest	-	352	69	-	-	421
DBE Restricted Grants	-	-	39	-	-	39
Other Restricted	-	-	117	-	-	117
Total Restricted Funds	124	555	2,959	-	-	3,638
Endowment Funds						
Expendable Endowment						
Parsonage Houses Fund	41,524	-	-	-	-	41,524
Schools Capital Fund	-	793	-	-	(132)	661
Porlock Wyld Trust	-	144	-	-	(1)	143
Retired Clergy Funds	-	337	12	-	-	349
Permanent Endowment						
Diocesan Stipends Fund Capital	14,413	32,443	-	-	(1,534)	45,322
Stipends Capital	-	1,191	684	-	-	1,875
General Capital	-	861	-	-	-	861
Support Of Ordinands	-	47	-	-	-	47
Crokat And Cowley Trusts	-	173	7	-	-	180
Edginton Trust	157	274	-	-	(35)	396
Other Permanent Endowment	-	70	-	-	(3)	67
Total Endowment Funds	56,094	36,331	703	-	(1,705)	91,423
All Funds	66,257	38,362	6,913	(6,360)	-	105,172

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25 Commitments

(a) Capital Expenditure

	2023 £'000	2022 £'000
Contracted for, not yet completed	-	-
Authorised, not yet contracted for	-	-
Total Capital Commitments	-	-

(b) Loans

At 31 December 2023 the DBF had commitments to zero parishes (2022 - zero) to provide loans totalling £nil (2022 - £Nil) in relation to the CCLA Diocesan Loan Scheme.

During 2021, Bath Abbey PCC entered into a loan agreement for £400,000, to be made available in tranches of £100k. At the year end £300k has been drawn down. The loan is repayable from the first anniversary of the drawdown and interest is being charged on the loan of 2% above variable bank base rate.

(c) Operating Leases

	2023 £'000	2022 £'000
Payable not more than one year	2	2
Payable more than one but not more than five years	-	-
Total Operating Lease Commitments	2	2

26 Post Balance Sheet Events and Contingent Liabilities

There were no post balance sheet events or contingent liabilities at the balance sheet date.

27 Pension Costs

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

(a) The Church Workers' Pension Fund (Lay Staff) – Pension Builder Scheme

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

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CWPF has two sections:

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

Pension Builder Scheme

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable (2023: £207,783, 2022: £223,018).

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

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

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

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

(b) The Church Workers' Pension Fund (Lay Staff) - Defined Benefits Scheme

The DBF participates in the Defined Benefits Scheme section of CWPf for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

Defined Benefits Scheme

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs (credited)/charged to the SOFA during the year are contributions payable towards benefits and expenses accrued in that year (2023: £22,225 2022: (£164,000)) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SOFA, giving a total (credit)/charge of £22,225 for 2023 (2022: £164,000 - Credit).

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

A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by

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£7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022. The calculations for this are under way.

Following the 2019 valuation, the Employer has entered into an agreement with the Church Workers' Pension Fund to pay expenses of £9,500 per year. In addition deficit payments of £102,259 per year have been agreed for 3.5 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool.

Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements from 31 December 2022. A liability has been recognised at earlier dates.

The movement in the provision is set out below:

	2023 - £	2022 - £
Balance sheet liability <u>at</u> 1 January	-	266,000
Deficit contribution paid	-	(102,000)
Interest cost (recognised in SOFA)	-	3,000
Remaining change to the balance sheet liability* (recognised in SOFA)	-	(167,000)
Balance sheet liability <u>at</u> 31 December	-	-

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

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

	December 2023	December 2022	December 2021
Discount rate	N/A	0.00%	1.30%

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

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(c) The Church of England Funded Pensions Scheme for Clergy

The DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies. Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2023: £1,308k, 2022: £1,611k), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £- (2022: £198,000)

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and 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 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

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

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

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

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 is nil. The movement in the balance sheet liability over 2022 and over 2023 is set out in the table below.

	2022 £'000	2022 £'000
Balance sheet liability <u>at</u> 1 January	-	338
Deficit contribution paid	-	(198)
Interest cost (recognised in SOFA)	-	-
Remaining change to the balance sheet liability* (recognised in SOFA)	-	(140)
Balance sheet liability <u>at</u> 31 December	-	-

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 and 2023 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

December	2023	2022	2021
Discount rate	N/A	N/A	0.0% pa
Price inflation	N/A	N/A	N/A
Increase to total pensionable payroll	N/A	N/A	(1.5%) pa

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

	CWPF		CEFPS		2023	2022
(d) Pension Liability Reconciliation - all schemes	Unrestricted	Funds	Restr-	Endow-		
	General	Desig-	icted	ment	Total	Total
	£'000	nated	Funds	Funds	£'000	£'000
Liability at 1 January	-	-	-	-	-	603
Deficit Contributions paid	-	-	-	-	-	(300)
Interest cost	-	-	-	-	-	3
Remeasurement Gains	-	-	-	-	-	(306)
Liability at 31 December	-	-	-	-	-	-

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28a Prior Year Comparative Notes – Statement of Financial Activities

		Unrestricted Funds	Restric- ted Funds	Endow- ment Funds	Total Funds 2022	Total Funds 2021
	Note	General	Designated			
		£'000	£'000	£'000	£'000	£'000
Income and endowments from						
Parish Contributions	2a	9,338	-	-	9,338	8,866
Other donations	2b	340	151	917	1,408	1,367
Charitable activities	3	615	-	21	636	646
Other activities	4	797	-	-	797	458
Investments	5	590	5	137	975	912
Other Income	6	605	-	3	1,527	692
Total income and endowments		12,285	156	1,078	15,289	12,941
Expenditure on						
Raising funds	7	209	-	-	251	262
Charitable activities	8	13,415	254	1,168	14,906	15,357
Total expenditure		13,624	254	1,168	15,157	15,619
Net (expenditure) / income before investment gains / (losses)		(1,339)	(98)	(90)	1,659	(2,678)
Net (losses) / gains on investments	9	(677)	(24)	(164)	(1,406)	6,542
Net (expenditure) / income		(2,016)	(122)	(254)	253	3,864
Transfers between funds	15	548	814	593	(1,955)	-
Other recognised gains						
Remeasurement gains/(losses) on defined benefit pension schemes	28	166	-	-	140	306
Net movement in funds		(1,302)	692	339	(1,562)	3,733
RECONCILIATION OF FUNDS						
Total funds brought forward		3,683	6,620	1,767	92,826	101,163
Total funds carried forward	23	2,381	7,312	2,106	91,264	104,896

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28b Prior Year Comparative Notes – Notes 2 to 6

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total Funds	Total Funds
	General	Designated			2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
2a Parish Contributions						
Parish Share						
Current year's allocation	10,194	-	-	-	10,194	10,203
Additional Payments	15	-	-	-	15	17
Arrears for previous years	409	-	-	-	409	103
Discretionary Parish Share relief	-	-	-	-	-	(152)
Shortfall in contributions	(1,280)	-	-	-	(1,280)	(1,305)
	<u>9,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,338</u>	<u>8,866</u>
Total Parish Share receipts represent 91.6% of the allocation (2021 – 86.9%)						
2b Other Donations						
Allchurches Trust	-	121	-	-	121	126
Foundation of St Matthias	-	-	35	-	35	56
RME Ordinands Grant	-	-	401	-	401	522
SMF grant funding	-	-	78	-	78	105
Cost of living energy grant	309	-	-	-	309	-
Donations, Grants, Sponsorships & Legacies	31	30	403	-	464	558
	<u>340</u>	<u>151</u>	<u>917</u>	<u>-</u>	<u>1,408</u>	<u>1,367</u>
3 Charitable Activities						
Statutory fees and chaplaincy income	574	-	-	-	574	596
Course fees and other	41	-	21	-	62	50
	<u>615</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>636</u>	<u>646</u>
4 Other Activities						
Rental income from clergy houses, schools and the Diocese office	619	-	-	-	619	374
Support services	178	-	-	-	178	84
	<u>797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>797</u>	<u>458</u>
5 Investment Income						
Dividends receivable	349	5	102	243	699	512
Interest receivable	18	-	35	-	53	35
Notional interest re net present value	(125)	-	-	-	(125)	(43)
Rents receivable	348	-	-	-	348	408
	<u>590</u>	<u>5</u>	<u>137</u>	<u>243</u>	<u>975</u>	<u>912</u>
6 Other Income						
Gain on disposal of properties	487	-	-	1,527	2,014	478
Solar PV Panel FiT Income	118	-	-	-	118	209
Other	-	-	3	-	3	5
	<u>605</u>	<u>-</u>	<u>3</u>	<u>1,527</u>	<u>2,135</u>	<u>692</u>

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28c Prior Year Comparative Notes – Notes 7 to 8

	Unrestricted Funds General £'000	Funds Desig- nated £'000	Restr- icted Funds £'000	Endow- ment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
7 Costs of raising funds						
Stockbroker's fees	22	-	-	42	64	66
Value Linked loans interest	11	-	-	-	11	11
Interest cost & expenses: pension schemes	12	-	-	-	12	10
Glebe Land & Clergy Houses letting costs	164	-	-	-	164	175
	209	-	-	42	251	262
8 Charitable activities						
Contribution to Archbishops' Council						
Training for Ministry	-	-	393	-	393	393
National Church Responsibilities	240	-	-	-	240	274
Grants and provisions	33	-	-	-	33	34
Mission Agency pension contributions	16	-	-	-	16	18
Retired Clergy Housing (CHARM) & Grants	148	-	-	-	148	144
Pooling of ordinand candidates' costs	(49)	-	-	-	(49)	31
	388	-	393	-	781	894
Resourcing Ministry and Mission						
Parish Ministry:						
Stipends and Social Security	5,418	121	78	-	5,617	5,581
Pension contributions	1,413	-	-	-	1,413	1,540
Housing costs	1,591	-	153	69	1,813	1,664
Removal, resettlement and other grants	165	-	-	-	165	273
Other expenses	25	-	-	-	25	149
	8,612	121	231	69	9,033	9,207
Support for ministry	3,996	133	544	-	4,673	4,850
Fund for Church Growth	-	-	-	-	-	(2)
	12,608	254	775	69	13,706	14,055
Expenditure on Education						
Church Schools: Administration	419	-	-	-	419	408
	13,415	254	1,168	69	14,906	15,357

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28d Prior Year Comparative Notes – Notes 9 to 11

	Unrestricted Funds	Restr-	Endow-	Total	Total
	General	icted	ment	Funds	Funds
	£'000	£'000	Funds	2022	2021
	£'000	£'000	£'000	£'000	£'000
9 Gains/(losses) on Investment Assets					
Unrealised gains/(losses) after revaluation (*)	(658)	(24)	(164)	(1,254)	(2,100)
Realised gains/(losses) on disposal	(19)	-	-	(152)	(171)
	(677)	(24)	(164)	(1,406)	(2,271)

(*) includes £0.2m gain in relation to the revaluation of Glebe Agricultural Land (2021 - £0.9m).

10 Analysis Of Expenditure Including Allocation Of Support Costs

	Activities undertaken	Grant		Total	Total
	Directly	funding of	Support	2022	2021
	£'000	activities	Costs	£'000	£'000
Raising Funds	251	-	-	251	262
Charitable Activities:					
Contributions to Archbishops' Council	393	388	-	781	894
Resourcing ministry and mission	11,416	1,043	1,248	13,706	14,055
Education	365	-	54	419	408
	12,424	1,431	1,302	15,157	15,619

	Unrestricted Funds	Restr-	Endow-	Total	Total
	General	icted	ment	Funds	Funds
	£'000	£'000	Funds	2022	2021
	£'000	£'000	£'000	£'000	£'000
11 Analysis Of Support Costs					
Central Administration	1,213	-	-	1,213	1,076
Support for Schools	-	-	54	54	48
Governance:					
External Audit	21	-	1	22	17
Professional Fees	4	-	-	4	5
Diocesan and General Synod Expenses	9	-	-	9	7
	1,247	-	55	1,302	1,153

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28e Prior Year Comparative Notes – Note 23

	At 01/01/22	Income	Expend- iture	Transfers	Reval- uation	At 31/12/22
23 Summary Of Fund Movements	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds						
(a) General	3,503	12,285	(13,444)	548	(511)	2,381
(b) Diocesan Stipends Fund Income	180	-	(180)	-	-	-
	3,683	12,285	(13,624)	548	(511)	2,381
Designated Funds						
(c) Tangible Fixed Assets Fund	4,719	-	(24)	1,314	-	6,009
(d) Loan Fund	1,000	-	-	(500)	-	500
(e) Fund for Church Growth	47	-	-	-	-	47
(f) Pastoral Care & Counselling Scheme	190	5	-	-	(24)	171
(g) Mission Development Fund	656	121	(200)	-	-	577
(h) Other Designated	8	30	(30)	-	-	8
	6,620	156	(254)	814	(24)	7,312
Total Unrestricted Funds	10,303	12,441	(13,878)	1,362	(535)	9,693

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28e Prior Year Comparative Notes – Note 23 (continued)

	At 01/01/22	Income	Expend- iture	Transfers	Reval- uation	At 31/12/22
	£'000	£'000	£'000	£'000	£'000	£'000
23 Summary Of Fund Movements (continued)						
Restricted Funds						
(a) Schools Income Fund	314	56	(95)	-	(96)	179
(b) Diocesan Pastoral Account	126	-	(110)	593	-	610
(c) Support of clergy and dependants	245	22	(34)	-	(21)	212
(d) Retired clergy funds	49	6	(7)	-	-	48
(e) Porlock Wyld Trust	78	5	-	-	(4)	79
(f) Edginton Trust	173	8	-	-	-	181
(g) Zambia Link	227	8	(16)	-	-	219
(h) Modern Slavery link	10	-	(6)	-	-	4
(i) Smith Bequest	414	10	-	-	(43)	381
(j) DBE Restricted Grants	32	35	(35)	-	-	32
(k) Abbey House Fund	63	-	-	-	-	63
(l) Strategic Development Fund	-	330	(330)	-	-	-
(m) Other Restricted	36	598	(535)	-	-	98
Total Restricted Funds	1,767	1,078	(1,168)	593	(164)	2,106

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28e Prior Year Comparative Notes – Note 23 (continued)

23 Summary Of Fund Movements (continued)	At 01/01/22 £'000	Income £'000	Expend- iture £'000	Transfers £'000	Reval- uations £'000	At 31/12/22 £'000
Endowment Funds						
Expendable Endowment						
(a) Parsonage Houses Fund	41,540	849	(26)	(593)	-	41,770
(b) Schools Capital Fund	661	-	-	-	-	661
(c) Porlock Wyld Trust	149	-	-	-	(18)	131
(d) Retired Clergy Funds	361	-	-	-	(41)	320
	42,711	849	(26)	(593)	(59)	42,882
Permanent Endowment						
(e) Diocesan Stipends Fund Capital	47,023	678	(79)	(1,304)	(975)	45,343
(f) Stipends Capital	1,492	243	(6)	(58)	(59)	1,612
(f) General Capital	892	-	-	-	(105)	787
(f) Support of Ordinands	48	-	-	-	(6)	42
(g) Crokat and Cowley Trusts	186	-	-	-	(21)	165
(h) Edginton Trust	405	-	-	-	(33)	372
(i) Other Permanent Endowment	69	-	-	-	(8)	61
	50,115	921	(85)	(1,362)	(1,207)	48,382
Total Endowment Funds	92,826	1,770	(111)	(1,955)	(1,266)	91,264
All Funds	104,896	15,289	(15,157)	-	(1,965)	103,063

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28f Prior Year Comparative Notes – Note 24

	Tang. & Intang. Fixed Assets	Invest- ments	Other Assets	Credit- ors	Interfund DR / (CR)	Net Assets
24 Summary Of Assets By Fund	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General Funds	-	5,501	2,978	(6,081)	(17)	2,381
Designated						
Tangible Fixed Assets Fund	9,940	-	-	(3,934)	-	6,006
Loan Fund	-	-	373	-	127	500
Fund For Church Growth	-	-	47	-	-	47
Pastoral Care & Counselling Scheme	-	180	-	-	(8)	172
Mission Development Fund	-	-	579	-	-	579
Other Designated	-	-	8	-	-	8
Total Designated Funds	9,940	180	1,007	(3,934)	119	7,312
Restricted Funds						
Schools Income Fund	-	-	179	-	-	179
Diocesan Pastoral Account	-	-	610	-	-	610
Support Of Clergy And Dependants	-	152	60	-	-	212
Retired Clergy Funds	-	-	48	-	-	48
Porlock Wyld Trust	-	33	46	-	-	79
Edginton Trust	124	-	57	-	-	181
Zambia Link	-	-	219	-	-	219
Modern Slavery link	-	-	4	-	-	4
Abbey House	-	-	63	-	-	63
Smith Bequest	-	322	59	-	-	381
DBE Restricted Grants	-	-	32	-	-	32
Other Restricted	-	-	98	-	-	98
Total Restricted Funds	124	507	1,475	-	-	2,106
Endowment Funds						
Expendable Endowment						
Parsonage Houses Fund	41,770	-	-	-	-	41,770
Schools Capital Fund	-	725	-	-	(64)	661
Porlock Wyld Trust	-	132	-	-	-	132
Retired Clergy Funds	-	308	12	-	-	320
Permanent Endowment						
Diocesan Stipends Fund Capital	14,678	31,743	327	(1,405)	-	45,343
Stipends Capital	-	1,306	306	-	-	1,612
General Capital	-	787	-	-	-	787
Support Of Ordinands	-	43	-	-	-	43
Crokat And Cowley Trusts	-	158	7	-	-	165
Edginton Trust	157	250	-	-	(35)	372
Other Permanent Endowment	-	64	-	-	(3)	61
Total Endowment Funds	56,605	35,515	652	(1,405)	(102)	91,264
All Funds	66,669	41,703	6,112	(11,421)	-	103,063

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

29 Funds held as Custodian Trustee

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

	2023	2022
	£'000	£'000
CBF Church of England Investment Fund income shares	9,782	8,985
CBF Church of England Fixed Interest Securities Fund shares	19	19
Unit Trust Shares	174	170
Direct holdings in UK equities	97	99
Direct holdings in UK gilts	2	2
Other fixed interest stocks	317	298
Loan	133	141
Cash on Deposit	2,294	2,059
Cash at Bank	218	209
Total net assets held as custodian trustee	13,036	11,982

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

Appendices

The following accounts and reports do not form part of the audited statutory financial statements and are included for information only.

A Consolidated Financial Trusts

B Glossary of terms

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

Appendix A Consolidated Financial Trusts

	2023		2022	
	£'000	£'000	£'000	£'000
Fixed Assets				
Equities		9,879		9,084
Government Securities		2		2
Other Fixed Interest securities		336		317
Unit Trust shares		174		170
		<u>10,391</u>		<u>9,573</u>
Current Assets				
Deposit Fund	2,294		2,059	
Bank Accounts	218		209	
Loan - Hensman	133		141	
	<u>2,645</u>		<u>2,409</u>	
Current Liabilities				
Creditors	-		-	
Net Current Assets		<u>2,645</u>		<u>2,409</u>
Net Assets		<u>13,036</u>		<u>11,982</u>
Total capital balances		12,685		11,632
Total accumulated income balances		<u>351</u>		<u>350</u>
Total Funds		<u>13,036</u>		<u>11,982</u>
Capital analysed as:		2023		2022
		£		£
Parishes		6,809		6,180
Closed Schools		1,286		1,246
Schools		468		429
Other		4,122		3,777
Total accumulated income balances		<u>351</u>		<u>350</u>
		<u>13,036</u>		<u>11,982</u>

Signed on behalf of the DBF on 19 June 2024 by

+Michael Ball & Wells

Rt Revd N M R Beasley
Trustee

Mr I Theodoreson

Mr I Theodoreson
Trustee

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

Financial Trusts as at 31 December 2023

The Financial Trusts comprise 500 Trusts which are required to be held by the DBF as custodian trustee although they are administered by various parishes, schools or other bodies named as beneficiaries in the relevant trust deeds. The investments relating to the trusts are held by the DBF and the income derived is paid to the beneficiaries. In addition to the trusts listed, the DBF also acts as custodian trustee for land and buildings.

Report of the Accountants

We have examined the figures set out on page 84 comprising the Balance Sheet for the Financial Trusts held as custodian trustee by the Bath and Wells Diocesan Board of Finance as at 31 December 2023.

Basis of opinion

The scope of our work was limited to checking whether the figures have been correctly extracted from the amounts recorded in the accounting records.

Opinion

In our opinion the information detailed on the attached schedule has been accurately extracted from the accounting records of the Bath and Wells Diocesan Board of Finance as at 31 December 2023.

Signed: Sayer Vincent

110 Golden Lane
London
EC1Y 0TG

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2023

Appendix B Glossary of terms

ALM	Authorised Lay Minister
BWMAT	Bath and Wells Multi Academy Trust
CBF	Central Board of Finance (of the Church of England)
CCLA	Providers of CBF Investment products
CEPB	Church of England Pensions Board
CHARM	Church Housing Assistance for Retired Ministry
CWPF	Church Workers' Pension Fund
DAC	Diocesan Advisory Committee
DBE	Diocesan Board of Education
DBF	Diocesan Board of Finance
DBS	Defined Benefits Scheme
DPA	Diocesan Pastoral Account
DSF	Diocesan Stipends Fund
FCG	Fund for Church Growth
FRS	Financial Reporting Standard
MAT	Multi Academy Trust
MDF	Mission Development Fund
NPV	Net Present Value
PB	Pension Builder
PCC	Parochial Church Council
PCR	Past Cases Review
RME	Resources Ministerial Education
SAT	Stipends Augmentation Trusts
SDF/SMF	Strategic Development Fund/Strategic Ministry Fund
SOFA	Statement of Financial Activities
SORP	Statement of Recommended Practice
UTR	Unapplied Total Return
VA/VC	Voluntary Aided/Voluntary Controlled