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The Bath and Wells Diocesan Board of Finance

Report and financial statements
For the year ended 31 December 2024

The Bath and Wells Diocesan Board of Finance

Annual Report

For the year ended 31 December 2024

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Introduction by the late Chair of the Board of Finance

Written and reproduced by Jenny Hollingsworth

On 28 October 2024, the Chair of the Board of Finance, Ian Theodoreson died. He had been the Chair of the Board of Finance since November 2020.

Whilst Ian is unable to provide an up-to-date introduction to the Annual Report, his introduction may have shared many of the points that he made in his final speech to the AGM of the Diocesan Board of Finance on 10 July 2024 which is reproduced below:

“This is likely to be my last synod meeting. I’m afraid I am losing my battle with muscular dystrophy and no longer have the energy required to be an effective chair of the DBF. This amazing diocese deserves more than I can now bring to the task and I have asked Bishop Michael to appoint my successor as soon as possible. I will stay on in role until that person is in place.

“Let me turn our attention to the financial position of the diocese going forward.

“The big story is that we have lost the discipline we had, pre-COVID, to bring in the contributions needed to the Common Fund to pay for the ministry of our stipendiary clergy and their support network. Too many parishes are failing to meet their Parish Share in full and our recovery rate in 2023 was below that of 2022, at 89% of what is required.

“This is a reflection of the headwinds that our parishes are facing financially but also, I suspect, because people don’t appreciate that the diocese cannot function without everybody playing their part via the Parish Share system. In the short term we have bridged the gap by the sale of surplus property, but that is a strategy that will have run its course by 2026 when the supply of surplus housing is exhausted. Just as Paul wrote to the Corinthian church about everyone being part of a body (with regard to ministry) with each part having equal status, we need all our parishes to see themselves as having a part to play financially too, and that every contribution, whether large or small, is vital.

“But people won’t give just because we ask them to. We need to have a clear and credible vision of what we are trying to achieve as a diocese and explain clearly how the money received via the Common Fund supports that vision. I think the new benefice share system with its parts A-C is an important part of that communication piece but let us not fool ourselves: the transition to a new system is going to be difficult and I suspect will require us to draw on our reserves to the tune of several million before it is finally embedded.

“We may be able to attract some central church funding to support our Diocesan strategy, and in the longer term we may even see a new settlement between dioceses and the monies the Church Commissioners hold, but none of that is going to happen quickly nor is it a substitute for managing a clearer dialogue with our parishes.

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“And while I am on the subject of being realistic, can I also observe that we don’t have the funds to meet our ambitions to be a net zero carbon diocese by 2030. This is another area where we need to be brutally honest with ourselves and cut our cloth accordingly.

“It’s not all doom and gloom. We have done terrific work in the last few years bringing our debt exposure down from over £10m to £4m and we have brought a new focus to our management of glebe land and investments so they are delivering around £3m of expendable income into our coffers each year.

“However, there is much to be done, which can only be done if we work together with a unity of vision.”

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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 2024.

The Diocese of Bath & Wells is one of 42 dioceses making 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 Endowments and Glebe Measure 1976, and 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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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 2024.

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.

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 expressed in the following words:

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

Aim

Our purpose is to be 'Growing Churches and Transforming Communities'

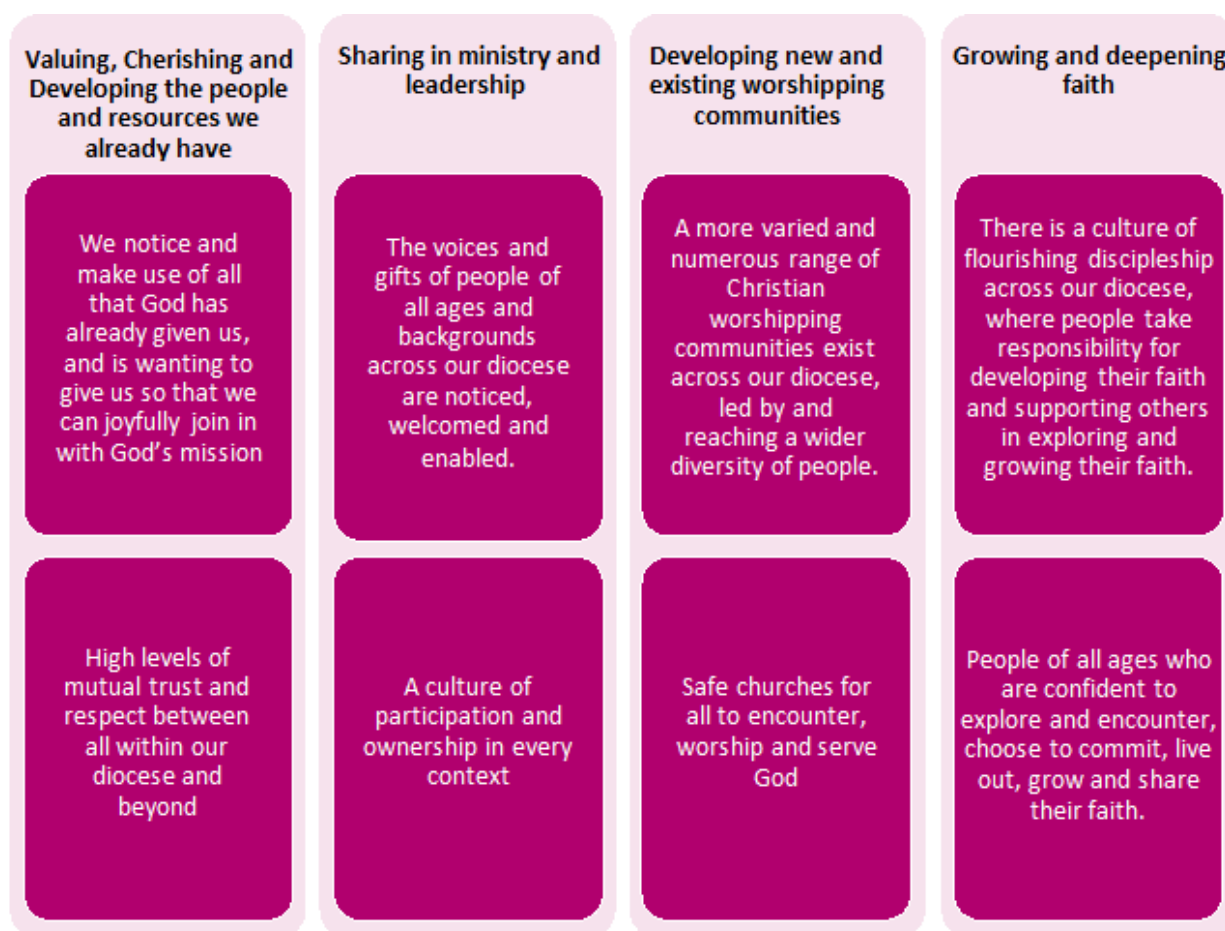
Strategic Priorities

Conversations with people and groups across the diocese continued during 2024, focussed primarily on the Growing Churches aspect of our purpose. The four strategic priorities have been further honed. We have now clearly articulated the overall outcomes we want to achieve. These strategic priorities govern the implementation of the strategy.

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Work has also been undertaken in the last quarter of the year to look at how work might best be taken forward under the 'Transforming Communities' aspect of our purpose. This is our fifth area of focus and it is anticipated that this will be led by the Bishop of Taunton, supported by the recruitment of a new Mission Team Leader in the first quarter of 2025.

All our work in these areas is underpinned by the Anglican Communion Five Marks of Mission:

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

B2 Key achievements in the year

Challenge to grow

In 2024, Bishop Michael challenged all each church to grow by one adult and one child net per year. For some of our parishes, this goal has been questioned as not being challenging enough, whilst in others it has seemed a daunting charge by the Bishop. No-one needs to undertake this

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task alone. People have been coming together in a myriad of different ways to support each other in growth, some through formal structures such as deaneries, some in areas of common ground such as the Magnificat Parishes Group and Rural Forum, and all able to access assistance from the diocesan support services with specialist skills in a number of areas. The most recent data shows that this slow and steady growth is our reality with worshipping numbers increasing in both 2022 and 2023 in the diocese.

Wave of prayer

With a vision grounded in prayer, Bishop Michael urged the diocese to come together for 24 hours in September in a wave of prayer, encouraged by the Archbishop of Canterbury, to pray for God's continued love and guidance as we journey alongside one another seeking to help more people in our communities to come to know God's immense love for them, and in so doing play our part in transforming communities.

On Friday, 6 September, more than 170 people from across the diocese came to pray with and for young people. Bishop Michael took part in a question and answer session about the meaning and power of prayer and Archbishop Justin gave his personal perspective on prayer.

"Prayer is the moment in which we recognise that whoever we are, and whatever we are like, we are reached out to by God. And we look into His eyes and know that we are loved." - Justin Welby

Members of the rural community came together to pray at Sedgemoor Auction Centre, Somerset. People added their prayers to the bunting that decorated the market ring.

Prayer events happened and prayer bunting was on display in churches across Bath and Wells. Many pieces were gifted to the Bishop and brought to Flourish House where they were the focus of continued prayer throughout many meetings and events during the remaining months of the year.

Deanery Reviews

In a large diocese the ability of individuals or even teams to be able to offer appropriate ad hoc support as required is challenging. In 2024, deanery reviews were initiated to use data as a starting point to provide annual, proactive, systematic, holistic, well-informed support to deaneries and their constituent parishes across our diocese.

Historically, parishes have complained that data is collected by the diocese and national church, but seemingly not used. Alongside that complaint, it was explored how the previous Scrutiny Days could be adapted to take a more holistic look at the health of parishes in a deanery, rather than focussing only on money. The deanery reviews made use of the data collected and were a helpfully neutral starting point for a discussion about where support might be best targeted, and where particularly good things are happening that can be a source of learning and inspiration.

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During the reviews, support actions were identified – some for individual parishes/benefice and some to inform subsequent deanery workshop events.

Following agreement of the Bishop's Council, each of our 18 deaneries will have a review each year, hosted by their Archdeacon, held in the deanery.

Common Fund Consultation

The previous Common Fund methodology was in use for many years and, for the majority of the time, it served its purpose well with parishes returning an average of 98% of their Parish Share into the Common Fund. However, even when this system was attaining these results there were concerns raised: the perceived equity of the system, the objectivity of the socio-economic data used and questions as to whether it penalised growth.

During Covid, Parish Share receipts fell drastically and have not recovered to previous levels. In 2023, Parish Share payments reached approximately 87% of what was requested. It was recognised that some parishes are still on a trajectory of recovery in their own finances and are unable to pay their full Parish Share request, but it was also evident that there are other parishes that chose not to pay their full request as they did not believe their Parish Share requests were valid. The main purpose of consulting on how Parish Share was calculated was to enable parishes to play a part in co-creating a methodology that they could support.

From February to July 2024, a two-phase consultation was undertaken on the methodology for calculation of parish/benefice share to be paid in to our Common fund. A total of 561 individuals were engaged through these meetings.

The proposals were reviewed and revised at Common Fund Committee, Bishop's Staff, Finance Group and Bishop's Council. At the Diocesan Synod meeting in July 2024 the methodology, based on ministry cost deployed, was adopted.

The foundational principles of the methodology were agreed:

- Mutual support and generosity
- Transparency
- Independent data
- Awareness of local context

The methodology comprised of three parts was agreed:

Part A: The cost of paid for stipendiary ministry deployed to a benefice

Part B: A proportion of the diocesan-wide costs allocated according to worshipping community (not including Fresh Expressions)

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Part C: A mutuality and generosity contribution to a % (to be agreed with the budget proposals) to support areas of multiple deprivation and areas of rural sparsity.

Because of the challenge of moving to a new share figure, which was a significant increase in some cases, it was proposed that benefices would be enabled to transition to the new amount over a period of five years.

It was recognised that no share apportionment methodology can take account of, or mitigate the need for mission, a giving/stewardship culture and the issues that our church buildings can cause for parishes. It was recognised that with these changes it was more important than ever for parishes to be able to draw on the relevant support from our support services.

Giving and Funding

The Giving and Funding team continues to support parishes to become more financially sustainable and resource their ministry and mission. In the past year, the team has introduced tools like the Generous Church Check-up to help parishes evaluate where they are on their journey of generosity and identify priority actions to develop this.

The team's support has been further enhanced by the introduction of a series of 'how-to guides' and the new Cornerstone platform, which has been used by a small number of early-adopter parishes, to guide their next steps. Many more have now accessed the free grant funding database, available via the National Church's Cornerstone platform, reducing the pressure on local church finances to deliver buildings and missional projects.

A new Money Matters newsletter and Facebook page was launched in October 2024, a collaboration between the diocesan Giving and Funding and Finance teams, and work commenced on a plan to deliver a series of Money Matters training sessions from 2025, for clergy, Treasurers, Planned Giving Promoters, Gift Aid Secretaries and all other officers responsible for managing church finance.

In 2024 we recorded:

- An additional **29** churches, actively using contactless devices and/or online giving methods via Give a Little. This takes the total to **237** churches, (42% of all churches in Bath and Wells), with ongoing technical support provided by the team
- An additional **20** churches signing up to our Ways to Give tool
- **90** churches (17% of all churches in Bath and Wells) using the Parish Giving Scheme (PGS) as a mechanism for regular and one off giving. Between them, generating an additional £357,181.31 compared to parish income via PGS in 2023, with the average weekly gift standing at £19.36.
- **71** parishes receiving grant advice from the team.

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Property

In 2024, the DBF's continuing strategic review of housing requirements and glebe assets across the diocese, has again enabled surplus assets to be identified, and upon realisation of these assets it reduced the pressure on DBF reserves, parishes and the Common Fund by bridging the gap between income and expenditure.

In addition to the capital sales realised above, the day to day work of the Property Team across glebe, maintenance of clergy housing, rental of clergy housing during vacancies led to an income of £2,803,049 against total expenditure of £2,100,001 resulting in a further £703,048 underpinning the diocesan budget and assisting in meeting the shortfall in Parish Share receipts.

Clergy deployment and pastoral reorganisation

The Clergy Deployment Report that was presented to Bishop's Council in March 2020 (just prior to lockdown) sought to ensure appropriate levels of stipendiary ministry cover while reducing the number of posts from 178 to 150 to bring income and expenditure into line. In 2024, 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

Releasing the gifts of all people in Bath and Wells has become a lot easier thanks to the introduction of the lay ministry pathway, a more flexible and adaptable approach for those training in different lay ministries, such as [Lay Worship Assistant \(LWA\)](#) and [Lay Pastoral Assistant \(LPA\)](#). Further courses are under development.

While the new approach still values the traditional training course approach, the lay ministry pathway also offers apprenticeship-style learning and equipping. It also recognises that people start their journey to ministry with different life experiences and skills and therefore allows them to start their training at a level appropriate to them.

In 2024, the diocese was awarded Innovation Funding from the national church for continuing development of the pathway.

Education and Go Team

The Education Department had anticipated the retirement of our three long serving Schools Advisors, managing this change to successfully embrace new ways of working with a smaller, reshaped team. One example is effective networking with and through groups of schools, such as Multi Academy Trusts. A Bath and Wells take on the regional flourishing schools programme is creating exciting new networks, including school based Christian Distinctiveness leads. In partnership with Somerset Local Authority, the NHS and Horizons Trust the school site at Misterton has reopened, having been re-purposed to offer therapeutic education and support for young people in care and previously not attending education. This is an innovative, joint project piloting a unique approach in this challenging field.

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Government priorities for education have shifted and the team continue to work closely with national and regional DfE colleagues ensuring that church schools are able to flourish and diocesan voice is being heard. Over 75% of our 182 Church Schools are now academies and we continue work across the mixed education landscape with strategic partners as well as promoting local links between churches, schools and communities.

The GO Team saw a tremendous take up of our new Moving Up Services, for children in years 4 and 6 moving to new schools. For the first time pupils from Year 7, last Year's participants, were invited to help with hosting the events at Bath Abbey, Taunton Minster and Wells Cathedral. Every event was booked to capacity with over 3000 children joining in with these engaging and uplifting services. Cohort 2 of Launchpad commenced, building on previous success. Youth voice is being successfully heard and shared through focussed questions. We continued to support clergy families through Family Max, a family fun day for clergy households with primary aged children and we celebrated 21 years of Life to the Max, our annual camp for teenagers in clergy households. Another successful visit by young people to Taize took place, coordinated by Revd Rich Miles. School chaplaincy has been introduced or strengthened in three secondary school locations with external funding through the Flourish project. We have also seen and supported an increase in pupil chaplaincy.

Our diocese began leading on the first regional delivery of the Growing Faith Strategic Leaders' Programme with 30 participants from five dioceses taking up places on this, strengthening a South West approach to growing the church younger through greater links between churches, schools and households.

Net-zero carbon by 2030

In 2024, the Diocese of Bath and Wells made significant strides toward its Net Zero 2030 goal. Approximately 60% of churches participated in the Church of England's Energy Footprint Tool (EFT), providing valuable data on energy usage and carbon emissions. This engagement resulted in over one hundred churches receiving a visit from either our Net Zero Enabler or Church Buildings Adviser to plan out a route to Net Zero. These visits facilitated access to substantial funding opportunities, with many of our churches drawing in funding from the National Church and external grant holders, totalling hundreds of thousands of pounds worth of decarbonisation projects. This has resulted in many churches either installing, or in the process of installing, LED lighting and localised heating such as under-pew heating and infrared heating. This hugely successful year reflects a growing commitment among parishes to sustainable practices. These collective efforts underscore the diocese's dedication to environmental stewardship and its proactive approach to reducing carbon emissions across its communities.

B3 Financial Performance

Financial Outturn

Expenditure in excess of income on general funds prior to investment gains and transfers was £0.94m: the impact of investment gains, actuarial movements and transfers between funds which includes the total return adjustment, meant the unrestricted reserves decreased by £0.23m.

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The expenditure in excess of income primarily arose from lower levels of parish share receipts than budgeted. The diocese continues to face significant pressures in unrestricted reserve levels and ensuring it holds sufficient cash reserves to support operational activities.

Endowed funds and Total return

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 2024 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 28 shows total income including from endowments of £17.0m (2023 - £15.6m) and total expenditure of £14.8m (2023 – £15.1m), resulting in net income of £2.1m (2023 - £0.5m).

Unrestricted income remained consistent with 2024, with the reduction in parish share contributions received offset by increases in rental income from clergy houses and grants received. The total income increased from 2023 due to additional gains on disposal of properties.

Total expenditure remained fairly consistent despite increasing costs impacted by high levels of inflation. This is mainly due to a similarly high level of stipendiary vacancies as in 2023.

Realised and unrealised investment gains of £1.8m (2023: £1.6m), contributed to the net increase in total funds of £3.9m (2023 – £2.1m). Total fund balances increased from £105.1m to £109.1m

Parish Share

In 2024 the DBF did not adjust the allocation between parishes compared with the 2023 level but requested that an inflationary increase of 6% 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 despite their cash receipts being higher than prior years, their contribution rate fell and the increase was below the impact of inflation. In 2024, the DBF received 85% of share requested from parishes in year (2023 – 87% in year) a shortfall on requested amount of £1.7m, which meant that the diocese had to subsidise the increasing level of costs from its own reserves.

Grants received

The DBF gratefully acknowledges grants received from Benefact Trust of £91,053 (2023 - £105,875) and from The Foundation of St. Matthias totalling £58,000 (2023 - £62,000). The DBF also received the following grants from the Archbishops' Council:

- £121,962 (2023: - £117,895) Low Income Communities Funding

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Balance Sheet

The net assets at the balance sheet date totalled £109.1m (2023 - £105.2m). This includes properties totalling £65.7m (2023 - £65.4m), 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 2024 free reserves stood at £2.4m (2023 - £2.6m) which is around two months' expenditure. These are not budgeted to increase in 2025 as the diocese has once again recognised the need 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.

Grant making policy

The DBF makes grants in pursuance of its objects, and the nature of grants made in 2024 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 three separate investment managers, Brewin Dolphin, LGT Vestra 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.

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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.

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 2024 the total loans outstanding from parishes from this scheme was £136K (2023 - £208K).

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 2024 loan balances outstanding, prior to bad debt provision, were £332K.

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.

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)*
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. 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.

The Bath and Wells Diocesan Board of Finance

Annual Report

For the year ended 31 December 2024

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.

B4 Future Plans

Deanery reviews will continue in 2025, with the process and follow-up supports being further developed. It is anticipated that the second round of deanery reviews will enable both deanery teams and the diocesan support services to build upon the work in 2024 and begin to see if more targeted support is having a positive impact on our parishes and benefices.

It is anticipated that a reshaping of Finance Team resources will be undertaken to enable a recruitment of a Parish Finance Support Officer with a specific remit of supporting our parishes and benefices with their financial issues and responsibilities.

Parish incomes are significantly impacting their ability to access external funds and grants and the maintenance of their church buildings. The Giving and Funding Team, the Church Buildings Advisor and the DAC will be working to streamline processes to assist our parishes to maximise opportunities to seek external funding and lower costs where possible.

There will be a comprehensive budget consultation held in the summer of 2025. During the Common Fund consultation people expressed a desire for greater transparency and understanding about how the diocesan budget is constructed and spent.

Work will continue to review and diversify investments held by the Board of Finance, the income from which can reduce the pressure on the Common Fund and our parishes.

The transforming communities aspect of the diocesan strategy will come into focus in 2025 under the auspices of the Bishop of Taunton, supported by the new Mission Team Leader.

The drive to reach net-zero carbon will continue in 2025.

The Bath and Wells Diocesan Board of Finance

Annual Report

For the year ended 31 December 2024

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 appropriately considered and brought to their attention.

Critical, Severe and Moderate Risks are identified and reviewed in a half yearly Risk Report. The report evaluates the severity and likelihood of each risk and outlines 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 risk register format was updated to improve its utility as a tool for the Trustees. The overall financial risk profile of the Diocese has deteriorated over the last twelve months and understanding and mitigating those risks is paramount.

Principal Risks and Uncertainties arising from 2024

The organisation continued to consume reserves and use property sales to support the financial position of the Diocese with day-to-day costs exceeding normal income continuing despite efforts to constrain costs.

Despite significant efforts to re-build and grow church life there remain considerable strains on the capacity of parishes to improve their financial position and hence to support the Diocese to the level required to implement the Vision and Strategy. The Trustees are considering additional plans to supplement what has already been implemented through the DBF restructuring, deployment plans, and the recently implemented revised common fund methodology.

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

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.

As ever, safeguarding remains a high-level risk to which significant resources are invested in mitigation.

The Bath and Wells Diocesan Board of Finance

Annual Report

For the year ended 31 December 2024

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 continued during 2024 pushing forward the engagement of Trustees in the streamlining of decision-making within the diocese, and allowing for a nimbler response in the face of the uncertainties and the requirements, perhaps, for making hard decisions.

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, up to five other persons who 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. The Diocesan Synod normally meets three times a year during March, July and October and elects members to serve as trustees on the Bishops' Council.

Since 1 April 2008 the members of the Bishop's Council (which is the standing committee of the Diocesan Synod) have also formed the Board of Directors (the Board) of the DBF, and the members of the Diocesan Synod have been the members of the DBF. There is a Finance Group of the Bishop's Council, which 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.

The Bath and Wells Diocesan Board of Finance

Annual Report

For the year ended 31 December 2024

C2 Trustee recruitment, selection and induction

The Board includes:

- Ex-officio Trustees
- Trustees who have been elected by Synod to serve for three years, and
- 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.

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 £12.7m at 31 December 2024 (2023 - £13m), 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 2024 was £610,346 (2023 - £523,499).

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 2024 was £20 (2023 - £20).

The Bath and Wells Diocesan Board of Finance

Annual Report

For the year ended 31 December 2024

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 2024

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 2024. The names of the Trustees (who also act as directors) who served during the period 1 January 2024 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

E K Renshaw-Ames
Chair

Date: 14 June 2025

The Bath and Wells Diocesan Board of Finance

Annual Report

For the year ended 31 December 2024

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 (until 25 October 2024) Mrs E K Renshaw-Ames BA FCA (appointed 1 January 2025) |
| 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 | Mrs E K Renshaw-Ames BA FCA |
| Chair of Common Fund Committee | The Venerable C Peer |
| 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 LGT Vestra 15 Queen Square, Bristol, BS1 4NT |

The Bath and Wells Diocesan Board of Finance

Annual Report

For the year ended 31 December 2024

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 2024 to 14 June 2025

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 (until 1 July 2024)
The Venerable C Peer (appointed 1 September 2024)
The Very Revd T Wright (appointed 16 June 2024)
The Revd R Driver
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 (until 25 October 2024)
Mrs E K Renshaw-Ames (appointed 1 January 2025)

The Bath and Wells Diocesan Board of Finance

Annual Report

For the year ended 31 December 2024

Elected

Bath Archdeaconry

The Revd M A C Andrews
The Revd T Lewis (elected 1 February 2024 until 31 December 2024)
The Revd C E Philbrick (elected 24 April 2025)
Mr P Edge
Mr J Loring
Mr H Taylor (elected 1 March 2024)

Wells Archdeaconry

The Revd B Faulkner (elected 23 January 2024 until 31 December 2024)
The Revd R J Miles
The Revd R Stuart-Bourne (elected 1 January 2025)
Mr R Dean
Mr T Hind (until 31 December 2024)
Mr K Lawrence (elected 1 January 2025)
Dr R Sage

Taunton Archdeaconry

The Revd A E Fulton
The Revd J B V Laurence (until 31 December 2024)
Mrs S G Bult (until 31 December 2024)
Mr S Grimshaw (until 31 December 2024)
Mr M Hodson (elected 1 January 2025)
Mrs A K Philcox (elected 24 April 2025)
Mr N Tall (until 31 December 2024)
Mrs K Tucker (elected 1 January 2025)

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

For the year ended 31 December 2024

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 2024 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 2024 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 2024

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 2024

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:
 - 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 2024

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- 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 2024

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.

Noelia Serrano (Senior Statutory Auditor)
For and on behalf of Sayer Vincent LLP, Statutory Auditors
24 September 2025

110 Golden Lane
London
EC1Y 0TG

The Bath and Wells Diocesan Board of Finance
Statement of Financial Activities
For the year ended 31 December 2024

| | | Unrestricted Funds | Restrict- ed Funds | Endow- ment Funds | Total Funds 2024 | Total Funds 2023 |
|--|------|-----------------------|--------------------------|-------------------------|------------------------|------------------------|
| | Note | General | Design- ated | | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from | | | | | | |
| Donations | | | | | | |
| Parish Contributions | 2a | 9,665 | - | - | 9,665 | 9,130 |
| Other donations | 2b | 118 | 91 | 869 | 1,078 | 1,358 |
| Charitable activities | 3 | 586 | - | 13 | 599 | 686 |
| Other activities | 4 | 1,108 | - | 6 | 1,114 | 1,278 |
| Investments | 5 | 728 | 2 | 98 | 1,060 | 1,188 |
| Other Income | 6 | 113 | - | 1 | 3,371 | 1,961 |
| Total income and endowments | | 12,318 | 93 | 987 | 3,603 | 17,001 |
| Expenditure on | | | | | | |
| Raising funds | 7 | 444 | 1 | 2 | 55 | 502 |
| Charitable activities | 8 | 12,811 | 295 | 1,147 | 104 | 14,357 |
| Total expenditure | | 13,255 | 296 | 1,149 | 159 | 14,859 |
| Net (expenditure) / income before investment gains / (losses) | | (937) | (203) | (162) | 3,444 | 2,142 |
| Net gains on investments | 9 | 81 | 13 | 92 | 1,606 | 1,792 |
| Net (expenditure) / income | | (856) | (190) | (70) | 5,050 | 3,934 |
| Transfers between funds | 15 | 623 | 738 | 1,224 | (2,585) | - |
| Other recognised gains | | | | | | |
| Remeasurement gains on defined benefit pension schemes | 27 | - | - | - | - | - |
| Net movement in funds | | (233) | 548 | 1,154 | 2,465 | 3,934 |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | 2,584 | 7,527 | 3,638 | 91,423 | 105,172 |
| Total funds carried forward | 23 | 2,351 | 8,075 | 4,792 | 93,888 | 109,106 |

All activities derive from continuing activities. The notes on pages 34 to 80 form part of the financial statements.

The Bath and Wells Diocesan Board of Finance
Income and Expenditure Account
For the year ended 31 December 2024

| | Total 2024 £'000 | Total 2023 £'000 |
|---|---------------------------------|---------------------------------|
| Total income | 13,398 | 14,055 |
| Total expenditure | 14,700 | 15,041 |
| Net operating expenditure for the year | (1,302) | (986) |
| Net gains on investments | 186 | 357 |
| Net expenditure for the year | (1,116) | (629) |
| Other comprehensive income: | | |
| Remeasurement gains/(losses) on defined benefit pension schemes | - | - |
| Total comprehensive expenditure | (1,116) | (629) |

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 2024

| | | 2024 | 2023 |
|---|------|----------------|----------------|
| | Note | £'000 | £'000 |
| Balance Sheet - Company No. 139557 | | | |
| Fixed Assets | | | |
| Intangible assets | 16 | 2 | 3 |
| Tangible assets | 17 | 66,395 | 66,254 |
| Investments | 18 | 39,924 | 38,362 |
| | | 106,321 | 104,619 |
| Current Assets | | | |
| Stock | | 5 | 5 |
| Debtors | 19 | 1,940 | 1,998 |
| Assets held for resale | 20 | - | 448 |
| Cash on deposit | 21 | 1,592 | 1,572 |
| Cash at bank and in hand | 21 | 4,595 | 2,890 |
| | | 8,132 | 6,913 |
| Creditors: amounts falling due within one year | 22 | (1,998) | (1,855) |
| Net Current Assets | | 6,134 | 5,058 |
| Total Assets Less Current Liabilities | | 112,455 | 109,677 |
| Creditors: amounts falling due after more than one year | 22 | (3,349) | (4,505) |
| Pension scheme liabilities | 27 | - | - |
| Net Assets | | 109,106 | 105,172 |
| Funds | | | |
| Endowment funds | | 93,888 | 91,423 |
| Including revaluation reserve of £19,851k (2023 - £19,201K) | | | |
| Restricted income funds | | 4,792 | 3,638 |
| Including revaluation reserve of £246k (2023 - £572K) | | | |
| Unrestricted income funds: | | | |
| General funds | | 2,351 | 2,584 |
| Including revaluation reserve of £235k (2023 - £76K) | | | |
| Designated funds | | 8,075 | 7,527 |
| Including revaluation reserve of £83k (2023 - £15K) | | | |
| Total Funds | 23 | 109,106 | 105,172 |

The Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 14 June 2025 and signed on behalf of the Board by:

Rt Revd N M R Beasley
Trustee

Mrs E K Renshaw-Ames
Trustee

The Bath and Wells Diocesan Board of Finance
Cash Flow Statement
For the year ended 31 December 2024

| | 2024 £'000 | 2023 £'000 |
|---|----------------|----------------|
| Cash flows from operating activities | | |
| Net cash generated from/(used in) operating activities | 576 | (2,819) |
| Cash flows from investing activities | | |
| Dividends, interest and rent from investments | 1,054 | 1,215 |
| Proceeds from the sale of: | | |
| Tangible fixed assets | 4,885 | 2,850 |
| Fixed asset investments | 10,839 | 5,634 |
| Purchase of: | | |
| Tangible/Intangible fixed assets for the use of the DBF | (1,975) | (786) |
| Fixed asset investments | (12,271) | (2,189) |
| Net cash provided by investing activities | 2,532 | 6,724 |
| Cash flows from financing activities | | |
| Loans repaid by the DBF | (1,383) | (3,361) |
| New loans received by the DBF | - | - |
| Net cash provided by financing activities | (1,383) | (3,361) |
| Change in cash and cash equivalents in the year | 1,725 | 544 |
| Cash and cash equivalents at 1 January | 4,462 | 3,918 |
| Cash and cash equivalents at 31 December | 6,187 | 4,462 |

Reconciliation of net income to net cash flow from operating activities

| | | |
|---|--------------|----------------|
| Net income for the reporting period (as per the Statement of Financial Activities) | 2,142 | 477 |
| Adjustments for: | | |
| Investment gains | 1,792 | 1,632 |
| Depreciation and amortisation | 193 | 226 |
| Investment income | (1,054) | (1,215) |
| Notional interest in present value calculation | (6) | 27 |
| Repayment of loans advanced | 198 | 59 |
| Gain on disposal of fixed assets | (3,373) | (1,978) |
| (Increase) in debtors | (134) | (320) |
| Receipts of assets held for resale | 448 | - |
| Increase/(Decrease) in creditors | 370 | (1,727) |
| Net cash generated from/(used in) operating activities | 576 | (2,819) |

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2024

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 £3.9m (2023: £2.1m). 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 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

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2024

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.

(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. Further details are given in note 27.

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Notes to the Financial Statements

For the year ended 31 December 2024

(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).

iv. Other tangible fixed assets

Depreciation is provided in order to write off the cost (less any ultimate disposal

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For the year ended 31 December 2024

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 2024.

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 2024

(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).

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Notes to the Financial Statements

For the year ended 31 December 2024

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 no recognised liabilities in respect of deficit contributions to the two Church of England pension schemes in which it participates. The measurement of liabilities is affected by a number of assumptions which are set out in detail in note 27, including discount rates and, future contribution rates.

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 2024

| | Unrestricted Funds | | Restricted Funds | Endowment Funds | Total Funds | Total Funds |
|--|--------------------|------------|------------------|-----------------|----------------|-------------|
| | General | Designated | | | 2024 | 2023 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 2a Parish Contributions | | | | | | |
| Parish Share | | | | | | |
| Current year's allocation | 11,331 | - | - | - | 11,331 | 10,504 |
| Additional Payments | - | - | - | - | - | 1 |
| Arrears for previous years | 42 | - | - | - | 42 | 36 |
| Shortfall in contributions | (1,708) | - | - | - | (1,708) | (1,411) |
| | 9,665 | - | - | - | 9,665 | 9,130 |
| Total Parish Share receipts represent 85.3% of the allocation (2023 – 86.9%) | | | | | | |
| 2b Other Donations | | | | | | |
| Benefact Trust | - | 91 | - | - | 91 | 106 |
| Foundation of St Matthias | - | - | 58 | - | 58 | 62 |
| RME Ordinands Grant | - | - | 17 | - | 17 | 278 |
| SMF Grant Funding | - | - | 137 | - | 137 | 158 |
| SDF Grant Funding | - | - | 133 | - | 133 | 300 |
| Low income Communities Funding | - | - | 122 | - | 122 | 118 |
| Post of First Responsibility | - | - | 41 | - | 41 | 53 |
| Donations, Grants, Sponsorships & Legacies | 118 | - | 361 | - | 479 | 283 |
| | 118 | 91 | 869 | - | 1,078 | 1,358 |
| 3 Charitable Activities | | | | | | |
| Statutory fees and chaplaincy income | 560 | - | - | - | 560 | 610 |
| Course fees and other | 26 | - | 13 | - | 39 | 76 |
| | 586 | - | 13 | - | 599 | 686 |
| 4 Other Activities | | | | | | |
| Rental income from clergy houses, schools and the Diocese office | 883 | - | - | - | 883 | 762 |
| Support services | 225 | - | 6 | - | 231 | 516 |
| | 1,108 | - | 6 | - | 1,114 | 1,278 |
| 5 Investment Income | | | | | | |
| Dividends receivable | 46 | 2 | 48 | 232 | 328 | 540 |
| Interest receivable | 156 | - | 50 | - | 206 | 125 |
| Notional Interest re net present value | 6 | - | - | - | 6 | (27) |
| Income from Glebe land and properties | 520 | - | - | - | 520 | 550 |
| | 728 | 2 | 98 | 232 | 1,060 | 1,188 |
| 6 Other Income | | | | | | |
| (Loss)/Gain on disposal of properties | (4) | - | - | 3,371 | 3,367 | 1,822 |
| Solar PV Panel FiT Income | 116 | - | - | - | 116 | 137 |
| Other | 1 | - | 1 | - | 2 | 2 |
| | 113 | - | 1 | 3,371 | 3,485 | 1,961 |

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements
For the year ended 31 December 2024

| | Unrestricted General £'000 | Funds Desig- nated £'000 | Restr- icted Funds £'000 | Endow- ment Funds £'000 | Total Funds 2024 £'000 | Total Funds 2023 £'000 |
|---|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|---------------------------------|---------------------------------|
| 7 Costs of raising funds | | | | | | |
| Stockbroker's fees | 5 | 1 | 2 | 55 | 63 | 35 |
| Value Linked loans interest | 10 | - | - | - | 10 | 12 |
| Interest cost & expenses: pension schemes | - | - | - | - | - | 1 |
| Glebe Land & Clergy Houses letting costs | 429 | - | - | - | 429 | 234 |
| | 444 | 1 | 2 | 55 | 502 | 282 |
| 8 Charitable activities | | | | | | |
| Contribution to Archbishops' Council | | | | | | |
| Training for Ministry | 377 | - | 13 | - | 390 | 393 |
| National Church Responsibilities | 233 | - | - | - | 233 | 230 |
| Grants and provisions | 40 | - | - | - | 40 | 40 |
| Mission Agency pension contributions | - | - | - | - | - | 13 |
| Retired Clergy Housing (CHARM) & Grants | 162 | - | - | - | 162 | 156 |
| Pooling of ordinand candidates' costs | 28 | - | - | - | 28 | (10) |
| | 840 | - | 13 | - | 853 | 822 |
| Resourcing Ministry and Mission | | | | | | |
| Parish Ministry: | | | | | | |
| Stipends and Social Security | 5,093 | 91 | 329 | - | 5,513 | 5,569 |
| Pension contributions | 1,243 | - | - | - | 1,243 | 1,308 |
| Housing costs | 1,550 | - | 279 | 104 | 1,933 | 1,824 |
| Removal, resettlement and other grants | 236 | - | - | - | 236 | 186 |
| Other expenses | 34 | - | - | - | 34 | 33 |
| | 8,156 | 91 | 608 | 104 | 8,959 | 8,920 |
| Support for ministry | 3,537 | 204 | 526 | - | 4,267 | 4,656 |
| | 11,693 | 295 | 1,134 | 104 | 13,226 | 13,576 |
| Expenditure on Education | | | | | | |
| Church Schools: Administration | 278 | - | - | - | 278 | 444 |
| | 12,811 | 295 | 1,147 | 104 | 14,357 | 14,842 |

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2024

| | Unrestricted Funds General £'000 | Designated £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total Funds 2024 £'000 | Total Funds 2023 £'000 |
|---|--|---------------------|------------------------------|-----------------------------|---------------------------------|---------------------------------|
| 9 Gains/(losses) on Investment Assets | | | | | | |
| Unrealised gains/(losses) after revaluation (*) | 60 | 11 | 76 | 1,500 | 1,647 | 1,529 |
| Realised gains/(losses) on disposal | 21 | 2 | 16 | 106 | 145 | 103 |
| | 81 | 13 | 92 | 1,606 | 1,792 | 1,632 |

(*) includes £0.6m gain in relation to the revaluation of Glebe Agricultural Land (2023 - £0.4m).

10 Analysis Of Expenditure Including Allocation Of Support Costs

| | Activities undertaken Directly £'000 | Grant funding of activities £'000 | Support Costs £'000 | Total 2024 £'000 | Total 2023 £'000 |
|---------------------------------------|--|--|---------------------------|------------------------|------------------------|
| Raising Funds | 502 | - | - | 502 | 282 |
| Charitable Activities: | | | | | |
| Contributions to Archbishops' Council | - | 853 | - | 853 | 822 |
| Resourcing ministry and mission | 11,697 | 59 | 1,471 | 13,226 | 13,576 |
| Education | 245 | - | 33 | 278 | 444 |
| | 12,444 | 912 | 1,504 | 14,859 | 15,124 |

11 Analysis Of Support Costs

| | Unrestricted Funds General £'000 | Designated £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total Funds 2024 £'000 | Total Funds 2023 £'000 |
|-------------------------------------|--|---------------------|------------------------------|-----------------------------|---------------------------------|---------------------------------|
| Central Administration | 1,417 | - | - | - | 1,417 | 1,204 |
| Support for Schools | - | - | 33 | - | 33 | 55 |
| Governance: | | | | | | |
| External Audit | 32 | - | 2 | - | 34 | 40 |
| Professional Fees | - | - | - | - | - | 4 |
| Diocesan and General Synod Expenses | 20 | - | - | - | 20 | 17 |
| | 1,469 | - | 35 | - | 1,504 | 1,320 |

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements
For the year ended 31 December 2024

| 12 Analysis Of Grants Made | | Total Grants to individuals | | Total Institutional | 2024 | 2023 |
|---|---------------|-----------------------------|---------------|---------------------|--------------|------|
| | No. of | | | | | |
| a) National Church Responsibilities | Grants | | Grants | | | |
| From Unrestricted General funds to:- | | £'000 | £'000 | £'000 | £'000 | |
| Archbishops' Council, General Synod, etc. | 1 | - | 233 | 233 | 230 | |
| Training Ordinands | 1 | - | 390 | 390 | 393 | |
| Grants and Provisions | 1 | - | 40 | 40 | 40 | |
| Inter-diocesan support of Mission Agency clergy pension contributions | 1 | - | - | - | 13 | |
| CHARM | 1 | - | 162 | 162 | 156 | |
| National Pooling adjustment | | - | 28 | 28 | (10) | |
| | 5 | - | 853 | 853 | 822 | |
| b) General Grants | | | | | | |
| From Unrestricted General Funds to:- | | | | | | |
| Ordinands in training | 9 | 52 | - | 52 | 297 | |
| Energy support grants | - | - | - | - | 38 | |
| Bath and West Show Tent | 1 | - | 2 | 2 | 2 | |
| | 10 | 52 | 2 | 54 | 337 | |
| From Restricted Funds to: | | | | | | |
| Zambian Dioceses | 1 | 2 | - | 2 | 1 | |
| Clergy (including retired and clergy widows) | 5 | 3 | - | 3 | 10 | |
| | 6 | 5 | - | 5 | 11 | |
| Total Grants Payable | 21 | 57 | 855 | 912 | 1,170 | |

The Bath and Wells Diocesan Board of Finance

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For the year ended 31 December 2024

13 Trustees and Related Parties

In 2024 the trusts which are administered from the DBF's registered office paid management charges of £4,496 to the DBF (2023 - £4,496).

The Rib Trust made a grant of £38,000 to the Board (2023 - £38,000) towards the Archdeacons' working costs. The Foundation of St Matthias made a grant to the Diocesan Board of Education of £57,500 (2023 - £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, 13 Trustees (2023 - 11) were reimbursed with a total of £19,525 (2023 - £17,528) 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.

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Notes to the Financial Statements
For the year ended 31 December 2024

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: £50,809 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: £41,452 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 C Peer | £40,953 stipend, defined benefit pension scheme and living accommodation. |
| | Revd M Andrews Revd T Lewis Revd A Fulton Revd J Laurence Revd R Driver Revd B Faulkner | £30,267 stipend, defined benefit pension scheme and living accommodation. |
| | Revd R Miles | £30,266 stipend plus housing allowance |

In total 10 (2023 - 10) trustees received stipends and pension contributions as follows:

| | 2024 | 2023 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Stipends | 293,346 | 298,634 |
| Pension Contributions | 62,212 | 66,366 |
| | <u>355,558</u> | <u>365,000</u> |

The value of church provided housing in 2024 to the clergy and bishops cannot be estimated.

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For the year ended 31 December 2024

14 Staff And Office holders

| | 2024 | 2023 |
|--|--------------|--------------|
| 14a Staff Costs | £'000 | £'000 |
| Staff costs during the year were as follows: | | |
| Wages and salaries | 2,409 | 2,257 |
| National insurance contributions | 232 | 213 |
| Pension costs | 248 | 237 |
| | 2,889 | 2,707 |

During the year, the DBF made termination payments in respect of three members of staff (2023 - 1) totalling £10,088 (2023 - £4,205). This amount is included in staff costs above.

| | | |
|--|-------------|-------------|
| The average number of employees during the year was: | No. | No. |
| Mission Support and Ministry Development | 29.4 | 31.7 |
| Non stipendiary ministry including pioneers | 6.6 | 9.3 |
| Other support services | 32.9 | 30.7 |
| Education | 14.0 | 14.0 |
| | 82.9 | 85.7 |

| | | |
|---|-------------|-------------|
| The average number of employees during the year, based upon full-time equivalents, was: (*) | No. | No. |
| Mission Support and Ministry Development | 18.8 | 19.9 |
| Non stipendiary ministry including pioneers | 5.8 | 7.9 |
| Other support services | 26.9 | 24.4 |
| Education | 10.3 | 11.9 |
| | 61.8 | 64.1 |

(*) Including 2.0 (2023 - 2.0) staff whose time was recharged or funded by external organisations

Of the average number of employees, 44 were based in the Diocesan office (2023 - 44), 6 were based in other locations (2023 - 9) and 10 were based in Parishes and Deaneries (2023 - 11).

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:

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

Pension contributions of £29,232 (2023: £21,908) were made for these employees.

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2024

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 2024 they were:

| Role | Office Holder |
|--|------------------------------------|
| Diocesan Secretary and Company Secretary | Jenny Hollingsworth |
| Head of Finance and Operations | Matthew Pinnock |
| Director of Education | Edward Gregory |
| Acting Head of Mission Support and Ministry | Julia Hill (to 31 August 2024) |
| Head of Mission Support and Ministry Development | Julia Hill (from 1 September 2024) |

Remuneration, pension contributions and expenses for 4 (4 FTE) (2023 - 4 (5 FTE)) key management personnel were as follows:

| | 2024 £'000 | 2023 £'000 |
|----------------------------------|---------------|---------------|
| Salaries/ Stipends | 293 | 278 |
| National Insurance contributions | 35 | 33 |
| Pension Contributions | 29 | 28 |
| | 357 | 339 |
| Expenses | 2 | 3 |

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:

| | 2024 FTE No. | 2023 FTE No. |
|----------------------------------|--------------------|--------------------|
| | 161 | 178 |
| At a cost of: | £'000 | £'000 |
| Stipends & Housing Allowances | 5,148 | 5,054 |
| National Insurance Contributions | 425 | 415 |
| Apprenticeship Levy | 23 | 23 |
| Pensions contributions | 1,243 | 1,308 |
| | 6,839 | 6,800 |

The number of FTE stipendiary clergy in 2024 and 2023 has reduced partly due to the commenced reductions in stipendiary posts. The average level of vacancies in 2024 was estimated at 24 (2023 - 27), being 14.9% of all posts (2023 - 16.8% of all posts).

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements
For the year ended 31 December 2024

| | 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 | (618) | 618 | - | - |
| Transfer to create Small Medium Grants pot | (120) | 120 | - | - |
| Unapplied total return drawdown | 1,361 | - | - | (1,361) |
| Net transfer parsonages to/(from) DPA account | - | - | 1,224 | (1,224) |
| | 623 | 738 | 1,224 | (2,585) |
| | | | | |
| 16 Intangible Fixed Assets | | | | Computer Software |
| | | | | £'000 |
| Cost | | | | |
| At 1 January 2024 | | | | 171 |
| Additions | | | | - |
| Disposals | | | | - |
| At 31 December 2024 | | | | 171 |
| Amortisation | | | | |
| At 1 January 2024 | | | | 168 |
| Charge for the year | | | | 1 |
| At 31 December 2024 | | | | 169 |
| Net book value | | | | |
| At 31 December 2024 | | | | 2 |
| At 31 December 2023 | | | | 3 |

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements
For the year ended 31 December 2024

| | Freehold/ Leasehold Land and Buildings | Solar PV Panels | Office Equip't | Total |
|------------------------------------|---|--------------------|----------------|---------------|
| 17 Tangible Fixed Assets | | | | |
| Cost | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2024 | 66,200 | 729 | 1,285 | 68,214 |
| Additions | 1,956 | - | 19 | 1,975 |
| Disposals | (1,896) | (20) | - | (1,916) |
| At 31 December 2024 | 66,260 | 709 | 1,304 | 68,273 |
| Depreciation and Impairment | | | | |
| Depreciation at 1 January 2024 | 100 | 339 | 810 | 1,249 |
| Impairment at 1 January 2024 | 711 | - | - | 711 |
| Depreciation charge for the year | 27 | 33 | 132 | 192 |
| Disposals | (270) | (4) | - | (274) |
| At 31 December 2024 | 568 | 368 | 942 | 1,879 |
| Net book value | | | | |
| At 31 December 2024 | 65,692 | 341 | 361 | 66,394 |
| At 31 December 2023 | 65,389 | 391 | 475 | 66,254 |

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Notes to the Financial Statements

For the year ended 31 December 2024

| | | 2024 | 2024 | 2023 | 2023 |
|--|---|------------|---------------|------------|---------------|
| | | No. | £'000 | No. | £'000 |
| Freehold / Leasehold Land and Buildings | | | | | |
| Freehold | | | | | |
| Benefice property: | Parsonage houses | 161 | 42,138 | 167 | 41,524 |
| Glebe property: | Curates' houses | 27 | 7,832 | 27 | 7,832 |
| | Other houses | 25 | 6,458 | 27 | 6,581 |
| | | 52 | 14,290 | 54 | 14,413 |
| Corporate property: | Curates' houses | 2 | 563 | 2 | 563 |
| | Other houses | 22 | 5,474 | 22 | 5,474 |
| | Houses bought with val. linked loans (at valuation) | 2 | 362 | 3 | 523 |
| Edginton house | | 1 | 281 | 1 | 281 |
| | | 27 | 6,680 | 28 | 6,841 |
| Leasehold | | | | | |
| | Long leasehold | 1 | 2,584 | 1 | 2,611 |
| Total Freehold / Leasehold Land and Buildings | | 241 | 65,692 | 250 | 65,389 |
| School Land & Buildings | | | | | |
| | School Land & Buildings | 121 | - | 121 | - |

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 2024, 239 properties (£65,330k) are valued at cost or deemed cost (2023 - 247), and two properties (£362k) at valuation (2023 - 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 2024

| | Agricultural Land | Other Land & Property | Unlisted Investments | Listed Investments | Total 2024 |
|---|----------------------|--------------------------|-------------------------|-----------------------|-----------------|
| 18a Fixed Assets Investments | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2024 | 19,989 | 639 | 7,370 | 10,364 | 38,362 |
| Additions | - | - | - | 12,271 | 12,271 |
| Disposals | (71) | - | (7,219) | (5,090) | (12,380) |
| Transfers / Reclassifications | - | - | - | - | - |
| Revaluation | 559 | 230 | (72) | 954 | 1,671 |
| At 31 December 2024 | 20,477 | 869 | 79 | 18,499 | 39,924 |
| Cost at 31 December 2024 | Not known | Not known | 18 | 16,937 | |
| Cost at 31 December 2023 | Not known | Not known | 4,146 | 9,569 | |
| Investments comprise:- | | | | 2024 | 2023 |
| Listed Investments (Equities) | | | | £'000 | £'000 |
| UK Investments | | | | 2,956 | 2,253 |
| Non-UK Investments | | | | 10,668 | 5,023 |
| | | | | 13,624 | 7,276 |
| Listed Investments (Unit Trusts) | | | | | |
| UK Investments | | | | 491 | 274 |
| Non-UK Investments | | | | 235 | - |
| | | | | 726 | 274 |
| Listed Investments (Fixed Interest) | | | | | |
| UK Investments | | | | 2,218 | 1,887 |
| Non-Uk Investments | | | | 1,931 | 927 |
| | | | | 4,149 | 2,814 |
| Listed Investments Total | | | | 18,499 | 10,364 |
| (iii) Unlisted Investments | | | | £'000 | £'000 |
| Nil Central Board of Finance of the Church of England Investment Fund Share (2023 - 322,418) | | | | - | 7,289 |
| 3,139 COIF Charity Investment Fund Income Shares (2023 - 3,139) | | | | 64 | 62 |
| Nil Central Board of Finance of the Church of England Fixed Interest Fund Shares (2023 - 2,000) | | | | - | 3 |
| Somerset Savings and Loans Ltd | | | | 16 | 16 |
| | | | | 80 | 7,370 |
| (iv) Other Land and Property | | | | 2024 | 2023 |
| | | | | £'000 | £'000 |
| Glebe Property | | | | 840 | 610 |
| Other Land | | | | 29 | 29 |
| | | | | 869 | 639 |

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Notes to the Financial Statements

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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 2024 | | | |
| Base value of permanent endowment | 16,379 | - | 16,379 |
| Unapplied Total Return | - | 19,323 | 19,323 |
| Total | 16,379 | 19,323 | 35,702 |
| Movements in the reporting period | | | |
| Indexation of base level of endowment | 640 | (640) | - |
| Unapplied total return allocated to income in the year | - | (1,309) | (1,309) |
| Investment return: dividends and interest | - | 214 | 214 |
| Investment return: Glebe rents | - | 337 | 337 |
| Investment returns: Realised and unrealised gains and (losses) | - | 287 | 287 |
| Less investment management costs | - | (32) | (32) |
| Total | 640 | (1,143) | (503) |
| At 31st December 2024 | | | |
| Base of the permanent endowment | 17,019 | - | 17,019 |
| Add indexation of base level of endowment | - | - | - |
| Unapplied Total Return | - | 18,180 | 18,180 |
| Total | 17,019 | 18,180 | 35,199 |

During the year, there was a transfer of £1,309K 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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Notes to the Financial Statements

For the year ended 31 December 2024

| | Trust for investment £'000 | UTR £'000 | Total Endowment £'000 |
|--|----------------------------------|--------------|-----------------------------|
| (ii) Stipends Augmentation Trusts (SAT) | | | |
| At 1st January 2024 | | | |
| Base value of permanent endowment | 1,264 | - | 1,264 |
| Unapplied Total Return | - | 107 | 107 |
| Total | 1,264 | 107 | 1,371 |
| Movements in the reporting period | | | |
| Indexation of base level of endowment | 49 | (49) | - |
| Unapplied total return allocated to income in the year | - | (57) | (57) |
| Investment return: dividends and interest | - | 36 | 36 |
| Investment returns: Realised and unrealised gains and (losses) | - | 128 | 128 |
| Less investment management costs | - | (5) | (5) |
| Total | 49 | 53 | 102 |
| At 31st December 2024 | | | |
| Base of the permanent endowment | 1,313 | - | 1,313 |
| Unapplied Total Return | - | 160 | 160 |
| Total | 1,313 | 160 | 1,473 |

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:

| | 2024 | 2023 |
|---------------------|------|------|
| Income (£000s) | 77 | 50 |
| Expenditure (£000s) | 77 | 50 |
| Assets (£000s) | 93 | 64 |
| Liabilities (£000s) | 93 | 64 |
| Net Assets (£000s) | - | - |

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| | 2024 £'000 | 2023 £'000 |
|--|---------------|---------------|
| 19 Debtors | | |
| Due within one year | | |
| a) Parish Share | 398 | 253 |
| b) Central Board of Finance Deposit Fund Loans | 45 | 55 |
| c) Loans to PCCs from Designated Fund or FCG | 84 | 84 |
| d) School Loans | 62 | 73 |
| e) Other Loans | 1 | 1 |
| d) Closed School Expenses and other School debtors | 172 | 131 |
| f) Other Debtors and Prepayments | 571 | 601 |
| g) Equity Loans | 418 | 485 |
| | 1,751 | 1,683 |
| Due after one year | | |
| b) Central Board of Finance Deposit Fund Loans (*) | 23 | 62 |
| c) Loans to PCCs from Designated Fund or FCG (*) | 166 | 253 |
| | 189 | 315 |
| Total debtors | 1,940 | 1,998 |

(*) 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 2024, 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 2024 was £Nil. The DBF holds a legal charge on the property, discharged upon repayment of the loan capital and accrued interest by the PCC.

The Bath and Wells Diocesan Board of Finance

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For the year ended 31 December 2024

- 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 2024 was £44,518. 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 2024 the value of loans advanced amounted to £418,029 in respect of three properties.

| | 2024 £'000 | 2023 £'000 |
|-----------------------------------|---------------|---------------|
| 20 Assets held for resale | | |
| Closed churches awaiting disposal | - | 448 |

The value represents an estimate of expected sales proceeds receivable.

| | Unrestricted Funds | Restricted Funds | Endowment Funds | 2024 Total | 2023 Total |
|---------------------------------------|-----------------------|---------------------|--------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| 21 Cash at bank and on deposit | | | | | |
| Cash on deposit | 718 | 494 | 249 | 1,461 | 1,393 |
| Cash at bank and in hand | 3,255 | 1,264 | 76 | 4,595 | 2,890 |
| Cash held by broker for investment | 17 | 17 | 97 | 131 | 179 |
| | 3,990 | 1,775 | 422 | 6,187 | 4,462 |

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| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| 22 Creditors | | |
| Due within one year | | |
| a) Bank loans | 341 | 465 |
| Fund for Church Growth grants approved not yet paid | 35 | 35 |
| Closed Church Schools | 486 | 522 |
| Other Creditors and Accruals | 1,136 | 833 |
| | 1,998 | 1,855 |
| Due after one year | | |
| a) Bank loans | 2,173 | 3,053 |
| b) Central Board of Finance Deposit Fund Loans (*) | 814 | 929 |
| c) Value Linked Loans | 362 | 523 |
| | 3,349 | 4,505 |

(*) 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 £148,376.
- **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.

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(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 £813,843 at 31 December 2024. 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.

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2024

| | At 01.01.24 £'000 | Income £'000 | Expend- iture £'000 | Transfers £'000 | Reval- uation £'000 | At 31.12.24 £'000 |
|--|-------------------------|-----------------|---------------------------|--------------------|---------------------------|-------------------------|
| 23 Summary Of Fund Movements | | | | | | |
| Unrestricted Funds | | | | | | |
| (a) General | 2,584 | 12,318 | (13,255) | 623 | 81 | 2,351 |
| | 2,584 | 12,318 | (13,255) | 623 | 81 | 2,351 |
| Designated Funds | | | | | | |
| (b) Tangible Fixed Assets Fund | 6,320 | - | (27) | 618 | - | 6,911 |
| (c) Loan Fund | 500 | - | - | - | - | 500 |
| (d) Fund for Church Growth | 47 | - | - | - | - | 47 |
| (e) Pastoral Care & Counselling Scheme | 193 | 2 | (1) | - | 13 | 207 |
| (f) Mission Development Fund | 459 | - | (177) | - | - | 282 |
| (g) Benefact Trust | - | 91 | (91) | - | - | - |
| (h) Small and Medium grants | - | - | - | 120 | - | 120 |
| (i) Other Designated | 8 | - | - | - | - | 8 |
| | 7,527 | 93 | (296) | 738 | 13 | 8,075 |
| Total Unrestricted Funds | 10,111 | 12,411 | (13,551) | 1,361 | 94 | 10,426 |

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. This fund is closed to new applicants and the fund is sought to be closed and reallocated.

(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) Small and Medium Grants consisting of amounts resulted from a reduction in clergy pension contributions, put aside to be spent on specific projects by parishes within the diocese.

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

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| | At 01.01.24 £'000 | Income £'000 | Expend- iture £'000 | Transfers £'000 | Reval- uation £'000 | At 31.12.24 £'000 |
|---|-------------------------|-----------------|---------------------------|--------------------|---------------------------|-------------------------|
| 23 Summary Of Fund Movements (continued) | | | | | | |
| Restricted Funds | | | | | | |
| (a) Schools Income Fund | 226 | 43 | (56) | - | 54 | 267 |
| (b) Diocesan Pastoral Account | 1,989 | 6 | (249) | 1,224 | - | 2,970 |
| (c) Support of clergy and dependants | 240 | 11 | (5) | - | 11 | 257 |
| (d) Retired clergy funds | 48 | 8 | (5) | - | - | 51 |
| (e) Porlock Wyld Trust | 88 | 5 | - | - | 2 | 95 |
| (f) Edginton Trust | 190 | 7 | - | - | 1 | 198 |
| (g) Zambia Link | 216 | 28 | (30) | - | - | 214 |
| (h) Modern Slavery link | 4 | - | - | - | - | 4 |
| (i) Smith Bequest | 421 | 3 | (13) | - | 24 | 435 |
| (j) DBE Restricted Grants | 39 | 58 | (58) | - | - | 39 |
| (k) Abbey House Fund | 60 | - | (2) | - | - | 58 |
| (l) NCI Strategic Grants | 55 | 704 | (634) | - | - | 125 |
| (n) Other Restricted | 62 | 114 | (97) | - | - | 79 |
| Total Restricted Funds | 3,638 | 987 | (1,149) | 1,224 | 92 | 4,792 |

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

(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.

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- 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) NCI Strategic Grants** being funding received from the national church for various strategic purposes. These include Low Income Community funding, Net Zero Carbon grants, Strategic Development and Ministry Funding, Post of First Responsibility, Flourish and Movement projects.
- (m) Other Restricted** consisting of the balance of restricted legacies, grants and donations to the DBF.

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| | At 01.01.24 £'000 | Income £'000 | Expend- iture £'000 | Transfers £'000 | Reval- uations £'000 | At 31.12.24 £'000 |
|---|-------------------------|-----------------|---------------------------|--------------------|----------------------------|-------------------------|
| 23 Summary Of Fund Movements (continued) | | | | | | |
| Endowment Funds | | | | | | |
| Expendable Endowment | | | | | | |
| (a) Parsonage Houses Fund | 41,522 | 1,920 | (80) | (1,224) | - | 42,138 |
| (b) Schools Capital Fund | 661 | - | - | - | - | 661 |
| (c) Porlock Wyld Trust | 143 | - | (1) | - | 10 | 152 |
| (d) Retired Clergy Funds | 349 | - | (1) | - | 23 | 371 |
| | 42,675 | 1,920 | (82) | (1,224) | 33 | 43,322 |
| Permanent Endowment | | | | | | |
| (e) Diocesan Stipends Fund Capital | 45,322 | 1,650 | (66) | (1,304) | 1,398 | 47,000 |
| (f) Stipends Capital | 1,876 | 33 | (6) | (57) | 81 | 1,927 |
| (f) General Capital | 861 | - | (3) | - | 56 | 914 |
| (f) Support of Ordinands | 46 | - | - | - | 3 | 49 |
| (g) Crokatt and Cowley Trusts | 180 | - | (1) | - | 12 | 191 |
| (h) Edginton Trust | 396 | - | (1) | - | 18 | 413 |
| (i) Other Permanent Endowment | 67 | - | - | - | 5 | 72 |
| | 48,748 | 1,683 | (77) | (1,361) | 1,573 | 50,566 |
| Total Endowment Funds | 91,423 | 3,603 | (159) | (2,585) | 1,606 | 93,888 |
| All Funds | 105,172 | 17,001 | (14,859) | - | 1,792 | 109,106 |

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.

(c) Porlock Wyld Trust relates to the Parsons Hill Estate (since sold) which was left to the DBF, as sole trustee, "upon trust for such charitable purposes connected with the ecclesiastical parish of

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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 £44,319 as at 31 December 2024 (2023 - £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 2024 (2023 - £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 £314,567 as at 31 December 2024 (2023 - £295,648).

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 £1,556 as at 31 December 2024 (2023 - £1,448)
- **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 £24,268 as at 31 December 2024 (2023 - £22,809)
- **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 £48,134 as at 31 December 2024 (2023 - £45,346).

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| | 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 | - | 1,735 | 3,228 | (2,570) | (42) | 2,351 |
| Designated | | | | | | |
| Tangible Fixed Assets Fund | 9,688 | - | - | (2,777) | - | 6,911 |
| Loan Fund | - | - | 268 | - | 232 | 500 |
| Fund For Church Growth | - | - | 47 | - | - | 47 |
| Pastoral Care & Counselling Scheme | - | 207 | - | - | - | 207 |
| Mission Development Fund | - | - | 282 | - | - | 282 |
| Small and Medium Grants | - | - | 120 | - | - | 120 |
| Other Designated | - | - | 8 | - | - | 8 |
| Total Designated Funds | 9,688 | 207 | 725 | (2,777) | 232 | 8,075 |
| Restricted Funds | | | | | | |
| Schools Income Fund | - | - | 267 | - | - | 267 |
| Diocesan Pastoral Account | - | - | 2,970 | - | - | 2,970 |
| Support Of Clergy And Dependants | - | 175 | 82 | - | - | 257 |
| Retired Clergy Funds | - | - | 51 | - | - | 51 |
| Porlock Wyld Trust | - | 38 | 57 | - | - | 95 |
| Edginton Trust | 124 | - | 74 | - | - | 198 |
| Zambia Link | - | - | 213 | - | - | 213 |
| Modern Slavery link | - | - | 4 | - | - | 4 |
| Smith Bequest | - | 370 | 65 | - | - | 435 |
| DBE Restricted Grants | - | - | 39 | - | - | 39 |
| Abbey House | - | - | 58 | - | - | 58 |
| NCI Strategic Grants | - | - | 125 | - | - | 125 |
| Other Restricted | - | - | 80 | - | - | 80 |
| Total Restricted Funds | 124 | 583 | 4,085 | - | - | 4,792 |
| Endowment Funds | | | | | | |
| Expendable Endowment | | | | | | |
| Parsonage Houses Fund | 42,138 | - | - | - | - | 42,138 |
| Schools Capital Fund | - | 834 | - | - | (173) | 661 |
| Porlock Wyld Trust | - | 151 | - | - | 1 | 152 |
| Retired Clergy Funds | - | 355 | - | - | 16 | 371 |
| Permanent Endowment | | | | | | |
| Diocesan Stipends Fund Capital | 14,290 | 32,710 | - | - | - | 47,000 |
| Stipends Capital | - | 1,927 | - | - | - | 1,927 |
| General Capital | - | 839 | 75 | - | - | 914 |
| Support Of Ordinands | - | 39 | 10 | - | - | 49 |
| Crokat And Cowley Trusts | - | 182 | 9 | - | - | 191 |
| Edginton Trust | 157 | 288 | - | - | (32) | 413 |
| Other Permanent Endowment | - | 74 | - | - | (2) | 72 |
| Total Endowment Funds | 56,585 | 37,399 | 94 | - | (190) | 93,888 |
| All Funds | 66,397 | 39,924 | 8,132 | (5,347) | - | 109,106 |

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25 Commitments

(a) Capital Expenditure

| | 2024 | 2023 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Contracted for, not yet completed | - | - |
| Authorised, not yet contracted for | - | - |
| Total Capital Commitments | - | - |

(b) Loans

At 31 December 2024 the DBF had commitments to zero parishes (2023 - zero) to provide loans totalling £nil (2023 - £Nil) in relation to the CCLA Diocesan Loan Scheme.

(c) Operating Leases

| | 2024 | 2023 |
|--|--------------|--------------|
| | £'000 | £'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.

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27 Pension Costs

The Bath and Wells Diocesan Board of Finance participates in two defined benefit pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of The Bath and Wells Diocesan Board of Finance and the other Responsible Bodies. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other is the Church Workers Pension Fund for lay staff.

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

(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.

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 (2024: £240,876, 2024: £207,783).

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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 2022.

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

The next valuation is due as at 31 December 2025.

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

The legal structure of the scheme is such that if another employer fails, 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, which is now closed to future accrual. 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.

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.

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

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For the year ended 31 December 2024

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 2024: £22,892 (2023: £22,225) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SOFA, giving a total charge of £22,892 for 2024 (2023: £22,225).

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. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

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

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

The movement in the provision is set out below:

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

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

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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 2024 | December 2023 | December 2022 |
|---------------|---------------|---------------|---------------|
| Discount rate | N/A | N/A | 0% |

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.

(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 (2024: £1,243k, 2023: £1,308k), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £- (2023: £-)

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%).

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Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2024, since the Scheme was fully funded.

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

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

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

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

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 2024 onwards, the balance sheet liability as at 31 December 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

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

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

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.

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| | CWPF | | | CEFPS | | |
|--|--------------|--------|--------|--------|-------|-------|
| (d) Pension Liability Reconciliation - all schemes | | | | | | |
| | Unrestricted | Funds | Restr- | Endow- | 2024 | 2023 |
| | General | Desig- | icted | ment | | |
| | £'000 | nated | Funds | Funds | Total | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Liability at 1 January | - | - | - | - | - | - |
| Deficit Contributions paid | - | - | - | - | - | - |
| Interest cost | - | - | - | - | - | - |
| Remeasurement Gains | - | - | - | - | - | - |
| Liability at 31 December | - | - | - | - | - | - |

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28a Prior Year Comparative Notes – Statement of Financial Activities

| | | Unrestricted Funds | Designated Funds | Restricted Funds | Endow- ment Funds | Total Funds 2023 | Total Funds 2022 |
|--|------|-----------------------|---------------------|---------------------|-------------------------|------------------------|------------------------|
| | Note | General | | | | | |
| | | £'000 | £'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 | 265 | 1,188 | 975 |
| Other Income | 6 | 678 | - | 2 | 1,281 | 1,961 | 2,135 |
| Total income and endowments | | 12,277 | 111 | 1,667 | 1,546 | 15,601 | 15,289 |
| Expenditure on | | | | | | | |
| Raising funds | 7 | 257 | - | - | 25 | 282 | 251 |
| Charitable activities | 8 | 13,063 | 158 | 1,563 | 58 | 14,842 | 14,906 |
| Total expenditure | | 13,320 | 158 | 1,563 | 83 | 15,124 | 15,157 |
| Net (expenditure) / income before investment gains / (losses) | | (1,043) | (47) | 104 | 1,463 | 477 | 132 |
| Net gains / (losses) on investments | 9 | 224 | 17 | 116 | 1,275 | 1,632 | (2,271) |
| Net (expenditure) / income | | (819) | (30) | 220 | 2,738 | 2,109 | (2,139) |
| Transfers between funds | 15 | 1,022 | 245 | 1,312 | (2,579) | - | - |
| Other recognised gains | | | | | | | |
| Remeasurement gains on defined benefit pension schemes | 27 | - | - | - | - | - | 306 |
| Net movement in funds | | 203 | 215 | 1,532 | 159 | 2,109 | (1,833) |
| RECONCILIATION OF FUNDS | | | | | | | |
| Total funds brought forward | | 2,381 | 7,312 | 2,106 | 91,264 | 103,063 | 104,896 |
| Total funds carried forward | 23 | 2,584 | 7,527 | 3,638 | 91,423 | 105,172 | 103,063 |

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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 | | | 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 | 550 | - | - | - | 550 | 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 |

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28c Prior Year Comparative Notes – Notes 7 to 8

| | Unrestricted | Funds | Restr- | Endow- | Total | Total |
|---|---------------|------------|--------------|-----------|---------------|--------|
| | General | Desig- | icted | ment | Funds | Funds |
| | £'000 | ated | Funds | Funds | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'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 2024

28d Prior Year Comparative Notes – Notes 9 to 11

| | 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 | 1,529 (2,100) |
| Realised gains/(losses) on disposal | 131 | - | - | (28) | 103 (171) |
| | 224 | 17 | 116 | 1,275 | 1,632 (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 | 11,662 | 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 2024

28e Prior Year Comparative Notes – Note 23

| | At 01.01.23 £'000 | Income £'000 | Expend- iture £'000 | Transfers £'000 | Reval- uation £'000 | At 31.12.23 £'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 |

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements
For the year ended 31 December 2024

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

| | At 01.01.23 | Income | Expend- iture | Transfers | Reval- uation | At 31.12.23 |
|---|----------------|--------------|------------------|--------------|------------------|----------------|
| 23 Summary Of Fund Movements (continued) | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Restricted Funds | | | | | | |
| (a) Schools Income Fund | 179 | 147 | (168) | - | 68 | 226 |
| (b) Diocesan Pastoral Account | 610 | 299 | (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 | 795 | (776) | - | - | 117 |
| Total Restricted Funds | 2,106 | 1,668 | (1,564) | 1,312 | 116 | 3,638 |

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements
For the year ended 31 December 2024

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

| 23 Summary Of Fund Movements (continued) | At 01.01.23 £'000 | Income £'000 | Expend- iture £'000 | Transfers £'000 | Reval- uations £'000 | At 31.12.23 £'000 |
|---|----------------------------------|-------------------------|------------------------------------|----------------------------|-------------------------------------|----------------------------------|
| 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 | 15,602 | (15,125) | - | 1,632 | 105,172 |

The Bath and Wells Diocesan Board of Finance
Notes to the Financial Statements
For the year ended 31 December 2024

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 | - | 1,279 | 2,367 | (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 |

The Bath and Wells Diocesan Board of Finance

Notes to the Financial Statements

For the year ended 31 December 2024

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:

| | 2024 | 2023 |
|---|---------------|---------------|
| | £'000 | £'000 |
| CBF Church of England Investment Fund income shares | 9,638 | 9,782 |
| CBF Church of England Fixed Interest Securities Fund shares | 20 | 19 |
| Unit Trust Shares | 185 | 174 |
| Direct holdings in UK equities | 114 | 97 |
| Direct holdings in UK gilts | 2 | 2 |
| Other fixed interest stocks | 280 | 317 |
| Loan | 125 | 133 |
| Cash on Deposit | 2,260 | 2,294 |
| Cash at Bank | 106 | 218 |
| Total net assets held as custodian trustee | 12,730 | 13,036 |

The Bath and Wells Diocesan Board of Finance

Appendices

For the year ended 31 December 2024

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

Appendices

For the year ended 31 December 2024

Appendix A Consolidated Financial Trusts

| | 2024 | | 2023 | |
|-----------------------------------|--------------|---------------|--------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Fixed Assets | | | | |
| Equities | | 9,752 | | 9,879 |
| Government Securities | | 2 | | 2 |
| Other Fixed Interest securities | | 300 | | 336 |
| Unit Trust shares | | 185 | | 174 |
| CBF Property Fund | | 0 | | 0 |
| | | 10,239 | | 10,391 |
| Current Assets | | | | |
| Deposit Fund | 2,260 | | 2,294 | |
| Bank Accounts | 107 | | 218 | |
| Loan - Hensman | 125 | | 133 | |
| | 2,492 | | 2,645 | |
| Current Liabilities | | | | |
| Creditors | - | | - | |
| Net Current Assets | | 2,492 | | 2,645 |
| Net Assets | | 12,731 | | 13,036 |
| Total capital balances | | 12,498 | | 12,685 |
| Total accumulated income balances | | 232 | | 351 |
| Total Funds | | 12,730 | | 13,036 |
| Capital analysed as: | | 2023 | | 2023 |
| | | £ | | £ |
| Parishes | | 6,722 | | 6,809 |
| Closed Schools | | 1,288 | | 1,286 |
| Schools | | 479 | | 468 |
| Other | | 4,009 | | 4,122 |
| Total accumulated income balances | | 232 | | 351 |
| | | 12,730 | | 13,036 |

Signed on behalf of the DBF on 14 June 2025 by

Rt Revd N M R Beasley
Trustee

Mrs E K Renshaw-Ames
Trustee

The Bath and Wells Diocesan Board of Finance

Appendices

For the year ended 31 December 2024

Financial Trusts as at 31 December 2024

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 78 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 2024.

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 2024.

Signed: Sayer Vincent

110 Golden Lane
London
EC1Y 0TG

The Bath and Wells Diocesan Board of Finance

Appendices

For the year ended 31 December 2024

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 |