

THE GLOUCESTER DIOCESAN BOARD OF FINANCE

England & Wales · Charity number 251234

Details

Other names	THE GLOUCESTER DIOCESAN BOARD OF FINANCE LIMITED
Status	Registered
Legal form	Charitable company
Company number	00162165
Registered	1967-02-03
Register	View on the Charity Commission register

Contact

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Website	http://www.gloucester.anglican.org/

Activities

Objects: (A) TO PROMOTE AND ASSIST THE WORK, OBJECTS AND PURPOSES OF THE CHURCH OF ENGLAND FOR THE ADVANCEMENT OF THE CHRISTIAN RELIGION IN (BUT NOT LIMITED TO) THE DIOCESE;(B) TO ADVANCE SUCH OTHER OBJECTS OR PURPOSES WHICH ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAW OF ENGLAND AND WALES IN ANY PART OF THE WORLD AND IN SUCH MANNER AS THE TRUSTEES MAY IN THEIR ABSOLUTE DISCRETION CONSIDER MAY BE EXPEDIENT FOR THE BETTER PROMOTION AND ASSISTANCE OF THE WORK OF THE CHURCH OF ENGLAND.

Activities: The DBF undertakes three principle activities:i. It funds cost associated with the vast majority of Church of England clergy in the diocese,ii. It is responsible for the custody and management of the synod's fundsiii. It provides services to other councils and committees within the diocese, primarily PCCs and schools.

Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** DIOCESE OF GLOUCESTER
- Bath And North East Somerset
- Bristol City
- Gloucestershire
- Herefordshire
- North Somerset
- South Gloucestershire
- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£24,832,342	£15,519,014	£115,857,469	61
2023-12-31	£10,697,846	£13,402,434	£105,951,012	58
2022-12-31	£11,388,000	£12,852,000	£95,233,000	49
2021-12-31	£12,137,000	£12,189,000	£98,971,000	48
2020-12-31	£10,902,000	£11,785,000	£88,627,000	46

Trustees

Name	Role	Appointed
DAVID WYN ROBERTS	Chair	2024-10-05
Alastair James Mugisha Taylor		2021-11-01
Bishop ROBERT SPRINGETT		2011-10-24
Canon Margaret Eleanor Sheather		2025-02-09
Carole O'Donnell		2021-11-06
Christopher Hill		2019-02-02
George Collins		2021-11-06
Gerald Michael O'Brien		2025-02-09
Kevan Taylor		2019-04-11
ROBERT MICHAEL MCNEILL-WILSON		2021-11-01
Rachel Hannah Jago		2024-10-05
Rev EDWARD PAUL SAUVEN		2021-11-01
Rev Graham John Stacey		2024-10-05
Rev Jo Pestell		2021-11-06
Rev Richard Murray Coombs		2024-10-05
Robert Ian Allen Bryant-Pearson		2025-02-09
The Right Reverend Rachel Treweek		2015-11-04
The Venerable Canon Katrina Ruth Scott		2025-03-30
The Very Reverend Andrew Stephen Zihni		2024-10-05

THE GLOUCESTER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 251234

Accounts

Gloucester Diocesan Board of Finance

Annual Report & Accounts

2024



Board of Trustees

The Right Reverend Rachel Treweek (President)
Canon Karen Czapiewski (Chair)(resigned 5 October 2024)
Mr David Roberts (Chair) (appointed 5 October 2024)
The Ven Phil Andrew (resigned 31 December 2024)
Reverend Andrew Blyth
Prof Patricia Broadfoot (resigned 5 October 2024)
Mr Robert Bryant-Pearson (appointed 9 February 2025)
Mr George Collins
Reverend Richard Coombs (appointed 5 October 2024)
Reverend Henry Curran (resigned 5 October 2024)
The Ven Hilary Dawson
Reverend James Faragher (resigned 5 October 2024)
Reverend Dr Sarah Haden (appointed 5 October 2024)
Mr Chris Hill
Mr Martin Kingston (resigned 5 October 2024)
Ms Rachel Jago (appointed 5 October 2024)
Mr Robert McNeil-Wilson
Mr Gerald O'Brien (appointed 9 February 2025)
Mrs Carol O'Donnell
Reverend Jo Pestell
Reverend Ed Sauven
Reverend Canon Katrina Scott (resigned 5 October 2024)
The Ven Canon Katrina Scott (appointed 30 March 2025)
Canon Margaret Sheather (appointed 9 February 2025)
The Right Reverend Robert Springett
Reverend Graham Stacey (appointed 5 October 2024)
Reverend Canon John Swanton (resigned 5 October 2024)
Mr Alastair Taylor
Mr Kevan Taylor
Mr Andy Wilson (resigned 5 October 2024)
The Very Reverend Andrew Zihni (appointed 5 October 2024)

Principal Officers

Benjamin Preece Smith – *Diocesan Secretary*
Lucy Taylor – *Deputy Diocesan Secretary*
Lisa Gardner – *Chief Financial Officer*
Sandra Millar – *Director of Mission & Ministry*

Solicitor

Jos Moule; Diocesan Registrar
Veale Wasborough Vizards LLP
Orchard Court, Orchard Lane
Bristol BS1 5WS

Bankers

Barclays Bank plc
288 Britannia Warehouse
The Docks Gloucester GL1 2EH

Registered office

Church House
College Green Gloucester GL1 2LY

Contents

Board of Trustees and Principal Officers.....	1
Summary results.....	2
Trustees' report.....	3-14
Independent Auditors' Report.....	15-18
Consolidated statement of financial activities.....	19
Summary income & expenditure account.....	20
Consolidated balance sheet.....	21
Parent balance sheet.....	22
Consolidated cash flow statement.....	23
Accounting policies.....	24-28
Notes to the financial statements.....	29-60

Auditors

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Investment managers

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

Company limited by guarantee
Registered number 00162165
Registered charity number 251234

How have we done – some highlights

number of stipendiary clergy funded by the GDBF **-4.0%**

2024: 121 2023: 126 change:

Stipendiary vacancies at 31st December 2024 were 16 (2023:11)

parish share contributions

2024: £6.5m 2023: £6.4m change: **+1.4%**

shortfall of parish share to fund parish ministry:¹

2024: £2.6m 2023: £1.9m change: **+37%**

balance sheet value (net assets)

2024: £116m 2023: £106m change: **+9.4%**

¹ See 'Ongoing Activities' section on page 9.

Trustees' report

for the year ended 31 December 2024

Structure, Governance and Management

The Gloucester Diocesan Board of Finance (GDBF) is a company limited by guarantee and a registered charity. Its governing instrument is the Articles of Association. These were revised and updated in 2019 and formally adopted by members on 9 March 2019. Printed copies of the revised Articles of Association are available from the Secretary on request. The GDBF's membership comprises:

- The Bishop of Gloucester as president, ex-officio
- Each and every member for the time being of the Diocesan Synod
- Members co-opted to ensure that lay members constitute a majority of the GDBF

Elections and co-options take place every three years. The current triennium started in October 2024. The GDBF, which meets three times each year, is the principal policy making body. It takes advice from its Board of Trustees, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also takes executive action in certain matters and deals with day-to-day issues. Members of the Bishop's Council serve as both directors under the Companies Act and trustees under the Charities Act. Membership is as follows:

Ex-officio members:

- The Bishop of Gloucester – The Right Reverend Rachel Treweek
- The Chair of the GDBF – Canon Karen Czapiewski (resigned 5 October 2024) David Roberts (appointed 5 October 2024)
- The Bishop of Tewkesbury - The Right Reverend Robert Springett
- The Archdeacon of Gloucester –The Venerable Hilary Dawson
- The Archdeacon of Cheltenham – The Venerable Phil Andrew (resigned 31 December 2024) The Venerable Canon Katrina Scott (appointed 30 March 2025)
- The Dean of Gloucester Cathedral - Very Reverend Andrew Zihni (appointed 5 October 2024)
- The Vice-President of the House of Clergy of the Diocesan Synod – Reverend Canon Katrina Scott (resigned 5 October 2024) Reverend Jo Pestell (appointed to the Role on 5 October 2024)
- The Vice-President of the House of Laity of the Diocesan Synod – Mrs Carol O'Donnell

Members elected by the GDBF – House of Clergy

- Two clergy members of the GDBF from the Archdeaconry of Gloucester – Reverend Jo Pestell (to 4 October 2024), Reverend James Faragher (resigned 5 October 2024), Reverend Graham Stacey (appointed 5 October 2024) and Reverend Ed Sauven.
- Two clergy members of the GDBF from the Archdeaconry of Cheltenham – Reverend Andrew Blyth (resigned from role 5 October 2024), Reverend Canon John Swanton (resigned 5 October 2024), Reverend Richard Coombs (appointed 5 October 2024) and Reverend Sarah Haden (appointed 5 October 2024).
- One Proctor in Convocation from among the members of General Synod - Reverend Henry Curran (resigned 5 October 2024) – vacant.

Trustees' report

for the year ended 31 December 2024

Structure, Governance and Management cont.

Members elected by the GDBF – House of Laity

- Three lay members of the GDBF from the Archdeaconry of Gloucester – Mr Chris Hill, Prof Patricia Broadfoot (resigned 5 October 2024), Mr Andy Wilson (resigned 5 October 2024), Canon Margaret Sheather (appointed 9 February 2025) and Gerald O'Brien (appointed 9 February 2025).
- Three lay members of the GDBF from the Archdeaconry of Cheltenham – Mr George Collins, Mr Martin Kingston (resigned 5 October 2024), Mr Alastair Taylor (resigned from role 5 October 2024), Ms Rachel Jago (appointed 5 October 2024) and Mr Kevan Taylor (appointed 5 October 2024). One vacancy.
- One lay member from among the members of General Synod – Mr Robert McNeil-Wilson.

Co-opted members and nominations

- Up to two members may be co-opted by the Bishop's Council – Alastair Taylor and the Chair of the Houses Committee – Robert Bryant-Pearson (appointed 9 February 2025).
- Up to two members may be nominated by the Bishop - The Reverend Ed Sauven (to 4 October 2024) and the Reverend Andrew Blyth (appointed 5 October 2024).

Trustees are recruited, as indicated above, through a mixture of ex-officio positions, elections, and nominations. The Diocesan Secretary oversees membership elections.

An induction pack for trustees is available for new trustees which includes key documents, minutes and strategic discussions. This is supplemented by an invitation to meet with the Secretary to discuss any matters arising or explore further induction.

The GDBF was assisted in its work during the year by the following of committees:

- Audit Committee (Chair: Tim Greenhalgh (resigned 5 October 2024), Michael Storey (appointed 5 October 2024) acts as the risk management group and reports to the GDBF on matters relating to the auditors, the annual accounts and internal controls.
- Glebe Committee (Chair: Tony MacFarlane (resigned 29 February 2024), Colin Smith (appointed 15 April 2024) acts in all matters relating to the management of glebe property management and the disposal of assets not required for charitable or investment purposes.
- Resources Committee (Chair: Canon Karen Czapiewski (resigned 5 October 2024) David Roberts (appointed 5 October 2024) acts on matters delegated by the trustees relating to finance, assets, property, staffing and health and safety until 31 December 2024.
- Finance Committee (Chair: David Roberts) acts on matters delegated by the trustees relating to finance, assets, property, staffing and health and safety from 1 January 2025.
- Houses Committee (Chair: Robert Bryant-Pearson) acts on matters delegated by the trustees relating to property from 1 January 2025.

Trustees' report

for the year ended 31 December 2024

Structure, Governance and Management cont.

Emoluments of higher paid employees are determined by the Resources Committee to 31 December 2024 and Finance Committee from 1 January 2025. The terms of reference for this group were established by the Bishop's Council and includes regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

Trustees' liability insurance (for trustees in their capacity as directors) has been maintained throughout the year for the benefit of the charitable company and its trustees.

The GDBF is the financial custodian for the Diocese of Gloucester, which is an administrative and pastoral area within the Church of England. The GDBF therefore has important relationships with the national institutions of the Church of England, specifically:

- Archbishops' Council, to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.
- Church Commissioners, from which the GDBF receives grants, and which acts for tax and national insurance purposes as the pseudo-employer of diocesan clergy. The GDBF pays for clergy stipends through the Church Commissioners.
- Church of England Pensions Board, which provide pensions for clergy and GDBF's lay staff.

Public Benefit

Locally, the GDBF works with Parochial Church Councils (PCCs) which are legally independent bodies that pay contributions, based on an apportionment system, to the GDBF to fund its activities. The GDBF is a tenant of the Dean and Chapter of Gloucester Cathedral, from whom it rents office accommodation. The GDBF manages various charities on behalf of their respective trustees, for which services are provided under service level agreements, namely the Gloucester Diocesan Board of Education (GDBE), including its linked charities, the Voluntary Schools Fund (VSF) and The Bishop Headlam Fund (BHF) and the Charity of Ann Edwards (AEC).

The GDBF is a public benefit entity, and the Trustees are aware of the Charity Commission's guidance on public benefit and the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity.

Strategic Aims

The objects of the GDBF, as set out in its Articles of Association, are:

- To promote and assist the work, objects, and purposes of the Church of England for the advancement of the Christian religion in (but not limited to) the Diocese of Gloucester.

Trustees' report

for the year ended 31 December 2024

- To advance such other objects or purposes which are exclusively charitable according to the law of England and Wales in any part of the world and in such manner as the Trustees may in their absolute discretion consider may be expedient for the better promotion and assistance of the work of the Church of England.

In pursuing these objects, the GDBF acts as the financial executive of and employer for the Gloucester Diocesan Synod. As such it undertakes three principal activities:

- It funds costs associated with the vast majority of Church of England clergy in the Diocese.
- It is responsible for the custody and management of the synod's funds.
- It provides services to other organizations within the Diocese, primarily PCCs and schools.

In pursuing its objectives and undertaking these activities the GDBF is informed by the diocesan vision, LIFE Together. For more information see: <https://www.gloucester.anglican.org/about-us/our-vision/>

Strategic Report

Vision: LIFE Together

The LIFE Vision developed during 2022 into "LIFE together" which brings more focus to relationships and gathering as communities, especially worshipping communities.

There are five commitments in LIFE Together:

- Being advocates for flourishing through initiatives which combat injustice, environmental destruction, exclusion and isolation.
- Encouraging new and courageous ways of worshipping in different places which connect with more people.
- Nurturing everyday discipleship.
- Investing in people and programmes which excite young people to explore and grow in faith.
- Developing diverse lay and ordained leaders.

Substantial resourcing has been made available to specific projects working to this vision, notably Deanery Strategic Planning, Sportily and Church Army Centres of Mission.

Deanery Strategic Planning

Strategic Planning is now in transition from a long period of discernment and discussion into implementing additional work streams to seek to bring about a generational change in the missional fortunes of the Church in the diocese over the next 5-7 year period. The aim is to ensure that by the end of that period the Church's combined financial footing is firm enough to enable mission to continue at a broadly similar scale to now, albeit in a different and evolving "shape" as regards the component parts of the paid-for parts of delivering that mission.

Trustees' report

for the year ended 31 December 2024

Strategic Report cont.

Deanery Strategic Planning cont.

The underlying proposition and culture of the diocesan mission reflects a “parish first” approach which assumes our resilience and longevity is best achieved by strength locally. The focus of the Deanery Strategic Planning process is how best to secure that local resilience and develop a firm foundation for future growth.

Allied to this the GDBF has, since its inception over a hundred years ago, sought to resource and support missions which work at a geographic level more akin to a district or county level. This work is directed principally by the LIFE together Vision and the outworking of the project groups established for the first iteration of that Vision. Recent such missions include Church Army, Grace Network, Sportily and Youth Connectors.

The DSP process has given rise to six priority areas for development:

- Churches Maintenance Project
- local operations/administrative support
- local/focal/collaborative ministry
- (New) Housing
- Children and Youth
- Finance (Parish Share = Parish Ministry)

In addition to this there are connected entities and subsidiaries directly supported by the DBF, notably:

- Sportily
- Gloucester DBE
- Church Development Agency
- Grace Network
- Jumping Fish
- Ann Edwards Charity

Sportily

Sportily is a wholly owned subsidiary of the GDBF.

Sportily was launched in 2021 with a multi-year commitment of financial support from the Gloucester Diocesan Board of Finance (GDBF) approved by Bishops Council in November 2020.

Sportily is creating a network of fun-loving sport and activity groups across the Diocese, where all children, young people, and their families can try different sports, make new friends and encounter the Christian faith with others. Sportily is currently active in 17 communities across the Diocese, working alongside schools, churches and community partners.

Sportily is part of the Diocese and the LIFE Together vision and operates as part of Bishop Rachel's authorised ministry to the diocese, with a mandate from her, supported by Bishop's Council.

At the end of 2023 the CEO for Sportily (David Thorpe) stepped down, and during 2024 Chris Priddy and Richard Witham were appointed co-CEOs to take Sportily through the next phase of its growth and mission. During 2024 Reverend Jacqui Hyde served as the Interim Chair of the Board of Trustees and 3 of the trustees were also trustees of the GDBF.

Trustees' report

for the year ended 31 December 2024

Strategic Report cont.

Gloucester Diocesan Board of Education

GDBE is a recently created CIO which combines former staff of the GDBF with assets for the Voluntary Schools Fund to offer a range of services and support to over 100 Church of England Primary Schools in the Diocese. It was chaired throughout 2024 by the Bishop of Tewkesbury, a member of the Board, and led by the Diocesan Director of Education, Jane Borgeaud.

Church Development Agency

In 2024 the GDBF's long standing property development subsidiary, Good and Faithful Servant, was renamed the Church Development Agency (CDA). This reflects it's a new remit and leadership (CEO: Daniel Mayes) to use the development experience of the GDBF and CDA as a basis for wider transformation in the Church's response to housing need, particularly in the West Midlands region. They were very fortunate in this work to secure £1.8m of funding from Oak Foundation for work to release sites, especially Church owned sites, for social housing.

Grace Network

Grace Network is a modern day monastery and social enterprise co-operative based in Brimscombe which builds community and from that a new monastic community. Their main engagement and funding come from ethical businesses sharing resources and space in a different iteration of the "seven sacred spaces" model.

In 2022 the Board awarded grant funding of £1.5m to enable this model to expand into two new locations. These sites have now been confirmed as Aston Down (near Minchinhampton) and Cirencester Market Place. Aston Down is focused on delivering a model of monastic community built around work that does not have a "retail offering" but rather focussing on network business such as furniture clearance, food delivery and school meals. Cirencester by contrast attempts to increase the retail focus and footfall by taking over a semi-derelict ex House of Fraser building in the prime retail area of Cirencester focussed on delivering a faith led community in the "High Street".

Aston Down has been operational since mid-2023. Cirencester opened in late 2024.

Jumping Fish

Jumping Fish is a small publishing company wholly owned by GDBF. The Board is currently considering the future of this business. They make a small trading surplus of £7k towards GDBF's costs.

Ann Edwards Charity

AEC is a small Almshouse Charity operating principally in Gloucester. It focuses on the quality of its provisions and is a much loved and valued part of the diocesan family of charities which requires no financial support from GDBF.

Trustees' report

for the year ended 31 December 2024

Achievements and performance in the year

Financial Review

The results for 2024 show an 9.6% increase in parish ministry costs compared to the consistency of 2023, 2022, and 2021.

- Clergy numbers decreased to 121.
- Parish Share increased 1.4% from £6.4m to £6.5m.
- The Balance Sheet increased to £116m from £106m due principally to realised gains on the sale of property and investments.

The CPI annual percentage increase in the year ended 31 December 2024 was 2.5%. The true effect of this increase in costs is demonstrated by the increase in the resourcing of parish ministry in 2024. The inflationary increase in the economy affected the worshipping community who were financially unable to match the increase in costs with parish share.

Fig1: Parish Share Collected cf. Parish Ministry Costs

	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m
Parish Share	6.5	6.3	6.5	6.4	6.5
Resourcing Parish Ministry (Direct) ²	(7.8)	(8.1)	(8.1)	(8.3)	(9.1)
Deficit	(1.3)	(1.8)	(1.6)	(1.9)	(2.6)

The consistent level of parish share, whilst illustrating resilience also indicates the need for a strategic change in the Church of England's ministry in order to see long term flourishing of the Gospel. The national review of DBF finances by BDO showed all DBFs are significantly below historic levels of congregational numbers and financial income from Parish Share. This would therefore appear to be a systemic issue in the Church of England which the Board can influence but not control.

Financially the Board's property development strategy is strong and will provide resilience for some time, however the availability of stipendiary clergy for the next decade is a real concern. Developing high quality leadership is fundamental to the growth of the Church and is potentially the single most important focus for the next few years.

² See Note 9

Trustees' report

for the year ended 31 December 2024

Plans for future periods

The Strategic Report (above) sets out the main approach of the Diocese to addressing its core challenges for the next few years. The Board is committed to using the Unapplied Total Return (UTR) built up over many years to cover the deficits necessary to maintain an appropriate deployment of parish ministry. Whilst change may be necessary to ensure the right pattern of ministry in future the Board seeks to ensure the matter of ministerial deployment is addressed as a missional question that is financially informed but not financially driven.

In the immediate term the Board will focus on its management of assets to ensure the new strategic work can be funded and buy the time for parish ministry to engage with the DSP process in meaningful ways that ensure authentic, long-term proposals are agreed for each part of the Diocese.

It is the work of the next year or so to start implementing a strategy that maps out a realistic and deliverable model of ministry for the coming decade and which ultimately leads to a position of growth from one of many decades of decline.

Church Housing Association

In early 2024 the Board granted £600k towards the Church Housing Association (CHA) of which it is the corporate member. The CHA is now a Registered Provider of social housing. Its initial area of operation will be the West Midlands, and it is actively exploring sites in the region, including within Gloucester. CHA is a community benefit society with membership shared between the GDBF and the Directors of CHA, so it is not "owned" by GDBF although as the sole corporate member GDBF can be considered the "parent company" of this important entity.

Church Development Agency

Church Development Agency (CDA) (formerly Good and Faithful Servant) appointed a new CEO/Surveyor after several years without a such a role. The remit of this CEO is to expand the operation of CDA into other dioceses.

Carbon Net Zero

The Board takes seriously the Synodical motion at both General and Diocesan Synod to reach net zero carbon by 2030, and progress has accelerated rapidly since June 2024. The Board is delivering this through a three-way partnership with Hereford and Worcester DBFs with some grant support from the National Church Institutions (NCI). 2024 has seen the commissioning of a Net Zero Carbon Management Board, responsible for developing the strategic vision and reporting progress. Baseline emissions across all emissions categories are now better understood, and many success stories exist whereby decarbonisation is already occurring at pace.

In the area of clergy housing emissions, the Board has taken a fabric-first approach to energy improvements, thereby improving retrofit readiness. In areas where the Board influences rather than controls, it has nevertheless taken a proactive approach. In support to church PCCs, the Gloucester DAC

Trustees' report

for the year ended 31 December 2024

takes the 2030 Net Zero commitment seriously and operates a firm policy against like for like replacements of fossil fuel boilers unless there is a very good reason for allowing them and has assisted in securing some national funding for improvement works. In the schools' space, funding

decarbonisation is the responsibility of the DfE but the Board seeks to support all schools in readiness of funding becoming available.

Principal risks and uncertainties

The Trustees are responsible for the identification, mitigation and management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is reviewed by the Audit Committee on an annual basis with the responsibility for delivery of the mitigation strategies identified delegated to the Diocesan Secretary.

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

Governance and Management:

- Loss of key staff: Managed through professional HR resource and appropriate contracts.
- Lack of candidates coming forward to train to be ordained leaders leading to shortage of ordained ministers: Managed through the DSPs to reduce the administrative load on existing ordained leaders and training more lay worship leaders.
- Safeguarding: Managed via a properly resourced HR and Safeguarding Department overseen by an independent Safeguarding Board.
- Acting *Ultra-Vires*: Managed by the appropriate use of legal advice and all contracts with significant Church legislative implications being undertaken by the Diocesan Registry.

Operational Risks

- Capacity and use of assets: Overseen by a formal Delegation of Authority document with delegations to the Resources and Glebe Committees and the Diocesan Secretary.
- Use of Church Buildings: The Diocesan Advisory Committee for the Care of Churches (DAC) is resourced and staffed appropriately by the Board and operates to national legislation and guidelines.

Financial Risks

- The capacity of Parish Share to fund the current pattern of ministry on the Diocese. A new Parish Share System is being worked on for 2026 which has involved close work and engagement with the deaneries. Alternative models of ministry with different income profiles are being explored and ongoing management of investments and development of glebe supplement Parish Share significantly.

Trustees' report

for the year ended 31 December 2024

External Risks

- Decreased church attendance due to changing public lifestyle choices and the perceived lack of relevance of the church in modern times plus an aging demographic: Investment in Deanery Strategic Plans.

Going Concern

The trustees have reviewed the Board's financial position, in the light of its faith in the Risen Christ, its losses from ongoing activities and its long-term balance sheet strength.

Taking account of the satisfactory levels of aggregate reserves (see Reserves Policy note below) and cash, and systems of financial and risk management, it is the trustees' opinion that the charity is well placed to manage operational and financial risks successfully. Accordingly, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and do not believe that there are any material uncertainties as to the going concern of the charity. Therefore, the trustees are content that the charity continues to adopt the going concern basis of accounting in preparing the annual accounts.

Investment policy

The Board maintains a review of its investments through the Investment Group which also monitors performance against market benchmarks and considers the adequacy of its investment mix.

The Board also ensures it invests in line with the Church of England Ethical Investment Advisory Group Policy. To achieve this, it uses the investment management skills of a professional fund manager; CCLA. The table below has been extracted from the quarterly CCLA report at 31 December 2024 reflecting the investment performance.

Fund total return performance	<i>Current Quarter</i>	<i>Last twelve months</i>	<i>Last three years annualised</i>	<i>Last five years annualised</i>
CBF Fund holdings within portfolio	(%)	(%)	(%)	(%)
Investment	+0.39	+5.09	+2.43	+6.82
Fund comparator	+4.84	+15.30	+5.51	+7.40
Deposit	+1.19	+5.18	+3.69	+2.29
Fund benchmark	+1.22	+5.23	+3.76	+2.26

The fund's performance was close to the CPI+4% investment objective, up 5.1% versus 6.5%.

Leadership in 2024 was one of the most concentrated in stock market history, i.e. relatively few stocks were responsible for much of the overall market's performance. The fund's performance, relative to its comparator, was impacted by its underweight exposure to the so-called 'Magnificent 7' stocks. The

Trustees' report

for the year ended 31 December 2024

fund's relative performance also suffered from weakness in the share prices of businesses and segments in which we have confidence for the long term.

Steep rises in bond yields at the end of 2024 led to falling valuations for alternative assets such as infrastructure and private equity.

Stock market valuations are high, especially for US stocks, but they are backed by mostly solid macroeconomic fundamentals. US economic growth, in particular, continues to be impressive.

The underlying health of the businesses in the fund's portfolio is strong. The fund's diversified portfolio is well-positioned to benefit from a broadening of the ongoing stock market rally.

The Investment Group has provided comfort to the Board that its assets were invested in line with its ethical policies and financial performance was above the relevant benchmarks set.

Looking forward the Board is keen to consider more social minded and local investments should the predicted cash surpluses from land disposals materialise in the coming years.

Reserves policy

The policy of the GDBF is to maintain a general fund reserve of between 4 and 8 months of parish share (i.e., between £2.2m and £4.3m) plus any budgeted deficit for the year on the general fund (i.e., for 2024 between £4.5m and £6.7m).

This level is considered prudent to manage for the cash flow deficit experienced each year resulting from parish share contributions being remitted irregularly during the year, (whereas the GDBF's expenditure is consistent on a month-by-month basis), and also to allow for unexpected occurrences.

At 31 December 2024, the general fund balance is £4.3m (2023: £4.5m) with free reserves of £1.6m (2023: £2.0m). Although the free reserves are below the target level, funds are held in investments which can be liquidated to ensure the GDBF holds sufficient funds to follow the requirements of the policy. Furthermore, the size of the Unapplied Total Return (UTR) relative to qualifying annual expenditure offers significant comfort that this does not present any operational difficulties.

The GDBF holds designated reserves of £7.2m (2023: £6.3m), restricted reserves £5.2m (2023: £5.1m) and endowment funds of £99.2m (2023: £90.1m) at 31 December 2024.

Fundraising activities

The charity undertakes very limited fundraising activities directly with individuals. The majority of the GDBF's income comes from other charitable entities. The GDBF does not use third party professional fundraisers and did not receive any complaints about its fundraising practices during 2024.

Trustees' responsibilities in respect of the financial statements

The Trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted

Trustees' report

for the year ended 31 December 2024

Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the GDBF and of the income and expenditure for the period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Statements as to disclosure of information to auditors

Each of the Trustees confirms that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all the necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Statements as to disclosure of information to auditors cont.

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

Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees on 20 June 2025.

+Rachel Gloucestr.

+Rachel Gloucestr:

President, Gloucester DBF

David Roberts

Mr David Roberts

Chair, Gloucester DBF

Independent Auditors' Report

To the Trustees of Gloucester Diocesan Board of Finance

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

To the Trustees of Gloucester Diocesan Board of Finance

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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 Auditors' Report cont.

To the Trustees of Gloucester Diocesan Board of Finance

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the Trustees 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 group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

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

Independent Auditors' Report cont.

To the Trustees of Gloucester Diocesan Board of Finance

Audit procedures performed by the engagement team included:

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

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

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

Use of our report

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



Adam Halsey (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date 27 June 2025

Consolidated statement of financial activities

for the year ended 31 December 2024

	Notes	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2024 £'000	Total 2023 £'000
Income & endowments from							
Donations							
parish share contributions	1	6,469	-	-	-	6,469	6,377
church commissioners	2	54	-	-	-	54	63
grants and other donations	3	196	-	719	-	915	767
Charitable activities: statutory fees and licence to occupy income		716	-	216	-	932	782
Other activities	4	179	-	-	-	179	117
Investments	5	1,172	6	252	-	1,430	1,071
Other	6	19	-	12	14,823	14,854	1,521
Total		8,805	6	1,199	14,823	24,833	10,698
Expenditure on							
Raising funds	7	179	-	-	-	179	86
Charitable activities	8	11,648	2,119	1,545	29	15,341	13,316
Total	9	11,827	2,119	1,545	29	15,520	13,402
Net (expenditure)/income before investment gains		(3,022)	(2,113)	(346)	14,794	9,313	(2,704)
Net gains on investments	20	-	-	70	523	593	13,422
Net (expenditure)/income		(3,022)	(2,113)	(276)	15,317	9,906	10,718
Total return transfer	16c	6,162	-	-	(6,162)	-	-
Net (expenditure)/income after total return transfer		3,140	(2,113)	(276)	9,155	9,906	10,718
Transfers between funds	20 - 23	(3,312)	3,020	349	(57)	-	-
Net movement in funds		(172)	907	73	9,098	9,906	10,718
Total funds brought forward		4,493	6,285	5,080	90,093	105,951	95,233
Total funds carried forward		4,321	7,192	5,153	99,191	115,857	105,951

Consolidated summary income & expenditure account

for the year ended 31 December 2024

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law.

	2024	2023
	£'000	£'000
Total income	10,010	9,202
Expenditure	(15,491)	(13,373)
<i>Operating (deficit) for the year</i>	(5,481)	(4,171)
Net gains on investments	70	264
Net (expenditure) for the year	(5,411)	(3,907)

Other comprehensive income:

Net assets transferred from endowments	6,219	1,769
Total comprehensive income/(expenditure)	808	(2,138)

All income and expenditure is derived from continuing activities.

Full comparatives for the year to 31 December 2023 are shown in note 28.

The notes on pages 24 to 60 form part of these financial statements.

Consolidated balance sheet

as at 31 December 2024

Company number 00162165

	Notes	2024 £'000	2023 £'000
Tangible assets	15a	51,485	48,203
Investments	16a	34,122	52,904
Fixed Assets		85,607	101,107
Stock and work in progress	17	40	43
Debtors: amounts falling due after one year	18a	511	494
Debtors: amounts falling due within one year	18a	15,179	1,760
Cash at bank and in hand		15,921	3,772
Current Assets		31,651	6,069
Creditors: amounts falling due within one year	19a	(1,052)	(751)
<i>Net Current Assets (Current assets less creditors < 1 year)</i>		30,599	5,318
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		116,206	106,425
Creditors: amounts falling due after one year			
Other creditors	19a	(349)	(474)
Net Assets		115,857	105,951
Endowment funds	20,23	99,191	90,093
Restricted funds	20,22	5,153	5,080
Designated funds (unrestricted)	20,21	7,192	6,285
General fund (unrestricted)	20	4,321	4,493
Total funds		115,857	105,951

Approved by the Board of Trustees on 20 June 2025 and signed on its behalf by

David Roberts

David Roberts, Chair

The notes on pages 24 to 60 form part of these financial statements.

Parent company balance sheet

as at 31 December 2024

Company number 00162165

	Notes	2024 £'000	2023 £'000
Tangible assets	15b	49,767	46,863
Investments	16b	33,937	52,738
Fixed Assets		83,704	99,601
Debtors: amounts falling due after one year	18b	511	494
Debtors: amounts falling due within one year	18b	15,186	1,773
Cash at bank and in hand		14,283	1,756
Current Assets		29,980	4,023
Creditors: amounts falling due within one year	19b	(911)	(682)
<i>Net Current Assets (Current assets less creditors < 1 year)</i>		29,069	3,341
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		112,773	102,942
Creditors: amounts falling due after one year			
Other creditors	19b	(349)	(474)
Net Assets		112,424	102,468
Endowment funds		98,260	89,181
Restricted funds		2,582	2,507
Designated funds (unrestricted)		7,192	6,285
General fund (unrestricted)		4,390	4,495
Reserves		112,424	102,468

Approved by the Board of Trustees on 20 June 2025 and signed on its behalf by

David Roberts

David Roberts, Chair

The notes on pages 24 to 60 form part of these financial statements.

Consolidated cash flow statement

for the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Net cash used in operating activities		(19,847)	(6,418)
Interest paid	5	(44)	(57)
Net cash outflow from operating activities		(19,891)	(6,475)
Investing activities			
Dividends and interest received	5	1,285	1,066
Proceeds from sale of tangible fixed assets		3,096	2,621
Purchase of tangible fixed assets for use by GDBF	15a	(5,082)	(1,108)
Purchase of fixed asset investments	16a	(26)	(23)
Sale of fixed asset investments	16a	32,752	871
Net cash generated from investing activities		32,025	3,427
Financing activities			
Loan repaid to GDBF		60	25
Loan advanced by GDBF		(45)	(20)
Net cash generated from financing activities		15	5
Net increase/(decrease) in cash and cash equivalents		12,149	(3,043)
Cash & cash equivalents at beginning of year		3,772	6,815
Cash & cash equivalents at end of year		15,921	3,772
<i>Reconciliation net movement in funds to net cash flow from operating activities:</i>			
Net income/(expenditure) for the year		9,313	(2,704)
Adjustments for:			
Depreciation and amortisation charges		176	81
Finance costs		43	32
Dividends, interest & rent from investments		(1,430)	(1,071)
Profit on sale of functional assets		(1,472)	(1,195)
Profit on sale of investments		(13,351)	(301)
Decrease/(increase) in stock and work in progress		3	(20)
(Increase) in debtors		(13,305)	(1,143)
Increase/(decrease) in creditors		176	(97)
Net cash used in operating activities		(19,847)	(6,418)
Analysis of cash and cash equivalents			
Cash in bank & in hand		15,921	3,772
Total cash and cash equivalents		15,921	3,772

Accounting policies

for the year ended 31 December 2024

The principal accounting policies adopted are as follows:

Basis of Accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd edition, effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line-by-line basis. The subsidiaries are Jumping Fish Limited, The Church Development Agency, Sportily Limited and the Ann Edwards Charity. 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 deficit of the parent charity for the year was £3.968 million (2023: deficit of £2.753 million). Gloucester DBF meets the FRS102 definition of a Public Benefit Entity.

The principal accounting policies and estimation techniques are as follows.

Income

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

Parish Share contributions by parishes are included in the financial statements when there is certainty of receipt. Donations are recognised when received. Legacies are recognised when there is reasonable certainty as to both entitlement and amount. Grants from government bodies and other sources are received for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period. Contractual income and performance related grants are included in the SOFA only when the related goods or services have been delivered. Interest and dividends are included in the financial statements when receivable. Rental income is recognised in the period to which the rent relates.

Gifts in kind are accounted for at a reasonable estimate of their value to the Charity or at the amount actually realised. Gifts in kind for use by the Charity are included in the SOFA as income when receivable.

Donated services and facilities are included in income (with an equivalent amount in expenditure) only where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Investment income arising upon the Diocesan Stipends Fund is credited to the unapplied total return in the year in which the income is due.

Expenditure

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

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

Accounting policies

for the year ended 31 December 2024

Expenditure cont.

- ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, expenditure relating to the running of the diocesan retreat centre, 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 GDBF, such grants being recognised as expenditure when the conditions attaching 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 on an approximate staff time basis.
- v) Pension contributions. The GDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 27). The pension costs charged as expenditure represent the GDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which GDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.
- vi) Employee benefits. Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accruals basis and in line with FRS 102.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Volunteers

The value of any voluntary help received is not included in the accounts but is described in the trustees' report.

Going Concern

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of its financial position, levels of reserves and future plans give the Trustees confidence the charity remains a going concern for a period in excess of 12 months from the date of approval of these accounts. This review has included an assessment of cash flow forecasts.

Depreciation

Depreciation on equipment is calculated on a straight-line basis at annual rates estimated to write off the assets over their respective expected useful lives, as follows:

Leasehold property improvements	5%	Assets under construction	0%
Office equipment	20%-33%	Office and other furniture	10%-20%
Telephone equipment	20%	Computer equipment	25%-33%
Solar PV panels	25 years	Sports equipment	20%-33%
Motor Vehicles	25%	Improvements	20%

Accounting policies

for the year ended 31 December 2024

Depreciation cont.

No depreciation is provided on clergy houses. As the remaining useful life of these assets exceeds 50 years and a programme of planned maintenance ensures that the residual value does not fall below the carrying value, any depreciation would be immaterial. An annual impairment review is carried out in accordance with FRS102.

Tangible fixed assets

Tangible fixed assets with a useful life of over 1 year and costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Clergy houses and other land and buildings owned by the GDBF group as corporate property are included in the financial statements at historical cost. It is the opinion of the Trustees that the cost represents the residual value of the buildings and land, whose useful life exceeds 50 years, and, as a consequence, no depreciation charge has been made.

Clergy houses owned by benefices are included in the financial statements at a carrying value established by the Trustees and based on a professional valuation in December 2000. Houses acquired since that date are included at cost, and any major improvements are capitalised to the extent that the carrying value does not exceed the estimated net realisable value. Although the Board does not own these houses, it has the responsibility for maintaining them and receives any sale proceeds on disposal if the house becomes surplus under a pastoral scheme. Under FRS102 the Board considers that it has access to the benefits of these houses and also the associated risks and therefore needs to recognise them as assets in the financial statements. Solar PV panels installed on clergy houses are included within the asset value of the house and depreciated on a straight-line basis over 25 years.

Fixed asset investments

Listed investments are stated at open market value at the balance sheet date with the gain or loss arising on the investment funds representing the Diocesan Stipends Fund, taken directly to the unapplied total return and others to the Statement of Financial Activities. For units held in managed funds of the Central Board of Finance this is the published bid price. Investment properties, which comprise the glebe portfolio, are stated at Trustees' valuation. The valuation is arrived at after taking appropriate professional advice and is reviewed each year. Certain short-term cash deposits, which are held for long term investment purposes, are included in fixed asset investments.

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Stock and Work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Accounting policies

for the year ended 31 December 2024

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short-term maturity.

Creditors

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

Fund accounting

The resources of the Board are classified according to restrictions imposed on their use by donors or by legislation, and in accordance with the SORP, as follows:

- Endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.
- Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board, or as expressed in the trusts under which the funds are held.
- Unrestricted funds are monies available for use at the discretion of the Board. The General Fund is for the day to day running of the Board and is primarily funded by the parish share. However, certain funds have been earmarked for particular purposes, and these are termed designated funds. Such funds are kept separate for administrative purposes but do not constitute legally separate funds.

During 2019, Bishops Council approved a total return approach to investment for the investments held as one of the GDBF's permanent endowments – the Diocesan Stipends Fund (DSF). This change in policy took effect from 1st January 2019 and since then GDBF has operated a total return approach to the management of the investment portfolio attributable to the DSF. Using this approach, GDBF is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return. GDBF is permitted to allocate from the unapplied total return element, such sums as the Board see appropriate, provided that the Board exercise their statutory duty to be even handed as 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 regard to the volatility of the investment markets. GDBF's objective is also to maintain the value of non-distributable funds in real terms.

Operating leases

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Judgements and estimates

In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Accounting policies

for the year ended 31 December 2024

Judgements and estimates cont.

Significant judgements:

Valuation of investment properties - Investment properties are stated at trustees' valuation after taking appropriate professional advice.

Depreciation of clergy houses - The Trustees consider that residual value of freehold properties is equivalent to the carrying value and depreciation would not be material.

Sources of estimation uncertainty:

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

Notes to the financial statements

for the year ended 31 December 2024

Note 1

Parish Share

	Deanery Confirmed Allocations for 2024 £'000	Received in 2024 re 2024 £'000	Received in 2024 re prior years £'000	2024 £'000	2023 £'000
Gloucester City	564	562	-	562	571
Severn Vale	635	617	-	617	606
Forest South	345	362	3	365	358
Wotton	438	617	-	617	586
Stroud	578	578	2	580	598
Cheltenham	1,392	1,327	-	1,327	1,291
North Cotswold Deanery	938	925	3	928	883
Cirencester	926	923	-	923	929
Tewkesbury & Winchcombe	552	546	-	546	550
Other	-	4	-	4	5
Parish Share contributions	6,368	6,461	8	6,469	6,377

Note 2

Income from the Church Commissioners

	2024 £'000	2023 £'000
Grant re Bishop's share of registrar's retainer	54	63
Church Commissioner grants received	54	63

Notes to the financial statements

for the year ended 31 December 2024

Note 3

Grants and other donations

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	Total	<i>Total</i>
					2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Ecclesiastical Insurance Group grant	72	-	-	-	72	84
Oak Foundation grant	41	-	-	-	41	-
Other grants	24	-	-	-	24	21
Archbishops' Council grant	-	-	39	-	39	131
Other restricted grants/donations	-	-	558	-	558	270
Sportily grants/donations	-	-	122	-	122	178
Other donations	59	-	-	-	59	83
Grants and donations	196	-	719	-	915	767

Note 4

Other activities

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	Total	<i>Total</i>
					2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Rental of vacant housing	159	-	-	-	159	89
Property development: CDA*	-	-	-	-	-	-
Educational services: JF Ltd*	19	-	-	-	19	20
Other income	1	-	-	-	1	8
Total	179	-	-	-	179	117

In 2023, £109k of other activities income was unrestricted, and £8k was designated.

*The principal activity of Church Development Agency (CDA formerly Good & Faithful Servant Limited) is the development of property, whilst Jumping Fish's (JF Ltd) is the publication of educational materials and professional services, for advertisement of the Christian religion.

Notes to the financial statements

for the year ended 31 December 2024

Note 5

Investments

	2024	2023
	£'000	£'000
Income from fixed asset investments	1,345	1,028
Other interest receivable and similar income	45	3
Rent receivable	40	40
Investments	1,430	1,071

In 2024, £1,172k (2023: £832k) of investment income was unrestricted, £6k (2023: £6k) was designated and £252k (2023: £233k) was restricted.

Note 6

Other

	2024	2023
	£'000	£'000
Gain on disposal of tangible fixed assets*	1,472	1,195
Gain on investment property	13,351	301
Miscellaneous income	31	25
Other	14,854	1,521

In 2024, £19k (2023: £12k) of other income was unrestricted, £nil (2023: £nil) was designated, £12k (2023: £13k) was restricted and £14,823k (2023: £1,496k) was endowed.

* The gain on disposal of tangible fixed assets in 2024 included in endowment funds comprised the sale of five clergy houses (three surplus and two replaced) for the GDBF. The gain on disposal of tangible fixed assets in 2023 comprised the gain on the sale of four clergy houses (two surplus and two replaced) for the GDBF.

Note 7

Raising funds

	2024	2023
	£'000	£'000
Tenancy costs associated with the letting of vacant properties	57	57
Property development – Church Development Agency Limited	110	14
Educational services – Jumping Fish Limited	12	15
Raising funds	179	86

Notes to the financial statements

for the year ended 31 December 2024

Note 8

Charitable activities

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council:						
National Church responsibilities	214	-	-	-	214	210
Training for Ministry	312	-	-	-	312	319
Training of Ordinands – support grants	120	-	-	-	120	155
Pooling of Ordinand support costs	(37)	-	-	-	(37)	(42)
Mission agencies pension contributions	-	-	-	-	-	10
Retired clergy housing costs (CHARM)	128	-	-	-	128	121
	737	-	-	-	737	773
Resourcing Ministry & Mission:						
Stipends, employed Clergy and National insurance	3,719	-	-	-	3,719	3,500
Clergy pension contributions	726	-	-	-	726	772
Housing costs including removal and resettlement grants	2,259	-	-	-	2,259	1,945
Parochial fees payable to PCCs	343	-	-	-	343	287
	7,047	-	-	-	7,047	6,504
Support for Parish Ministry	3,814	88	371	29	4,302	3,767
	10,861	88	371	29	11,349	10,271
Expenditure on Education:						
Grant to GDBE (note 11)	-	123	-	-	123	115
Grant to DGAT (note 11)	-	11	-	-	11	16
Other Expenditure:						
Grants awarded (note 11)	50	1,897	153	-	2,100	1,162
Charitable activities of Ann Edwards charity	-	-	76	-	76	102
Charitable activities of Sportily	-	-	945	-	945	877
	11,648	2,119	1,545	29	15,341	13,316

Notes to the financial statements

for the year ended 31 December 2024

Note 8 cont.

Comparative analysis for 2023 Charitable activities

	Unrestricted 2023 £'000	Designated 2023 £'000	Restricted 2023 £'000	Endowment 2023 £'000	Total 2023 £'000
<i>Contributions to Archbishops' Council:</i>					
National Church responsibilities	210	-	-	-	210
Training for Ministry	319	-	-	-	319
Training of Ordinands – support grants	155	-	-	-	155
Pooling of Ordinand support costs	(42)	-	-	-	(42)
Mission agencies pension contributions	10	-	-	-	10
Retired clergy housing costs (CHARM)	121	-	-	-	121
	773	-	-	-	773
<i>Resourcing Ministry & Mission:</i>					
Stipends, employed Clergy and National insurance	3,500	-	-	-	3,500
Clergy pension contributions	772	-	-	-	772
Housing costs including removal and resettlement grants	1,945	-	-	-	1,945
Parochial fees payable to PCCs	287	-	-	-	287
	6,504	-	-	-	6,504
Support for parish ministry	3,337	83	318	29	3,767
	9,841	83	318	29	10,271
<i>Expenditure on Education:</i>					
Support for church schools	-	115	-	-	115
Grant to DGAT (note 11)	-	16	-	-	16
<i>Other Expenditure:</i>					
Grants awarded (note 11)	-	1,131	31	-	1,162
Charitable activities of Ann Edwards charity	-	-	102	-	102
Charitable activities of Sportily	-	-	877	-	877
	10,614	1,345	1,328	29	13,316

Notes to the financial statements

for the year ended 31 December 2024

Note 9

Analysis of expenditure including the allocation of support costs

	<i>Activities undertaken directly</i>	<i>Grant funding of activities</i>	<i>Support costs</i>	<i>Total costs</i>
	<i>2024</i>	<i>2024</i>	<i>2024</i>	<i>2024</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Raising funds	179	-	-	179
Charitable activities:				
Contributions to Archbishop's Council	-	737	-	737
Resourcing parish ministry	9,074	88	2,187	11,349
Education	-	134	-	134
Other expenditure	768	2,100	253	3,121
Total	10,021	3,059	2,440	15,520

Comparative analysis for 2023	<i>Activities undertaken directly</i>	<i>Grant funding of activities</i>	<i>Support costs</i>	<i>Total costs</i>
	<i>2023</i>	<i>2023</i>	<i>2023</i>	<i>2023</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Raising funds</i>	86	-	-	86
<i>Charitable activities:</i>				
<i>Contributions to Archbishop's Council</i>	-	773	-	773
<i>Resourcing parish ministry</i>	8,390	83	1,798	10,271
<i>Education</i>	-	131	-	131
<i>Other expenditure</i>	778	1,162	201	2,141
Total	9,254	2,149	1,999	13,402

Notes 10 to 14 provide further details on expenditure for 2024.

Notes to the financial statements

for the year ended 31 December 2024

Note 10 Analysis of support costs	<i>Unrestricted funds</i>		<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total funds 2024</i>	<i>Total funds 2023</i>
	<i>General</i>	<i>Designated</i>				
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Central administration	2,094	-	241	29	2,364	1,925
Governance:						
External audit	44	-	12	-	56	49
Chancellor and Professional fees	15	-	-	-	15	14
Synodical costs	5	-	-	-	5	11
Total	2,158	-	253	29	2,440	1,999

In 2023, £1,707k of central administration costs was unrestricted, £189k was restricted and £29k was endowed. Of the remaining expenditure of £62k was unrestricted and £12k was restricted.

Note 11 Summary of grants made:	<i>2024</i>	<i>2023</i>	2024	<i>2023</i>
	<i>number</i>	<i>number</i>	<i>£'000</i>	<i>£'000</i>
Church Housing Association grant	1	-	83	-
Church repairs	1	1	10	10
Coopers Edge Grant	1	-	50	-
GDBE Grant	1	1	123	115
Development Grants	44	25	166	182
DGAT Grant	1	1	11	16
Energy Grants	1	47	5	21
Grace Network	2	1	1,044	400
Housing Initiative	2	1	104	549
Minor Repairs and Improvements Grant	5	-	16	-
Other Grants	4	-	122	-
Viney Hill Grant	1	-	500	-
Grants made in the year	64	77	2,234	1,293

Notes to the financial statements

for the year ended 31 December 2024

Note 12

Net movement in funds is stated after charging:

	2024 £'000	2023 £'000
Depreciation	176	81
Auditors' remuneration		
Parent company audit	32	28
Subsidiary entities audit	24	21
Interest on Church Commissioners' loans:		
Loan for Solar Panel installations	12	2
Value Linked Loans on parsonage houses	31	30
Operating leases: Land and buildings (note 24)	64	64
Operating leases: Other (note 24)	12	19

Note 13

Interest on long term loans

	2024 £'000	2023 £'000
Interest on loans wholly or partly repayable beyond 5 years	31	30

All interest relates to value linked loans, being equity share loans made to the GDBF by the Church Commissioners in respect of Parsonage Housing.

Notes to the financial statements

for the year ended 31 December 2024

Note 14

Staff costs

Costs of employees and officer holders

	2024	2023
	£'000	£'000
<i>Group</i>		
salaries and stipends	2,854	2,443
redundancy and termination payments	25	11
social security costs	268	239
other pension costs	488	442
Employees, including clergy in GDBF employment:	3,635	3,135

<i>Parent</i>		
salaries and stipends	2,314	1,959
redundancy and termination payments	25	-
social security costs	221	198
other pension costs	415	382
Employees, including clergy in GDBF employment:	2,975	2,539

Stipends	3,252	3,078
social security costs	301	278
pension costs	720	766
Parochial clergy funded by the GDBF:	4,273	4,122

<i>Number of employees including clergy in GDBF employment</i>	<i>Number</i>	<i>Number</i>
Average monthly number - Group	85	80
Average monthly number – Parent	61	58
Parochial clergy funded by the GDBF	121	126

The number of employees whose emoluments exceeded £60,000 were as follows:-

Employees earning between £60,001 and £70,000	3	2
Employees earning between £70,001 and £80,000	1	1
Employees earning between £80,001 and £90,000	1	1
Employees earning between £90,000 and £100,000	1	1
Employees earning between £100,000 and £110,000	1	-

Notes to the financial statements

for the year ended 31 December 2024

Note 14

Staff costs cont.

The employer's pension contribution for staff earning over £60,000 was £99,887 (2023: £88,065). The GDBF acted as a paymaster for the Gloucester Diocesan Board of Education (GDBE) for the year ended 31 December 2023. The staff costs are included in the GDBE accounts charity number 1199117.

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary	Canon Benjamin Preece Smith
Director of Mission and Ministry	Reverend Canon Dr Sandra Millar
Head of Communications	Canon Lucy Taylor
Director of People, Pastoral and Safeguarding	Canon Judith Knight (resigned 31 July 2024)
Chief Financial Officer	Ms Lisa Gardner

Remuneration and pensions for these five (2023: five) employees amounted to £511k (2023: £499k).

Trustees'/Trustees' emoluments

No Director/Trustee received any remuneration for services as a Director/Trustee. Ten Directors/Trustees received travelling and out of pocket expenses, totalling £11k (2023 - £13k) in respect of General Synod duties, duties as Archdeacon or Area Dean, and other duties as Directors/Trustees.

Certain trustees of the Board who are also clergy received benefits during the year from the Board as part of its normal charitable activity of providing a stipend and housing for clergy in the Diocese.

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

	Stipend	Housing
The Archdeacon of Cheltenham	Yes	Yes
The Archdeacon of Gloucester	Yes	Yes
Reverend A Blyth	Yes	Yes
Reverend R Coombs	Yes	Yes
Reverend H Curran (resigned 5 October 2024)	Yes	Yes
Reverend J Farragher (resigned 5 October 2024)	Yes	Yes
Reverend Dr S Haden (appointed 5 October 2024)	Yes	Yes
Reverend J Pestell	Yes	Yes
Reverend K Scott (resigned 5 October 2024)	Yes	Yes
Reverend Graham Stacey (appointed 5 October 2024)	Yes	Yes
Reverend Canon J Swanton (resigned 5 October 2024)	Yes	Yes
Reverend A Wilson (resigned 5 October 2024)*	Yes	Yes

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

*The GDBF provided funding to cover 75% of the costs of Mission, including stipendiary and housing expenses, of the Church Army Project.

Notes to the financial statements

for the year ended 31 December 2024

Note 14

Staff costs cont.

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £41,951 - £51,421 (2023 range £39,953 - £48,972). The annual rate of stipend, funded by the GDBF, paid to Archdeacons in 2024 was £41,011 (2023 £40,199).

Note 15a Group					
Tangible Fixed Assets	<i>Assets under construction</i>	<i>Leasehold property improvements</i>	<i>Freehold Property</i>	<i>Office Equipment</i>	Total
<i>Cost or valuation:</i>	£'000	£'000	£'000	£'000	£'000
At 1 January 2024	29	239	48,341	497	49,106
Additions	-	-	5,057	25	5,082
Disposals	-	-	(1,624)	-	(1,624)
At 31 December 2024	29	239	51,774	522	52,564
<i>Depreciation:</i>					
At 1 January 2024	-	119	350	434	903
Charge for year	-	120	29	27	176
Disposals	-	-	-	-	-
At 31 December 2024	-	239	379	461	1,079
<i>Net book value:</i>					
At 1 January 2024	29	120	47,991	63	48,203
At 31 December 2024	29	-	51,395	61	51,485

The Board has vested in it seven church buildings that have been closed under the Pastoral Measure. Of these, six are pending finding a new use and one is appropriated to @TheRock for youth mission purposes. No value is attributed to these properties.

The freehold property disposals made in 2024 relate to the sales of five clergy houses (2023: four clergy houses two surplus and two replaced), three were surplus to requirements and two replaced.

Notes to the financial statements

for the year ended 31 December 2024

Note 15b Parent

Tangible Fixed Assets

	<i>Assets under construction</i>	<i>Leasehold property improvements</i>	<i>Freehold Property</i>	<i>Office Equipment</i>	Total
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2024	29	239	47,026	444	47,738
Additions	-	-	4,668	23	4,691
Disposals	-	-	(1,624)	-	(1,624)
At 31 December 2024	29	239	50,070	467	50,805
<i>Depreciation:</i>					
At 1 January 2024	-	119	344	412	875
Charge for year	-	120	29	14	163
Disposals	-	-	-	-	-
At 31 December 2024	-	239	373	426	1,038
<i>Net book value:</i>					
At 1 January 2024	29	120	46,682	32	46,863
At 31 December 2024	29	-	49,697	41	49,767

Notes to the financial statements

for the year ended 31 December 2024

Note 16a Group

Fixed Asset Investments

	<i>Properties</i>	<i>Assets under construction</i>	<i>Investments</i>	Total 2024	<i>2023</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Market value at 1 Jan 2024	23,265	165	29,474	52,904	40,029
Additions	22	4	-	26	23
Disposal proceeds	(29,061)	(91)	(3,600)	(32,752)	(871)
Realised investment gains	13,311	-	40	13,351	301
Unrealised investment gains/(losses)	-	-	593	593	13,422
Market Value at 31 Dec 2024	7,537	78	26,507	34,122	52,904
<i>Historic cost at 31 Dec 2024</i>				15,208	17,342

Gains on investment assets

Unrealised gains/(losses) (as above)	-	-	593	593	2,555
Realised gain on Glebe disposal	13,311	-	40	13,351	301
Glebe revaluation	-	-	-	-	10,867
Total investment gains	13,311	-	633	13,944	13,723

In 2023, Bruton Knowles undertook a formal review of one site and a desktop valuation of most of the Glebe sites with the Glebe Committee RICS members reviewing the remainder. This resulted in an increase in valuation of £10,867k. The trustees have reviewed this valuation for 2024 and concluded there is no material revaluation gain or loss to report.

During 2024, the Board completed the sale of two long standing Glebe development sites in Leckhampton and Willersey. Completion on Leckhampton was for £28.6m, payable in two instalments and Willersey was for £751k. All proceeds (net of fees and costs incurred to date) were allocated to the Diocesan Stipends Fund in accordance with the Church Property Measures.

Notes to the financial statements

for the year ended 31 December 2024

Note 16b Parent

Fixed Asset Investments

	<i>Properties</i> £'000	<i>Assets under construction</i> £'000	<i>Investments</i> £'000	Total 2024 £'000	2023 £'000
Market value at 1 Jan 2024	23,265	165	29,308	52,738	39,934
Additions	22	4	-	26	23
Disposals	(29,061)	(91)	(3,600)	(32,752)	(871)
Realised gain on Glebe disposal	13,311	-	40	13,351	301
Unrealised investment gains(losses)	-	-	574	574	13,351
Market Value at 31 Dec 2024	7,537	78	26,322	33,937	52,738
<i>Historic cost at 31 Dec 2024</i>				15,512	17,646

Gains on investment assets

Unrealised gains(losses) (as above)	-	-	574	574	2,484
Realised gains - Glebe	13,311	-	40	13,351	301
Glebe revaluation	-	-	-	-	10,867
Total investment (losses) gains	13,311	-	614	13,925	13,652

Investments comprise:

	<i>Note 16a</i> <i>Group</i>		<i>Note 16b</i> <i>Parent</i>	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
(i) Listed investments (equities)				
UK Investments	2,423	2,222	2,346	2,161
Non-UK investments	16,864	18,571	16,333	18,057
Listed Investments total	19,287	20,793	18,679	20,218
(ii) Unlisted investments				
Property & other	6,780	8,032	6,567	7,809
Cash	440	649	426	631
(iii) Church Development Agency Ltd	-	-	650	650
Investments total	26,507	29,474	26,322	29,308

Notes to the financial statements

for the year ended 31 December 2024

Note 16b

Fixed Asset Investments cont.

The listed investments are held in the CBF Church of England Investment Fund managed by CCLA. The allocation in (i) represents the asset allocation of the managed portfolio at 31 December 2024.

The Diocese has four wholly owned subsidiaries:

Subsidiary name	Company number	Charity number	Share Capital
Church Development Agency Limited (CDA)	06258385	n/a	£650,100
Jumping Fish Limited (JF)	06672775	n/a	£1
Sportily Limited	0550991	1111077	Limited by guarantee GDBF sole member
The Charity of Ann Edwards (AEC)	n/a	263956	GDBF sole trustee of Charity

The transactions and balances from the accounts for these wholly owned subsidiaries were as follows:-

	Income £		Expenditure £		Assets £		Liabilities £		Net assets £	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
CDA	42k	0k	111k	14k	651k	646k	(77k)	(3k)	574k	643k
JF	19k	20k	12k	15k	35k	29k	(28k)	(24k)	7k	5k
Sportily	968k	948k	990k	885k	911k	885k	(88k)	(39k)	823k	846k
AEC	111k	109k	91k	114k	2,706k	2,711k	(28k)	(71k)	2,678k	2,640k

Notes to the financial statements

for the year ended 31 December 2024

Note 16c

Application of the power of total return to the Diocesan Stipends Fund

	Trust for investment £'000	Unapplied Total Return £'000	Total endowment 2024 £'000	Total endowment 2023 £'000
As at 1st January 2024:				
Base value of the permanent endowment	12,716	-	12,716	12,092
Unapplied total return	-	21,775	21,775	20,010
Total	12,716	21,775	34,491	32,102
Movements in the year:				
Investment returns – income received	-	1,020	1,020	693
Additions from the sale of Glebe property	1,415	27,694	29,109	-
Unrealised gains for year	-	499	499	2,198
Realised gains for the year	-	1,472	1,472	1,991
Unapplied total return transfers allocated to General Fund in the year	-	(6,162)	(6,162)	(2,493)
Unapplied total return income allocated to General Fund in the year		(1,020)	(1,020)	-
Transfer to Benefice Property to purchase clergy housing	(884)	-	(884)	
Add indexation to base level of the endowment	440	(440)	-	-
Net movements in the year	971	23,063	24,034	2,389
As at 31st December 2024:				
Base value of the permanent endowment	13,687	-	13,687	12,716
Unapplied total return	-	44,838	44,838	21,775
Valuation at 31st December 2024	13,687	44,838	58,525	34,491

The investment power of total return permits Gloucester DBF to invest the permanently endowed Diocesan Stipends Fund (DSF) to maximise total return and apply an appropriate portion of the unapplied total return each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment.

An Unapplied Total Return Fund (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF permanent endowment. The base value of the permanent endowment is indexed annually based on the RPI percentage increase over the year. The annual increase in 2024 was 3.46% (2023: 5.16%).

Notes to the financial statements

for the year ended 31 December 2024

Note 16c

Application of the power of total return to the Diocesan Stipends Fund cont.

For the year ended 31st December 2024, the Board took the decision to transfer £7,182k (2023: £2,493k) which included investment income of £1,020k (2023: £693k) and allocated unapplied total return of £6.162 million (2023: £1.8 million) from the Unapplied Total Return Fund to the General Fund.

A decision was taken by the Board to fund the purchase of additional Benefice Property with a transfer of £884k from the Trust for Investment of the DSF in accordance with Church Measures.

Note 17

Stock and Work In Progress

This comprises work in progress amounting to £31k (2023: £32k) in relation to property developments being undertaken by the CDA and £9k (2023: £11k) of education materials held by Jumping Fish Limited.

Note 18a

Consolidated group debtors

	Due within one year		Due after one year	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Prepayments and sundry debtors	15,151	1,701	-	-
Staff car loans	-	1	-	-
Loans to parishes, Cathedral and other DBF	28	58	511	494
Debtors	15,179	1,760	511	494

Debtors include £nil (2023: £305k) due from related charities. These charities are administered by staff of the Board, but the trustees are separate from the trustees of the Board.

Note 18b

Parent company debtors

	Due within one year		Due after one year	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Prepayments and sundry debtors	15,034	1,631	-	-
Staff car loans	-	1	-	-
Loans to parishes, Cathedral and other DBF	28	58	511	494
The Charity of Ann Edwards	1	21	-	-
Church Development Agency	58	-	-	-
Jumping Fish Ltd	21	18	-	-
Parish Giving Scheme	44	44	-	-
Debtors	15,186	1,773	511	494

Notes to the financial statements

for the year ended 31 December 2024

Note 19a

Consolidated group creditors

	Due within one year		Due after one year	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Accruals and sundry creditors	867	692	-	-
Taxation and social security	60	59	-	-
CBF Loan (Solar Panels)	125	-	-	125
Value Linked Loans (Church Commissioners)	-	-	349	349
Creditors	1,052	751	349	474

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested. All properties with VLLs attached have remained in charitable use and therefore have not been revalued for the purposes of the accounts in line with the Board's accounting policies for functional assets.

Note 19b

Parent company creditors

	Due within one year		Due after one year	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Accruals and sundry creditors	726	593	-	-
Taxation and social security	60	59	-	-
CBF Loan (Solar Panels)	125	-	-	125
Value Linked Loans (Church Commissioners)	-	-	349	349
Church Development Agency	-	8	-	-
Sportily	-	22	-	-
Creditors	911	682	349	474

Included in 'Accruals and sundry creditors' is a total of £38k (2023 - £51k) due to related charities which are administered by staff of the Board and whose trustees are separate from the trustees of the Board.

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested. All properties with VLLs attached have remained in charitable use and therefore have not been revalued for the purposes of the accounts in line with the Board's accounting policies for functional assets.

Notes to the financial statements

for the year ended 31 December 2024

Note 20

Analysis of net assets by fund:

Summary

Funds at 31 Dec 2024 are represented by:

	General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	41	2,926	1,651	46,867	51,485
Fixed asset investments	2,667	1,339	2,104	28,012	34,122
Current assets	2,425	2,927	1,513	24,786	31,651
Creditors	(812)	-	(115)	(474)	(1,401)
Total Funds at 31 Dec 2024	4,321	7,192	5,153	99,191	115,857

Funds include the following unrealised gains on investments:

Unrealised gains at 1 Jan 2024	-	-	1,490	34,072	35,562
Net gains on revaluation in year	-	-	70	523	593
Gains on disposals	-	-	-	(17,241)	(17,241)
Unrealised gains at 31 Dec 2024	-	-	1,560	17,354	18,914

Comparative analysis of net assets by fund:

Summary

Funds at 31 Dec 2023 are represented by:

	General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	152	170	1,274	46,607	48,203
Fixed asset investments	2,362	5,358	2,096	43,088	52,904
Current assets	2,641	757	1,799	872	6,069
Creditors	(662)	-	(89)	(474)	(1,225)
Total Funds at 31 Dec 2023	4,493	6,285	5,080	90,093	105,951

Notes to the financial statements

for the year ended 31 December 2024

Note 20 cont.

Funds include the following unrealised gains on investments:

Summary	General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total
Unrealised gains at 1 Jan 2023	-	-	1,226	21,484	22,710
Net gains on revaluation in year	-	-	264	13,158	13,422
Gains on disposals	-	-	-	(570)	(570)
Unrealised gains at 31 Dec 2023	-	-	1,490	34,072	35,562

Note 21

Designated funds

	<i>Balance at 1 Jan 2024</i>	<i>Income</i>	<i>Expenditure</i>	<i>Net gains/(losses) on assets</i>	<i>Transfers*</i>	Balance at 31 Dec 24
	£'000	£'000	£'000	£'000	£'000	£'000
Development Fund	953	6	(181)	-	(133)	645
GDBE Repayable Loan	500	-	-	-	(500)	-
Church Housing Association Grant	-	-	(83)	-	651	568
Church Housing Association Loan	1,600	-	-	-	-	1,600
Curacies for the Wider Church	-	-	-	-	1,410	1,410
Education	-	-	(134)	-	134	-
Grace Network	850	-	(1,044)	-	250	56
Group Activities	2,242	-	16	-	(647)	1,611
Hibiscus Fund	10	-	-	-	-	10
Hillfield House Purchase	-	-	-	-	935	935
Staffing for House Sales	-	-	(32)	-	106	74
Housing Initiative	(96)	-	(105)	-	201	-
Life projects	56	-	(56)	-	53	53
Pods' Site Costs	-	-	-	-	60	60
Viney Hill Development	170	-	-	-	-	170
Viney Hill Pods Grant	-	-	(500)	-	500	-
Total Funds at 31 Dec 2024	6,285	6	(2,119)	-	3,020	7,192

Notes to the financial statements

for the year ended 31 December 2024

Note 21 cont.

Designated funds

The Development fund has been designated to finance Mission initiatives. Grants are awarded to Life Projects for special projects. Life Projects have been transferred to designated funds from restricted.

The Board authorised £500k as a repayable loan to support the GDBE during its initial restructuring period in 2023. No drawdown was required in 2024 and the repayable loan designation has been released due to a successful restructuring of funds in one of the GDBE's subsidiaries.

£1.6 million has been designated for a loan approved at Bishops Council to the Church Housing Association (CHA) which will be requested in 2025. A grant of £600k was also approved by Bishops Council to the CHA. It was agreed by the trustees to retain the loan and grant in separate interest-bearing accounts and award additional grants equating to the interest received.

The trustees agreed to provide a £1.41 million fund for Curacies to the wider Church from a 'tithe' arising from the sale of the Glebe land.

The Education Fund brings together the Education work undertaken by GDBF with income specific to that activity, primarily from the Voluntary Schools Fund and St Matthias Trust. The Gloucester Diocesan Board of Education (GDBE) became a Charitable Incorporated Organisation in May 2022 with a transfer on 1 September 2022. The Board agreed to award an annual grant to the GDBE to assist with the costs of the Education Fund.

Grace Network is a Christian-led social Enterprise co-operative based in Brimscombe which builds community and from that new monastic community. Their main engagement and funding come from ethical businesses sharing resources and space in a different iteration of the "seven sacred spaces" model. In 2022, the Board awarded funding of £1.5m to enable this model to expand into two new locations, planned to be Cirencester and Gloucester. New premises for the first of these, located in Cirencester, was secured and opened in 2024. A further 'repayable' grant of £250k was awarded in 2024 to assist with this opening.

The designated fund for Group Activities relates to grants to Sportily (see note 22).

Bishops Council approved the designation of funds of £2 million to purchase and £1 million to renovate new Diocesan Board of Finance offices, Hillfield House, in 2024.

£106k was designated to assist with the disposal of excess housing stock.

The Trustees designated funds for a Housing Initiative. This offers support to the wider Church in delivering better missional and financial results through asset management by supporting a part time Housing Executive team and making time available from the Bishop of Tewkesbury and the Diocesan Secretary. This Initiative ceased in 2024.

The Life Projects fund relates to those special projects funded by the Life Development Fund.

The Viney Hill Development relates to a property owned by GDBF but used by Viney Hill Adventure Centre for charitable purposes consistent with those of the GDBF.

£60k was designated for the siting of Pods owned by the GDBF.

Notes to the financial statements

for the year ended 31 December 2024

Note 21 cont.

<i>Comparative Designated funds</i>	<i>Balance at 1 Jan 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Net gains/(losses) on assets</i>	<i>Transfers*</i>	<i>Balance at 31 Dec 23</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Development Fund</i>	1,311	6	(181)	-	(183)	953
<i>GDBE Repayable Loan</i>	-	-	-	-	500	500
<i>Church Housing Association Loan</i>	-	-	-	-	1,600	1,600
<i>Education</i>	-	-	(131)	-	131	-
<i>Grace Network</i>	1,250	-	(400)	-	-	850
<i>Group Activities</i>	2,861	-	-	-	(619)	2,242
<i>Hibiscus Fund</i>	-	-	-	-	10	10
<i>Housing Initiative</i>	272	-	(549)	-	181	(96)
<i>Life Projects</i>	-	-	(84)	-	140	56
<i>Viney Hill Development</i>	170	-	-	-	-	170
<i>Total Funds at 31 Dec 2023</i>	5,864	6	(1,345)	-	1,760	6,285

Note 22

Restricted funds

Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board.

The Housing for Elderly Clergy Fund derives from various bequests and is used to give assistance to retired clergy of the Diocese in difficulty with their housing requirements.

The Ordination Training Fund derives from various bequests, principally from the late Mrs. M Harries. The income is used to fund ordination training.

Bussage DPA is derived from the sale of St Augustine's Church and is held as a separate restricted fund for the benefit of Bussage PCC.

The Diocesan Pastoral Fund is derived principally from the proceeds of sale of surplus parsonage houses as a result of pastoral reorganisations under the Pastoral Measure 1983. Under the Measure, the Fund must be used firstly in connection with expenses relating to pastoral schemes and redundant churches. To the extent that it is considered that any remaining funds are not required, or are not likely to be required, for these purposes then the funds may be applied to any general purpose of the Board. £130k was transferred to General fund in the year.

The Stratton Davis Fund arises from a bequest received in 2001 from the estate of the late Mr. David Stratton Davis. The terms of the settlement are that the fund may be used for the repair or restoration

Notes to the financial statements

for the year ended 31 December 2024

of churches and their fixtures and fittings in the Diocese. The Board has decided initially to use the income to make an annual grant to the Gloucestershire Historic Churches Trust.

The Bishop's Discretionary Mission Fund derives from a donation received in 2013 and restricted to mission works of the Church of England at the Bishop of Gloucester's discretion.

The Charity of Ann Edwards restricted funds comprise the Extraordinary Repair Fund (ERF) and the Cyclical Maintenance Fund (CMF). These funds were established in the governing instrument and are for future repairs and maintenance, with transfers being made each year.

The Sportily funds may only be used for the objects of the charity which include promoting and assisting the work, objects and purposes of the Church of England for the advancement of Christian faith, in particular (but not exclusively) by the development of specialist ministries based principally on sports and wellbeing particularly with children, young people and their families in (but not limited to) the Diocese of Gloucester.

The Ministerial Education Training fund relates to Resourcing Ministerial Education introduced in 2017.

The Quick Wins fund relates to a grant from the Archbishop's Council for Net Zero Carbon Programme specifically for churches.

The Energy Grants were distributed to Dioceses to assist Parochial Church Councils cover the increased cost of lighting and heating of church buildings during the Winter Fuel Crisis.

Note 22

Restricted funds

	Balance at 1 Jan 2024	Income	Expenditure	Net gains/(losses) on assets	Transfers	Balance at 31 Dec 24
	£'000	£'000	£'000	£'000	£'000	£'000
Housing for elderly clergy	151	5	(19)	1	-	138
Ordination training	178	-	(4)	-	-	174
Bussage DPA	-	342	(8)	-	-	334
Diocesan pastoral fund	571	82	(64)	41	(130)	500
Stratton Davis fund	259	8	(10)	5	-	262
Bishop's Discretionary Mission fund	30	-	-	-	-	30
Ann Edwards Charity	1,728	111	(75)	-	(16)	1,748
Sportily Limited	846	284	(946)	-	639	823
Ministerial Education Training	172	20	(176)	-	-	16
Quick Wins Grant	-	24	-	-	-	24
Energy Grants	27	-	(5)	-	-	22
Bishop Monk's Horfield Trust fund	960	26	-	22	(26)	982
Other	158	260	(201)	1	(118)	100
Total Funds at 31 Dec 2024	5,080	1,162	(1,508)	70	349	5,153

Notes to the financial statements

for the year ended 31 December 2024

Note 22

Restricted funds cont.

The Bishop Monk Horfield Trust fund was gifted to the GDBF by a previously independent trust of that name which had managed the ancient legacy of Bishop Monk of Gloucester and Bristol. The funds received by GDBF are restricted to the funding of curates in training.

The Other Restricted funds includes a fund balance of £nil (2023: £nil) for Glebe revenue at 31 December 2024. This relates to glebe rental income less professional fees, repairs and maintenance against Glebe assets (the asset is held in the Glebe Property endowment fund – see note 23). Where excess costs create a negative balance, these will be offset against any future surplus arising on the sale of Glebe property.

<i>Comparative Restricted funds</i>	<i>Balance at 1 Jan 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Net gains/(losses) on assets</i>	<i>Transfers</i>	<i>Balance at 31 Dec 23</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Housing for elderly clergy</i>	142	4	-	5	-	151
<i>Ordination training</i>	206	-	(1)	-	(27)	178
<i>Diocesan pastoral fund</i>	500	70	(78)	156	(77)	571
<i>Stratton Davis fund</i>	240	8	(10)	21	-	259
<i>Bishop's Discretionary Mission Fund</i>	30	-	-	-	-	30
<i>Ann Edwards Charity</i>	1,768	109	(102)	-	(47)	1,728
<i>Sportily Limited</i>	-	329	(877)	-	1,394	846
<i>Ministerial Education Training</i>	123	210	(161)	-	-	172
<i>Life projects</i>	75	-	-	-	(75)	-
<i>Energy Grants</i>	48	-	(21)	-	-	27
<i>Bishops Monk's Horfield Trust</i>	854	25	-	81	-	960
<i>Other</i>	164	241	(78)	1	(170)	158
Total Funds at 31 Dec 2023	4,150	996	(1,328)	264	998	5,080

Notes to the financial statements

for the year ended 31 December 2024

Note 23

Endowment funds

	Balance at 1 Jan 24	Income	Expenditure	Net gains/(losses) on assets	Transfers*	Balance at 31 Dec 24
	£'000	£'000	£'000	£'000	£'000	£'000
Pensions & assistance	390	-	-	5	-	395
Benefice property	27,333	-	(29)	-	884	28,188
Diocesan stipends fund	34,491	1,472	-	499	22,063	58,525
Ann Edwards Charity	912	-	-	19	-	931
Glebe property	26,967	13,351	-	-	(29,166)	11,152
Total funds at 31 Dec 2024	90,093	14,823	(29)	523	(6,219)	99,191

Permanent endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment funds represent money that must be held as capital but may be expended when certain conditions are satisfied.

The Pensions & Assistance Fund is permanent endowment represented by a house used to provide accommodation for retired clergy, and a cash balance arising from the sale of a second house.

The Benefice Property Fund represents the value of benefice houses. These houses are owned by benefices but are recognised as assets by the Board. The fund is classified as expendable endowment as under certain conditions the value of the houses may be realised and the proceeds used as income.

The Diocesan Stipends Fund (DSF) represents ancient endowments and other gifts and legacies. The Fund is governed principally by the Diocesan Stipends Funds Measure 1953 and the Endowment and Glebe Measure 1976, as amended. The Fund consists of Clergy housing and CBF managed funds. Income generated from the Fund must be used to fund stipends. The Fund is split into "Trust for Investment" which is the permanent capital and "Unapplied Total Return" which can be applied to purposes consistent with that governing the use of income (see below).

During 2019, Bishops Council approved a total return approach to investment for the CBF managed funds of the DSF. This change in policy was to take effect from 1st January 2019. An Unapplied Total Return (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF.

The Unapplied Total Return comprises that part of the total return on the DSF which has not yet been allocated by the Board to either the General Fund or the Trust for Investment. It can be carried forward if not needed or allocated to be spent as income or reinvested in the DSF Trust for Investment in a particular year.

The value of the Trust for Investment of the DSF is preserved, by an amount equivalent to the application of RPI to the opening balance for the year being transferred from the Unapplied Total Return to the DSF Fund. For the year ended 31st December 2024, the Board took the decision to transfer £6,162k (2023: transfer £1,800k) from the Unapplied Total Return in accordance with the Diocesan Stipends Funds Measure 1953 and income of £1,020k (2023: £693k) to the General Fund (see note 16c).

A decision was taken to fund the purchase of additional Benefice Property with a transfer of £884k from the Trust for Investment of the DSF in accordance with Church Measures (see note 16c).

Notes to the financial statements

for the year ended 31 December 2024

Note 23

Endowment funds cont.

The Endowment Fund of the Charity of Ann Edwards represents the original endowment of the charity, comprising mainly the sale proceeds of Edwards College, the original Almshouse in South Cerney. This money may not be spent as income.

Glebe property represents glebe land previously held by incumbents but transferred to the Board under the Endowment and Glebe Measure 1976. Income derived from rents must be used to fund stipends. Proceeds of sale of glebe land must be transferred to the DSF. During 2024, the Board completed the sale of two long standing Glebe development sites in Leckhampton and Willersey. Completion on Leckhampton was for £28.6m, payable in two instalments and Willersey was for £751k. All proceeds (net of fees and costs incurred to date) were allocated to the Diocesan Stipends Fund in accordance with the Church Property Measures.

<i>Comparative Endowment funds</i>	<i>Balance at 1 Jan 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Net gains/ (losses) on assets</i>	<i>Transfers*</i>	<i>Balance at 31 Dec 23</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Pensions & assistance</i>	368	-	-	22	-	390
<i>Benefice property</i>	27,278	6	(29)	-	78	27,333
<i>Diocesan stipends fund</i>	32,102	1,189	-	2,198	(998)	34,491
<i>Ann Edwards Charity</i>	841	-	-	71	-	912
<i>Glebe property</i>	16,648	301	-	10,867	(849)	26,967
<i>Total Funds at 31 Dec 2023</i>	77,237	1,496	(29)	13,158	(1,769)	90,093

Note 24

Financial Commitments: Operating Leases

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

	2024	2023
	£'000	£'000
Office Equipment where the lease expires:		
Within one year of the balance sheet date	4	6
In the second to fifth years inclusive of the balance sheet date	8	4

Note 25

Related party transactions

Mrs K Stacey, the wife of trustee, Reverend Graham Stacey, is an employee of Gloucester Diocesan Board of Finance. From the date of his appointment, she received £14k by virtue of her employment.

Notes to the financial statements

for the year ended 31 December 2024

Note 26

Reconciliation of Net Debt

	Balance at 1 Jan 24	Cash Flows	Balance at 31 Dec 24
	£'000	£'000	£'000
Cash at bank and in hand	3,772	12,149	15,921
Borrowings excluding overdrafts	(474)	-	(474)
Net Debt at 31 December 2024	3,298	12,149	15,447

Comparative reconciliation of Net Debt

	Balance at 1 Jan 23	Cash Flows	Balance at 31 Dec 23
	£'000	£'000	£'000
Cash at bank and in hand	6,815	(3,043)	3,772
Borrowings excluding overdrafts	(474)	-	(474)
Net Debt at 31 December 2023	6,341	(3,043)	3,298

Note 27

Pensions

The GDBF participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the GDBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy and the other is the Church Workers Pension Fund (CWPF) for lay staff.

The 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.

Notes to the financial statements

for the year ended 31 December 2024

Note 27

Pensions cont.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2024: £34k 2023: £66k) 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 £34k For 2024 (2023: £66k).

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 £'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 between year-ends.

Notes to the financial statements

for the year ended 31 December 2024

Note 27

Pensions cont.

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	0.0%

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

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.

Church of England Funded Pension Scheme (CEFPS)

Gloucester 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. It is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year which were £750k in 2024 (2023: £802k) plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £nil (2023: £nil).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out 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, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020=0%).

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

Notes to the financial statements

for the year ended 31 December 2024

Note 27

Pensions cont.

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

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

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

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

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

	2024 £'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, Gloucester DBF could become responsible for paying a share of that Responsible Body's pension liabilities.

Church of England Pension Builder Scheme (PBS)

The Gloucester Diocesan Board of Finance participates in the Pension Builder Scheme section (PBS) of the CWPf for eligible salaried employees who commenced employment after 1st January 2013. CWPf is administered by the Church of England Pensions Board, which holds the CWPf assets separately from those of the Employer and 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.

Notes to the financial statements

for the year ended 31 December 2024

Note 27

Pensions cont.

Pension Builder Scheme

Both sections are classed as defined benefit schemes.

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2024: £333k, 2023: £262k).

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, Gloucester DBF could become responsible for paying a share of that employer's pension liabilities.

Notes to the financial statements

for the year ended 31 December 2024

Note 28

Prior year comparative SOFA

	General fund	Designated funds	Restricted funds	Endowment funds	Total 2023
	£'000	£'000	£'000	£'000	£'000
Income & endowments from					
Donations					
parish share contributions	6,377	-	-	-	6,377
church commissioners	63	-	-	-	63
grants and other donations	188	-	579	-	767
Charitable activities – statutory fees and licence to occupy income	611	-	171	-	782
Other activities	117	-	-	-	117
Investments	832	6	233	-	1,071
Other	12	-	13	1,496	1,521
Total	8,200	6	996	1,496	10,698
Expenditure on					
Raising funds	86	-	-	-	86
Charitable activities	10,614	1,345	1,328	29	13,316
Total	10,700	1,345	1,328	29	13,402
Net (expenditure)/income before investment gains	(2,500)	(1,339)	(332)	1,467	(2,704)
Net gains on investments	-	-	264	13,158	13,422
Net (expenditure)/income	(2,500)	(1,339)	(68)	14,625	10,718
<i>Total return transfer</i>	1,800	-	-	(1,800)	-
Net (expenditure)/income after total return transfer	(700)	(1,339)	(68)	12,825	10,718
<i>Transfers between funds</i>	(2,789)	1,760	998	31	-
Net movement in funds	(3,489)	421	930	12,856	10,718
<i>Total funds brought forward</i>	<i>7,982</i>	<i>5,864</i>	<i>4,150</i>	<i>77,237</i>	95,233
<i>Total funds carried forward</i>	4,493	6,285	5,080	90,093	105,951

THE GLOUCESTER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 251234

Accounts

Gloucester Diocesan Board of Finance
**Annual Report
& Accounts**
2023



Board of Trustees

The Rt Revd Rachel Treweek (President)
Canon Karen Czapiewski (Chair)
The Ven Phil Andrew
The Revd Andrew Blyth
Prof Patricia Broadfoot
Mr George Collins
The Revd Henry Curran
The Ven Hilary Dawson
The Revd James Faragher
Mr Chris Hill
Mr Martin Kingston
Mr Robert McNeil-Wilson
Mrs Carol O'Donnell
The Revd Dr Sunkanmi Osunsanmi (resigned 6 March 2023)
The Revd Jo Pestell
The Revd Ed Sauven
The Revd Canon Katrina Scott
The Rt Revd Robert Springett
The Revd Canon John Swanton
Mr Alastair Taylor
Mrs Emma Taylor (resigned 29 March 2023)
Mr Kevan Taylor
Mr Andy Wilson

Principal Officers

Benjamin Preece Smith – *Diocesan Secretary*
Lucy Taylor – *Deputy Diocesan Secretary*
Lisa Gardner – *Chief Financial Officer*

Solicitor

Jos Moule; Diocesan Registrar
Veale Wasborough Vizards LLP
Orchard Court, Orchard Lane
Bristol BS1 5WS

Bankers

Barclays Bank plc
288 Britannia Warehouse
The Docks Gloucester GL1 2EH

Registered office

Church House
College Green Gloucester GL1 2LY

Contents

Board of Trustees and Principal Officers.....	1
Summary results.....	2
Trustees' report.....	3-14
Independent Auditors' Report.....	15-18
Consolidated statement of financial activities.....	19
Summary income & expenditure account.....	20
Consolidated balance sheet.....	21
Parent balance sheet.....	22
Consolidated cash flow statement.....	23
Accounting policies.....	24-27
Notes to the financial statements.....	28-60

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Investment managers

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

Company limited by guarantee

Registered number 00162165

Registered charity number 251234

How have we done – some highlights

number of stipendiary clergy funded by the GDBF

2023:	2022:	change:
126	126	-

Stipendiary vacancies at 31st December 2023 were 11 (2022:11)

parish share contributions

2023:	2022:	change:
£6.4m	£6.5m	-1.5%

extra parish share needed to fund parish ministry:¹

2023:	2022:	change:
£1.9m	£1.6m	+13%

balance sheet value (net assets)

2023:	2022:	change:
£106m	£95m	+11%

¹ See 'Ongoing Activities' section on page 8.

Trustees' report

for the year ended 31 December 2023

Structure, Governance and Management

The Gloucester Diocesan Board of Finance (GDBF) is a company limited by guarantee and a registered charity. Its governing instrument is the Articles of Association. These were revised and updated in 2019 and formally adopted by members on 9 March 2019. Printed copies of the revised Articles of Association are available from the Secretary on request. The GDBF's membership comprises:

- The Bishop of Gloucester as president, ex-officio
- Each and every member for the time being of the Diocesan Synod
- Members co-opted to ensure that lay members constitute a majority of the GDBF

Elections and co-options take place every three years. The current triennium started in November 2021. The GDBF, which meets three times each year, is the principal policy making body. It takes advice from its Board of Trustees, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also takes executive action in certain matters and deals with day-to-day issues. Members of the Bishop's Council serve as both directors under the Companies Act and trustees under the Charities Act. Membership is as follows:

Ex-officio members:

- The Bishop of Gloucester – Rt Revd Rachel Treweek
- The Chair of the GDBF – Canon Karen Czapiewski
- The Bishop of Tewkesbury - Rt Revd Robert Springett
- The Archdeacon of Gloucester – Ven Hilary Dawson
- The Archdeacon of Cheltenham – Ven Phil Andrew
- The Vice-President of the House of Clergy of the Diocesan Synod – Revd Canon Katrina Scott
- The Vice-President of the House of Laity of the Diocesan Synod – Mrs Carol O'Donnell

Members elected by the GDBF – House of Clergy

- Two clergy members of the GDBF from the Archdeaconry of Gloucester – Revd Jo Pestell and Revd James Faragher
- Two clergy members of the GDBF from the Archdeaconry of Cheltenham – Revd Andrew Blyth and Revd Canon John Swanton
- One Proctor in Convocation from among the members of General Synod - Revd Henry Curran

Members elected by the GDBF – House of Laity

- Three lay members of the GDBF from the Archdeaconry of Gloucester – Mr Chris Hill, Prof Patricia Broadfoot and Mr Andy Wilson
- Three lay members of the GDBF from the Archdeaconry of Cheltenham – Mr George Collins, Mr Martin Kingston and Mr Alastair Taylor
- One lay member from among the members of General Synod – Mr Robert McNeil-Wilson

Trustees' report

for the year ended 31 December 2023

Structure, Governance and Management cont.

Co-opted members and nominations

- Up to two members may be co-opted by the Bishop's Council – Mrs Emma Taylor (resigned 29 March 2023) and Mr Kevan Taylor
- Up to two members may be nominated by the Bishop - The Revd Dr Sunkanmi Osunsanmi (resigned 6 March 2023) and the Revd Ed Sauven.

Trustees are recruited, as indicated above, through a mixture of ex-officio positions, elections, and nominations. The Diocesan Secretary oversees membership elections.

An induction pack for trustees is available for new trustees which includes key documents, minutes and strategic discussions. This is supplemented by an invitation to meet with the Secretary to discuss any matters arising or explore further induction.

The GDBF was assisted in its work during the year by the following of committees:

- Audit Committee (Chair: Tim Greenhalgh) acts as the risk management group and reports to the GDBF on matters relating to the auditors, the annual accounts and internal controls.
- Glebe Committee (Chair: Tony MacFarlane – (resigned 29 February 2024), Colin Smith – appointed 15 April 2024) acts in all matters relating to the management of glebe property management and the disposal of assets not required for charitable or investment purposes.
- Resources Committee (Chair: Canon Karen Czapiewski) acts on matters delegated by the trustees relating to finance, assets, property, staffing and health and safety.

Emoluments of higher paid employees are determined by the Resources Committee. The terms of reference for this group were established by the Bishop's Council and includes regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

Trustees' liability insurance (for trustees in their capacity as directors) has been maintained throughout the year for the benefit of the charitable company and its trustees.

The GDBF is the financial custodian for the Diocese of Gloucester, which is an administrative and pastoral area within the Church of England. The GDBF therefore has important relationships with the national institutions of the Church of England, specifically:

- Archbishops' Council, to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.
- Church Commissioners, from which the GDBF receives grants, and which acts for tax and national insurance purposes as the pseudo-employer of diocesan clergy. The GDBF pays for clergy stipends through the Church Commissioners.
- Church of England Pensions Board, which provide pensions for clergy and GDBF's lay staff.

Trustees' report

for the year ended 31 December 2023

Structure, Governance and Management cont.

Public Benefit

Locally, the GDBF works with Parochial Church Councils (PCCs) which are legally independent bodies that pay contributions, based on an apportionment system, to the GDBF to fund its activities. The GDBF is a tenant of the Dean and Chapter of Gloucester Cathedral, from whom it rents office accommodation. The GDBF manages various charities on behalf of their respective trustees, for which management charges are paid, namely the Voluntary Schools Fund (VSF) and the Charity of Ann Edwards (AEC).

The GDBF is a public benefit entity, and the Trustees are aware of the Charity Commission's guidance on public benefit and the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity.

Strategic Aims

The objects of the GDBF, as set out in its Articles of Association, are:

- To promote and assist the work, objects, and purposes of the Church of England for the advancement of the Christian religion in (but not limited to) the Diocese of Gloucester.
- To advance such other objects or purposes which are exclusively charitable according to the law of England and Wales in any part of the world and in such manner as the Trustees may in their absolute discretion consider may be expedient for the better promotion and assistance of the work of the Church of England.

In pursuing these objects, the GDBF acts as the financial executive of and employer for the Gloucester Diocesan Synod. As such it undertakes three principal activities:

- It funds costs associated with the vast majority of Church of England clergy in the Diocese.
- It is responsible for the custody and management of the synod's funds.
- It provides services to other organizations within the Diocese, primarily PCCs and schools.

In pursuing its objectives and undertaking these activities the GDBF is informed by the diocesan vision, LIFE Together. For more information see: <https://www.gloucester.anglican.org/about-us/our-vision/>

Strategic Report

Vision: LIFE Together

The LIFE Vision developed during 2022 into "LIFE together" which brings more focus to relationships and gathering as communities, especially worshipping communities.

There are five commitments in LIFE Together:

Trustees' report

for the year ended 31 December 2023

Strategic Report cont.

- Being advocates for flourishing through initiatives which combat injustice, environmental destruction, exclusion and isolation.
- Encouraging new and courageous ways of worshipping in different places which connect with more people.
- Nurturing everyday discipleship.
- Investing in people and programmes which excite young people to explore and grow in faith.
- Developing diverse lay and ordained leaders.

Substantial resourcing has been made available to specific projects working to this vision, notably Deanery Strategic Planning, Sportily and Church Army Centres of Mission.

Deanery Strategic Planning

The process of identifying a deliverable strategic plan for each deanery has been significantly interrupted by Covid. Initial plans which had originally been expected in 2022 were received in 2023. Four emerging issues have been established which are currently under discussion for strategic support from the Board.

- Management, use and maintenance of church buildings.
- Deployment of increasingly scarce ordained ministry alongside alternative forms of ministry.
- Professional support for ministry to manage increasing administrative requirements against a background of decreasing availability of qualified volunteers.
- Financial concerns, particularly around the affordability and viability of Parish Share to act as a single funding model for ordained ministry in the Diocese.

Two missional focus areas were also identified by many deaneries:

- Young People
- New Housing Areas

These are currently being digested by Bishop's Staff Team, Deanery Leadership Teams and the Board to develop strategic responses, including remodelling the use of reserves and the structure of staff teams employed by the Board.

Sportily

Sportily is a wholly owned subsidiary of the GDBF aimed at working with young people to explore life, community and faith with a strong focus on sport as a place of engagement and connexion. It works on a theory of community based on the "seven sacred spaces" model observed in ancient monastic communities.

Sportily was launched in 2021 with a multi-year commitment of financial support from the Diocese to work across the Diocese with local churches and communities as well as regional charitable, commercial and civic partners. It is currently working in nine hubs spread across the Diocese as well

Trustees' report

for the year ended 31 December 2023

Strategic Report cont.

as running diocesan wide events.

At the end of 2023 the CEO for Sportily (David Thorpe) stepped down. David was instrumental in delivering the project proposal that established Sportily and the Board is thankful for his wisdom and leadership in this start-up phase. Options are under consideration for how the leadership of Sportily is shaped and staffed for the next phase of its growth and mission.

Church Army Centres of Mission

This is a local expression of a national lay evangelism programme led by Church Army. The two initial locations in the Diocese identified as Centres for Mission were Matson and Coleford.

The Centre in Matson has partnered with the Grace Network and others to develop a social enterprise hub and mission centre in the community. This has proved successful in connecting with and developing discipleship in a community that has lost much of its connexion with the Church. Work is being planned to make this work more resilient and independent over the next few years. The Centre at Coleford struggled to thrive due to the pandemic and has now been closed. An alternative Centre has now been established in the South-Central area of Gloucester City led by the Revd Sonya Newton.

Grace Network

Grace Network is a Christian-led social enterprise co-operative based in Brimscombe which builds community and from that new monastic community. Their main engagement and funding come from ethical businesses sharing resources and space in a different iteration of the “seven sacred spaces” model.

In 2022 the Board awarded grant funding of £1.5m to enable this model to expand into two new locations. These sites have now been confirmed as Aston Down (near Minchinhampton) and Cirencester Market Place. Aston Down is focused on delivering a model of monastic community built around work that does not have a “retail offering” focussing on network business such as furniture clearance, food delivery and school meals. Cirencester by contrast attempts to increase the retail focus and footfall by taking over a semi-derelict ex House of Fraser building in the prime retail area of Cirencester focussed on delivering a faith led community in the “High Street”.

Aston Down has been operational since mid-2023. Cirencester will be opening in mid-2024.

Church Housing Foundation

Building on the Archbishops' Commission on Housing, Church and Community's report “Coming Home” and the asset led financial and missional approach the Board has adopted over a number of years it has funded a small expert team led by the Secretary to develop plans for a national approach

Trustees' report

for the year ended 31 December 2023

Strategic Report cont.

to a sustainable model for the Church to use its network, assets and moral authority to help make a lasting impact on the housing crisis and providing ministry in deprived communities.

In enacting this strategy three new entities are being created;

- Church Housing Foundation: the main charity, advocate, hub and “parent” to the group.
- Church Housing Association: which will own genuinely affordable, high standard long term rental properties that will also provide for community cohesion and development by funding local ministry within its model.
- Church Development Agency: which will increase the capacity for GDBFs and other Church partners to develop their property assets in a balanced way that increases their financial and missional value.

This work was presented to the Archbishops' Council in September and December 2023 with the full support of the Archbishops. A lack of support for the Archbishops' vision however meant the centrally led proposals are now defunct.

The Board is however still committed to the vision of an ethical, faith led response to the Housing crisis and is continuing the registration of the Church Housing Association and working with its existing subsidiary (Good and Faithful Servant) and dioceses in the West Midlands to develop a regional response.

Achievements and performance in the year

Ongoing Activities

The results for 2023 are consistent with 2022, and 2021.

- Clergy numbers remain constant at 126.
- Parish Share decreased 1.5% from £6.5m to £6.4m.
- The Balance Sheet increased to £106m from £95m due principally to realised gains on the sale of property and investments and unrealised gains on the revaluation of glebe property.

This consistency reflects the resilience of the Church of England's ministry and mission and the relative strength of the Board's asset management approach.

Trustees' report

for the year ended 31 December 2023

Ongoing Activities cont.

Fig 1: Parish Share Collected cf. Parish Ministry Costs

	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m
Parish Share	6.6	6.5	6.3	6.5	6.4
Resourcing Parish Ministry (Direct) ²	(7.6)	(7.8)	(8.1)	(8.1)	(8.3)
Deficit	(1.0)	(1.3)	(1.8)	(1.6)	(1.9)

This consistency, whilst illustrating resilience also indicates the need for a strategic change in the Church of England's ministry in order to see long term flourishing of the Gospel. A recent national review of DBF finances by BDO showed all DBFs are significantly below historic levels of congregational numbers and financial income from Parish Share. This would therefore appear to be a systemic issue in the Church of England which the Board can influence but not control.

Financially the Board's property development strategy is strong and will provide resilience for some time, however the availability of stipendiary clergy for the next decade is a real concern. Developing high quality leadership is fundamental to the growth of the Church and is potentially the single most important focus for the next few years.

Plans for future periods

The Strategic Report (above) sets out the main approach of the Diocese to addressing its core challenges for the next few years. The Board is committed to using the Unapplied Total Return (UTR) built up over many years to cover the deficits necessary to maintain an appropriate deployment of parish ministry. Whilst change may be necessary to ensure the right pattern of ministry in future the Board seeks to ensure the matter of ministerial deployment is addressed as a missional question that is financially informed but not financially driven.

In the immediate term the Board will focus on its management of assets to ensure the new strategic work can be funded and buy the time for parish ministry to engage with the Deanery Strategic Plan process in meaningful ways that ensure authentic, long-term proposals are agreed for each part of the Diocese.

It is the work of the next year or so to bring together the findings of the Deanery Strategic Planning process, the structural weakness explicit in the wider Church and an assessment of the various forms of ministry the Board has invested in to develop a strategy that maps out a realistic and deliverable model of ministry for the coming decade which ultimately leads to a position of growth from one of main decades of decline.

² See Note 9

Trustees' report

for the year ended 31 December 2023

Church Housing Association/Good and Faithful Servant

In early 2024 the Board granted £600k towards the Church Housing Association (CHA) of which it is the corporate member. The CHA is in the final stages of registering as a provider of social housing. Its initial area of operation will be the West Midlands and it is actively exploring sites in the region, including within Gloucester.

Good and Faithful Servant is looking to appoint a new CEO/Surveyor after several years without a such a role. The remit of this CEO is to expand the operation of G&FS into other dioceses with five Diocesan Secretaries keen to have exploratory talks in the summer of 2024 on what this relationship might mean for their DBFs.

Carbon Net Zero

The Board takes seriously the Synodical motion at both General and Diocesan Synod to reach “Net-Zero” carbon by 2030. This is not a new issue for the Board but a part of our ongoing stewardship since the turn of the century.

Since the early 2000s it has sought to ensure all parsonages are either double or secondary glazed and to ensure lofts and walls are adequately insulated. The Board installed PV panels on all vicarages that were able to accept them for planning purposes in 2012.

The Board also has a policy of converting all empty parsonages to a green energy supplier when in vacancy to ensure all clergy inherit a green energy supply. The main challenge on parsonage stock is heating. This will take time for the market to produce suitable replacement non-carbon-based heating. In the meantime, there is a focus on ensuring the heating system is future proofed.

The Board has been frustrated in its vision by refusal from the DfE for a loan-based scheme to decarbonise Church of England Schools in the diocese. A change in government policy on this is awaited before further progress can be made.

The Board has also committed to a three-way partnership to map its carbon footprint across schools, church buildings and housing in partnership with Hereford and Worcester DBFs with some grant support from the NCIs.

Principal risks and uncertainties

The Trustees are responsible for the identification, mitigation and management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is reviewed by the Audit Committee on an annual basis with the responsibility for delivery of the mitigation strategies identified delegated to the Diocesan Secretary.

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

Trustees' report

for the year ended 31 December 2023

Principal risks and uncertainties cont.

Governance and Management:

- Loss of key staff: Managed through professional HR resource and appropriate contracts.
- Safeguarding: Managed via a properly resourced independent Safeguarding Board overseeing the work of the HR and Safeguarding Department.
- Acting *Ultra-Vires*: Managed by the appropriate use of legal advice and all contracts with significant Church legislative implications being undertaken by the Diocesan Registry.

Operational Risks

- Capacity and use of assets: Overseen by a formal Delegation of Authority document with delegations to the Resources and Glebe Committees and the Diocesan Secretary.
- Use of Church Buildings: The Diocesan Advisory Committee for the Care of Churches (DAC) is resourced and staffed appropriately by the Board and operates to national legislation and guidelines.

Financial Risks

- The capacity of Parish Share to fund the current pattern of ministry on the Diocese, particularly in the light of the current cost of living crisis. Alternative models of ministry with different income profiles are being explored and ongoing management of investments and development of glebe supplement Parish Share significantly.
- Pension obligations: the Board's pension obligations are overseen by the Resources Committee. Any change of policy is authorised directly by the Board.

External Risks

- Unexpected changes to the demographic of congregations: The Board has contracted with *Experian* to receive detailed demographic information on the Diocese of Gloucester.

Going Concern

The trustees have reviewed the Board's financial position, in the light of its faith in the Risen Christ, its losses from ongoing activities and its long-term balance sheet strength.

Taking account of the satisfactory levels of aggregate reserves (see Reserves Policy note below) and cash, and systems of financial and risk management, it is the trustees' opinion that the charity is well placed to manage operational and financial risks successfully. Accordingly, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and do not believe that there are any material uncertainties as to the going concern of the charity. Therefore, the trustees are content that the charity continues to adopt the going concern basis of accounting in preparing the annual accounts.

Trustees' report

for the year ended 31 December 2023

Investment policy

The Board maintains a review of its investments through the Investment Group which also monitors performance against market benchmarks and considers the adequacy of its investment mix.

The Board also ensures it invests in line with the Church of England Ethical Investment Advisory Group Policy. To achieve this, it uses the investment management skills of a professional fund manager; CCLA.

The table below has been extracted from the quarterly CCLA report at 31 December 2023 reflecting the investment performance.

Fund total return performance	<i>Current Quarter</i>	<i>Last twelve months</i>	<i>Last three years annualised</i>	<i>Last five years annualised</i>
	(%)	(%)	(%)	(%)
CBF Fund holdings within portfolio				
Investment	+7.72	+12.57	+6.30	+10.13
Fund comparator	+6.28	+13.28	+6.02	+7.72
Deposit	+1.29	+4.49	+1.93	+1.39
Fund benchmark	+1.30	+4.69	+2.03	+1.34

The performance of the Board's investments in 2023 is representative of a market wide bounce back from 2022 which was significantly impacted by the war in Ukraine. The Investment Group has provided comfort to the Board that its assets were invested in line with its ethical policies and financial performance was above the relevant benchmarks set.

Looking forward the Board is keen to consider more social minded and local investments should the predicted cash surpluses from land disposals materialise in the coming years.

Reserves policy

The policy of the GDBF is to maintain a general fund reserve of between 4 and 8 months of parish share (i.e., between £2.1m and £4.3m) plus any budgeted deficit for the year on the general fund (i.e., for 2023 between £3.0m and £5.9m).

This level is considered prudent to manage for the cash flow deficit experienced each year resulting from parish share contributions being remitted irregularly during the year, (whereas the GDBF's expenditure is consistent on a month-by-month basis), and also to allow for unexpected occurrences.

At 31 December 2023, the general fund balance is £4.5m (2022: £8.0m) with free reserves of £2.0m (2022: £2.0m). Although the free reserves are below the target level, funds are held in investments which can be liquidated to ensure the GDBF holds sufficient funds to follow the requirements of the policy. Furthermore, the size of the Unapplied Total Return (UTR) relative to qualifying annual expenditure offers significant comfort that this does not present any operational difficulties.

Trustees' report

for the year ended 31 December 2023

Reserves policy cont.

The GDBF holds designated reserves of £6.3m (2022: £5.9m), restricted reserves £5.1m (2022: £4.1m) and endowment funds of £90.1m (2022: £77.2m) at 31 December 2023.

Fundraising activities

The charity undertakes very limited fundraising activities directly with individuals. The majority of the GDBF's income comes from other charitable entities. The GDBF does not use third party professional fundraisers and did not receive any complaints about its fundraising practices during 2023.

Trustees' responsibilities in respect of the financial statements

The Trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the GDBF and of the income and expenditure for the period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Statements as to disclosure of information to auditors

Each of the Trustees confirms that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all the necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Trustees' report

for the year ended 31 December 2023

Statements as to disclosure of information to auditors cont.

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

Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees on 19 September 2024.

+ Rachel Gloucestr:

Rt. Rev. Rachel Treweek

+ Rachel Gloucestr

President, Gloucester GDBF

Karen CZapiewski

Canon Karen Czapiewski

Chair, Gloucester GDBF

Independent Auditors' Report

To the Trustees of Gloucester Diocesan Board of Finance

Opinion

We have audited the financial statements of the Gloucester Diocesan Board of Finance for the year ended 31 December 2023 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the parent charitable company's affairs as at 31 December 2023 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

To the Trustees of Gloucester Diocesan Board of Finance

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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 Auditors' Report cont.

To the Trustees of Gloucester Diocesan Board of Finance

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the Trustees 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 group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

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

Independent Auditors' Report cont.

To the Trustees of Gloucester Diocesan Board of Finance

Audit procedures performed by the engagement team included:

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

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

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

Use of our report

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



Adam Halsey (Senior Statutory Auditor)

10 Queen Street Place

For and on behalf of Haysmacintyre LLP, Statutory Auditor
London EC4R 1AG

Date 27 September 2024

Consolidated statement of financial activities

for the year ended 31 December 2023

		General fund	Designated funds	Restricted funds	Endowment funds	Total 2023	Total 2022
Income & endowments from	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Donations							
parish share contributions	1	6,377	-	-	-	6,377	6,477
church commissioners	2	63	-	-	-	63	47
grants and other donations	3	188	-	579	-	767	1,207
Charitable activities: statutory fees and licence to occupy income		611	-	171	-	782	520
Other activities	4	117	-	-	-	117	154
Investments	5	832	6	233	-	1,071	983
Other	6	12	-	13	1,496	1,521	2,000
Total		8,200	6	996	1,496	10,698	11,388
Expenditure on							
Raising funds	7	86	-	-	-	86	165
Charitable activities	8	10,614	1,345	1,328	29	13,316	12,687
Total	9	10,700	1,345	1,328	29	13,402	12,852
Net (expenditure)/income before investment gains		(2,500)	(1,339)	(332)	1,467	(2,704)	(1,464)
Net gains/(losses) on investments	20	-	-	264	13,158	13,422	(2,969)
Net (expenditure)/income		(2,500)	(1,339)	(68)	14,625	10,718	(4,433)
Total return transfer		1,800	-	-	(1,800)	-	-
Net (expenditure)/income after total return transfer		(700)	(1,339)	(68)	12,825	10,718	(4,433)
Transfers between funds	20 - 23	(2,789)	1,760	998	31	-	-
Other recognised gains	26	-	-	-	-	-	695
Net movement in funds		(3,489)	421	930	12,856	10,718	(3,738)
Total funds brought forward		7,982	5,864	4,150	77,237	95,233	98,971
Total funds carried forward		4,493	6,285	5,080	90,093	105,951	95,233

Consolidated summary income & expenditure account

for the year ended 31 December 2023

	2023	2022
	£'000	£'000
Total income	9,202	10,408
Expenditure	(13,373)	(12,949)
<i>Operating (deficit) for the year</i>	<i>(4,171)</i>	<i>(2,541)</i>
Net gains/(losses) on investments	264	(374)
Net (expenditure) for the year	(3,907)	(2,915)

Other comprehensive income:

Net assets transferred from endowments	1,769	5,883
Actuarial gains on defined benefit pension schemes	-	608
Total comprehensive (expenditure)/income	(2,138)	3,576

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.

Full comparatives for the year to 31 December 2022 are shown in note 28.

The notes on pages 24 to 60 form part of these financial statements.

Consolidated balance sheet

as at 31 December 2023

Company number 00162165

	Notes	2023 £'000	2022 £'000
Tangible assets	15a	48,203	48,602
Investments	16a	52,904	40,029
Fixed Assets		101,107	88,631
Stock and work in progress	17	43	23
Debtors: amounts falling due after one year	18a	494	503
Debtors: amounts falling due within one year	18a	1,760	608
Cash at bank and in hand		3,772	6,815
Current Assets		6,069	7,949
Creditors: amounts falling due within one year	19a	(751)	(873)
<i>Net Current Assets (Current assets less creditors <1 year)</i>		5,318	7,076
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		106,425	95,707
Creditors: amounts falling due after one year			
Other creditors	19a	(474)	(474)
Net Assets		105,951	95,233
Endowment funds	20,23	90,093	77,237
Restricted funds	20,22	5,080	4,150
Designated funds (unrestricted)	20,21	6,285	5,864
General fund (unrestricted)	20	4,493	7,982
Total funds		105,951	95,233

Approved by the Board of Trustees on 19 September 2024 and signed on its behalf by

Karen Czapiewski

Canon Karen Czapiewski, Chair

The notes on pages 24 to 60 form part of these financial statements.

Parent company balance sheet

as at 31 December 2023

Company number 00162165

	Notes	2023 £'000	2022 £'000
Tangible assets	15b	46,863	47,268
Investments	16b	52,738	39,934
Fixed Assets		99,601	87,202
Debtors: amounts falling due after one year	18b	494	503
Debtors: amounts falling due within one year	18b	1,773	613
Cash at bank and in hand		1,756	4,817
Current Assets		4,023	5,933
Creditors: amounts falling due within one year	19b	(682)	(792)
<i>Net Current Assets (Current assets less creditors <1 year)</i>		3,341	5,141
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		102,942	92,343
Creditors: amounts falling due after one year			
Other creditors	19b	(474)	(474)
Net Assets		102,468	91,869
Endowment funds		89,181	76,396
Restricted funds		2,507	2,382
Designated funds (unrestricted)		6,285	5,864
General fund (unrestricted)		4,495	7,227
Reserves		102,468	91,869

Approved by the Board of Trustees on 19 September 2024 and signed on its behalf by

Karen Czapiewski

Canon Karen Czapiewski, Chair

The notes on pages 24 to 60 form part of these financial statements.

Consolidated cash flow statement

for the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Net cash used in operating activities		(6,480)	(4,741)
Cash flows from investing activities			
Dividends and interest received	5	1,071	983
Proceeds from sale of tangible fixed assets		2,621	3,031
Purchase of tangible fixed assets for use by GDBF	15a	(1,108)	(2,571)
Purchase of fixed asset investments	16a	(23)	(294)
Sale and reclassification of fixed asset investments	16a	871	8,698
Net cash provided by investing activities		3,432	9,847
Cash flows from financing activities			
Loan repaid to GDBF		25	33
Loan advanced by GDBF		(20)	-
Loans repaid by GDBF		-	(750)
Net cash provided by financing activities		5	(717)
Change in cash and cash equivalents during year		(3,043)	4,389
Cash & cash equivalents at 1 January		6,815	2,426
Cash & cash equivalents at 31 December		3,772	6,815
<i>Reconciliation net movement in funds to net cash flow from operating activities:</i>			
Net expenditure for the year		(2,704)	(1,464)
Adjustments for:			
Depreciation and amortisation charges		81	95
Dividends, interest & rent from investments		(1,071)	(983)
Profit on sale of functional assets		(1,195)	(1,689)
Profit on sale of investments		(301)	(282)
(Increase) in stock and work in progress		(20)	(3)
(Increase) in debtors		(1,148)	(117)
(Decrease) in creditors		(122)	(14)
FRS102 – pension adjustment (deficit contribution and interest charge)		-	(284)
Net cash used in operating activities		(6,480)	(4,741)
Analysis of cash and cash equivalents			
Cash in bank & in hand		3,772	6,815
Total cash and cash equivalents		3,772	6,815

Accounting policies

for the year ended 31 December 2023

The principal accounting policies adopted are as follows:

Basis of Accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd edition, effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line-by-line basis. The subsidiaries are Jumping Fish Limited, The Good and Faithful Servant Limited, Sportily Limited and the Ann Edwards Charity. 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 deficit of the parent charity for the year was £2.753 million (2022: deficit of £514k).

Gloucester DBF meets the FRS102 definition of a Public Benefit Entity.

The principal accounting policies and estimation techniques are as follows.

Income

All income is included in the Statement of Financial Activities (SoFA) when the GDBF 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.

Parish Share contributions by parishes are included in the financial statements when there is certainty of receipt. Donations are recognised when received. Legacies are recognised when there is reasonable certainty as to both entitlement and amount. Grants from government bodies and other sources are received for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period. Contractual income and performance related grants are included in the SOFA only when the related goods or services have been delivered. Interest and dividends are included in the financial statements when receivable. Rental income is recognised in the period to which the rent relates.

Investment income arising upon the Diocesan Stipends Fund is credited to the unapplied total return in the year in which the income is due.

Expenditure

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

- i) Costs of raising funds are constrained to 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, expenditure relating to the running of the diocesan retreat centre, 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 GDBF, such grants being recognised as expenditure when the conditions attaching 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.

Accounting policies

for the year ended 31 December 2023

Expenditure cont.

- 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 on an approximate staff time basis.
- v) Pension contributions. The GDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 25). The pension costs charged as expenditure represent the GDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which GDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.
- vi) Employee benefits. Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accruals basis and in line with FRS 102.

Going concern

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of its financial position, levels of reserves and future plans give the Trustees confidence the charity remains a going concern for a period in excess of 12 months from the date of approval of these accounts. This review has included an assessment of cash flow forecasts.

Depreciation

Depreciation on equipment is calculated on a straight-line basis at annual rates estimated to write off the assets over their respective expected useful lives, as follows:

Leasehold property improvements	5%	Assets under construction	0%
Office equipment	20%	Office furniture	12½%
Telephone equipment	20%	Computer equipment	25%
Solar PV panels	25 years		

No depreciation is provided on clergy houses. As the remaining useful life of these assets exceeds 50 years and a programme of planned maintenance ensures that the residual value does not fall below the carrying value, any depreciation would be immaterial. An annual impairment review is carried out in accordance with FRS102.

Tangible fixed assets

Tangible fixed assets with a useful life of over 1 year and costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Clergy houses owned by the Board as corporate property are included in the financial statements at historical cost.

Clergy houses owned by benefices are included in the financial statements at a carrying value established by the Trustees and based on a professional valuation in December 2000. Houses acquired since that date are included at cost, and any major improvements are capitalised to the extent that the carrying value does not exceed the estimated net realisable value. Although the Board does not own these houses, it has the responsibility for maintaining them and receives any sale proceeds on disposal if the

Accounting policies

for the year ended 31 December 2023

Tangible fixed assets cont.

house becomes surplus under a pastoral scheme. Under FRS102 the Board considers that it has access to the benefits of these houses and also the associated risks and therefore needs to recognise them as assets in the financial statements. Solar PV panels installed on clergy houses are included within the asset value of the house and depreciated on a straight line basis over 25 years.

Fixed asset investments

Listed investments are stated at open market value at the balance sheet date with the gain or loss arising on the investment funds representing the Diocesan Stipends Fund, taken directly to the unapplied total return and others to the Statement of Financial Activities. For units held in managed funds of the Central Board of Finance this is the published bid price. Investment properties, which comprise the glebe portfolio, are stated at Trustees' valuation. The valuation is arrived at after taking appropriate professional advice and is reviewed each year. Certain short-term cash deposits, which are held for long term investment purposes, are included in fixed asset investments.

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Stock and Work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short-term maturity.

Creditors

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

Accounting policies

for the year ended 31 December 2023

Fund accounting

The resources of the Board are classified according to restrictions imposed on their use by donors or by legislation, and in accordance with the SORP, as follows:

- Endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.
- Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board, or as expressed in the trusts under which the funds are held.
- Unrestricted funds are monies available for use at the discretion of the Board. The General Fund is for the day to day running of the Board and is primarily funded by the parish share. However, certain funds have been earmarked for particular purposes, and these are termed designated funds. Such funds are kept separate for administrative purposes but do not constitute legally separate funds.

During 2019, Bishops Council approved a total return approach to investment for the investments held as one of the GDBF's permanent endowments – the Diocesan Stipends Fund (DSF). This change in policy took effect from 1st January 2019 and since then GDBF has operated a total return approach to the management of the investment portfolio attributable to the DSF. Using this approach, GDBF is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return. GDBF is permitted to allocate from the unapplied total return element, such sums as the Board see appropriate, provided that the Board exercise their statutory duty to be even handed as 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 regard to the volatility of the investment markets. GDBF's objective is also to maintain the value of non-distributable funds in real terms.

Operating leases

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Judgements and estimates

In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements:

Valuation of investment properties - Investment properties are stated at trustees' valuation after taking appropriate professional advice.

Depreciation of clergy houses - The Trustees consider that residual value of freehold properties is equivalent to the carrying value and depreciation would not be material.

Sources of estimation uncertainty:

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

Notes to the financial statements

for the year ended 31 December 2023

Note 1 Parish Share

	Deanery Confirmed Allocations for 2023 £'000	Received in 2023 re 2023 £'000	Received in 2023 re prior years £'000	2023 £'000	2022 £'000
Gloucester City	545	571	-	571	569
Severn Vale	608	606	-	606	602
Forest South	370	358	-	358	381
Wotton	571	586	-	586	614
Stroud	596	598	-	598	609
Cheltenham	1,277	1,291	-	1,291	1,319
North Cotswold Deanery	901	883	-	883	886
Cirencester	867	929	-	929	914
Tewkesbury & Winchcombe	571	550	-	550	576
Other	-	5	-	5	7
Parish Share contributions	6,306	6,377	-	6,377	6,477

Note 2

Income from the Church Commissioners

	2023 £'000	2022 £'000
Grant re Bishop's share of registrar's retainer	63	47
Church Commissioner grants received	63	47

Notes to the financial statements

for the year ended 31 December 2023

Note 3

Grants and other donations

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	Total 2023	<i>Total 2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Ecclesiastical Insurance Group grant	84	-	-	-	84	96
Voluntary Schools Fund grants	-	-	-	-	-	240
Other grants	21	-	-	-	21	54
Archbishops' Council grant	-	-	131	-	131	-
Other restricted grants/donations	-	-	270	-	270	436
Sportily grants	-	-	178	-	178	103
Energy grants	-	-	-	-	-	197
Other donations	83	-	-	-	83	81
Grants and donations	188	-	579	-	767	1,207

Note 4

Other activities

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	Total 2023	<i>Total 2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Rental of vacant housing	89	-	-	-	89	118
Property development: G&FS*	-	-	-	-	-	-
Educational services: JF Ltd*	20	-	-	-	20	18
Other income	8	-	-	-	8	18
Total	117	-	-	-	117	154

In 2022, £146k of other activities income was unrestricted, and £8k was designated.

*The principal activity of Good & Faithful Servant (G&FS) is the development of property, whilst Jumping Fish's (JF Ltd) is the publication of educational materials and professional services, for advertisement of the Christian religion.

Notes to the financial statements

for the year ended 31 December 2023

Note 5

Investments

	2023 £'000	2022 £'000
Income from fixed asset investments	1,028	949
Other interest receivable and similar income	3	4
Rent receivable	40	30
Investments	1,071	983

In 2023, £832k (2022: £810k) of investment income was unrestricted, £6k (2022: £4k) was designated and £233k (2022: £169k) was restricted.

Note 6

Other

	2023 £'000	2022 £'000
Gain on disposal of tangible fixed assets*	1,195	1,971
Gain on investment property	301	-
Miscellaneous income	25	29
Other	1,521	2,000

In 2023, £12k (2022: £15k) of other income was unrestricted, £nil (2022: £995k) was designated, £13k (2022: £10k) was restricted and £1,496k (2022: £980k) was endowed.

* The gain on disposal of tangible fixed assets in 2023 included in endowment funds comprised the sale of four clergy houses (two surplus and two replaced) for the GDBF. The gain on disposal of tangible fixed assets in 2022 comprised the gain on the sale of five surplus clergy houses for the GDBF.

Note 7

Raising funds

	2023 £'000	2022 £'000
Tenancy costs associated with the letting of vacant properties	57	111
Property development – G & FS Limited	14	41
Educational services – Jumping Fish Limited	15	13
Raising funds	86	165

Notes to the financial statements

for the year ended 31 December 2023

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Note 8						
Charitable activities						
Contributions to Archbishops' Council:						
National Church responsibilities	210	-	-	-	210	213
Training for Ministry	319	-	-	-	319	308
Training of Ordinands – support grants	155	-	-	-	155	227
Pooling of Ordinand support costs	(42)	-	-	-	(42)	16
Mission agencies pension contributions	10	-	-	-	10	13
Retired clergy housing costs (CHARM)	121	-	-	-	121	115
	773	-	-	-	773	892
Resourcing Ministry & Mission:						
Stipends, employed Clergy and National insurance	3,500	-	-	-	3,500	3,404
Clergy pension contributions	772	-	-	-	772	1,209
FRS102 adjustment – clergy pension	-	-	-	-	-	(284)
Housing costs including removal and resettlement grants	1,945	-	-	-	1,945	1,635
Parochial fees payable to PCCs	287	-	-	-	287	-
	6,504	-	-	-	6,504	5,964
Support costs	3,337	83	318	29	3,767	3,816
	9,841	83	318	29	10,271	9,780
Expenditure on Education:						
Grant to DBE (note 11)	-	115	-	-	115	351
Grant to DGAT (note 11)	-	16	-	-	16	-
Other Expenditure:						
Grants awarded (note 11)	-	1,131	31	-	1,162	889
Charitable activities of Ann Edwards charity	-	-	102	-	102	73
Charitable activities of Sportily	-	-	877	-	877	702
	10,614	1,345	1,328	29	13,316	12,687

Notes to the financial statements

for the year ended 31 December 2023

Note 8 cont.	Unrestricted	Designated	Restricted	Endowment	Total
Comparative analysis for 2022	2022	2022	2022	2022	2022
Charitable activities	£'000	£'000	£'000	£'000	£'000
<i>Contributions to Archbishops' Council:</i>					
National Church responsibilities	213	-	-	-	213
Training for Ministry	308	-	-	-	308
Training of Ordinands – support grants	227	-	-	-	227
Pooling of Ordinand support costs	16	-	-	-	16
Mission agencies pension contributions	13	-	-	-	13
Retired clergy housing costs (CHARM)	115	-	-	-	115
	892	-	-	-	892
<i>Resourcing Ministry & Mission:</i>					
Parish Ministry					
Stipends, employed Clergy and National insurance	3,404	-	-	-	3,404
Clergy pension contributions	1,209	-	-	-	1,209
FRS102 adjustment – clergy pension	(158)	-	-	(126)	(284)
Housing costs including removal and resettlement grants	1,635	-	-	-	1,635
	6,090	-	-	(126)	5,964
Support for parish ministry	3,196	-	591	29	3,816
	9,286	-	591	(97)	9,780
<i>Expenditure on Education:</i>					
Support for church schools	-	351	-	-	351
<i>Other Expenditure:</i>					
Grants awarded (note 11)	-	730	159	-	889
Charitable activities of Ann Edwards charity	-	-	73	-	73
Charitable activities of Sportily	-	-	702	-	702
	10,178	1,081	1,525	(97)	12,687

Notes to the financial statements

for the year ended 31 December 2023

Note 9

Analysis of expenditure including the allocation of support costs

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs
	2023	2023	2023	2023
	£'000	£'000	£'000	£'000
Raising funds	86	-	-	86
Charitable activities:				
Contributions to Archbishop's Council	-	773	-	773
Resourcing parish ministry	8,304	83	1,798	10,185
Education	-	131	-	131
Other expenditure	778	1,162	201	2,141
Total	9,168	2,149	1,999	13,316

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
<i>Raising funds</i>	<i>165</i>	<i>-</i>	<i>-</i>	<i>165</i>
<i>Charitable activities:</i>				
<i>Contributions to Archbishop's Council</i>	<i>-</i>	<i>892</i>	<i>-</i>	<i>892</i>
<i>Resourcing parish ministry</i>	<i>8,084</i>	<i>-</i>	<i>1,696</i>	<i>9,780</i>
<i>Education</i>	<i>240</i>	<i>-</i>	<i>111</i>	<i>351</i>
<i>Other expenditure</i>	<i>623</i>	<i>889</i>	<i>152</i>	<i>1,664</i>
Total	9,112	1,781	1,959	12,852

Notes 10 to 14 provide further details on expenditure for 2023.

Notes to the financial statements

for the year ended 31 December 2023

Note 10

Analysis of support costs

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2023	Total funds 2022
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Central administration	1,707	-	189	29	1,925	1,897
Governance:						
External audit	37	-	12	-	49	46
Chancellor and professional fees	14	-	-	-	14	13
Synodical costs	11	-	-	-	11	3
Total	1,769	-	201	29	1,999	1,959

In 2022, £1,730k of central administration costs was unrestricted, £138k was restricted and £29k was endowed. Of the remaining expenditure of £48k was unrestricted and £14k was restricted.

Note 11

Summary of grants made:

	2023 number	2022 number	2023 £'000	2022 £'000
Church repairs	1	1	10	10
DBE Grant	1	1	115	36
Development Grants	25	21	182	159
DGAT Grant	1	-	16	-
Energy Grants	47	252	21	149
Grace Network	1	1	400	250
Housing Initiative	1	1	549	285
Grants made in the year	77	277	1,293	889

Notes to the financial statements

for the year ended 31 December 2023

Note 12

Net movement in funds is stated after charging:

	2023 £'000	2022 £'000
Depreciation	81	95
Auditors' remuneration - audit	49	46
Interest on Church Commissioners' loans:		
Loan for Solar Panel installations	2	13
Value Linked Loans on parsonage houses	30	27
Operating leases: Land and buildings (note 24)	64	64
Operating leases: Other (note 24)	19	19

Note 13

Interest on long term loans

	2023 £'000	2022 £'000
Interest on loans wholly or partly repayable beyond 5 years	30	27

All interest relates to value linked loans, being equity share loans made to the GDBF by the Church Commissioners in respect of Parsonage Housing.

Notes to the financial statements

for the year ended 31 December 2023

Note 14 Staff costs

	2023	2022
<i>Costs of employees and officer holders</i>	<i>£'000</i>	<i>£'000</i>
salaries and stipends	1,793	2,144
redundancy and termination payments	-	51
social security costs	181	227
other pension costs	382	599
Employees, including clergy in GDBF employment:	2,356	3,021

Stipends	3,078	2,994
social security costs	278	275
pension costs	766	1,034
Parochial clergy funded by the GDBF:	4,122	4,303

	2023	2022
<i>Number of employees including clergy in GDBF employment</i>	<i>Number</i>	<i>Number</i>
Average monthly number	58	65
Parochial clergy funded by the GDBF	126	126

The number of employees whose emoluments exceeded £60,000 were as follows:-

Employees earning between £60,001 and £70,000	2	3
Employees earning between £70,001 and £80,000	1	1
Employees earning between £80,001 and £90,000	1	-
Employees earning between £90,000 and £100,000	1	1

The employer's pension contribution for staff earning over £60,000 was £88,065 (2022: £75,508).

The GDBF acted as a paymaster for the Gloucester Diocesan Board of Education (GDBE) from 1 January 2023. The staff costs are included in the GDBE accounts charity number 1199117.

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary	Canon Benjamin Preece Smith
Director of Mission and Ministry	Rev'd Canon Dr Sandra Millar
Head of Communications	Canon Lucy Taylor
Director of People, Pastoral and Safeguarding	Canon Judith Knight
Chief Financial Officer	Lisa Gardner
Remuneration and pensions for these five (2022: nine) employees amounted to £499k (2022: £532k).	

Notes to the financial statements

for the year ended 31 December 2023

Note 14

Staff costs cont.

Trustees'/Trustees' emoluments

No Director/Trustee received any remuneration for services as a Director/Trustee. The Directors/Trustees received travelling and out of pocket expenses, totalling £13k (2022 - £7k) in respect of General Synod duties, duties as Archdeacon or Area Dean, and other duties as Directors/Trustees.

Certain trustees of the Board who are also clergy received benefits during the year from the Board as part of its normal charitable activity of providing a stipend and housing for clergy in the Diocese.

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

	Stipend	Housing
The Archdeacon of Cheltenham	Yes	Yes
The Archdeacon of Gloucester	Yes	Yes
Reverend A Blyth	Yes	Yes
Reverend H Curran	Yes	Yes
Reverend J Farragher	Yes	Yes
Reverend J Pestell	Yes	Yes
Reverend K Scott	Yes	Yes
Reverend Canon J Swanton	Yes	Yes

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

The stipends of the two Bishops were paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £39,953 - £48,972 (2022 range £38,050 - £46,640). The annual rate of stipend, funded by the GDBF, paid to Archdeacons in 2023 was £40,199 (2022 £37,385).

Notes to the financial statements

for the year ended 31 December 2023

Note 15a Group	<i>Assets under construction</i>	<i>Leasehold property improvements</i>	<i>Freehold Property</i>	<i>Office Equipment</i>	Total
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2023	25	239	48,692	468	49,424
Additions	4	-	1,075	29	1,108
Disposals	-	-	(1,426)	-	(1,426)
At 31 December 2023	29	239	48,341	497	49,106
<i>Depreciation:</i>					
At 1 January 2023	-	107	321	394	822
Charge for year	-	12	29	40	81
Disposals	-	-	-	-	-
At 31 December 2023	-	119	350	434	903
<i>Net book value:</i>					
At 1 January 2023	25	132	48,371	74	48,602
At 31 December 2023	29	120	47,991	63	48,203

The Board has vested in it two redundant churches. One is leased to the Methodist Church on a long lease at a peppercorn rent. The other is held pending disposal. No value is attributed to these properties.

The freehold property disposals made in 2023 relate to the sales of four clergy houses (2022: five surplus clergy houses), two were surplus to requirements and two replaced.

Notes to the financial statements

for the year ended 31 December 2023

Note 15b Parent	<i>Assets under construction</i>	<i>Leasehold property improvements</i>	<i>Freehold Property</i>	<i>Office Equipment</i>	Total
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2023	25	239	47,377	432	48,073
Additions	4	-	1,075	12	1,091
Disposals	-	-	(1,426)	-	(1,426)
At 31 December 2023	29	239	47,026	444	47,738
<i>Depreciation:</i>					
At 1 January 2023	-	107	315	383	805
Charge for year	-	12	29	29	70
Disposals	-	-	-	-	-
At 31 December 2023	-	119	344	412	875
<i>Net book value:</i>					
At 1 January 2023	25	132	47,062	49	47,268
At 31 December 2023	29	120	46,682	32	46,863

Notes to the financial statements

for the year ended 31 December 2023

Note 16a Group Fixed Asset Investments		Assets under construction			
	Properties £'000	£'000	Investments £'000	Total 2023 £'000	2022 £'000
Market value at 1 Jan 2023	12,950	160	26,919	40,029	51,416
Additions	18	5	-	23	294
Disposal proceeds	(871)	-	-	(871)	(8,698)
Realised investment gains	301	-	-	301	282
Unrealised investment gains/(losses)	10,867	-	2,555	13,422	(2,969)
Reclassification	-	-	-	-	(296)
Market Value at 31 Dec 2023	23,265	165	29,474	52,904	40,029
<i>Historic cost at 31 Dec 2023</i>				17,342	17,319
<i>Gains on investment assets</i>					
Unrealised gains/(losses) (as above)	-	-	2,555	2,555	(3,617)
Realised gain on Glebe disposal	301	-	-	301	282
Glebe revaluation	10,867	-	-	10,867	648
Total investment gains	11,168	-	2,555	13,723	(2,687)

In 2024, Bruton Knowles undertook a formal review of one site and a desktop valuation of most of the Glebe sites with the Glebe Committee RICS members reviewing the remainder. This resulted in an increase in valuation of £10,867k.

Notes to the financial statements

for the year ended 31 December 2023

Note 16b Parent

Fixed Asset Investments

	Properties £'000	Assets under construction £'000	Investments £'000	Total 2023 £'000	2022 £'000
Market value at 1 Jan 2023	12,950	160	26,824	39,934	51,221
Additions	18	5	-	23	294
Disposals	(871)	-	-	(871)	(8,416)
Realised gain on Glebe disposal	301	-	-	301	-
Unrealised investment gains(losses)	10,867	-	2,484	13,351	(2,869)
Reclassification	-	-	-	-	(296)
Market Value at 31 Dec 2023	23,265	165	29,308	52,738	39,934

Historic cost at 31 Dec 2023

17,646 17,623

Gains on investment assets

Unrealised gains(losses) (as above)	-	-	2,484	2,484	(3,517)
Realised gains - Glebe	301	-	-	301	-
Glebe revaluation	10,867	-	-	10,867	648
Total investment (losses)gains	11,168	-	2,484	13,652	(2,869)

Investments comprise:

		Note 16a Group		Note 16b Parent	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
(i)	Listed investments (equities)				
	UK Investments	2,222	2,746	2,161	2,746
	Non-UK investments	18,571	15,217	18,057	15,217
Listed Investments total		20,793	17,963	20,218	17,963
(ii)	Unlisted investments				
	Property & other	8,032	6,647	7,809	5,902
	Cash	649	2,309	631	2,309
(iii)	Good and Faithful Servant Ltd	-	-	650	650
Investments total		29,474	26,919	29,308	26,824

Notes to the financial statements

for the year ended 31 December 2023

Note 16b

Fixed Asset Investments cont.

The listed investments are held in the CBF Church of England Investment Fund managed by CCLA. The allocation in (i) represents the asset allocation of the managed portfolio at 31 December 2023.

The Diocese has four wholly owned subsidiaries:

Subsidiary name	Company number	Charity number	Share Capital
The Good & Faithful Servant Limited (GFS)	06258385	n/a	£650,100
Jumping Fish Limited (JF)	06672775	n/a	£1
Sportily Limited	0550991	1111077	Limited by guarantee GDBF sole member
The Charity of Ann Edwards (AEC)	n/a	263956	GDBF sole trustee of Charity

The transactions and balances for these wholly owned subsidiaries were as follows:-

	Income £		Expenditure £		Assets £		Liabilities £		Net assets £	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
GFS	0k	6k	14k	41k	646k	660k	(3k)	(3k)	643k	657k
JF	20k	18k	15k	18k	29k	27k	(24k)	(27k)	5k	5k
Sportily	948k	783k	885k	709k	885k	866k	(39k)	(83k)	846k	783k
AEC	109k	91k	114k	91k	2,711k	2,588k	(71k)	(14k)	2,640k	2,574k

Notes to the financial statements

for the year ended 31 December 2023

Note 16c Application of the power of total return to the Diocesan Stipends Fund

	Trust for investment £'000	Unapplied Total Return £'000	Total endowment 2023 £'000	Total endowment 2022 £'000
As at 1st January 2023:				
Base value of the permanent endowment	12,092	-	12,092	10,662
Unapplied total return	-	20,010	20,010	17,594
Total	12,092	20,010	32,102	28,256
Movements in the year:				
Investment returns – income received	-	693	693	728
Unrealised gains for year	-	2,198	2,198	(3,109)
Realised gains for the year	-	1,991	1,991	7,955
Unapplied total return allocated to General Fund in the year	-	(2,493)	(2,493)	(1,728)
Add indexation to base level of the endowment	624	(624)	-	-
Net movements in the year	624	1,765	2,389	3,846
As at 31st December 2023:				
Base value of the permanent endowment	12,716	-	12,716	12,092
Unapplied total return	-	21,775	21,775	20,010
Valuation at 31st December 2023	12,716	21,775	34,491	32,102

The investment power of total return permits Gloucester DBF to invest the permanently endowed Diocesan Stipends Fund (DSF) to maximise total return and apply an appropriate portion of the unapplied total return each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment.

An Unapplied Total Return Fund (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF permanent endowment. The base value of the permanent endowment is indexed annually based on the RPI percentage increase over the year. The annual increase in 2023 was 5.16% (2022: 13.41%).

Notes to the financial statements

for the year ended 31 December 2023

Note 16c

Application of the power of total return to the Diocesan Stipends Fund cont.

For the year ended 31st December 2023, the Board took the decision to transfer £2,493k (2022: £1,728k) which included investment income of £693k and allocated unapplied total return of £1.8 million from the Unapplied Total Return Fund to the General Fund.

Note 17

Stock and Work In Progress

This comprises work in progress amounting to £32k (2022: £12k) in relation to property developments being undertaken by the Good & Faithful Servant Ltd and £11k (2022: £11k) of education materials held by Jumping Fish Limited.

Note 18a

Consolidated group debtors

	Due within one year		Due after one year	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Prepayments and sundry debtors	1,657	517	-	-
Staff car loans	1	4	-	2
Loans to parishes, Cathedral and other DBF	58	52	494	501
Parish Giving Scheme	44	35	-	-
Debtors	1,760	608	494	503

Debtors include £305k (2022: £39k) due from related charities. These charities are administered by staff of the Board, but the trustees are separate from the trustees of the Board.

Note 18b

Parent company debtors

	Due within one year		Due after one year	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Prepayments and sundry debtors	1,631	493	-	-
Staff car loans	1	4	-	2
Loans to parishes, Cathedral and other DBF	58	52	494	501
The Charity of Ann Edwards	21	7	-	-
Jumping Fish Ltd	18	22	-	-
Parish Giving Scheme	44	35	-	-
Debtors	1,773	613	494	503

Notes to the financial statements

for the year ended 31 December 2023

Note 19a Consolidated group creditors	Due within one year		Due after one year	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Accruals and sundry creditors	692	812	-	-
Taxation and social security	59	61	-	-
CBF Loan (Solar Panels)	-	-	125	125
Value Linked Loans (Church Commissioners)	-	-	349	349
Creditors	751	873	474	474

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested.

Note 19b Parent company creditors	Due within one year		Due after one year	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Accruals and sundry creditors	593	722	-	-
Taxation and social security	59	53	-	-
CBF Loan (Solar Panels)	-	-	125	125
Value Linked Loans (Church Commissioners)	-	-	349	349
Good & Faithful Servant Limited	8	17	-	-
Sportily	22	-	-	-
Creditors	682	792	474	474

Included in 'Accruals and sundry creditors' is a total of £51k (2022 - £51k) due to related charities which are administered by staff of the Board and whose trustees are separate from the trustees of the Board.

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested.

Notes to the financial statements

for the year ended 31 December 2023

Note 20

Analysis of net assets by fund:

Summary

Funds at 31 Dec 2023 are represented by:

	General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	152	170	1,274	46,607	48,203
Fixed asset investments	2,362	5,358	2,096	43,088	52,904
Current assets	2,641	757	1,799	872	6,069
Creditors	(662)	-	(89)	(474)	(1,225)

Total Funds at 31 Dec 2023

4,493 6,285 5,080 90,093 105,951

Funds include the following unrealised gains on investments:

Unrealised gains at 1 Jan 2023	-	-	1,226	21,484	22,710
Net gains on revaluation in year	-	-	264	13,158	13,422
Gains on disposals	-	-	-	(570)	(570)
Unrealised gains at 31 Dec 2023	-	-	1,490	34,072	35,562

Comparative analysis of net assets by fund:

Summary

Funds at 31 Dec 2022 are represented by:

	General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	181	170	1,264	46,987	48,602
Fixed asset investments	5,796	1,477	2,033	30,723	40,029
Current assets	2,788	4,217	943	1	7,949
Creditors	(783)	-	(90)	(474)	(1,347)
Total Funds at 31 Dec 2022	7,982	5,864	4,150	77,237	95,233

Notes to the financial statements

for the year ended 31 December 2023

Note 20 cont.

Funds include the following unrealised gains on investments:

Summary	General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total
<i>Unrealised gains at 1 Jan 2022</i>	-	296	1,644	30,427	32,367
<i>Net losses on revaluation in year</i>	-	-	(374)	(2,595)	(2,969)
<i>Reclassifications</i>	-	(296)	-	-	(296)
<i>Gains on disposals</i>	-	-	(44)	(6,348)	(6,392)
Unrealised gains at 31 Dec 2022	-	-	1,226	21,484	22,710

In 2022 the GDBF decided to undesignate two significant funds which had been set aside for the purposes of holding housing stock for curates and other clergy. At the end of 2022 these funds had a combined value of £14.2m. These funds were released into General Funds. Of these funds some were designated to better reflect decisions made by the Board, including to the Development Fund, for the activities of Sportily, commitments made to support the national Church Housing project and the grant to Grace Network which has not yet been released. By doing this, the inter-fund indebtedness in 2021 has been eliminated in 2022.

The Board also agreed an asset swap between the DSF and General Funds, exchanging property (valued at historic cost) for CCLA investment fund units (held at market value).

Notes to the financial statements

for the year ended 31 December 2023

Note 21

Designated funds

	Balance at 1 Jan 2023	Income	Expenditure	Net gains/(losses) on assets	Transfers*	Balance at 31 Dec 23
	£'000	£'000	£'000	£'000	£'000	£'000
Development Fund	1,311	6	(181)	-	(183)	953
DBE Repayable Loan	-	-	-	-	500	500
Church Housing Association Loan	-	-	-	-	1,600	1,600
Education	-	-	(131)	-	131	-
Grace Network	1,250	-	(400)	-	-	850
Group Activities	2,861	-	-	-	(619)	2,242
Hibiscus Fund	-	-	-	-	10	10
Housing Initiative	272	-	(549)	-	181	(96)
Life projects	-	-	(84)	-	140	56
Viney Hill Development	170	-	-	-	-	170
Total Funds at 31 Dec 2023	5,864	6	(1,345)	-	1,760	6,285

The Development fund has been designated to finance Mission initiatives. Grants are awarded to Life Projects for special projects. Life Projects have been transferred to designated funds from restricted.

The Board has authorised £500k as a repayable loan to support the DBE during its initial restructuring period. This will start to be drawdown during 2024.

£1.6 million has been designated for a loan approved at Bishops Council to the Church Housing Association which will be requested in 2025.

The Education Fund brings together the Education work undertaken by GDBF with income specific to that activity, primarily from the Voluntary Schools Fund and St Matthias Trust. The Diocesan Board of Education (DBE) became a Charitable Incorporated Organisation in May 2022 with a transfer on 1 September 2022. The deficit at 31 August 2022 was covered by a transfer from the general fund and is the portion of this work funded by the general fund. The Board agreed to award an annual grant to the DBE to assist with the costs of the Education Fund.

Grace Network is a Christian-led social Enterprise co-operative based in Brimscombe which builds community and from that new monastic community. Their main engagement and funding come from ethical businesses sharing resources and space in a different iteration of the “seven sacred spaces” model. In 2023 the Board awarded funding of £1.5m to enable this model to expand into two new locations,

Notes to the financial statements

for the year ended 31 December 2023

Note 21 cont.

Designated funds

planned to be Cirencester and Gloucester. New premises for the first of these will be secured in 2023 with a planned opening in late 2023, early 2024.

The designated fund for Group Activities relates to grants to Sportily (see note 22).

The Trustees designated funds for a Housing Initiative. This offers support to the wider Church in delivering better missional and financial results through asset management by supporting a part time Housing Executive team and making time available from the Bishop of Tewkesbury and the Diocesan Secretary.

The Viney Hill Development relates to a property owned by GDBF but used by Viney Hill Adventure Centre for charitable purposes consistent with those of the GDBF.

<i>Comparative Designated funds</i>	<i>Balance at 1 Jan 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Net gains/(losses) on assets</i>	<i>Transfers*</i>	<i>Balance at 31 Dec 22</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Development Fund</i>	(325)	-	(159)	-	1,795	1,311
<i>Albright Bequest</i>	472	4	-	-	(476)	-
<i>Houses Capital</i>	6,495	-	-	-	(6,495)	-
<i>Curates Housing Reserve</i>	7,723	995	-	-	(8,718)	-
<i>Education</i>	-	282	(387)	-	105	-
<i>Grace Network</i>	-	-	(250)	-	1,500	1,250
<i>Group Activities</i>	-	-	-	-	2,861	2,861
<i>Housing Initiative</i>	-	-	(285)	-	557	272
<i>Viney Hill Development</i>	170	-	-	-	-	170
Total Funds at 31 Dec 2022	14,535	1,281	(1,081)	-	(8,871)	5,864

The Albright Bequest represents monies bequeathed by Miss Albright. The funds came with a request, but not a formal restriction, that they be used for diocesan projects rather than ongoing ministry costs. The trustees have designated these funds to projects in 2022.

The Houses Capital Fund represented the cost, less outstanding loans, of houses owned by the Board to provide accommodation for assistant curates and team vicars. During 2019, the Board decided to make a transfer from the Houses Capital Fund to a new Curates Housing Reserve as part of the work undertaken on agreeing a new policy for the provision of housing for curates. The efficient operation

Notes to the financial statements

for the year ended 31 December 2023

Note 21 cont.

of this new policy required the creation of a suitable reserve to enable the Resources Committee to buy and sell curates housing in a timely and controlled manner without frequent referral to Bishop's Council. During 2022, the Board decided to transfer the Houses Capital Fund and Curates Housing Reserve from the Designated funds to the Diocesan Stipend Endowment Fund.

Note 22

Restricted funds

	Balance at 1 Jan 2023	Income	Expenditure	Net gains/(losses) on assets	Transfers	Balance at 31 Dec 23
	£'000	£'000	£'000	£'000	£'000	£'000
Housing for elderly clergy	142	4	-	5	-	151
Ordination training	206	-	(1)	-	(27)	178
Diocesan pastoral fund	500	70	(78)	156	(77)	571
Stratton Davis fund	240	8	(10)	21	-	259
Bishop's Discretionary Mission fund	30	-	-	-	-	30
Ann Edwards Charity	1,768	109	(102)	-	(47)	1,728
Sportily Limited	-	329	(877)	-	1,394	846
Ministerial Education Training	123	210	(161)	-	-	172
Life projects	75	-	-	-	(75)	-
Energy Grants	48	-	(21)	-	-	27
Bishop Monk's Horfield Trust fund	854	25	-	81	-	960
Other	164	241	(78)	1	(170)	158
Total Funds at 31 Dec 2023	4,150	996	(1,328)	264	998	5,080

Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board.

The Housing for Elderly Clergy Fund derives from various bequests and is used to give assistance to retired clergy of the Diocese in difficulty with their housing requirements. The Ordination Training Fund derives from various bequests, principally from the late Mrs. M Harries. The income is used to fund ordination training.

The Diocesan Pastoral Fund is derived principally from the proceeds of sale of surplus parsonage houses as a result of pastoral reorganisations under the Pastoral Measure 1983. Under the Measure, the Fund must be used firstly in connection with expenses relating to pastoral schemes and redundant churches. To the extent that it is considered that any remaining funds are not required, or are not likely to be required, for these purposes then the funds may be applied to any general purpose of the Board.

Notes to the financial statements

for the year ended 31 December 2023

Note 22 Restricted funds cont.

The Stratton Davis Fund arises from a bequest received in 2001 from the estate of the late Mr. David Stratton Davis. The terms of the settlement are that the fund may be used for the repair or restoration of churches and their fixtures and fittings in the Diocese. The Board has decided initially to use the income to make an annual grant to the Gloucestershire Historic Churches Trust.

The Bishop's Discretionary Mission Fund derives from a donation received in 2013 and restricted to mission works of the Church of England at the Bishop of Gloucester's discretion.

The Charity of Ann Edwards restricted funds comprise the Extraordinary Repair Fund (ERF) and the Cyclical Maintenance Fund (CMF). These funds were established in the governing instrument and are for future repairs and maintenance, with transfers being made each year.

The Sportily funds may only be used for the objects of the charity which include promoting and assisting the work, objects and purposes of the Church of England for the advancement of Christian faith, in particular (but not exclusively) by the development of specialist ministries based principally on sports and wellbeing particularly with children, young people and their families in (but not limited to) the Diocese of Gloucester.

The Ministerial Education Training fund relates to Resourcing Ministerial Education introduced in 2017.

The Life Projects fund relates to those special projects funded by the Life Development Fund. This has been transferred to designated funds.

The Energy Grants were distributed to Dioceses to assist Parochial Church Councils cover the increased cost of lighting and heating of church buildings during the Winter.

The Bishop Monk Horfield Trust fund was gifted to the GDBF by a previously independent trust of that name which had managed the ancient legacy of Bishop Monk of Gloucester and Bristol. The funds received by GDBF are restricted to the funding of curates in training.

The Other Restricted funds includes a fund balance of £nil (2022: £nil) for Glebe revenue at 31 December 2023. This relates to glebe rental income less professional fees, repairs and maintenance against Glebe assets (the asset is held in the Glebe Property endowment fund – see note 23). Where excess costs create a negative balance these will be offset against any future surplus arising on the sale of Glebe property.

Notes to the financial statements

for the year ended 31 December 2023

Note 22 Restricted funds cont.

Comparative Restricted funds

	Balance at 1 Jan 2022	Income	Expenditure	Net gains/(losses) on assets	Transfers	Balance at 31 Dec 22
	£'000	£'000	£'000	£'000	£'000	£'000
Housing for elderly clergy	146	2	-	(6)	-	142
Ordination training	232	-	(1)	-	(25)	206
Diocesan pastoral fund	1,153	68	(169)	(220)	(332)	500
Stratton Davis fund	327	6	(10)	(29)	(54)	240
Bishop's Discretionary Mission Fund	30	-	-	-	-	30
Ann Edwards Charity	1,750	91	(73)	-	-	1,768
Sportily Limited	(72)	181	(702)	-	593	-
Ministerial Education Training	70	297	(244)	-	-	123
Life projects	91	-	(95)	-	79	75
Energy Grants	-	197	(149)	-	-	48
Bishops Monk's Horfield Trust	957	25	-	(114)	(14)	854
Other	(387)	174	(82)	(5)	464	164
Total Funds at 31 Dec 2022	4,297	1,041	(1,525)	(374)	711	4,150

Note 23 Endowment funds

	Balance at 1 Jan 23	Income	Expenditure	Net gains/(losses) on assets	Transfers*	Balance at 31 Dec 23
	£'000	£'000	£'000	£'000	£'000	£'000
Pensions & assistance	368	-	-	22	-	390
Benefice property	27,278	6	(29)	-	78	27,333
Diocesan stipends fund	32,102	1,189	-	2,198	(998)	34,491
Ann Edwards Charity	841	-	-	71	-	912
Glebe property	16,648	301	-	10,867	(849)	26,967
Total funds at 31 Dec 2023	77,237	1,496	(29)	13,158	(1,769)	90,093

Notes to the financial statements

for the year ended 31 December 2023

Note 23 Endowment funds cont.

Permanent endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment funds represent money that must be held as capital but may be expended when certain conditions are satisfied.

The Pensions & Assistance Fund is permanent endowment represented by a house used to provide accommodation for retired clergy, and a cash balance arising from the sale of a second house.

The Benefice Property Fund represents the value of benefice houses. These houses are owned by benefices but are recognised as assets by the Board. The fund is classified as expendable endowment as under certain conditions the value of the houses may be realised and the proceeds used as income.

The Diocesan Stipends Fund (DSF) represents ancient endowments and other gifts and legacies. The Fund is governed principally by the Diocesan Stipends Funds Measure 1953 and the Endowment and Glebe Measure 1976, as amended. The Fund consists of Clergy housing and CBF managed funds. Income generated from the Fund must be used to fund stipends. The Fund is split into “Trust for Investment” which is the permanent capital and “Unapplied Total Return” which can be applied to purposes consistent with that governing the use of income (see below).

During 2019, Bishops Council approved a total return approach to investment for the CBF managed funds of the DSF. This change in policy was to take effect from 1st January 2019. An Unapplied Total Return (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF.

The Unapplied Total Return comprises that part of the total return on the DSF which has not yet been allocated by the Board to either the General Fund or the Trust for Investment. It can be carried forward if not needed or allocated to be spent as income or reinvested in the DSF Trust for Investment in a particular year.

The value of the Trust for Investment of the DSF is preserved, by an amount equivalent to the application of RPI to the opening balance for the year being transferred from the Unapplied Total Return to the DSF Fund. For the year ended 31st December 2023, the Board took the decision to transfer £2,493k (2022: £1,728k) from the Unapplied Total Return to the General Fund. (see note 16c).

The Endowment Fund of the Charity of Ann Edwards represents the original endowment of the charity, comprising mainly the sale proceeds of Edwards College, the original Almshouse in South Cerney. This money may not be spent as income.

Glebe property represents glebe land previously held by incumbents but transferred to the Board under the Endowment and Glebe Measure 1976. Income derived from rents must be used to fund stipends. Proceeds of sale of glebe land must be transferred to the DSF.

Notes to the financial statements

for the year ended 31 December 2023

Note 23 Endowment funds cont.

Comparative Endowment funds	Balance at 1 Jan 2022 £'000	Income £'000	Expenditure £'000	Net gains/ (losses) on assets £'000	Transfers* £'000	Balance at 31 Dec 22 £'000
Pensions & assistance	399	-	-	(31)	-	368
Benefice property	31,086	694	(29)	-	(4,473)	27,278
Diocesan stipends fund	30,736	-	126	(3,314)	4,554	32,102
Ann Edwards Charity	941	-	-	(100)	-	841
Glebe property	21,389	578	-	645	(5,964)	16,648
Total Funds at 31 Dec 2022	84,551	1,272	97	(2,800)	(5,883)	77,237

Note 24

Financial Commitments: Operating Leases

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

Office Equipment where the lease expires:

Within one year of the balance sheet date

In the second to fifth years inclusive of the balance sheet date

2023

£'000

6

4

2022

£'000

9

10

Note 25

Reconciliation of Net Debt

	Balance at 1 Jan 23 £'000	Cash Flows £'000	Balance at 31 Dec 23 £'000
Cash at bank and in hand	6,815	(3,043)	3,772
Borrowings excluding overdrafts	(474)	-	(474)
Net Debt at 31 Dec 2023	6,341	(3,043)	3,298

Notes to the financial statements

for the year ended 31 December 2023

Note 25 Reconciliation of Net Debt cont.

Comparative reconciliation of Net Debt

	Balance at 1 Jan 22	Cash Flows	Balance at 31 Dec 22
	£'000	£'000	£'000
Cash at bank and in hand	2,426	4,389	6,815
Borrowings excluding overdrafts	(1,224)	750	(474)
Net Debt at 31 Dec 2022	1,202	5,139	6,341

Note 26 Post Balance Sheet Non-Adjusting Event – Sale of Leckhampton Glebe Land

On 20 May 2024 the Board completed the sale of a long standing development site in Leckhampton. This site is valued in the accounts for 2023 at £15m, based on a discounted contract price for the risk of non completion. Completion was for £28.6m, payable in two instalments. All proceeds (net of fees) are restricted to the Diocesan Stipends Fund.

Note 27 Pensions

The GDBF participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the GDBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy and the other is the Church Workers Pension Fund (CWPF) for lay staff.

The 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 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

Notes to the financial statements

for the year ended 31 December 2023

Note 27

Pensions cont.

participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2023: £66k 2022: £63k) 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 £66k For 2023 (2022: £231k).

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

A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m.

The next actuarial valuation was due at 31 December 2022. The calculations for this are underway. Following the 2019 valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 34.3% of pensionable salary and expenses of £12,800 per year. In addition, deficit payments of £167,784 per year have been agreed for 5.50 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool.

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

The movement in the provision is set out below:

	2023 £'000	2022 £'000
Balance sheet liability at 1 January	-	766
Deficit contribution paid	-	(168)
Interest cost (recognised in SoFA)	-	10
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(608)
Balance sheet liability at 31 December	-	-

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

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

Notes to the financial statements

for the year ended 31 December 2023

Note 27 Pensions cont.

	December 2023	December 2022	December 2021
Discount rate*	N/A	0.00%	1.4%

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

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.

Church of England Funded Pension Scheme (CEFPS)

Gloucester 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. It is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year which were £802k In 2023 (2022: £987k) plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £nil (2022: £126k).

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, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020=0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded. The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

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

Notes to the financial statements

for the year ended 31 December 2023

Note 27 Pensions cont.

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

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023 £'000	2022 £'000
Balance sheet liability at 1 January	-	213
Deficit contribution paid	-	(126)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(87)
Balance sheet liability at 31 December	-	-

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

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

	December 2023	December 2022	December 2021
Discount rate	n/a	n/a	0.0%
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	-1.5%

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

Church of England Pension Builder Scheme (PBS)

The Gloucester Diocesan Board of Finance participates in the Pension Builder Scheme section (PBS) of the CWPF for eligible salaried employees who commenced employment after 1st January 2013. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

Notes to the financial statements

for the year ended 31 December 2023

Note 27

Pensions cont.

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 are classed as defined benefit schemes.

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2023: £262k, 2022: £288k).

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

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

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

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

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

Notes to the financial statements

for the year ended 31 December 2023

Note 28

Prior year comparative SOFA

	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000
Income & endowments from					
Donations					
parish share contributions	6,477	-	-	-	6,477
church commissioners	47	-	-	-	47
grants and other donations	197	274	736	-	1,207
Charitable activities – statutory fees and licence to occupy income	394	-	126	-	520
Other activities	146	8	-	-	154
Investments	810	4	169	-	983
Other	15	995	10	980	2,000
Total	8,086	1,281	1,041	980	11,388
Expenditure on					
Raising funds	165	-	-	-	165
Charitable activities	10,178	1,081	1,525	(97)	12,687
Total	10,343	1,081	1,525	(97)	12,852
Net income/(expenditure) before investment gains	(2,257)	200	(484)	1,077	(1,464)
Net gains on investments	-	-	(374)	(2,595)	(2,969)
Net (expenditure)/income	(2,257)	200	(858)	(1,518)	(4,433)
<i>Total return transfer</i>	1,000	-	-	(1,000)	-
Net (expenditure)/income after total return transfer	(1,257)	200	(858)	(2,518)	(4,433)
<i>Transfers between funds</i>	13,043	(8,871)	711	(4,883)	-
Other recognised gains	608	-	-	87	695
Net movement in funds	12,394	(8,671)	(147)	(7,314)	(3,738)
<i>Total funds brought forward</i>	<i>(4,412)</i>	<i>14,535</i>	<i>4,297</i>	<i>84,551</i>	98,971
<i>Total funds carried forward</i>	7,982	5,864	4,150	77,237	95,233

THE GLOUCESTER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 251234

Accounts

Gloucester Diocesan Board of Finance
**Annual Report
& Accounts**
2022



Board of Trustees

The Rt Revd Rachel Treweek (President)
Canon Karen Czapiewski (Chair)
The Ven Phil Andrew
The Revd Andrew Blyth
Prof Patricia Broadfoot
Mr George Collins
The Revd Henry Curran
The Ven Hilary Dawson
The Revd James Faragher (from 1st February 2022)
Mr Chris Hill
Mr Martin Kingston
Mr Robert McNeill-Wilson
Mrs Carol O'Donnell
The Revd Dr Sunkanmi Osunsanmi (resigned 6 March 2023)
The Revd Jo Pestell
The Revd Ed Sauven
The Revd Canon Katrina Scott
The Rt Revd Robert Springett
The Revd Canon John Swanton
Mr Alastair Taylor
Mrs Emma Taylor (resigned 29 March 2023)
Mr Kevan Taylor
Mr Andy Wilson

Principal Officers

Benjamin Preece Smith – *Diocesan Secretary*
Lucy Taylor – *Director of Communications & Engagement*
Jo Hunter – *Interim Director of Education*
Lisa Gardner – *Director of Finance, Property & Giving*
Sandra Millar – *Director of Mission and Ministry*
Judith Knight – *Director of People and Safeguarding*

Solicitor

Jos Moule; Diocesan Registrar
Veale Wasborough Vizards LLP
Orchard Court, Orchard Lane
Bristol BS1 5WS

Bankers

Barclays Bank plc
288 Britannia Warehouse
The Docks Gloucester GL1 2Y

Registered office

Church House
College Green Gloucester GL1 2LY

Contents

Board of Trustees and Principal Officers.....	I
Summary results.....	2
Trustees' report.....	3-14
Independent Auditors' Report.....	15-18
Consolidated statement of financial activities.....	19
Summary income & expenditure account.....	20
Consolidated balance sheet.....	21
Parent balance sheet.....	22
Consolidated cash flow statement.....	23
Accounting policies.....	24-27
Notes to the financial statements.....	28-60

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Investment managers

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

Company limited by guarantee
Registered number 162165
Registered charity number 251234

How have we done – some highlights

number of stipendiary clergy funded by the DBF

2022:	2021:	change:
126	126	-

Stipendiary vacancies at 31st December 2022 were 11 (2021:11)

parish share contributions

2022:	2021:	change:
£6.5m	£6.3m	+ 3.2%

extra parish share needed to fund parish ministry:¹

2022:	2021:	change:
£1.6m	£1.8m	+13%

balance sheet value (net assets)²

2022:	2021:	change:
£95m	£99m	- 4.0%

¹ See 'Ongoing Activities' section on page 9.

² Including £3m of unrealised losses per the SoFA.

Trustees' report

for the year ended 31 December 2022

Foreword

The preceding 'highlights' page has been included for many years to provide a simple summary of the Board's financial performance, aimed at the reader who has a general interest but may not wish to read this report in full.

This year we believe that an additional commentary would be helpful to such a reader to outline significant changes shown on the Balance Sheet that are not captured by this summary. These changes are as follows:

- The fall in investment assets is higher than might be expected. This is because in the prior year accounts a glebe site in Bishop's Cleeve was under contract for sale at £5.3m. This was realised in 2022. The receipts of this are now principally held in cash, which is the main reason cash held has risen by £4.4m.
- Of this glebe receipt £750k was used to repay a loan from CCLA which has been on the books for 10 years, reducing the creditors significantly.
- Creditors have further declined as for the first time this millennium both the clergy and lay pension schemes are in surplus, removing a further £1m of creditors from the balance sheet.
- The Board has undesignated £14.2m of funds previously held as housing stock. This has been partially offset by new designations for the Development Fund, Sportily, Grace Network and support for the Church Housing Foundation. The net effect is, despite a loss in the year, the General Fund has increased by £12.4m.

Further information on these matters can be found in the report and accounts that follow. These changes are for the general good of the financial health of the Board in enabling it to continue in its objective to support a flourishing Anglican ministry in the Diocese of Gloucester.

Trustees' report

for the year ended 31 December 2022

Structure, Governance and Management

The Gloucester Diocesan Board of Finance (DBF) is a company limited by guarantee and a registered charity. Its governing instrument is the Articles of Association. These were revised and updated in 2019 and formally adopted by members on 9 March 2019. Printed copies of the revised Articles of Association are available from the Secretary on request. The DBF's membership comprises:

- The Bishop of Gloucester as president, ex-officio.
- Each and every member for the time being of the Diocesan Synod.
- Members co-opted to ensure that lay members constitute a majority of the DBF.

Elections and co-options take place every three years. The current triennium started in November 2021. The DBF, which meets three times each year, is the principal policy making body. It takes advice from its Board of Trustees, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also takes executive action in certain matters and deals with day-to-day issues. Members of the Bishop's Council serve as both directors under the Companies Act and trustees under the Charities Act. Membership is as follows:

Ex-officio members:

- The Bishop of Gloucester – Rt Revd Rachel Treweek
- The Chair of the DBF – Canon Karen Czapiewski
- The Bishop of Tewkesbury - Rt Revd Robert Springett
- The Archdeacon of Gloucester – Ven Hilary Dawson
- The Archdeacon of Cheltenham – Ven Phil Andrew
- The Vice-President of the House of Clergy of the Diocesan Synod – the Revd Canon Katrina Scott
- The Vice-President of the House of Laity of the Diocesan Synod – Mrs Carol O'Donnell

Members elected by the DBF – House of Clergy

- Two clergy members of the DBF from the Archdeaconry of Gloucester – the Revd Jo Pestell and the Revd James Faragher
- Two clergy members of the DBF from the Archdeaconry of Cheltenham – the Revd Andrew Blyth and the Revd Canon John Swanton
- One Proctor in Convocation from among the members of General Synod - Revd Henry Curran

Members elected by the DBF – House of Laity

- Three lay members of the DBF from the Archdeaconry of Gloucester – Mr Chris Hill, Prof Patricia Broadfoot and Mr Andy Wilson
- Three lay members of the DBF from the Archdeaconry of Cheltenham – Mr George Collins, Mr Martin Kingston and Mr Alistair Taylor
- One lay member from among the members of General Synod – Mr Robert MacNeill-Wilson

Trustees' report

for the year ended 31 December 2022

Structure, Governance and Management cont.

Co-opted members and nominations

- Up to two members may be co-opted by the Bishop's Council – Mrs Emma Taylor (resigned 29 March 2023) and Mr Kevan Taylor
- Up to two members may be nominated by the Bishop - The Revd Dr Sunkanmi Osunsanmi and the Revd Ed Sauven.

Trustees are recruited, as indicated above, through a mixture of ex-officio positions, elections and nominations. The Diocesan Secretary oversees membership elections.

An induction pack for trustees is available for new trustees which includes key documents, minutes and strategic discussions. This is supplemented by an invitation to meet with the Secretary to discuss any matters arising or explore further induction.

The DBF was assisted in its work during the year by the following of committees:

- Audit Committee (Chair: Tim Greenhalgh) acts as the risk management group and reports to the DBF on matters relating to the auditors, the annual accounts and internal controls.
- Glebe Committee (Chair: Tony MacFarlane) acts in all matters relating to the management of glebe property management and the disposal of assets not required for charitable or investment purposes.
- Resources Committee (Chair: Canon Karen Czapiewski) acts on matters delegated by the trustees relating to finance, assets, property, staffing and health and safety.

Emoluments of higher paid employees are determined by the Resources Committee. The terms of reference for this group were established by the Bishop's Council and includes regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

Trustees' liability insurance (for trustees in their capacity as directors) has been maintained throughout the year for the benefit of the charitable company and its trustees.

The DBF is the financial custodian for the Diocese of Gloucester, which is an administrative and pastoral area within the Church of England. The DBF therefore has important relationships with the national institutions of the Church of England, specifically:

- Archbishops' Council, to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.
- Church Commissioners, from which the DBF receives grants and which acts for tax and national insurance purposes as the pseudo-employer of diocesan clergy. The DBF pays for clergy stipends through the Church Commissioners.
- Church of England Pensions Board, which provide pensions for clergy and DBF's lay staff.

Trustees' report

for the year ended 31 December 2022

Structure, Governance and Management cont.

Public Benefit

Locally, the DBF works with Parochial Church Councils (PCCs) which are legally independent bodies that pay contributions, based on an apportionment system, to the DBF to fund its activities. The DBF is a tenant of the Dean and Chapter of Gloucester Cathedral, from whom it rents office accommodation. The DBF manages various charities on behalf of their respective trustees, for which management charges are paid, namely the Voluntary Schools Fund (VSF) and the Charity of Ann Edwards (AEC).

The GDBF is a public benefit entity, and the Trustees are aware of the Charity Commission's guidance on public benefit and the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity.

Strategic Aims

The objects of the DBF, as set out in its Articles of Association, are:

- To promote and assist the work, objects, and purposes of the Church of England for the advancement of the Christian religion in (but not limited to) the Diocese of Gloucester.
- To advance such other objects or purposes which are exclusively charitable according to the law of England and Wales in any part of the world and in such manner as the Trustees may in their absolute discretion consider may be expedient for the better promotion and assistance of the work of the Church of England.

In pursuing these objects, the DBF acts as the financial executive of and employer for the Gloucester Diocesan Synod. As such it undertakes three principal activities:

- It funds costs associated with the vast majority of Church of England clergy in the Diocese.
- It is responsible for the custody and management of the synod's funds.
- It provides services to other organisations within the Diocese, primarily PCCs and schools.

In pursuing its objectives and undertaking these activities the DBF is informed by the diocesan vision, LIFE Together. For more information see: <https://www.gloucester.anglican.org/about-us/our-vision/>

Strategic Report

Vision: LIFE Together

The LIFE Vision developed during 2022 into "LIFE together" which brings more focus to relationships and gathering as communities, especially worshipping communities.

There are five commitments in LIFE Together:

- Being advocates for flourishing through initiatives which combat injustice, environmental destruction, exclusion and isolation.

Trustees' report

for the year ended 31 December 2022

Strategic Report cont.

- Encouraging new and courageous ways of worshipping in different places which connect with more people.
- Nurturing everyday discipleship.
- Investing in people and programmes which excite young people to explore and grow in faith.
- Developing diverse lay and ordained leaders.

Substantial resourcing has been made available to specific projects working to this vision, notably Deanery Strategic Planning, Sportily and Church Army Centres of Mission.

Deanery Strategic Planning

The process of identifying a deliverable strategic plan for each deanery has been significantly interrupted by Covid. Initial plans which had originally been expected in 2022 were received in May 2022 and further work was undertaken for the rest of 2022 and early 2023 to seek common themes and issues across the Diocese.

Four emerging issues have been established which are currently under discussion for strategic support from the Board.

- Management, use and maintenance of church buildings.
- Deployment of increasingly scarce ordained ministry alongside alternative forms of ministry.
- Professional support for ministry to manage increasing administrative requirements against a background of decreasing availability of qualified volunteers.
- Financial concerns, particularly around the affordability and viability of Parish Share to act as a single funding model for ordained ministry in the Diocese.

These are currently being digested by Bishop's Staff Team and the Board to develop strategic responses, including remodelling the use of reserves and the structure of staff teams employed by the Board.

Sportily

Sportily is a wholly owned subsidiary of the DBF aimed at working with young people to explore life, community and faith with a strong focus on sport as a place of engagement and connexion. It works on a theory of community based on the "seven sacred spaces" model observed in ancient monastic communities.

Sportily was launched in 2021 with a multi-year commitment of financial support from the Diocese to work across the Diocese with local churches and communities as well as regional charitable, commercial and civic partners. It is currently working in nine hubs spread across the Diocese as well as running diocesan wide events.

Church Army Centres of Mission

This is a local expression of a national lay evangelism programme led by Church Army. The two initial locations in the Diocese identified as Centres for Mission were Matson and Coleford.

Trustees' report

for the year ended 31 December 2022

Strategic Report cont.

The Centre in Matson has partnered with the Grace Network and others to develop a social enterprise hub and mission centre in the community. This has proved successful in connecting with and developing discipleship in a community that has lost much of its connexion with the Church. Work is being planned to make this work more resilient and independent over the next few years. The Centre at Coleford struggled to thrive due to the pandemic and has now been closed. An alternative location in Gloucester City has been identified and will begin during 2023.

Grace Network

Grace Network is a Christian-led social enterprise co-operative based in Brimscombe which builds community and from that new monastic community. Their main engagement and funding come from ethical businesses sharing resources and space in a different iteration of the “seven sacred spaces” model.

In 2022 the Board awarded grant funding of £1.5m to enable this model to expand into two new locations, planned to be Cirencester and Gloucester. New premises for the first of these will be secured in 2023 with a planned opening in late 2023 or early 2024.

Church Housing Foundation

Building on the Archbishops' Commission on Housing, Church and Community's report “Coming Home” and the asset led financial and missional approach the Board has adopted over a number of years it has funded a small expert team led by the Secretary to develop plans for a national approach to a sustainable model for the Church to use Her network, assets and moral authority to help make a lasting impact on the housing crisis and providing ministry in deprived communities.

In enacting this strategy three new entities are being created;

- Church Housing Foundation: the main charity, advocate, hub and “parent” to the group.
- Church Housing Association: which will own genuinely affordable, high standard long term rental properties that will also provide for community cohesion and development by funding local ministry within its model.
- Church Development Agency: which will increase the capacity for DBFs and other Church partners to develop their property assets in a balanced way that increases their financial and missional value.

This work is currently coming to the end of its development phase and significant additional funding is being sought currently to realise the next stage of this project. It is not anticipated that in this next stage the Board would retain the same level of leadership and that governance will instead be directed towards the Church's national Church institutions rather than the Board.

Trustees' report

for the year ended 31 December 2022

Strategic Report cont.

Diocesan Board of Education

On 1 September 2022 the Gloucester Diocesan Board of Education (GDBE) was incorporated as a distinct legal entity. As a result, the staff employed by the Board are no longer its employees but the employees of the GDBE. The funds of the Voluntary Schools Fund and Bishop's Headlam Fund which are currently managed by independent charities will be transferred to the GDBE for its management.

The Board will offer significant administrative support to the GDBE at no cost under a Service Level Agreement to be signed in 2023. This will include Finance, IT, HR, accommodation and other functional areas.

Achievements and performance in the year

Ongoing Activities

The results for 2022 are consistent with 2021, and 2020.

- Clergy numbers remain constant at 126.
- Parish Share increased 2.5% from £6.3m to £6.5m.
- The Balance Sheet has decreased by £3.7m to £95.2m due principally to investment losses of £3.0m and the general fund deficit of £0.7m.

This consistency reflects the resilience of the Church of England's ministry and mission and the relative strength of the Board's asset management approach.

This consistency, however, must not lead to complacency. Whilst appropriate management of funds can and should restore the general fund to surplus the ongoing deficits reflect a generational strain on our current pattern of funded ministry. Parish Share has not significantly increased over the past five years, whilst our cost of ministry has. The following table illustrates this dilemma:

Fig 1: Parish Share Collected cf. Parish Ministry Costs

	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m
Parish Share	6.5	6.6	6.5	6.3	6.5
Resourcing Parish Ministry (Direct) ³	(7.6)	(7.6)	(7.8)	(8.1)	(8.1)
Deficit	(1.1)	(1.0)	(1.3)	(1.8)	(1.6)

³ See Note 9

Trustees' report

for the year ended 31 December 2022

Ongoing Activities cont.

It is the active management of the Board's legacy assets, notably glebe and the Diocesan Stipends Fund, that mean we can, for now continue with a consistent level of ministry. The weakness in Parish Share is related to two long competing trends in the Church:

- decline in congregation numbers of around 1% p.a. offset by
- increased personal giving of close to 3%.

From the turn of the century until c2018 the net effect of these two trends led to Parish Share increasing but at a trend of around 1% below cost inflation. There is concern that the dip since 2019 maybe a tipping point after which congregational decline now outpaces increased personal donations. With inflationary pressures higher in 2022 and 2023 than for decades that is a significant challenge for the sustainability of ministry. Significant efforts will be required in personal stewardship and giving in parishes and the development of additional income streams from assets and other sources in order to ensure the Board continues to ensure there is a Christian presence in every community in the Diocese.

Furthermore, whilst we have not seen the significant reduction in stipendiary clergy in this Diocese that some other dioceses have faced Gloucester is not impervious to national trends. The availability of stipendiary clergy for the next decade is a real concern. Developing high quality leadership is fundamental to the growth of the Church and is potentially the single most important focus for the next few years.

Plans for future periods

The Strategic Report (above) sets out the main approach of the Diocese to addressing its core challenges for the next few years. The Board is committed to using the Unapplied Total Return (UTR) built up over many years to cover the deficits necessary to maintain an appropriate deployment of parish ministry. Whilst change may be necessary to ensure the right pattern of ministry in future the Board seeks to ensure the matter of ministerial deployment is addressed as a missional question that is financially informed but not financially driven.

In the immediate term the Board will focus on its management of assets to ensure the new strategic work can be funded and buy the time for parish ministry to engage with the Deanery Strategic Plan process in meaningful ways that ensure authentic, long-term proposals are agreed for each part of the Diocese.

As we look further out the next strategic question is; if the plans currently invested in work how do they integrate in terms of mission and ministry to form a coherent landscape (or ecology) of "the Church" in one place? That concept of an interconnected multi-faceted ministry is at the heart of the LIFE Together vision and how we believe the Gospel needs to be shared in these generations.

Church Housing Foundation

The Board's support for the development of the Church Housing Foundation, Church Housing Association and Church Development Agency is expected to continue throughout 2023. This

Trustees' report

for the year ended 31 December 2022

Church Housing Foundation cont.

includes the part-time “secondment” of the Diocesan Secretary and the use of the designated funds included in the accounts. By the end of 2023 it is planned that the work will be put into a long-term framework which is governed outside the direct control of the Board.

This will require significant funding from other parties which will be sought during 2023. From 2024 the Board will look to engage with these new entities as significant mission partners in serving the Diocese both in developing new patterns of mission and ministry and in the management of property assets.

Carbon Net Zero

The Board takes seriously the Synodical motion at both General and Diocesan Synod to reach “Net-Zero” carbon by 2030. This is not a new issue for the Board but a part of our ongoing stewardship since the turn of the century.

Since the early 2000s it has sought to ensure all parsonages are either double or secondary glazed and to ensure lofts and walls are adequately insulated. The Board installed PV panels on all vicarages that were able to accept them for planning purposes in 2012.

The Board also has a policy of converting all empty parsonages to a green energy supplier when in vacancy to ensure all clergy inherit a green energy supply. The main challenge on parsonage stock is heating. This will take time for the market to produce suitable replacement non-carbon-based heating. In the meantime, there is a focus on ensuring the heating system is future proofed.

The Board is also focused on how it can assist the Church School network in reducing its carbon-footprint. In 2022 repayable finance of £3.5m to church owned schools to enable them to decarbonise was agreed by the Board. The nature and terms of these are subject to agreement by the Department for Education which is currently working with the Board to construct this offer in a manner that will be acceptable to HM Treasury. Funding for this proposal would come from the DBF reserves using the investments held within the DSF, underwritten by the General fund.

Principal risks and uncertainties

The Trustees are responsible for the identification, mitigation and management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is reviewed by the Audit Committee on an annual basis with the responsibility for delivery of the mitigation strategies identified delegated to the Diocesan Secretary.

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

Governance and Management:

- Loss of key staff: Managed through professional HR resource and appropriate contracts.
- Safeguarding: Managed via a properly resourced independent Safeguarding Board overseeing the work of the HR and Safeguarding Department.

Trustees' report

for the year ended 31 December 2022

Principal risks and uncertainties cont.

- Acting *Ultra-Vires*: Managed by the appropriate use of legal advice and all contracts with significant Church legislative implications being undertaken by the Diocesan Registry.

Operational Risks

- Capacity and use of assets: Overseen by a formal Delegation of Authority document with delegations to the Resources and Glebe Committees and the Diocesan Secretary.
- Use of Church Buildings: The Advisory Committee on Faculties and Care of Churches (DAC) is resourced and staffed appropriately by the Board and operates to national legislation and guidelines.

Financial Risks

- The capacity of Parish Share to continue to fund the current pattern of ministry on the Diocese, particularly in the light of the current cost of living crisis. Alternative models of ministry with different income profiles are being explored and ongoing management of investments and development of glebe supplement Parish Share significantly.
- Pension obligations: the Board's pension obligations are overseen by the Resources Committee. Any change of policy is authorised directly by the Board.

External Risks

- Unexpected changes to the demographic of congregations: The Board has contracted with Experian to receive detailed demographic information on the Diocese of Gloucester.

Going Concern

The trustees have reviewed the Board's financial position, particularly following on from the impact of the Covid-19 pandemic. While it is expected that the DBF may continue to experience a reduction in the level of income received, especially Parish Share received from parishes, review of the Board's cash flows and forecasts, particularly with regard to property transactions, show that it is expected that the DBF will have sufficient cash levels to operate successfully for the foreseeable future.

Taking account of the satisfactory levels of aggregate reserves (see Reserves Policy note below) and cash, and our systems of financial and risk management, it is the trustees' opinion that the charity is well placed to manage operational and financial risks successfully. Accordingly, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and do not believe that there are any material uncertainties as to the going concern of the charity. Therefore, the trustees are content that the charity continues to adopt the going concern basis of accounting in preparing the annual accounts.

Investment policy

The Board maintains a review of its investments through the Investment Group which also monitors performance against market benchmarks and considers the adequacy of its investment mix.

Trustees' report

for the year ended 31 December 2022

Investment policy cont.

The Board also ensures it invests in line with the Church of England Ethical Investment Advisory Group Policy. To achieve this, it uses the investment management skills of a professional fund manager; CCLA.

The performance of the Board's investments in 2022 reflects the impact of the war in Ukraine and the shortages caused by the impact of Covid on supply changes which together caused significant damage to the global economy. Despite the significant drop in value in 2022 the long-term performance remains above benchmark and recovery of asset value was seen in the first half of 2023 and the Board are very pleased with the performance of CCLA.

Reserves policy

The policy of the DBF is to hold between 4 and 8 months of parish share (i.e. between £2.2 and £4.3m) plus any deficit for the year on the general fund (i.e., for 2022 between £3.4m and £5.6m). This level is considered prudent to manage for the cash flow deficit experienced each year resulting from parish share contributions being remitted irregularly during the year, (whereas the DBF's expenditure is fairly constant on a month-by-month basis), and also to allow for unexpected occurrences.

At 31 December 2022, the general fund balance is £8.0m with free reserves of £2.0m (2021: £nil). Although the free reserves are below the target level, funds are held in investments which can be liquidated to ensure the DBF holds sufficient funds to follow the requirements of the policy. Furthermore, the size of the Unapplied Total Return (UTR) relative to qualifying annual expenditure offers significant comfort that this does not present any operational difficulties.

The DBF holds designated reserves of £5.9m (2021: £14.5m), restricted reserves £4.1m (2021: £4.3m) and endowment funds of £77.2m (2021: £84.6m) at 31 December 2022.

In 2022 the DBF decided to undesignate two significant funds which had been set aside for the purposes of holding housing stock for curates and other clergy. At the end of 2021 these funds had a combined value of £14.2m. These funds were released into General Funds. Of these funds some were designated to better reflect decisions made by the Board, including to the Development Fund, for the activities of Sportily, commitments made to support the National Church Housing project and the grant to Grace Network which has not yet been released.

The Board also agreed an asset swap between the DSF and General Funds, exchanging property (valued at historic cost) for CCLA investment fund units (held at market value).

Fundraising activities

The charity undertakes very limited fundraising activities directly with individuals. The majority of the DBF's income comes from other charitable entities. The DBF does not use third party professional fundraisers and did not receive any complaints about its fundraising practices during 2022.

Trustees' report

for the year ended 31 December 2022

Trustees' responsibilities in respect of the financial statements

The Trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the DBF and of the income and expenditure for the period. In preparing those financial statements the

Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Statements as to disclosure of information to auditors

Each of the Trustees confirms that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all the necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

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

Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees on 29 June 2023.

Rachel Gloucester:

Karen Czapiewski

+Rachel Gloucester:

Canon Karen Czapiewski

President, Gloucester DBF

Chair, Gloucester DBF

Independent Auditors' Report

To the Members of Gloucester Diocesan Board of Finance

Opinion

We have audited the financial statements of the Gloucester Diocesan Board of Finance for the year ended 31 December 2022 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the parent charitable company's affairs as at 31 December 2022 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

To the Members of Gloucester Diocesan Board of Finance

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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 Auditors' Report cont.

To the Members of Gloucester Diocesan Board of Finance

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the Trustees 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 group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

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

Independent Auditors' Report cont.

To the Members of Gloucester Diocesan Board of Finance

Audit procedures performed by the engagement team included:

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

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

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

Use of our report

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



Adam Halsey (Senior Statutory Auditor)

10 Queen Street Place

For and on behalf of Haysmacintyre LLP, Statutory Auditor
London EC4R 1AG

Date: 29 September 2023

Consolidated statement of financial activities

for the year ended 31 December 2022

	Notes	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Total 2021 £'000
Income & endowments from							
Donations							
parish share contributions	1	6,477	-	-	-	6,477	6,316
church commissioners	2	47	-	-	-	47	43
grants and other donations	3	197	274	736	-	1,207	1,943
Charitable activities: statutory fees and licence to occupy income		394	-	126	-	520	435
Other activities	4	146	8	-	-	154	172
Investments	5	810	4	169	-	983	954
Other	6	15	995	10	980	2,000	2,274
Total		8,086	1,281	1,041	980	11,388	12,137
Expenditure on							
Raising funds	7	165	-	-	-	165	93
Charitable activities	8	10,178	1,081	1,525	(97)	12,687	12,096
Total	9	10,343	1,081	1,525	(97)	12,852	12,189
Net (expenditure)/income before investment gains		(2,257)	200	(484)	1,077	(1,464)	(52)
Net (losses)/gains on investments	20	-	-	(374)	(2,595)	(2,969)	10,140
Net (expenditure)/income		(2,257)	200	(858)	(1,518)	(4,433)	10,088
Total return transfer		1,000	-	-	(1,000)	-	-
Net (expenditure)/income after total return transfer		(1,257)	200	(858)	(2,518)	(4,433)	10,088
Transfers between funds	20 - 23	13,043	(8,871)	711	(4,883)	-	-
Other recognised gains	25	608	-	-	87	695	256
Net movement in funds		12,394	(8,671)	(147)	(7,314)	(3,738)	10,344
Total funds brought forward		(4,412)	14,535	4,297	84,551	98,971	88,627
Total funds carried forward		7,982	5,864	4,150	77,237	95,233	98,971

Consolidated summary income & expenditure account for the year ended 31 December 2022

	2022	2021
	£'000	£'000
Total income	10,408	11,319
Expenditure	(12,949)	(12,166)
<i>Operating (deficit) for the year</i>	<i>(2,541)</i>	<i>(847)</i>
Net (losses)/gains on investments	(374)	373
Net (expenditure) for the year	(2,915)	(474)

Other comprehensive income:

Net assets transferred from endowments	5,883	940
Actuarial gains on defined benefit pension schemes	608	264
Total comprehensive income/(expenditure)	3,576	730

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.

Full comparatives for the year to 31 December 2021 are shown in note 26.

The notes on pages 24 to 60 form part of these financial statements.

Consolidated balance sheet

as at 31 December 2022

Company number 162165

	Notes	2022 £'000	2021 £'000
Tangible assets	15a	48,602	47,172
Investments	16a	40,029	51,416
Fixed Assets		88,631	98,588
Stock and work in progress	17	23	20
Debtors: amounts falling due after one year	18a	503	531
Debtors: amounts falling due within one year	18a	608	496
Cash at bank and in hand		6,815	2,426
Current Assets		7,949	3,473
Creditors: amounts falling due within one year	19a	(873)	(2,018)
<i>Net Current Assets (Current assets less creditors <1 year)</i>		7,076	1,455
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		95,707	100,043
Creditors: amounts falling due after one year			
Pension scheme liabilities	19a, 25	-	(598)
Other creditors	19a	(474)	(474)
Net Assets		95,233	98,971
Endowment funds	20,23	77,237	84,551
Restricted funds	20,22	4,150	4,297
Designated funds (unrestricted)	20,21	5,864	14,535
General fund (unrestricted)	20	7,982	(4,412)
Total funds		95,233	98,971

Approved by the Board of Trustees on 29 June 2023 and signed on its behalf by

Karen Czapiewski

Canon Karen Czapiewski, Chair

The notes on pages 24 to 60 form part of these financial statements.

Parent company balance sheet

as at 31 December 2022

Company number 162165

	Notes	2022 £'000	2021 £'000
Tangible assets	15b	47,268	45,848
Investments	16b	39,934	51,221
Fixed Assets		87,202	97,069
Debtors: amounts falling due after one year	18b	503	531
Debtors: amounts falling due within one year	18b	613	494
Cash at bank and in hand		4,817	810
Current Assets		5,933	1,835
Creditors: amounts falling due within one year	19b	(792)	(2,284)
<i>Net Current Assets/(Liabilities) (Current assets less creditors <1 year)</i>		5,141	(449)
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		92,343	96,620
Creditors: amounts falling due after one year			
Pension scheme liabilities	19b, 25	-	(598)
Other creditors	19b	(474)	(474)
Net Assets		91,869	95,548
Endowment funds		76,396	83,610
Restricted funds		2,382	2,619
Designated funds (unrestricted)		5,864	13,724
General fund (unrestricted)		7,227	(4,405)
Reserves		91,869	95,548

Approved by the Board of Trustees on 29 June 2023 and signed on its behalf by

Karen Czapiewski

Canon Karen Czapiewski, Chair

The notes on pages 24 to 60 form part of these financial statements.

Consolidated cash flow statement

for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Net cash used in operating activities		(4,741)	(2,498)
Cash flows from investing activities			
Dividends and interest received	5	983	954
Proceeds from sale of tangible fixed assets		3,031	4,375
Purchase of tangible fixed assets for use by GDBF	15a	(2,571)	(1,155)
Purchase of fixed asset investments	16a	(294)	(1,712)
Sale and reclassification of fixed asset investments	16a	8,698	34
Net cash provided by investing activities		9,847	2,496
Cash flows from financing activities			
Loan repaid to GDBF		33	30
Loans repaid by GDBF		(750)	(130)
Net cash provided by financing activities		(717)	(100)
Change in cash and cash equivalents during year		4,389	(102)
Cash & cash equivalents at 1 January		2,426	2,528
Cash & cash equivalents at 31 December		6,815	2,426
<i>Reconciliation net movement in funds to net cash flow from operating activities:</i>			
Net expenditure for the year		(1,464)	(52)
Adjustments for:			
Depreciation and amortisation charges		95	95
Dividends, interest & rent from investments		(983)	(954)
Profit on sale of functional assets		(1,689)	(1,906)
Profit on sale of investments		(282)	-
(Increase) in stock and work in progress		(3)	(11)
(Increase)/decrease in debtors		(117)	561
(Decrease)/increase in creditors		(14)	144
FRS102 – pension adjustment (deficit contribution and interest charge)		(284)	(375)
Net cash used in operating activities		(4,741)	(2,498)
Analysis of cash and cash equivalents			
Cash in bank & in hand		6,815	2,426
Total cash and cash equivalents		6,815	2,426

Accounting policies

for the year ended 31 December 2022

The principal accounting policies adopted are as follows:

Basis of Accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd edition, effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line-by-line basis. The subsidiaries are Jumping Fish Limited, The Good and Faithful Servant Limited, Sportily Limited and the Ann Edwards Charity. 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 deficit of the parent charity for the year was £514k (2021: deficit of £471k).

Gloucester DBF meets the FRS102 definition of a Public Benefit Entity.

The principle accounting policies and estimation techniques are as follows.

Income

All income is included in the Statement of Financial Activities (SoFA) when the GDBF 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.

Parish Share contributions by parishes are included in the financial statements when there is certainty of receipt. Donations are recognised when received. Legacies are recognised when there is reasonable certainty as to both entitlement and amount. Grants are generally included in the financial statements when received, to ensure that there is reasonable certainty as to both entitlement and amount. However, in cases where the grant relates to a specific project, it is recognised when the project expenditure takes place. Interest and dividends are included in the financial statements when received. Rental income is recognised in the period to which the rent relates.

Investment income arising upon the Diocesan Stipends Fund is credited to the unapplied total return in the year in which the distribution is due.

Expenditure

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

- i) Costs of raising funds are constrained to 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, expenditure relating to the running of the diocesan retreat centre, 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 GDBF, such grants being recognised as expenditure when the conditions attaching 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 on an approximate staff time basis.

Accounting policies

for the year ended 31 December 2022

Expenditure cont.

- v) Pension contributions. The GDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 25). The pension costs charged as expenditure represent the GDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which GDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.
- vi) Employee benefits. Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accruals basis and in line with FRS 102.

Going concern

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, levels of reserves and future plans give the Trustees confidence the charity remains a going concern for a period in excess of 12 months from the date of approval of these accounts. This review has included an assessment of cash flow forecasts.

Depreciation

Depreciation on equipment is calculated on a straight line basis at annual rates estimated to write off the assets over their respective expected useful lives, as follows:

Leasehold property improvements	5%	Assets under construction	0%
Office equipment	20%	Office furniture	12½%
Telephone equipment	20%	Computer equipment	25%
Solar PV panels	25 years		

No depreciation is provided on clergy houses. As the remaining useful life of these assets exceeds 50 years and a programme of planned maintenance ensures that the residual value does not fall below the carrying value, any depreciation would be immaterial. An annual impairment review is carried out in accordance with FRS102.

Tangible fixed assets

Clergy houses owned by the Board as corporate property are included in the financial statements at historical cost.

Clergy houses owned by benefices are included in the financial statements at a carrying value established by the Trustees and based on a professional valuation in December 2000. Houses acquired since that date are included at cost, and any major improvements are capitalised to the extent that the carrying value does not exceed the estimated net realisable value. Although the Board does not own these houses, it has the responsibility for maintaining them and receives any sale proceeds on disposal if the house becomes surplus under a pastoral scheme. Under FRS102 the Board considers that it has access to the benefits of these houses and also the associated risks and therefore needs to recognise them as assets in the financial statements. Solar PV panels installed on clergy houses are included within the asset value of the house and depreciated on a straight line basis over 25 years.

Accounting policies

for the year ended 31 December 2022

Intangible fixed assets

Goodwill represents the excess of the cost of acquisition of an entity over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Good will is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

Fixed asset investments

Listed investments are stated at open market value at the balance sheet date with the gain or loss arising on the investment funds representing the Diocesan Stipends Fund, taken directly to the unapplied total return and others to the Statement of Financial Activities. For units held in managed funds of the Central Board of Finance this is the published bid price. Investment properties, which comprise the glebe portfolio, are stated at Trustees' valuation. The valuation is arrived at after taking appropriate professional advice and is reviewed each year. Certain short-term cash deposits, which are held for long term investment purposes, are included in fixed asset investments.

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Stock and Work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short term maturity.

Creditors

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

Accounting policies

for the year ended 31 December 2022

Fund accounting

The resources of the Board are classified according to restrictions imposed on their use by donors or by legislation, and in accordance with the SORP, as follows:

- Endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.
- Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board, or as expressed in the trusts under which the funds are held.
- Unrestricted funds are monies available for use at the discretion of the Board. The General Fund is for the day to day running of the Board and is primarily funded by the parish share. However, certain funds have been earmarked for particular purposes, and these are termed designated funds. Such funds are kept separate for administrative purposes but do not constitute legally separate funds.

During 2019, Bishops Council approved a total return approach to investment for the investments held as one of the GDBF's permanent endowments – the Diocesan Stipends Fund (DSF). This change in policy took effect from 1st January 2019 and since then GDBF has operated a total return approach to the management of the investment portfolio attributable to the DSF. Using this approach, GDBF is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return. GDBF is permitted to allocate from the unapplied total return element, such sums as the Board see appropriate, provided that the Board exercise their statutory duty to be even handed as 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 regard to the volatility of the investment markets. GDBF's objective is also to maintain the value of non-distributable funds in real terms.

Operating leases

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Judgements and estimates

In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements:

Valuation of investment properties - Investment properties are stated at trustees' valuation after taking appropriate professional advice.

Depreciation of clergy houses - The Trustees consider that residual value of freehold properties is equivalent to the carrying value and depreciation would not be material.

Sources of estimation uncertainty:

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

Notes to the financial statements

for the year ended 31 December 2022

Note 1 Parish Share

	Deanery Confirmed Allocations for 2022 £'000	Received in 2022 re 2022 £'000	Received in 2022 re prior years £'000	2022 £'000	2021 £'000
Gloucester City	565	569	-	569	523
Severn Vale	601	602	-	602	585
Forest South	376	381	-	381	377
Wotton	608	614	-	614	594
Stroud	612	609	-	609	627
Cheltenham	1,356	1,319	-	1,319	1,329
North Cotswold Deanery	893	886	-	886	852
Cirencester	915	914	-	914	888
Tewkesbury & Winchcombe	584	576	-	576	535
Other	-	7	-	7	6
Parish Share contributions	6,510	6,477	-	6,477	6,316

Note 2 Income from the Church Commissioners

	2022 £'000	2021 £'000
Grant re Bishop's share of registrar's retainer	47	43
Church Commissioner grants received	47	43

Notes to the financial statements

for the year ended 31 December 2022

Note 3

Grants and other donations

					Total	<i>Total</i>
					2022	<i>2021</i>
					£'000	<i>£'000</i>
Ecclesiastical Insurance Group grant					96	100
Voluntary Schools Fund grants					240	377
Other grants					54	71
Bishop Monk's Horfield restricted grant					-	910
Other restricted grants/donations					436	305
Sportily grants					103	106
Energy grants					197	-
Other donations					81	74
Grants and donations					1,207	<i>1,943</i>

Note 4

Other activities

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	Total	<i>Total</i>
	£'000	£'000	£'000	£'000	2022	<i>2021</i>
	£'000	£'000	£'000	£'000	£'000	<i>£'000</i>
Rental of vacant housing	118	-	-	-	118	145
Property development: G&FS*	-	-	-	-	-	-
Educational services: JF Ltd*	18	-	-	-	18	12
Other income	10	8	-	-	18	15
Total	146	8	-	-	154	<i>172</i>

In 2021, £166k of other activities income was unrestricted, and £6k was designated.

*The principal activity of Good & Faithful Servant (G&FS) is the development of property, whilst Jumping Fish's (JF Ltd) is the publication of educational materials and professional services, for advertisement of the Christian religion.

Notes to the financial statements

for the year ended 31 December 2022

Note 5		
Investments	2022	2021
	£'000	£'000
Income from fixed asset investments	949	918
Other interest receivable and similar income	4	5
Rent receivable	30	31
Investments	983	954

Note 6		
Other	2022	2021
	£'000	£'000
Gain on disposal of tangible fixed assets*	1,971	1,906
Amortisation of negative goodwill on acquisition of Sportily Limited#	-	320
Miscellaneous income	29	48
Other	2,000	2,274

* The gain on disposal of tangible fixed assets in 2022 comprised the sale of five surplus clergy houses for the DBF. The gain on disposal of tangible fixed assets in 2021 comprised the gain on the sale of nine surplus clergy houses for the DBF.

#The negative goodwill on the acquisition of Sportily has been fully amortised in the year of acquisition (see note 16).

Note 7		
Raising funds	2022	2021
	£'000	£'000
Tenancy costs associated with the letting of vacant properties	111	46
Property development – G & FS Limited	41	35
Educational services – Jumping Fish Limited	13	12
Raising funds	165	93

Notes to the financial statements

for the year ended 31 December 2022

	Unrestricted	Designated	Restricted	Endowment	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Note 8						
Charitable activities						
Contributions to Archbishops' Council:						
National Church responsibilities	213	-	-	-	213	240
Training for Ministry	308	-	-	-	308	309
Training of Ordinands – support grants	227	-	-	-	227	159
Pooling of Ordinand support costs	16	-	-	-	16	35
Mission agencies pension contributions	13	-	-	-	13	14
Retired clergy housing costs (CHARM)	115	-	-	-	115	112
	892	-	-	-	892	869
Resourcing Ministry & Mission:						
Parish Ministry						
Stipends, employed Clergy and National insurance	3,404	-	-	-	3,404	3,392
Clergy pension contributions	1,209	-	-	-	1,209	1,294
FRS102 adjustment – clergy pension	(158)	-	-	(126)	(284)	(375)
Housing costs including removal and resettlement grants	1,635	-	-	-	1,635	1,937
	6,090	-	-	(126)	5,964	6,248
Support costs	3,196	-	591	29	3,816	3,456
	9,286	-	591	(97)	9,780	9,704
Expenditure on Education						
Support for church schools	-	351	-	-	351	490
Other expenditure						
Grants awarded (note 11)	-	730	159	-	889	449
Charitable activities of Ann Edwards charity	-	-	73	-	73	66
Charitable activities of Sportily	-	-	702	-	702	518
	10,178	1,081	1,525	(97)	12,687	12,096

Notes to the financial statements

for the year ended 31 December 2022

Note 8 cont.	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	<i>Total</i>
Comparative analysis for 2021	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>
Charitable activities	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Contributions to Archbishops' Council:</i>					
National Church responsibilities	240	-	-	-	240
Training for Ministry	309	-	-	-	309
Training of Ordinands – support grants	159	-	-	-	159
Pooling of Ordinand support costs	35	-	-	-	35
Mission agencies pension contributions	14	-	-	-	14
Retired clergy housing costs (CHARM)	112	-	-	-	112
	869	-	-	-	869
<i>Resourcing Ministry & Mission:</i>					
<i>Parish Ministry</i>					
Stipends, employed Clergy and National insurance	3,392	-	-	-	3,392
Clergy pension contributions	1,294	-	-	-	1,294
FRS102 adjustment – clergy pension	(162)	-	-	(213)	(375)
Housing costs including removal and resettlement grants	1,937	-	-	-	1,937
	6,461	-	-	(213)	6,248
Support for parish ministry	2,955	-	473	28	3,456
	9,416	-	473	(185)	9,704
Expenditure on Education					
Support for church schools	-	490	-	-	490
Other expenditure					
Grants awarded (note 11)	-	156	85	208	449
Charitable activities of Ann Edwards charity	-	-	66	-	66
Charitable activities of Sportily	-	-	518	-	518
	10,285	646	1,142	23	12,096

Notes to the financial statements

for the year ended 31 December 2022

Note 9

Analysis of expenditure including the allocation of support costs

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
Raising funds	165	-	-	165
Charitable activities:				
Contributions to Archbishop's Council	-	892	-	892
Resourcing parish ministry	8,084	-	1,696	9,780
Education	240	-	111	351
Other expenditure	623	889	152	1,664
Total	9,112	1,781	1,959	12,852

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs
	2021	2021	2021	2021
	£'000	£'000	£'000	£'000
<i>Raising funds</i>	93	-	-	93
<i>Charitable activities:</i>				
<i>Contributions to Archbishop's Council</i>	-	869	-	869
<i>Resourcing parish ministry</i>	8,138	-	1,566	9,704
<i>Education</i>	329	-	161	490
<i>Other expenditure</i>	490	449	94	1,033
Total	9,050	1,318	1,821	12,189

Notes 10 to 14 provide further details on expenditure for 2022.

Notes to the financial statements

for the year ended 31 December 2022

Note 10

Analysis of support costs

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2022	Total funds 2021
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Central administration	1,730	-	138	29	1,897	1,773
Governance:						
External audit	32	-	14	-	46	32
Chancellor and professional fees	13	-	-	-	13	12
Synodical costs	3	-	-	-	3	4
Total	1,778	-	152	29	1,959	1,821

In 2021, £1,663k of central administration costs was unrestricted, £94k was restricted and £28k was endowed. Of the remaining expenditure of £36k was unrestricted and £12k was restricted.

Note 11

Summary of grants made:

	2022 number	2021 number	2022 £'000	2021 £'000
Church repairs	1	1	10	19
COVID19 Grants	-	48	-	208
DBE Grant	1	-	36	-
Development Grants	21	19	159	137
Energy Grants	252	-	149	-
Grace Network	1	-	250	-
Housing Initiative	1	-	285	-
Oasis	-	1	-	85
Grants made in the year	277	69	889	449

Notes to the financial statements

for the year ended 31 December 2022

Note 12

Net movement in funds is stated after charging:

	2022 £'000	2021 £'000
Depreciation	95	95
Auditors' remuneration - audit	46	32
Interest on Church Commissioners' loans:		
Loan for Solar Panel installations	13	3
Value Linked Loans on parsonage houses	27	27
Operating leases: Land and buildings (note 24)	64	64
Operating leases: Other (note 24)	19	19

Note 13

Interest on long term loans

	2022 £'000	2021 £'000
Interest on loans wholly or partly repayable beyond 5 years	27	27

All interest relates to value linked loans, being equity share loans made to the DBF by the Church Commissioners in respect of Parsonage Housing.

Notes to the financial statements

for the year ended 31 December 2022

Note 14 Staff costs

	2022	2021
<i>Costs of employees and officer holders</i>	<i>£'000</i>	<i>£'000</i>
salaries and stipends	2,144	1,961
redundancy and termination payments	51	-
social security costs	227	192
other pension costs	599	718
Employees, including clergy in DBF employment:	3,021	2,871

Stipends	2,994	3,038
social security costs	275	268
pension costs	1,034	980
Parochial clergy funded by the DBF:	4,303	4,286

	2022	2021
<i>Number of employees including clergy in DBF employment</i>	<i>Number</i>	<i>Number</i>
Full time equivalent	49	48
Parochial clergy funded by the DBF	126	126
<i>The number of employees whose emoluments exceeded £60,000 were as follows:-</i>		
Employees earning between £60,001 and £70,000	3	2
Employees earning between £70,001 and £80,000	1	1
Employees earning between £90,000 and £100,000	1	-

The employer's pension contribution for staff earning over £60,000 was £75,508 (2021: £50,660).

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Diocese. During 2022 they were:

Diocesan Secretary and Company Secretary	Canon Benjamin Preece Smith
Director of Education	Canon Rachel Howie (resigned 31 August 2022)
Interim Director of Education	J Hunter (appointed 1 September 2022)
Director of Mission and Ministry	Canon Dr A Braddock (seconded 1 April 2022)
Director of Mission and Ministry	S Millar (appointed 3 May 2022)
Head of Communications	Canon Lucy Taylor
Director of People, Pastoral and Safeguarding	Canon Judith Knight
Head of Finance	Julie Ridgway (resigned 10 June 2022)
Director of Finance, Property and Giving	Lisa Gardner (appointed 17 October 2022)
Remuneration and pensions for these nine (2021: six) employees amounted to £532k (2021: £460k).	

Notes to the financial statements

for the year ended 31 December 2022

Note 14

Staff costs cont.

Trustees'/Trustees' emoluments

No Director/Trustee received any remuneration for services as a Director/Trustee. The Directors/Trustees received travelling and out of pocket expenses, totalling £7k (2021 - £4k) in respect of General Synod duties, duties as Archdeacon or Area Dean, and other duties as Directors/Trustees.

Certain trustees of the Board who are also clergy received benefits during the year from the Board as part of its normal charitable activity of providing a stipend and housing for clergy in the Diocese.

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

	Stipend	Housing
The Archdeacon of Cheltenham	Yes	Yes
The Archdeacon of Gloucester	Yes	Yes

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

The stipends of the two Bishops were paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £38,050 - £46,640 (2021 range £37,930 - £46,180). The annual rate of stipend, funded by the GDBF, paid to Archdeacons in 2022 was £37,385 (2021 £36,832).

Notes to the financial statements

for the year ended 31 December 2022

Note 15a Group	<i>Assets under construction</i>	<i>Leasehold property improvements</i>	<i>Freehold Property</i>	<i>Office Equipment</i>	Total
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2022	25	235	47,204	435	47,899
Additions	-	-	2,538	33	2,571
Disposals	-	-	(1,342)	-	(1,342)
Reclassifications	-	4	292	-	296
At 31 December 2022	25	239	48,692	468	49,424
<i>Depreciation:</i>					
At 1 January 2022	-	95	292	340	727
Charge for year	-	12	29	54	95
Disposals	-	-	-	-	-
At 31 December 2022	-	107	321	394	822
<i>Net book value:</i>					
At 1 January 2022	25	140	46,912	95	47,172
At 31 December 2022	25	132	48,371	74	48,602

The Board has vested in it two redundant churches. One is leased to the Methodist Church on a long lease at a peppercorn rent. The other is held pending disposal. No value is attributed to these properties.

The freehold property disposals made in 2022 relate to the sales of five (2021: nine) surplus clergy houses.

Notes to the financial statements

for the year ended 31 December 2022

Note 15b Parent	<i>Assets under construction</i>	<i>Leasehold property improvements</i>	<i>Freehold Property</i>	<i>Office Equipment</i>	Total
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2022	25	235	45,889	418	46,567
Additions	-	-	2,538	14	2,552
Disposals	-	-	(1,342)	-	(1,342)
Reclassification	-	4	292	-	296
At 31 December 2022	25	239	47,377	432	48,073
<i>Depreciation:</i>					
At 1 January 2022	-	95	286	338	719
Charge for year	-	12	29	45	86
Disposals	-	-	-	-	-
At 31 December 2022	-	107	315	383	805
<i>Net book value:</i>					
At 1 January 2022	25	140	45,603	80	45,848
At 31 December 2022	25	132	47,062	49	47,268

Note 15c	<i>Group</i>		<i>Parent</i>	
Intangible Fixed Assets	<i>Negative Goodwill</i>	<i>Total</i>	<i>Negative Goodwill</i>	<i>Total</i>
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2022 and 31 December 2022	320	320	-	-
<i>Amortisation:</i>				
At 1 January 2022 and 31 December 2022	(320)	(320)	-	-
<i>Net book value:</i>				
At 1 January 2022	-	-	-	-
At 31 December 2022	-	-	-	-

Notes to the financial statements

for the year ended 31 December 2022

Note 15c

Intangible Fixed Assets cont.

On 28 January 2021 Gloucester Diocesan Board of Finance acquired Sportily Limited by becoming sole member of the charitable company limited by guarantee. No consideration was paid. The negative goodwill calculation in respect of the acquisition is detailed in note 16.

Note 16a Group Fixed Asset Investments	Properties	Assets under construction	Investments	Total 2022	2021
	£'000	£'000	£'000	£'000	£'000
Market value at 1 Jan 2022	17,081	153	34,182	51,416	39,598
Additions	287	7	-	294	1,712
Disposal proceeds	(5,348)	-	(3,350)	(8,698)	(34)
Realised investment gains(losses)	578	-	(296)	282	-
Unrealised investment gains(losses)	648	-	(3,617)	(2,969)	10,140
Reclassification	(296)	-	-	(296)	-
Market Value at 31 Dec 2022	12,950	160	26,919	40,029	51,416
<i>Historic cost at 31 Dec 2022</i>				17,319	18,894
Gains on investment assets					
Unrealised (losses)gains (as above)	-	-	(3,617)	(3,617)	4,225
Realised gain on Glebe disposal	578	-	(296)	282	-
Glebe revaluation	648	-	-	648	5,915
Total investment gains	1,226	-	(3,913)	(2,687)	10,140

In 2021, the Board revalued three Glebe sites by £5.9m on advice from RICS members of the Committee. Messrs. Of this some £4.8m related to a single site which was realised in September 2022 for £5.3m.

In 2022, Bruton Knowles undertook a desktop valuation of most of the Glebe sites with the Glebe Committee RICS members reviewing the remainder. This resulted in an increase in valuation of £648k.

Notes to the financial statements

for the year ended 31 December 2022

Note 16b Parent

Fixed Asset Investments

	Properties £'000	Assets under construction £'000	Investments £'000	Total 2022 £'000	2021 £'000
Market value at 1 Jan 2022	17,081	153	33,987	51,221	39,509
Additions	287	7	-	294	1,712
Disposals	(4,770)	-	(3,646)	(8,416)	(34)
Unrealised investment (losses)gains	648	-	(3,517)	(2,869)	10,034
Reclassification	(296)	-	-	(296)	-
Market Value at 31 Dec 2022	12,950	160	26,824	39,934	51,221
<i>Historic cost at 31 Dec 2022</i>				17,623	19,198

Gains on investment assets

Unrealised (losses)gains (as above)	-	-	(3,517)	(3,517)	4,119
Realised gains - Glebe	-	-	-	-	-
Glebe revaluation	648	-	-	648	5,915
Total investment (losses)gains	648	-	(3,517)	(2,869)	10,034

Bruton Knowles undertook a desktop valuation of most of the Glebe sites with the Glebe Committee RICS members reviewing the remainder. This resulted in an increase in valuation of £648k.

Investments comprise:

	Note 16a Group		Note 16b Parent	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
(i) Listed investments (equities)				
UK Investments	2,746	3,473	2,746	3,473
Non-UK investments	15,217	21,690	15,217	21,690
Listed Investments total	17,963	25,163	17,963	25,163
(ii) Unlisted investments				
Property & other	6,647	6,252	5,902	5,407
Cash	2,309	2,767	2,309	2,767
(iii) Good and Faithful Servant Ltd	-	-	650	650
Investments total	26,919	34,182	26,824	33,987

Notes to the financial statements

for the year ended 31 December 2022

Note 16b

Fixed Asset Investments cont.

The Diocese has four wholly owned subsidiaries:

Subsidiary name	Company number	Charity number	Share Capital
The Good & Faithful Servant Limited (GFS)	06258385	n/a	£650,100
Jumping Fish Limited (JF)	06672775	n/a	£1
Sportily Limited	0550991	1111077	Limited by guarantee GDBF sole member
The Charity of Ann Edwards (AEC)	n/a	263956	GDBF sole trustee of Charity

The transactions and balances for these wholly owned subsidiaries were as follows:-

	Income £		Expenditure £		Assets £		Liabilities £		Net assets £	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
GFS	6k	1k	41k	40k	660k	695k	(3k)	(3k)	657k	692k
JF	18k	12k	18k	12k	27k	19k	(27k)	(19k)	-	-
AEC	91k	87k	91k	84k	2,588k	2,681k	(14k)	(7k)	2,574k	2,674k
Sportily	783k	965k	709k	554k	866k	746k	(83k)	(37k)	783k	709k

On 28 January 2021 Gloucester Diocesan Board of Finance acquired Sportily Limited by becoming sole member of the charitable company limited by guarantee. No consideration was paid. The negative goodwill calculation in respect of the acquisition is shown in the table below:-

	Book Value £'000	Fair Value £'000
Debtors	5	5
Cash at bank	340	340
Creditors	(25)	(25)
Total assets acquired	320	320
Negative goodwill	(320)	(320)
Total Consideration	-	-

Notes to the financial statements

for the year ended 31 December 2022

Note 16c

Application of the power of total return to the Diocesan Stipends Fund

	Trust for investment £'000	Unapplied Total Return £'000	Total endowment £'000
As at 1st January 2022:			
Base value of the permanent endowment	10,662	-	10,662
Unapplied total return	-	17,594	17,594
Total	10,662	17,594	28,256
Movements in the year:			
Investment returns – income received	-	728	728
Unrealised (losses)gains for year	-	(3,109)	(3,109)
Realised gains for the year	-	7,955	7,955
Unapplied total return allocated to income in the year	-	(1,728)	(1,728)
Add indexation to base level of the endowment	1,430	(1,430)	-
Net movements in the year	1,430	2,416	3,846
As at 31st December 2022:			
Base value of the permanent endowment	12,092	-	12,092
Unapplied total return	-	20,010	20,010
Valuation at 31st December 2022	12,092	20,010	32,102

The investment power of total return permits Gloucester DBF to invest the permanently endowed Diocesan Stipends Fund (DSF) to maximise total return and apply an appropriate portion of the unapplied total return each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. During 2022, the portion of unapplied total return allocated to income amounted to £1,728k. (2021: £1,647k)

An Unapplied Total Return Fund (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF permanent endowment.

The Unapplied Total Return Fund comprises that part of the total return on the DSF which has not yet been allocated by the Board to either the General Fund or the Permanent Endowment Fund. It can be carried forward if not needed or allocated to be spent as income or reinvested in the DSF Permanent Endowment Fund in a particular year.

For the year ended 31st December 2022, the Board took the decision to transfer £1,728k (2021: £1,647k) from the Unapplied Total Return Fund to the General Fund.

Notes to the financial statements

for the year ended 31 December 2022

Note 17

Stock and Work In Progress

This comprises work in progress amounting to £12k (2021: £9k) in relation to property developments being undertaken by the Good & Faithful Servant Ltd and £11k (2021: £11k) of education materials held by Jumping Fish Limited.

Note 18a

Consolidated group debtors

	Due within one year		Due after one year	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Prepayments and sundry debtors	517	401	-	-
Staff car loans	4	8	2	14
Loans to parishes, Cathedral and other DBF	52	52	501	517
Parish Giving Scheme	35	35	-	-
Debtors	608	496	503	531

Debtors include £39k (2021: £55k) due from related charities. These charities are administered by staff of the Board, but the trustees are separate from the trustees of the Board.

Note 18b

Parent company debtors

	Due within one year		Due after one year	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Prepayments and sundry debtors	493	382	-	-
Staff car loans	4	8	2	14
Loans to parishes, Cathedral and other DBF	52	52	501	517
The Charity of Ann Edwards	7	2	-	-
Jumping Fish Ltd	22	15	-	-
Parish Giving Scheme	35	35	-	-
Debtors	613	494	503	531

Notes to the financial statements

for the year ended 31 December 2022

Note 19a Consolidated group creditors	<i>Due within one year</i>		<i>Due after one year</i>	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Accruals and sundry creditors	812	830	-	-
Taxation and social security	61	57	-	-
CBF Loan (Solar Panels)	-	750	125	125
Value Linked Loans (Church Commissioners)	-	-	349	349
Pension scheme liabilities (note 25)				
- Lay defined benefit scheme	-	168	-	598
- Clergy Pension Scheme	-	213	-	-
Creditors	873	2,018	474	1,072

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested.

Notes to the financial statements

for the year ended 31 December 2022

Note 19b

Parent company creditors

	Due within one year		Due after one year	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Accruals and sundry creditors	722	790	-	-
Taxation and social security	53	48	-	-
CBF Loan (Solar Panels)	-	750	125	125
Value Linked Loans (Church Commissioners)	-	-	349	349
Good & Faithful Servant Limited	17	195	-	-
Sportily Limited	-	120	-	-
Pension scheme liabilities (note 25)				
- Lay defined benefit scheme	-	168	-	598
- Clergy Pension Scheme	-	213	-	-
Creditors	792	2,284	474	1,072

Included in 'Accruals and sundry creditors' is a total of £51k (2021 - £33k) due to related charities which are administered by staff of the Board and whose trustees are separate from the trustees of the Board.

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested.

Notes to the financial statements

for the year ended 31 December 2022

Note 20

Analysis of net assets by fund:

Summary

Funds at 31 Dec 2022 are represented by:

	General Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	181	170	1,264	46,987	48,602
Fixed asset investments	5,796	1,477	2,033	30,723	40,029
Current assets	2,788	4,217	943	1	7,949
Creditors	(783)	-	(90)	(474)	(1,347)
Inter-fund indebtedness	-	-	-	-	-
Total Funds at 31 Dec 2022	7,982	5,864	4,150	77,237	95,233
Funds include the following unrealised gains on investments:					
Unrealised gains at 1 Jan 2022	-	296	1,644	30,427	32,367
Net losses on revaluation in year	-	-	(374)	(2,595)	(2,969)
Reclassification	-	(296)	-	-	(296)
Gains on disposals	-	-	(44)	(6,348)	(6,392)
Unrealised gains at 31 Dec 2022	-	-	1,226	21,484	22,710

In 2022 the DBF decided to undesignate two significant funds which had been set aside for the purposes of holding housing stock for curates and other clergy. At the end of 2021 these funds had a combined value of £14.2m. These funds were released into General Funds. Of these funds some were designated to better reflect decisions made by the Board, including to the Development Fund, for the activities of Sportily, commitments made to support the national Church Housing project and the grant to Grace Network which has not yet been released. By doing this, the inter-fund indebtedness in 2021 has been eliminated in 2022.

The Board also agreed an asset swap between the DSF and General Funds, exchanging property (valued at historic cost) for CCLA investment fund units (held at market value).

Notes to the financial statements

for the year ended 31 December 2022

Note 20 cont.

Comparative analysis of net assets by fund:

Summary

Funds at 31 Dec 2021 are represented by:

	General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	224	13,720	1,254	31,974	47,172
Fixed asset investments	-	296	3,215	47,905	51,416
Current assets	1,708	105	1,659	1	3,473
Creditors	(1,057)	(781)	(44)	(1,208)	(3,090)
Inter-fund indebtedness	(5,287)	1,195	(1,787)	5,879	-
Total Funds at 31 Dec 2021	(4,412)	14,535	4,297	84,551	98,971

Funds include the following unrealised gains on investments:

Summary	General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total
Unrealised gains at 1 Jan 2021	-	296	1,275	20,660	22,231
Net gains on revaluation in year	-	-	373	9,767	10,140
Losses on disposals	-	-	(4)	-	(4)
Unrealised gains at 31 Dec 2021	-	296	1,644	30,427	32,367

Notes to the financial statements

for the year ended 31 December 2022

Note 21

Designated funds

	Balance at 1 Jan 2022	Income	Expenditure	Net gains/(losses) on assets	Transfers*	Balance at 31 Dec 22
	£'000	£'000	£'000	£'000	£'000	£'000
Development Fund	(325)	-	(159)	-	1,795	1,311
Albright Bequest	472	4	-	-	(476)	-
Houses Capital	6,495	-	-	-	(6,495)	-
Curates Housing Reserve	7,723	995	-	-	(8,718)	-
Education	-	282	(387)	-	105	-
Grace Network	-	-	(250)	-	1,500	1,250
Group Activities	-	-	-	-	2,861	2,861
Housing Initiative	-	-	(285)	-	557	272
Viney Hill Development	170	-	-	-	-	170
Total Funds at 31 Dec 2022	14,535	1,281	(1,081)	-	(8,871)	5,864

The Development fund has been designated to finance Mission initiatives.

The Albright Bequest represents monies bequeathed by Miss Albright. The funds came with a request, but not a formal restriction, that they be used for diocesan projects rather than ongoing ministry costs. The trustees have designated these funds to projects in the year.

The Houses Capital Fund represented the cost, less outstanding loans, of houses owned by the Board to provide accommodation for assistant curates and team vicars. During 2019, the Board decided to make a transfer from the Houses Capital Fund to a new Curates Housing Reserve as part of the work undertaken on agreeing a new policy for the provision of housing for curates. The efficient operation of this new policy required the creation of a suitable reserve to enable the Resources Committee to buy and sell curates housing in a timely and controlled manner without frequent referral to Bishop's Council. During 2022, the Board decided to transfer the Houses Capital Fund and Curates Housing Reserve from the Designated funds to the Diocesan Stipend Endowment Fund.

The Education Fund brings together the Education work undertaken by GDBF with income specific to that activity, primarily from the Voluntary Schools Fund and St Matthias Trust. During the year it was agreed by the Board that the Diocesan Board of Education (DBE) would become a Charitable Incorporated Organisation from 1 September 2022. The deficit at 31 August 2022 was covered by a transfer from the general fund and is the portion of this work funded by the general fund. The Board agreed to award an annual grant to the DBE to assist with the costs of the Education Fund.

Notes to the financial statements

for the year ended 31 December 2022

Note 21 cont.

Designated funds

Grace Network is a Christian-led social Enterprise co-operative based in Brimscombe which builds community and from that new monastic community. Their main engagement and funding come from ethical businesses sharing resources and space in a different iteration of the “seven sacred” model. In 2022 the Board awarded funding of £1.5m to enable this model to expand into two new locations, planned to be Cirencester and Gloucester. New premises for the first of these will be secured in 2023 with a planned opening in late 2023, early 2024.

The designated fund for Group Activities relates to grants to Sportily (see note 22).

The Trustees designated funds for a Housing Initiative. This offers support to the wider Church in delivering better missional and financial results through asset management by supporting a part time Housing Executive team and making time available from the Bishop of Tewkesbury and the Diocesan Secretary.

The Viney Hill Development relates to a property owned by GDBF but used by Viney Hill Adventure Centre for charitable purposes consistent with those of the GDBF.

<i>Comparative Designated funds</i>	<i>Balance at 1 Jan 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Net gains/(losses) on assets</i>	<i>Transfers*</i>	<i>Balance at 31 Dec 21</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Development Fund</i>	17	1	(135)	-	(208)	(325)
<i>Albright Bequest</i>	469	3	-	-	-	472
<i>Houses Capital</i>	6,495	-	-	-	-	6,495
<i>Curates Housing Reserve</i>	6,654	1,090	(21)	-	-	7,723
<i>Education</i>	-	433	(490)	-	57	-
<i>Viney Hill Development</i>	170	-	-	-	-	170
<i>Total Funds at 31 Dec 2021</i>	13,805	1,527	(646)	-	(151)	14,535

Notes to the financial statements

for the year ended 31 December 2022

Note 22 Restricted funds

	Balance at 1 Jan 2022	Income	Expenditure	Net gains/(losses) on assets	Transfers	Balance at 31 Dec 22
	£'000	£'000	£'000	£'000	£'000	£'000
Housing for elderly clergy	146	2	-	(6)	-	142
Ordination training	232	-	(1)	-	(25)	206
Diocesan pastoral fund	1,153	68	(169)	(220)	(332)	500
Stratton Davis fund	327	6	(10)	(29)	(54)	240
Bishop's Discretionary Mission fund	30	-	-	-	-	30
Ann Edwards Charity	1,750	91	(73)	-	-	1,768
Sportily Limited	(72)	181	(702)	-	593	-
Ministerial Education Training	70	297	(244)	-	-	123
Life projects	91	-	(95)	-	79	75
Other	(387)	174	(82)	(5)	464	164
Energy Grants	-	197	(149)	-	-	48
Bishop Monk's Horfield Trust fund	957	25	-	(114)	(14)	854
Total Funds at 31 Dec 2022	4,297	1,041	(1,525)	(374)	711	4,150

Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board. The Housing for Elderly Clergy Fund derives from various bequests and is used to give assistance to retired clergy of the Diocese in difficulty with their housing requirements. The Ordination Training Fund derives from various bequests, principally from the late Mrs. M Harries. The income is used to fund ordination training.

The Diocesan Pastoral Fund is derived principally from the proceeds of sale of surplus parsonage houses as a result of pastoral reorganisations under the Pastoral Measure 1983. Under the Measure, the Fund must be used firstly in connection with expenses relating to pastoral schemes and redundant churches. To the extent that it is considered that any remaining funds are not required, or are not likely to be required, for these purposes then the funds may be applied to any general purpose of the Board.

The Stratton Davis Fund arises from a bequest received in 2001 from the estate of the late Mr. David Stratton Davis. The terms of the settlement are that the fund may be used for the repair or restoration of churches and their fixtures and fittings in the Diocese. The Board has decided initially to use the income to make an annual grant to the Gloucestershire Historic Churches Trust.

The Bishop's Discretionary Mission Fund derives from a donation received in 2013 and restricted to mission works of the Church of England at the Bishop of Gloucester's discretion.

The Charity of Ann Edwards restricted funds comprise the Extraordinary Repair Fund (ERF) and the Cyclical Maintenance Fund (CMF). These funds were established in the governing instrument and are for future repairs and maintenance, with transfers being made each year.

Notes to the financial statements

for the year ended 31 December 2022

Note 22 Restricted funds cont.

The Sportily funds may only be used for the objects of the charity which include promoting and assisting the work, objects and purposes of the Church of England for the advancement of Christian faith, in particular (but not exclusively) by the development of specialist ministries based principally on sports and wellbeing particularly with children, young people and their families in (but not limited to) the Diocese of Gloucester.

The Ministerial Education Training fund relates to Resourcing Ministerial Education introduced in 2017.

The Life Projects fund relates to those special projects funded by the Life Development Fund.

The Energy Grants were distributed to Dioceses to assist Parochial Church Councils cover the increased cost of lighting and heating of church buildings during the Winter.

The Bishop Monk Horfield Trust fund was gifted to the GDBF by a previously independent trust of that name which had managed the ancient legacy of Bishop Monk of Gloucester and Bristol. The funds received by GDBF are restricted to the funding of curates in training.

The Other Restricted funds include a negative fund balance of £nil (2021: £304k) for Glebe revenue at 31 December 2022. This related to glebe rental income less professional fees, repairs and maintenance against Glebe assets (the asset is held in the Glebe Property endowment fund – see note 23). The excess costs have been offset against the surplus arising on the sale of the endowment property at Bishops Cleeve.

Comparative Restricted funds

	Balance at 1 Jan 2021	Income	Expenditure	Net gains/(losses) on assets	Transfers	Balance at 31 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000
Housing for elderly clergy	136	2	-	8	-	146
Ordination training	258	-	(1)	-	(25)	232
Diocesan pastoral fund	933	47	(60)	233	-	1,153
Stratton Davis fund	299	7	(10)	31	-	327
Bishop's Discretionary Mission Fund	30	-	-	-	-	30
Ann Edwards Charity	1,729	87	(66)	-	-	1,750
Sportily Limited	-	446	(518)	-	-	(72)
Ministerial Education Training	20	243	(202)	9	-	70
Life projects	88	-	(100)	-	103	91
Other	(248)	98	(185)	-	(52)	(387)
Bishops Monk's Horfield Trust	-	910	-	92	(45)	957
Total Funds at 31 Dec 2021	3,245	1,840	(1,142)	373	(19)	4,297

Notes to the financial statements

for the year ended 31 December 2022

Note 23

Endowment funds

	Balance at 1 Jan 22	Income	Expenditure	Net gains/(losses) on assets	Transfers*	Balance at 31 Dec 22
	£'000	£'000	£'000	£'000	£'000	£'000
Pensions & assistance	399	-	-	(31)	-	368
Benefice property	31,086	694	(29)	-	(4,472)	27,279
Diocesan stipends fund	30,736	-	126	(3,314)	4,553	32,101
Ann Edwards Charity	941	-	-	(100)	-	841
Glebe property	21,389	578	-	645	(5,964)	16,648
Total funds at 31 Dec 2022	84,551	1,272	97	(2,800)	(5,883)	77,237

Permanent endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment funds represent money that must be held as capital but may be expended when certain conditions are satisfied.

The Pensions & Assistance Fund is permanent endowment represented by a house used to provide accommodation for retired clergy, and a cash balance arising from the sale of a second house.

The Benefice Property Fund represents the value of benefice houses. These houses are owned by benefices but are recognised as assets by the Board. The fund is classified as expendable endowment as under certain conditions the value of the houses may be realised and the proceeds used as income.

The Diocesan Stipends Fund (DSF) represents ancient endowments and other gifts and legacies. The Fund is governed principally by the Diocesan Stipends Funds Measure 1953 and the Endowment and Glebe Measure 1976, as amended. The Fund consists of Clergy housing and CBF managed funds. Income generated from the Fund must be used to fund stipends. The Fund is expendable under certain circumstances.

During 2019, Bishops Council approved a total return approach to investment for the CBF managed funds of the DSF. This change in policy was to take effect from 1st January 2019. An Unapplied Total Return (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF.

The Unapplied Total Return comprises that part of the total return on the DSF which has not yet been allocated by the Board to either the General Fund or the Trust for Investment. It can be carried forward if not needed or allocated to be spent as income or reinvested in the DSF Trust for Investment in a particular year.

The value of the Trust for Investment of the DSF is preserved, by an amount equivalent to the application of RPI to the opening balance for the year being transferred from the Unapplied Total Return to the DSF Fund. For the year ended 31st December 2022, the Board took the decision to transfer £1,728k (2021: £1,647k) from the Unapplied Total Return to the General Fund. (see note 16c).

The Endowment Fund of the Charity of Ann Edwards represents the original endowment of the charity, comprising mainly the sale proceeds of Edwards College, the original Almshouse in South Cerney. This money may not be spent as income.

Glebe property represents glebe land previously held by incumbents but transferred to the Board under the Endowment and Glebe Measure 1976. Income derived from rents must be used to fund stipends. Proceeds of sale of glebe land must be transferred to the DSF.

Notes to the financial statements

for the year ended 31 December 2022

Note 23 Endowment funds cont.

Comparative Endowment funds	Balance at 1 Jan 2021	Income	Expenditure	Net gains/ (losses) on assets	Transfers*	Balance at 31 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000
Pensions & assistance	366	-	-	33	-	399
Benefice property	30,267	819	-	-	-	31,086
Diocesan stipends fund	27,992	-	(29)	3,713	(940)	30,736
Ann Edwards Charity	835	-	-	106	-	941
Glebe property	15,477	(1)	(2)	5,915	-	21,389
Total Funds at 31 Dec 2021	74,937	818	(31)	9,767	(940)	84,551

Note 24

Financial Commitments: Operating Leases

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

	2022	2021
	£'000	£'000
Office Equipment where the lease expires:		
Within one year of the balance sheet date	9	10
In the second to fifth years inclusive of the balance sheet date	10	20

Notes to the financial statements

for the year ended 31 December 2022

Note 25 Pensions

The GDBF participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy and the other is the Church Workers Pension Fund (CWPF) for lay staff.

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

Defined Benefits Scheme

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

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

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

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

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

A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

Following the 2019 valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 34.3% of pensionable salary and expenses of £12,800 per year. In addition, deficit payments of £167,784 per year have been agreed for 5.50 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool.

Notes to the financial statements

for the year ended 31 December 2022

Note 25

Pensions cont.

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

The movement in the provision is set out below:

	2022 £'000	2021 £'000
Balance sheet liability at 1 January	766	1,192
Deficit contribution paid	(168)	(168)
Interest cost (recognised in SoFA)	10	6
Remaining change to the balance sheet liability* (recognised in SoFA)	(608)	(264)
Balance sheet liability at 31 December	-	766

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

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

	December 2022	December 2021	December 2019
Discount rate	0.00%	1.4%	0.5%

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.

Church of England Funded Pension Scheme (CEFPS)

Gloucester DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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 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 plus the figures highlighted in the table below as being recognised in the SoFA.

Notes to the financial statements

for the year ended 31 December 2022

Note 25 Pensions cont.

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, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020=0%).

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

% of pensionable stipends	January 2018 to December 2021	January 2022 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022 £'000	2021 £'000
Balance sheet liability at 1 January	213	418
Deficit contribution paid	(126)	(214)
Interest cost (recognised in SoFA)	-	1
Remaining change to the balance sheet liability* (recognised in SoFA)	(87)	8
Balance sheet liability at 31 December	-	213

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

Notes to the financial statements

for the year ended 31 December 2022

Note 25 Pensions cont.

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

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2%
Price inflation	n/a	n/a	3.1%
Increase to total pensionable payroll	n/a	-1.5% pa	1.6%

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

Church of England Pension Builder Scheme (PBS)

For eligible salaried employees who commenced employment after 1st January 2013, the Gloucester Diocesan Board of Finance participates in the Church of England Pension Builder Scheme (PBS), within the Church Workers Pension Fund.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2022

Note 25

Pensions cont.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time. There is no requirement for deficit payments at the current time.

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

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

Notes to the financial statements

for the year ended 31 December 2022

Note 26

Prior year comparative SOFA

	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Income & endowments from					
Donations					
parish share contributions	6,316	-	-	-	6,316
church commissioners	43	-	-	-	43
grants and other donations	195	427	1,321	-	1,943
Charitable activities – statutory fees and licence to occupy income	362	-	73	-	435
Other activities	166	6	-	-	172
Investments	834	5	115	-	954
Other	36	1,089	331	818	2,274
Total	7,952	1,527	1,840	818	12,137
Expenditure on					
Raising funds	93	-	-	-	93
Charitable activities	10,285	646	1,142	23	12,096
Total	10,378	646	1,142	23	12,189
Net income/(expenditure) before investment gains	(2,426)	881	698	795	(52)
Net gains on investments	-	-	373	9,767	10,140
Net income/(expenditure)	(2,426)	881	1,071	10,562	10,088
<i>Total return transfer</i>	900	-	-	(900)	-
Net income/(expenditure) after total return transfer	(1,526)	881	1,071	9,662	10,088
<i>Transfers between funds</i>	210	(151)	(19)	(40)	-
Other recognised gains/(losses)	264	-	-	(8)	256
Net movement in funds	(1,052)	730	1,052	9,614	10,344
<i>Total funds brought forward</i>	<i>(3,360)</i>	<i>13,805</i>	<i>3,245</i>	<i>74,937</i>	<i>88,627</i>
Total funds carried forward	(4,412)	14,535	4,297	84,551	98,971

THE GLOUCESTER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 251234

Accounts

Gloucester Diocesan Board of Finance
**Annual Report
& Accounts**
2021



Board of Trustees

The Rt Revd Rachel Treweek (President)
Canon Karen Czapiewski (Chair)
The Ven Phil Andrew
The Revd Craig Bishop (resigned 1st November 2021)
The Revd Andrew Blyth (from 1st November 2021)
Prof Patricia Broadfoot
Mr George Collins (from 1st November 2021)
The Revd Henry Curran (from 1st November 2021)
The Ven Hilary Dawson
The Revd James Faragher (from 1st February 2022)
Mr Steve Grindrod (resigned 1st November 2021)
Mr Chris Hill
Mr Martin Kingston
Very Revd Stephen Lake (resigned 4th April 2022)
Mr Robert McNeill-Wilson (from 1st November 2021)
Mr Richard Neale (resigned 1st November 2021)
Mrs Carol O'Donnell (from 1st November 2021)
The Revd Dr Sunkanmi Osunsanmi
The Revd Michael Parsons (resigned 1st November 2021)
The Revd Jo Pestell (from 1st November 2021)
Mr Les Reilly (resigned 1st November 2021)
The Revd Canon Helen Sammon (resigned 31st January 2021)
The Revd Ed Sauven (from 1st November 2021)
The Revd Canon Katrina Scott
The Rt Revd Robert Springett
Mr Michael Storey (resigned 1st November 2021)
The Revd Canon John Swanton (from 1st November 2021)
Mr Alastair Taylor (from 1st November 2021)
Mrs Emma Taylor (from 1st November 2021)
Mr Kevan Taylor
Mr Andy Wilson (from 1st November 2021)

Principal Officers

Benjamin Preece Smith – *Diocesan Secretary*
Vacant – *Chief Financial Officer*
Lucy Taylor – *Director of Communications*
Rachel Howie – *Director of Education (resigned 31 August 2021)*
Andrew Braddock – *Director of Mission and Ministry*
Judith Knight – *Director of People and Safeguarding*

Solicitor

Jos Moule; Diocesan Registrar
Veale Wasborough Vizards LLP
Orchard Court, Orchard Lane
Bristol BS1 5WS

Bankers

Barclays Bank plc
288 Britannia Warehouse
The Docks Gloucester GL1 2Y

Registered office

Church House
College Green Gloucester GL1 2LY

Contents

Board of Trustees and Principal Officers.....	1
Summary results.....	2
Trustees' report.....	3-11
Independent Auditors' Report.....	12-15
Consolidated statement of financial activities.....	16
Summary income & expenditure account.....	17
Consolidated balance sheet.....	18
Parent balance sheet.....	19
Consolidated cash flow statement.....	20
Accounting policies.....	21-24
Notes to the financial statements.....	25-56

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Investment managers

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

Company limited by guarantee
Registered number 162165
Registered charity number 251234

How have we done – some highlights

number of stipendiary clergy funded by the DBF

2021:	2020:	change:
126	126	+0%

Stipendiary vacancies at 31st December 2021 were 11 (2020:11)

parish share contributions

2021:	2020:	change:
£6.3m	£6.5m	-3.1%

“ongoing” deficit:¹

2021:	2020:	change:
£1.32m	£1.32m	+0.0%

balance sheet value (net assets)²

2021:	2020:	change:
£99m	£89m	+11.2%

¹ See ‘Ongoing Activities’ section on pages 6 and 7.

² Including £10m of unrealised gains per the SoFA, of which £4.8m has been realised post year end (note 16a).

Trustees' report

for the year ended 31 December 2021

Structure, Governance and Management

The Gloucester Diocesan Board of Finance (DBF) is a company limited by guarantee and a registered charity. Its governing instrument is the Articles of Association. These were revised and updated in 2019 and formally adopted by members on 9 March 2019. Printed copies of the revised Articles of Association are available from the Secretary on request. The DBF's membership comprises:

- The Bishop of Gloucester as president, ex-officio.
- Each and every member for the time being of the Diocesan Synod.
- Members co-opted to ensure that lay members constitute a majority of the DBF.

Elections and co-options take place every three years. The current triennium started in November 2021. The DBF, which meets three times each year, is the principal policy making body. It takes advice from its Board of Trustees, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also takes executive action in certain matters and deals with day-to-day issues. Members of the Bishop's Council serve as both directors under the Companies Act and trustees under the Charities Act. Membership is as follows:

Ex-officio members:

- The Bishop of Gloucester – Rt Revd Rachel Treweek
- The Chair of the DBF – Canon Karen Czapiewski
- The Bishop of Tewkesbury - Rt Revd Robert Springett
- The Dean of Gloucester - Very Revd Stephen Lake (until 4th April 2022)
- The Archdeacon of Gloucester – Ven Hilary Dawson
- The Archdeacon of Cheltenham – Ven Phil Andrew
- The Vice-President of the House of Clergy of the Diocesan Synod – Canon Katrina Scott
- The Vice-President of the House of Laity of the Diocesan Synod – Mrs Carol O'Donnell

Members elected by the DBF – House of Clergy

- Two clergy members of the DBF from the Archdeaconry of Gloucester – the Revd Jo Pestell and the Revd James Faragher
- Two clergy members of the DBF from the Archdeaconry of Cheltenham – the Revd Andrew Blyth and the Revd Canon John Swanton
- One Proctor in Convocation from among the members of General Synod - Revd Henry Curran

Members elected by the DBF – House of Laity

- Three lay members of the DBF from the Archdeaconry of Gloucester – Mr Chris Hill, Prof Patricia Broadfoot and Mr Andy Wilson
- Three lay members of the DBF from the Archdeaconry of Cheltenham – Mr George Collins, Mr Martin Kingston and Mr Alistair Taylor
- One lay member from among the members of General Synod – Mr Robert MacNeill-Wilson

Trustees' report

for the year ended 31 December 2021

Structure, Governance and Management cont.

Co-opted members and nominations

- Up to two members may be co-opted by the Bishop's Council – Mrs Emma Taylor and Mr Kevan Taylor
- Up to two members may be nominated by the Bishop - The Revd Dr Sunkanmi Osunsanmi and the Revd Ed Sauven.

Trustees are recruited, as indicated above, through a mixture of ex-officio positions, elections and nominations. The Diocesan Secretary oversees membership elections.

An induction pack for trustees is available for new trustees which includes key documents, minutes and strategic discussions. This is supplemented by an invitation to meet with the Secretary to discuss any matters arising or explore further induction.

The DBF was assisted in its work during the year by the following of committees:

- Audit Committee (Chair: Tim Greenhalgh) acts as the risk management group and reports to the DBF on matters relating to the auditors, the annual accounts and internal controls.
- Glebe Committee (Chair: Tony MacFarlane) acts in all matters relating to the management of glebe property management and the disposal of assets not required for charitable or investment purposes.
- Resources Committee (Chair: Canon Karen Czapiewski) acts on matters delegated by the trustees relating to finance, assets, property, staffing and health and safety.

The DBF is the financial custodian for the Diocese of Gloucester, which is an administrative and pastoral area within the Church of England. The DBF therefore has important relationships with the national institutions of the Church of England, specifically:

- Archbishops' Council, to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.
- Church Commissioners, from which the DBF receives grants and which acts for tax and national insurance purposes as the pseudo-employer of diocesan clergy. The DBF pays for clergy stipends through the Church Commissioners.
- Church of England Pensions Board, which provide pensions for clergy and DBF's lay staff.

Locally, the DBF works with Parochial Church Councils (PCCs) which are legally independent bodies that pay contributions, based on an apportionment system, to the DBF to fund its activities. The DBF is a tenant of the Dean and Chapter of Gloucester Cathedral, from whom it rents office accommodation. The DBF manages various charities on behalf of their respective trustees, for which management charges are paid, namely the Voluntary Schools Fund (VSF) and the Charity of Ann Edwards (AEC).

Trustees' report

for the year ended 31 December 2021

Structure, Governance and Management: Public Benefit

The GDBF is a public benefit entity, and the Trustees are aware of the Charity Commission's guidance on public benefit and the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity.

Strategic Aims

The objects of the DBF, as set out in its Articles of Association, are:

- To promote and assist the work, objects, and purposes of the Church of England for the advancement of the Christian religion in (but not limited to) the Diocese of Gloucester.
- To advance such other objects or purposes which are exclusively charitable according to the law of England and Wales in any part of the world and in such manner as the Trustees may in their absolute discretion consider may be expedient for the better promotion and assistance of the work of the Church of England.

In pursuing these objects, the DBF acts as the financial executive of and employer for the Gloucester Diocesan Synod. As such it undertakes three principal activities:

- It funds costs associated with the vast majority of Church of England clergy in the diocese,
- It is responsible for the custody and management of the synod's funds.
- It provides services to other organizations within the diocese, primarily PCCs and schools.

In pursuing its objectives and undertaking these activities the DBF is informed by the diocesan vision, LIFE Together. For more information see: <https://www.gloucester.anglican.org/about-us/our-vision/>

Strategic Report

Vision: LIFE Together

The LIFE Vision developed during 2021 into "LIFE together" which brings more focus to relationships and gathering as communities, especially worshipping communities.

There are five commitments in LIFE Together:

- Being advocates for flourishing through initiatives which combat injustice, environmental destruction, exclusion and isolation
- Encouraging new and courageous ways of worshipping in different places which connect with more people
- Nurturing everyday discipleship
- Investing in people and programmes which excite young people to explore and grow in faith
- Developing diverse lay and ordained leaders.

Substantial resourcing has been made available to specific projects working to this vision, notably Deanery Strategic Planning, "Sportily" and Church Army Centres of Mission.

Trustees' report

for the year ended 31 December 2021

Strategic Review cont.

Deanery Strategic Planning

The process of identifying a deliverable strategic plan for each deanery has been significantly interrupted by Covid. Initial plans which had originally been expected in 2021 were received in May 2022. These are currently being digested for resource implications and refinement.

Sportily

Sportily is a subsidiary of the Board aimed at working with young people to explore life, community and faith with a strong focus on sport as a place of engagement and connexion. It works on a theory of community based on the “seven sacred spaces” model observed in ancient monastic communities.

Sportily was launched in 2021 with a multi-year commitment of financial support from the diocese to work across the diocese with local churches and communities as well as regional charitable, commercial and civic partners. It is currently working in nine hubs spread across the diocese as well as running diocesan wide events.

Church Army Centres of Mission

This is a local expression of a national lay evangelism programme led by Church Army. The two initial locations in the diocese identified as Centres for Mission were Matson and Coleford.

The Centre in Matson has partnered with the Grace Network and others to develop a social enterprise hub and mission centre in the community. This has proved successful in connecting with and developing discipleship in a community that has lost much of its connexion with the Church. Work is being planned to make this work more resilient and independent over the next few years.

The Centre at Coleford struggled to thrive due to the pandemic and the location of a second centre is currently being reviewed.

Achievements and performance in the year

Ongoing Activities

The results for 2021 are really a continuation of 2020, and 2019.

- Clergy numbers remain constant at 126.
- Parish Share has dipped slightly from £6.5m to £6.3m.
- Equivalent ongoing deficit (general fund deficit less Good and Faithful Servant trading) remains flat at £1.32m. The General Fund has gone further into deficit (now at £4.4m)
- Good, active asset management has non-the-less seen the Balance Sheet go up at above inflation levels (2021: £10.3m, 2020: £7.0m).

This consistency reflects the resilience of the Church of England's ministry and mission and over this period of pandemic is an encouragement that despite understandable fears there is a permanence to her ministry that can suffer the worst of times without material financial impact.

Trustees' report

for the year ended 31 December 2021

Ongoing Activities cont.

This consistency, however, must not lead to complacency. Whilst appropriate management of funds can and should restore the general fund to surplus the ongoing deficits reflect a generational strain on our current pattern of funded ministry. Parish Share has not significantly increased over the past five years, whilst our cost of ministry has. The following table illustrates this worsening dilemma:

Fig 1: Parish Share Collected cf. Parish Ministry Costs

	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m
Parish Share	6.3	6.5	6.6	6.5	6.3
Resourcing Parish Ministry (Direct) ³	(7.4)	(7.6)	(7.6)	(7.8)	(8.1)
Deficit	(1.1)	(1.1)	(1.0)	(1.3)	(1.8)

It is the active management of the Board's legacy assets, notably glebe and the Diocesan Stipends Fund, that mean we can, for now continue with a consistent level of ministry. The weakness in Parish Share is related to two long competing trends in the Church:

- decline in congregation numbers of around 1% p.a. offset by
- increased personal giving of close to 3%.

From the turn of the century until c2018 the nett effect of these two trends led to Parish Share increasing but at a trend of around 1% below cost inflation. There is concern that the dip since 2019 maybe a tipping point after which congregational decline now outpaces increased personal donations meaning Parish Share may not increase even nominally. With inflationary pressures higher in 2021 than for decades that is a significant challenge for the sustainability of ministry.

Furthermore, whilst we have not seen the significant reduction in stipendiary clergy in this diocese that some other dioceses have faced Gloucester is not impervious to national trends. The availability of stipendiary clergy for the next decade is a real concern. Developing high quality leadership is fundamental to the growth of the Church and is potentially the single most important focus for the next few years.

Plans for future periods

The Strategic Report (above) sets out the main approach of the diocese to addressing its core challenges for the next few years. The Board is committed to using the UTR built up over many years to cover the deficits necessary to maintain an appropriate deployment of parish ministry. Whilst change may be necessary to ensure the right pattern of ministry in future the Board seeks to ensure the matter of ministerial deployment is addressed as missional question that is financial informed but not financially driven.

³ See Note 9

Trustees' report

for the year ended 31 December 2021

Plans for future periods cont.

In 2022, agreed to support the expansion of the social-enterprise community-based Church model developed by Grace Network in Brimscombe and see if this can be seeded in new communities around the diocese. The Board will also continue to share its resources nationally through its support of the Archbishops' Commission on Housing, Church and Community.

In the immediate term the Board will focus on its management of assets to ensure the new strategic work can be funded and buy the time for parish ministry to engage with the Deanery Strategic Plan process in meaningful ways that ensure authentic, long-term proposals are agreed for each part of the diocese.

A review will also be undertaken to ensure the Board's funds and reserves are better structured to deliver its strategic missional aims. This work will be completed for the 2022 accounts.

Carbon Net Zero

The Board takes seriously the Synodical motion at both General and Diocesan Synod to reach "Nett-Zero" carbon by 2030. This is not a new issue for the Board but a part of our ongoing stewardship since the turn of the century.

We have had in place since the early 2000s schemes to ensure all parsonages are either double or secondary glazed and to ensure lofts and walls are adequately insulated. The Board installed PV panels on all vicarages that were able to accept them for planning purposes in 2012. The Board also has a policy of converting all empty parsonages to a green energy supplier when in vacancy to ensure all clergy inherit a green energy supply. The main challenge on parsonage stock is heating. This will take time for the market to produce suitable replacement non-carbon-based heating. In the meantime, there is a focus on ensuring the heating system is future-proofed.

The Board is also focused on how it can assist the Church School network in reducing its carbon-footprint. Church Schools are considerably the biggest contributor to the Church's carbon footprint. In this regard the Board is working with professional advisers on a strategy for the next ten years to enable all Church Schools to decarbonise through a mixture of flexible loans and grants.

Principal risks and uncertainties

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

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

Governance and Management:

- Loss of key staff: Managed through professional HR resource and appropriate contracts.

Trustees' report

for the year ended 31 December 2021

Principal risks and uncertainties cont.

- Safeguarding: Managed via a properly resourced independent Safeguarding Board overseeing the work of the HR and Safeguarding Department.
- Acting *Ultra-Vires*: Managed by the appropriate use of legal advice and all contracts with significant Church legislative implications being undertaken by the Diocesan Registry.

Operational Risks

- Capacity and use of assets: Overseen by a formal Delegation of Authority document with delegations to the Resources and Glebe Committees and the Diocesan Secretary.
- Use of Church Buildings: The Advisory Committee on Faculties and Care of Churches (DAC) is resourced and staffed appropriately by the Board and operates to national legislation and guidelines.

Financial Risks

- The capacity of Parish Share to continue as to fund the current pattern of ministry on the diocese, particularly in the light of the current energy crisis. Alternative models of ministry with different income profiles are being explored and ongoing management of glebe developments supplement Parish Share significantly.
- Pension obligations: the Board's pension obligations are overseen by the Resources Committee. Any change of policy is authorised directly by the Board.

External Risks

- Unexpected changes to the demographic of congregations: The Board has contracted with *Experian* to receive detailed demographic information on the Diocese of Gloucester. This has been shared widely, including at two Diocesan Synod meetings. The Board also funds a Children and Families Officer to help resource local Church engagement with younger audiences.

Going Concern

The trustees have reviewed the Board's financial position, particularly in light of the ongoing Covid-19 pandemic. While it is expected that the DBF may experience a reduction in the level of income received, particularly in respect of Parish Share received from parishes, review of the Board's cash flows and forecasts, particularly with regard property transactions, show that it is expected that the DBF will have sufficient cash levels to operate successfully for the foreseeable future.

Taking account of the satisfactory levels of aggregate reserves (see Reserves Policy note below) and cash, and our systems of financial and risk management, it is the trustees' opinion that the charity is well placed to manage operational and financial risks successfully. Accordingly, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and do not believe that there are any material uncertainties as to the going concern of the charity. Therefore, the trustees are content that the charity continues to adopt the going concern basis of accounting in preparing the annual accounts.

Trustees' report

for the year ended 31 December 2021

Investment policy

The Board maintains a review of its investments through the Investment Group which also monitors performance against market benchmarks and considers the adequacy of its investment mix.

The Board also ensures it invests in line with the Church of England Ethical Investment Advisory Group Policy. To achieve this, it uses the investment management skills of a professional fund manager; CCLA.

The performance of the Boards investments in recent years has been significantly ahead of benchmark and target's set by the Group and both the Group and the Board are very pleased with the exemplary performance of CCLA.

Reserves policy

The policy of the DBF is to hold between 4 and 8 months of parish share plus the deficit for the year on the general fund in free reserves (i.e. for 2021 between £3.6m and £5.7m). This level is considered prudent to manage for the cash flow deficit experienced each year resulting from parish share contributions being remitted irregularly during the year, (whereas the DBF's expenditure is fairly constant on a month-by-month basis), and also to allow for unexpected occurrences.

At 31 December 2021, free reserves within the general fund were £nil (2020: £nil) as the general fund is in deficit at the year end, which is significantly below the target level.

The nature of the Board's designated reserves (2021: £14.5m) and restricted reserves (2021: £4.3m), means this negative position is not a risk to the Board's going concern.

A strategic review of the use of reserves and funds of the board will be completed in 2022.

Fundraising activities

The charity undertakes very limited fundraising activities directly with individuals. The majority of the DBF's income comes from other charitable entities. The DBF does not use third party professional fundraisers and did not receive any complaints about its fundraising practices during 2021.

Trustees' responsibilities in respect of the financial statements

The Trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the DBF and of the income and expenditure for the period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

Trustees' report

for the year ended 31 December 2021

Trustees' responsibilities in respect of the financial statements cont.

- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Statements as to disclosure of information to auditors

Each of the Trustees confirms that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all the necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

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

Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees on 23 September 2022.

Rachel Gloucester:

+Rachel Gloucester:
President, Gloucester DBF

Karen Czapiewski

Canon Karen Czapiewski
Chair, Gloucester DBF

Independent Auditors' Report

To the Members of Gloucester Diocesan Board of Finance

Opinion

We have audited the financial statements of the Gloucester Diocesan Board of Finance for the year ended 31 December 2021 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the parent charitable company's affairs as at 31 December 2021 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

To the Members of Gloucester Diocesan Board of Finance

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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 Auditors' Report cont.

To the Members of Gloucester Diocesan Board of Finance

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the Trustees 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 group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

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

Independent Auditors' Report cont.

To the Members of Gloucester Diocesan Board of Finance

Audit procedures performed by the engagement team included:

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

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

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

Use of our report

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



Adam Halsey (Senior Statutory Auditor)

10 Queen Street Place

For and on behalf of Haysmacintyre LLP, Statutory Auditor
London EC4R 1AG

Date..... 26 September 2022

Consolidated statement of financial activities

for the year ended 31 December 2021

		General fund	Designated funds	Restricted funds	Endowment funds	Total 2021	Total 2020
Income & endowments from	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Donations							
parish share contributions	1	6,316	-	-	-	6,316	6,520
church commissioners	2	43	-	-	-	43	47
grants and other donations	3	195	427	1,321	-	1,943	1,194
Charitable activities: statutory fees and licence to occupy income		362	-	73	-	435	268
Other activities	4	166	6	-	-	172	197
Investments	5	834	5	115	-	954	912
Other	6	36	1,089	331	818	2,274	1,764
Total		7,952	1,527	1,840	818	12,137	10,902
Expenditure on							
Raising funds	7	93	-	-	-	93	69
Charitable activities	8	10,285	646	1,142	23	12,096	11,716
Total	9	10,378	646	1,142	23	12,189	11,785
Net (expenditure)/income before investment gains		(2,426)	881	698	795	(52)	(883)
Net gains on investments		-	-	373	9,767	10,140	7,993
Net (expenditure)/income		(2,426)	881	1,071	10,562	10,088	7,110
Total return transfer		900	-	-	(900)	-	-
Net income/(expenditure) after total return transfer		(1,526)	881	1,071	9,662	10,088	7,110
Transfers between funds	20 - 23	210	(151)	(19)	(40)	-	-
Other recognised gains/(losses)	25	264	-	-	(8)	256	(68)
Net movement in funds		(1,052)	730	1,052	9,614	10,344	7,042
Total funds brought forward		(3,360)	13,805	3,245	74,937	88,627	81,585
Total funds carried forward		(4,412)	14,535	4,297	84,551	98,971	88,627

Consolidated summary income & expenditure account

for the year ended 31 December 2021

	2021	2020
	£'000	£'000
Total income	11,319	10,665
Expenditure	(12,166)	(12,104)
<i>Operating (deficit) for the year</i>	(847)	(1,439)
Net gains on investments	373	122
Net (expenditure) for the year	(474)	(1,317)

Other comprehensive income:

Net assets transferred from endowments	940	440
Actuarial gains/(losses) on defined benefit pension schemes	264	(44)
Total comprehensive income/(expenditure)	730	(921)

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.

Full comparatives for the year to 31 December 2020 are shown in note 26.

The notes on pages 21 to 56 form part of these financial statements.

Consolidated balance sheet

as at 31 December 2021

Company number 162165

	Notes	2021 £'000	2020 £'000
Tangible assets	15a	47,172	48,581
Investments	16a	51,416	39,598
Fixed Assets		98,588	88,179
Stock and work in progress	17	20	9
Debtors: amounts falling due after one year	18a	531	500
Debtors: amounts falling due within one year	18a	496	1,118
Cash at bank and in hand		2,426	2,528
Current Assets		3,473	4,155
Creditors: amounts falling due within one year	19a	(2,018)	(1,395)
<i>Net Current Assets (Current assets less creditors <1 year)</i>		1,455	2,760
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		100,043	90,939
Creditors: amounts falling due after one year			
Pension scheme liabilities	19a, 25	(598)	(1,088)
Other creditors	19a	(474)	(1,224)
Net Assets		98,971	88,627
Endowment funds	20,23	84,551	74,937
Restricted funds	20,22	4,297	3,245
Designated funds (unrestricted)	20,21	14,535	13,805
General fund (unrestricted)	20	(4,412)	(3,360)
Total funds		98,971	88,627

Approved by the Board of Trustees on 23 September 2022 and signed on its behalf by

Karen Czapiewski

Canon Karen Czapiewski, Chair

The notes on pages 21 to 56 form part of these financial statements.

Parent company balance sheet

as at 31 December 2021

Company number 162165

	Notes	2021 £'000	2020 £'000
Tangible assets	15b	45,848	47,272
Investments	16b	51,221	39,509
Fixed Assets		97,069	86,781
Debtors: amounts falling due after one year	18b	531	500
Debtors: amounts falling due within one year	18b	494	1,106
Cash at bank and in hand		810	1,282
Current Assets		1,835	2,888
Creditors: amounts falling due within one year	19b	(2,284)	(1,376)
<i>Net Current (Liabilities)Assets (Current assets less creditors <1 year)</i>		(449)	1,512
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		96,620	88,293
Creditors: amounts falling due after one year			
Pension scheme liabilities	19b, 25	(598)	(1,088)
Other creditors	19b	(474)	(1,224)
Net Assets		95,548	85,981
Endowment funds	20,23	83,610	74,100
Restricted funds	20,22	2,619	1,513
Designated funds (unrestricted)	20,21	13,724	13,805
General fund (unrestricted)	20	(4,405)	(3,437)
Reserves		95,548	85,981

Approved by the Board of Trustees on 23 September 2022 and signed on its behalf by

Karen Czapiewski

Canon Karen Czapiewski, Chair

The notes on pages 21 to 56 form part of these financial statements.

Consolidated cash flow statement

for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Net cash used in operating activities		(2,498)	(3,529)
Cash flows from investing activities			
Dividends and interest received	5	954	912
Proceeds from sale of tangible fixed assets		4,375	2,834
Purchase of tangible fixed assets for use by GDBF	15a	(1,155)	(829)
Purchase of fixed asset investments	16a	(1,712)	(5)
Sale and reclassification of fixed asset investments	16a	34	373
Net cash provided by investing activities		2,496	3,285
Cash flows from financing activities			
Loan repaid to GDBF		30	-
Loans repaid by GDBF		(130)	-
Net cash provided by financing activities		(100)	-
Change in cash and cash equivalents during year		(102)	(244)
Cash & cash equivalents at 1 January		2,528	2,772
Cash & cash equivalents at 31 December		2,426	2,528
<i>Reconciliation net movement in funds to net cash flow from operating activities:</i>			
Net expenditure for the year		(52)	(883)
Adjustments for:			
Depreciation and amortisation charges		95	93
Dividends, interest & rent from investments		(954)	(912)
Profit on sale of functional assets		(1,906)	(1,616)
(Increase) in stock and work in progress		(11)	(3)
Decrease/(Increase) in debtors		561	(348)
Increase in creditors		144	639
FRS102 – pension adjustment (deficit contribution and interest charge)		(375)	(499)
Net cash used in operating activities		(2,498)	(3,529)
Analysis of cash and cash equivalents			
Cash in bank & in hand		2,426	2,528
Total cash and cash equivalents		2,426	2,528

Accounting policies

for the year ended 31 December 2021

The principal accounting policies adopted are as follows:

Basis of Accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd edition, effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line by line basis. The subsidiaries are Jumping Fish Limited, The Good and Faithful Servant Limited, Sportily Limited and the Ann Edwards Charity. 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 deficit of the parent charity for the year was £471k (2020: deficit of £862k).

Gloucester DBF meets the FRS102 definition of a Public Benefit Entity.

The principle accounting policies and estimation techniques are as follows.

Income

All income is included in the Statement of Financial Activities (SoFA) when the GDBF 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.

Parish Share contributions by parishes are included in the financial statements when there is certainty of receipt. Donations are recognised when received. Legacies are recognised when there is reasonable certainty as to both entitlement and amount. Grants are generally included in the financial statements when received, to ensure that there is reasonable certainty as to both entitlement and amount. However, in cases where the grant relates to a specific project, it is recognised when the project expenditure takes place. Interest and dividends are included in the financial statements when received. Rental income is recognised in the period to which the rent relates.

Investment income arising upon the Diocesan Stipends Fund is credited to the unapplied total return in the year in which the distribution is due.

Expenditure

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

- i) Costs of raising funds are constrained to 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, expenditure relating to the running of the diocesan retreat centre, 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 GDBF, such grants being recognised as expenditure when the conditions attaching 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 on an approximate staff time basis.

Accounting policies

for the year ended 31 December 2021

Expenditure cont.

- v) Pension contributions. The GDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 25). The pension costs charged as expenditure represent the GDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which GDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.
- vi) Employee benefits. Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accruals basis and in line with FRS 102.

Going concern

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, levels of reserves and future plans give the Trustees confidence the charity remains a going concern for a period in excess of 12 months from the date of approval of these accounts. This review has included an assessment of cash flow forecasts.

Depreciation

Depreciation on equipment is calculated on a straight line basis at annual rates estimated to write off the assets over their respective expected useful lives, as follows:

Leasehold property improvements	5%	Assets under construction	0%
Office equipment	20%	Office furniture	12½%
Telephone equipment	20%	Computer equipment	25%
Solar PV panels	25 years		

No depreciation is provided on clergy houses. As the remaining useful life of these assets exceeds 50 years and a programme of planned maintenance ensures that the residual value does not fall below the carrying value, any depreciation would be immaterial. An annual impairment review is carried out in accordance with FRS102.

Tangible fixed assets

Clergy houses owned by the Board as corporate property are included in the financial statements at historical cost.

Clergy houses owned by benefices are included in the financial statements at a carrying value established by the Trustees and based on a professional valuation in December 2000. Houses acquired since that date are included at cost, and any major improvements are capitalised to the extent that the carrying value does not exceed the estimated net realisable value. Although the Board does not own these houses, it has the responsibility for maintaining them and receives any sale proceeds on disposal if the house becomes surplus under a pastoral scheme. Under FRS102 the Board considers that it has access to the benefits of these houses and also the associated risks and therefore needs to recognise them as assets in the financial statements. Solar PV panels installed on clergy houses are included within the asset value of the house and depreciated on a straight line basis over 25 years.

Accounting policies

for the year ended 31 December 2021

Intangible fixed assets

Goodwill represents the excess of the cost of acquisition of an entity over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Good will is considered to have a finite useful life and is amortised on a systematic basis over its expected life. Negative goodwill created on the acquisition of Sportily Limited has been fully amortised in the year.

Fixed asset investments

Listed investments are stated at open market value at the balance sheet date with the gain or loss arising on the investment funds representing the Diocesan Stipends Fund, taken directly to the unapplied total return and others to the Statement of Financial Activities. For units held in managed funds of the Central Board of Finance this is the published bid price. Investment properties, which comprise the glebe portfolio, are stated at Trustees' valuation. The valuation is arrived at after taking appropriate professional advice and is reviewed each year. Certain short-term cash deposits, which are held for long term investment purposes, are included in fixed asset investments.

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Stock and Work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short term maturity.

Creditors

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

Accounting policies

for the year ended 31 December 2021

Fund accounting

The resources of the Board are classified according to restrictions imposed on their use by donors or by legislation, and in accordance with the SORP, as follows:

- Endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.
- Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board, or as expressed in the trusts under which the funds are held.
- Unrestricted funds are monies available for use at the discretion of the Board. The General Fund is for the day to day running of the Board and is primarily funded by the parish share. However, certain funds have been earmarked for particular purposes, and these are termed designated funds. Such funds are kept separate for administrative purposes but do not constitute legally separate funds.

During 2019, Bishops Council approved a total return approach to investment for the investments held as one of the GDBF's permanent endowments – the Diocesan Stipends Fund (DSF). This change in policy took effect from 1st January 2019 and since then GDBF has operated a total return approach to the management of the investment portfolio attributable to the DSF. Using this approach, GDBF is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return. GDBF is permitted to allocate from the unapplied total return element, such sums as the Board see appropriate, provided that the Board exercise their statutory duty to be even handed as 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 regard to the volatility of the investment markets. GDBF's objective is also to maintain the value of non-distributable funds in real terms.

Operating leases

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Judgements and estimates

In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements:

Valuation of investment properties - Investment properties are stated at trustees' valuation after taking appropriate professional advice.

Depreciation of clergy houses - The Trustees consider that residual value of freehold properties is equivalent to the carrying value and depreciation would not be material.

Sources of estimation uncertainty:

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

Notes to the financial statements

for the year ended 31 December 2021

Note 1 Parish Share

	Deanery Confirmed Allocations for 2021 £'000	Received in 2021 re 2021 £'000	Received in 2021 re prior years £'000	2021 £'000	2020 £'000
Gloucester City	546	523	-	523	549
Severn Vale	550	585	-	585	619
Forest South	398	377	-	377	417
Wotton	579	594	-	594	657
Stroud	627	627	-	627	635
Cheltenham	1,340	1,329	-	1,329	1,346
North Cotswold Deanery	860	852	-	852	856
Cirencester	904	888	-	888	887
Tewkesbury & Winchcombe	549	535	-	535	551
Other	-	6	-	6	3
Parish Share contributions	6,353	6,316	-	6,316	6,520

Note 2

Income from the Church Commissioners

	2021 £'000	2020 £'000
Grant re Bishop's share of registrar's retainer	43	47
Church Commissioner grants received	43	47

Notes to the financial statements

for the year ended 31 December 2021

Note 3

Grants and other donations

					Total	Total
					2021	2020
					£'000	£'000
Ecclesiastical Insurance Group grant					100	104
Voluntary Schools Fund grants					377	343
Other grants					71	114
Bishop Monk's Horfield restricted grant					910	-
Other restricted grants/donations					305	509
Sportily grants					106	-
Feed 5k donations					-	49
Other donations					74	75
Grants and donations					1,943	1,194

Note 4

Other activities

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	Total	Total
	£'000	£'000	£'000	£'000	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Rental of vacant housing	145	-	-	-	145	181
Property development: G&FS*	-	-	-	-	-	-
Educational services: JF Ltd*	12	-	-	-	12	7
Other income	9	6	-	-	15	9
Total	166	6	-	-	172	197

In 2020, £192k of other activities income was unrestricted, and £5k was designated.

*The principal activity of Good & Faithful Servant (G&FS) is the development of property, whilst Jumping Fish's (JF Ltd) is the publication of educational materials and professional services, for advertisement of the Christian religion.

Notes to the financial statements

for the year ended 31 December 2021

Note 5		
Investments	2021	2020
	£'000	£'000
Income from fixed asset investments	918	870
Other interest receivable and similar income	5	7
Rent receivable	31	35
Investments	954	912

Note 6		
Other	2021	2020
	£'000	£'000
Gain on disposal of tangible fixed assets*	1,906	1,616
Amortisation of negative goodwill on acquisition of Sportily Limited#	320	-
Miscellaneous income	48	72
Monies received from Church Commissioners for sale of church building from previous years	-	76
Other	2,274	1,764

* The gain on disposal of tangible fixed assets in 2021 comprised the sale of nine surplus clergy houses for the DBF. The gain on disposal of tangible fixed assets in 2020 comprised the gain on the sale of six surplus clergy houses for the DBF.

#The negative goodwill on the acquisition of Sportily has been fully amortised in the year of acquisition (see note 16).

Note 7		
Raising funds	2021	2020
	£'000	£'000
Tenancy costs associated with the letting of vacant properties	46	31
Property development – G & FS Limited	35	31
Educational services – Jumping Fish Limited	12	7
Raising funds	93	69

Notes to the financial statements

for the year ended 31 December 2021

	Unrestricted	Designated	Restricted	Endowment	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Note 8						
Charitable activities						
Contributions to Archbishops' Council:						
National Church responsibilities	240	-	-	-	240	255
Training for Ministry	309	-	-	-	309	305
Training of Ordinands – support grants	159	-	-	-	159	146
Pooling of Ordinand support costs	35	-	-	-	35	36
Mission agencies pension contributions	14	-	-	-	14	11
Retired clergy housing costs (CHARM)	112	-	-	-	112	110
	869	-	-	-	869	863
Resourcing Ministry & Mission:						
Parish Ministry						
Stipends and National insurance	3,392	-	-	-	3,392	3,235
Clergy pension contributions	1,294	-	-	-	1,294	1,044
FRS102 adjustment – clergy pension	(162)	-	-	(213)	(375)	(499)
Housing costs including removal and resettlement grants	1,937	-	-	-	1,937	1,775
	6,461	-	-	(213)	6,248	5,555
Support costs	2,955	-	473	28	3,456	3,774
	9,416	-	473	(185)	9,704	9,329
Expenditure on Education						
Support for church schools	-	490	-	-	490	459
Other expenditure						
Grants awarded (note 11)	-	156	85	208	449	1,005
Charitable activities of Ann Edwards charity	-	-	66	-	66	60
Charitable activities of Sportily	-	-	518	-	518	-
	10,285	646	1,142	23	12,096	11,716

Notes to the financial statements

for the year ended 31 December 2021

Note 8 cont.	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	<i>Total</i>
Comparative analysis for 2020	<i>2020</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>
Charitable activities	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Contributions to Archbishops' Council:</i>					
National Church responsibilities	255	-	-	-	255
Training for Ministry	305	-	-	-	305
Training of Ordinands – support grants	146	-	-	-	146
Pooling of Ordinand support costs	36	-	-	-	36
Mission agencies pension contributions	11	-	-	-	11
Retired clergy housing costs (CHARM)	110	-	-	-	110
	863	-	-	-	863
<i>Resourcing Ministry & Mission:</i>					
Parish Ministry					
Stipends and National insurance	3,235	-	-	-	3,235
Clergy pension contributions	1,044	-	-	-	1,044
FRS102 adjustment – clergy pension	(151)	-	-	(348)	(499)
Housing costs including removal and resettlement grants	1,775	-	-	-	1,775
	5,903	-	-	(348)	5,555
Support for parish ministry	3,163	-	582	29	3,774
	9,066	-	582	(319)	9,329
Expenditure on Education					
Support for church schools	-	459	-	-	459
Other expenditure					
Grants awarded (note 11)	-	995	10	-	1,005
Charitable activities of Ann Edwards charity	-	-	60	-	60
	9,929	1,454	652	(319)	11,716

Notes to the financial statements

for the year ended 31 December 2021

Note 9

Analysis of expenditure including the allocation of support costs

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs
	2021	2021	2021	2021
	£'000	£'000	£'000	£'000
Raising funds	93	-	-	93
Charitable activities:				
Contributions to Archbishop's Council	-	869	-	869
Resourcing parish ministry	8,138	-	1,566	9,704
Education	329	-	161	490
Other expenditure	490	449	94	1,033
Total	9,050	1,318	1,821	12,189

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs
	2020	2020	2020	2020
	£'000	£'000	£'000	£'000
<i>Raising funds</i>	<i>69</i>	<i>-</i>	<i>-</i>	<i>69</i>
<i>Charitable activities:</i>				
<i>Contributions to Archbishop's Council</i>	<i>-</i>	<i>863</i>	<i>-</i>	<i>863</i>
<i>Resourcing parish ministry</i>	<i>7,785</i>	<i>-</i>	<i>1,544</i>	<i>9,329</i>
<i>Education</i>	<i>325</i>	<i>-</i>	<i>134</i>	<i>459</i>
<i>Other expenditure</i>	<i>60</i>	<i>1,005</i>	<i>-</i>	<i>1,065</i>
Total	8,239	1,868	1,678	11,785

Notes 10 to 14 provide further details on expenditure for 2021.

Notes to the financial statements

for the year ended 31 December 2021

Note 10

Analysis of support costs

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2021	Total funds 2020
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Central administration	1,663	-	82	28	1,773	1,637
Governance:						
External audit	20	-	12	-	32	27
Chancellor and professional fees	12	-	-	-	12	13
Synodical costs	4	-	-	-	4	1
Total	1,699	-	94	28	1,821	1,678

In 2020, £1,583k of central administration costs was unrestricted, £25k was restricted and £29k was endowed. All remaining expenditure of £41k was unrestricted.

Note 11

Summary of grants made:

	2021 number	2020 number	2021 £'000	2020 £'000
Church repairs	1	1	19	10
COVID19 Grants	48	-	208	-
Development Grants	19	42	137	712
Oasis	1	-	85	-
Sportily	-	1	-	283
Grants made in the year	69	44	449	1,005

Notes to the financial statements

for the year ended 31 December 2021

Note 12

Net movement in funds is stated after charging:

	2021	2020
	£'000	£'000
Depreciation	95	93
Auditors' remuneration - audit	32	27
Interest on Church Commissioners' loans:		
Loan for Solar Panel installations	3	9
Value Linked Loans on parsonage houses	27	31
Operating leases: Land and buildings (note 24)	33	33

Note 13

Interest on long term loans

	2021	2020
	£'000	£'000
Interest on loans wholly or partly repayable beyond 5 years	27	31

All interest relates to value linked loans, being equity share loans made to the DBF by the Church Commissioners in respect of Parsonage Housing.

Notes to the financial statements

for the year ended 31 December 2021

Note 14 Staff costs

	2021	2020
	£'000	£'000
<i>Costs of employees and officer holders</i>		
salaries and stipends	1,961	1,906
redundancy and termination payments	-	29
social security costs	192	187
other pension costs	718	604
Employees, including clergy in DBF employment:	2,871	2,726

Stipends	3,038	2,970
social security costs	268	265
pension costs	980	1,069
Parochial clergy funded by the DBF:	4,286	4,304

	2021	2020
	Number	Number
<i>Number of employees including clergy in DBF employment</i>		
Full time equivalent	48	46
Parochial clergy funded by the DBF	126	126

The number of employees whose emoluments exceeded £60,000 were as follows:-

Employees earning between £60,001 and £70,000	2	2
Employees earning between £70,001 and £80,000	1	1

The employer's pension contribution for staff earning over £60,000 was £50,660 (2020: £51,087).

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2021 they were:

Diocesan Secretary and Company Secretary	Canon Benjamin Preece Smith
Director of Education	Canon Rachel Howie
Director of Mission and Ministry	Canon Dr Andrew Braddock
Head of Communications	Canon Lucy Taylor
Director of People, Pastoral and Safeguarding	Canon Judith Knight
Head of Finance	Julie Ridgway

Remuneration and pensions for these six employees amounted to £420k. (2020: £431k)

Notes to the financial statements

for the year ended 31 December 2021

Note 14

Staff costs cont.

Trustees'/Trustees' emoluments

No Director/Trustee received any remuneration for services as a Director/Trustee. The Directors/Trustees received travelling and out of pocket expenses, totalling £4k (2020 - £7k) in respect of General Synod duties, duties as Archdeacon or Area Dean, and other duties as Directors/Trustees.

Certain trustees of the Board who are also clergy received benefits during the year from the Board as part of its normal charitable activity of providing a stipend and housing for clergy in the diocese.

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

	Stipend	Housing
The Archdeacon of Cheltenham	Yes	Yes
The Archdeacon of Gloucester	Yes	Yes

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

The stipends of the two Bishops were paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £37,930 - £46,180 (2020 range £37,930 - £46,180). The annual rate of stipend, funded by the GDBF, paid to Archdeacons in 2021 was £36,832 (2020 £36,830).

Notes to the financial statements

for the year ended 31 December 2021

Note 15a Group	<i>Assets under construction</i>	<i>Leasehold property improvements</i>	<i>Freehold Property</i>	<i>Office Equipment</i>	Total
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2021	25	235	48,552	401	49,213
Additions	-	-	1,120	35	1,155
Disposals	-	-	(2,468)	(1)	(2,469)
At 31 December 2021	25	235	47,204	435	47,899
<i>Depreciation:</i>					
At 1 January 2021	-	82	264	286	632
Charge for year	-	13	28	54	95
Disposals	-	-	-	-	-
At 31 December 2021	-	95	292	340	727
<i>Net book value:</i>					
At 1 January 2021	25	153	48,288	115	48,581
At 31 December 2021	25	140	46,912	95	47,172

The Board has vested in it two redundant churches. One is leased to the Methodist Church on a long lease at a peppercorn rent. The other is held pending disposal. No value is attributed to these properties.

The freehold property disposals made in 2021 relate to the sales of 9 (2020: 6) surplus clergy houses.

Notes to the financial statements

for the year ended 31 December 2021

Note 15b Parent	<i>Assets under construction</i>	<i>Leasehold property improvements</i>	<i>Freehold Property</i>	<i>Office Equipment</i>	Total
Tangible Fixed Assets					
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2021	25	235	47,237	401	47,898
Additions	-	-	1,120	17	1,137
Disposals	-	-	(2,468)	-	(2,468)
At 31 December 2021	25	235	45,889	418	46,567
<i>Depreciation:</i>					
At 1 January 2021	-	82	258	286	626
Charge for year	-	13	28	52	93
Disposals	-	-	-	-	-
At 31 December 2021	-	95	286	338	719
<i>Net book value:</i>					
At 1 January 2021	25	153	46,979	115	47,272
At 31 December 2021	25	140	45,603	80	45,848

Note 15c Intangible Fixed Assets	<i>Group</i>		<i>Parent</i>	
	<i>Negative Goodwill</i>	<i>Total</i>	<i>Negative Goodwill</i>	<i>Total</i>
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Additions -see note 16	320	320	-	-
At 31 December 2021	320	320	-	-
<i>Amortisation:</i>				
Credit in the year	(320)	(320)	-	-
At 31 December 2021	(320)	(320)	-	-
<i>Net book value:</i>				
At 31 December 2021	-	-	-	-

Notes to the financial statements

for the year ended 31 December 2021

Note 15c

Intangible Fixed Assets continued

On 28 January 2021 Gloucester Diocesan Board of Finance acquired Sportily Limited by becoming sole member of the charitable company limited by guarantee. No consideration was paid. The negative goodwill calculation in respect of the acquisition is detailed in note 16.

Note 16a Group Fixed Asset Investments	Properties	Assets under construction	Investments	Total 2021	2020
	£'000	£'000	£'000	£'000	£'000
Market value at 1 Jan 2021	11,166	151	28,281	39,598	32,341
Additions	-	2	1,710	1,712	5
Disposals	-	-	(34)	(34)	(373)
Unrealised investment gains	5,915	-	4,225	10,140	7,625
Market Value at 31 Dec 2021	17,083	153	34,182	51,416	39,598
<i>Historic cost at 31 Dec 2021</i>				18,894	17,214
<i>Gains on investment assets</i>					
Unrealised gains (as above)	-	-	4,225	4,225	2,127
Realised gain on Glebe disposal	-	-	-	-	368
Glebe revaluation	5,915	-	-	5,915	5,498
Total investment gains	5,915	-	4,225	10,140	7,993

The Board has revalued three Glebe sites by £5.9m on advice from RICS members of the Committee. Messrs. Of this some £4.8m related to a single site which was realised in September 2022 for £5.3m.

Bruton Knowles undertook a valuation of one of the Glebe sites as at 31st December 2020, which resulted in a revaluation of £5.5m.

Notes to the financial statements

for the year ended 31 December 2021

Note 16b Parent					
Fixed Asset Investments	<i>Properties</i>	<i>Assets under construction</i>	<i>Investments</i>	Total 2021	2020
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Market value at 1 Jan 2021	11,166	151	28,192	39,509	32,298
Additions	-	2	1,710	1,712	5
Disposals	-	-	(34)	(34)	(373)
Unrealised investment gains	5,915	-	4,119	10,034	7,579
Market Value at 31 Dec 2021	17,083	153	33,987	51,221	39,509
<i>Historic cost at 31 Dec 2021</i>				<i>19,198</i>	<i>17,518</i>

Gains on investment assets

Unrealised gains (as above)	-	-	4,119	4,119	2,081
Realised gains - Glebe	-	-	-	-	368
Glebe revaluation	5,915	-	-	5,915	5,498
Total investment gains	5,915	-	4,119	10,034	7,947

The Board has revalued three Glebe sites by £5,915k on advice from RICS qualified member of the committee. Messrs Bruton Knowles undertook a valuation of one of the Glebe sites as at 31st December 2020, which resulted in a revaluation of £5,498k.

Investments comprise:

	<i>Note 16a</i>		<i>Note 16b</i>	
	<i>Group</i>		<i>Parent</i>	
	2021	2020	2021	2020
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
(i) Listed investments (equities)				
UK Investments	3,473	2,798	3,473	2,798
Non-UK investments	21,690	18,701	21,690	18,701
Listed Investments total	25,163	21,499	25,163	21,499
(ii) Unlisted investments				
Property & other	6,252	5,847	5,407	5,108
Cash	2,767	935	2,767	935
(iii) Good and Faithful Servant Ltd	-	-	650	650
Investments total	34,182	28,281	33,987	28,192

Notes to the financial statements

for the year ended 31 December 2021

Note 16

Fixed Asset Investments cont.

The Diocese has four wholly owned subsidiaries:

Subsidiary name	Company number	Charity number	Share Capital
The Good & Faithful Servant Limited (GFS)	06258385	n/a	£650,100
Jumping Fish Limited (JF)	06672775	n/a	£1
Sportily Limited	0550991	1111077	Limited by guarantee GDBF sole member
The Charity of Ann Edwards (AEC)	n/a	263956	GDBF sole trustee of Charity

The transactions and balances for these wholly owned subsidiaries were as follows:-

	Income £		Expenditure £		Assets £		Liabilities £		Net assets £	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
GFS	1k	-	40k	38k	695k	738k	(3k)	(7k)	692k	731k
JF	12k	7k	12k	7k	19k	16k	(19k)	(16k)	-	-
AEC	87k	87k	84k	70k	2,681k	2,570k	(7k)	(4k)	2,674k	2,566k
Sportily	965k	-	554k	-	746k	-	(37k)	-	709k	-

On 28 January 2021 Gloucester Diocesan Board of Finance acquired Sportily Limited by becoming sole member of the charitable company limited by guarantee. No consideration was paid. The negative goodwill calculation in respect of the acquisition is shown in the table below:-

	Book Value £'000	Fair Value £'000
Debtors	5	5
Cash at bank	340	340
Creditors	(25)	(25)
Total assets acquired	320	320
Negative goodwill	(320)	(320)
Total Consideration	-	-

Notes to the financial statements

for the year ended 31 December 2021

Note 16c

Application of the power of total return to the Diocesan Stipends Fund

The investment power of total return permits Gloucester DBF to invest the permanently endowed Diocesan Stipends Fund (DSF) to maximise total return and apply an appropriate portion of the unapplied total return each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. During 2020, the portion of unapplied total return allocated to income amounted to £1,647k. (2020: £1,108k)

An Unapplied Total Return Fund (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF permanent endowment.

The Unapplied Total Return Fund comprises that part of the total return on the DSF which has not yet been allocated by the Board to either the General Fund or the Permanent Endowment Fund. It can be carried forward if not needed or allocated to be spent as income or reinvested in the DSF Permanent Endowment Fund in a particular year.

For the year ended 31st December 2021, the Board took the decision to transfer £1,647k (2020: £1,108k) from the Unapplied Total Return Fund to the General Fund.

	Trust for investment £'000	Unapplied Total Return £'000	Total endowment £'000
As at 1st January 2021:			
Base value of the permanent endowment	9,174	-	9,174
Unapplied total return	-	15,470	15,470
Total	9,174	15,470	24,644

Movements in the year:

Additions in year	800	-	800
Investment returns – income received	-	747	747
Unrealised gains for year	-	3,712	3,712
Unapplied total return allocated to income in the year	-	(1,647)	(1,647)
Add indexation to base level of the endowment	688	(688)	-
Net movements in the year	1,488	2,124	3,612
As at 31st December 2021:			
Base value of the permanent endowment	10,662	-	10,662
Unapplied total return	-	17,594	17,594
Valuation at 31st December 2021	10,662	17,594	28,256

Notes to the financial statements

for the year ended 31 December 2021

Note 17

Stock and Work In Progress

This comprises work in progress amounting to £9k (2020: £9k) in relation to property developments being undertaken by the Good & Faithful Servant Ltd and £11k (2020: £nil) of education materials held by Jumping Fish Limited.

Note 18a

Consolidated group debtors

	Due within one year		Due after one year	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Prepayments and sundry debtors	401	939	-	-
Staff car loans	8	36	14	9
Loans to parishes, Cathedral and other DBF	52	108	517	491
Parish Giving Scheme	35	35	-	-
Debtors	496	1,118	531	500

Debtors include £55k (2020: £48k) due from related charities. These charities are administered by staff of the Board, but the trustees are separate from the trustees of the Board.

Note 18b

Parent company debtors

	Due within one year		Due after one year	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Prepayments and sundry debtors	382	836	-	-
Staff car loans	8	36	14	9
Loans to parishes, Cathedral and other DBF	52	108	517	491
The Charity of Ann Edwards	2	-	-	-
Good & Faithful Servant Ltd	-	3	-	-
Jumping Fish Ltd	15	14	-	-
Parish Giving Scheme	35	35	-	-
Oasis Centre	-	74	-	-
Debtors	494	1,106	531	500

Notes to the financial statements

for the year ended 31 December 2021

Note 19a

Consolidated group creditors

	Due within one year		Due after one year	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Accruals and sundry creditors	830	695	-	-
Taxation and social security	57	48	-	-
Loans	-	45	-	-
CBF Loan (Solar Panels)	750	-	125	875
Value Linked Loans (Church Commissioners)	-	85	349	349
Pension scheme liabilities (note 25)				
- Lay defined benefit scheme	168	168	598	1,024
- Clergy Pension Scheme	213	354	-	64
Creditors	2,018	1,395	1,072	2,312

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested.

Notes to the financial statements

for the year ended 31 December 2021

Note 19b

Parent company creditors

	Due within one year		Due after one year	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Accruals and sundry creditors	790	676	-	-
Taxation and social security	48	48	-	-
Loans	-	45	-	-
CBF Loan (Solar Panels)	750	-	125	875
Value Linked Loans (Church Commissioners)	-	85	349	349
Good & Faithful Servant Limited	195	-	-	-
Sportily Limited	120	-	-	-
Pension scheme liabilities (note 25)				
- Lay defined benefit scheme	168	168	598	1,024
- Clergy Pension Scheme	213	354	-	64
Creditors	2,284	1,376	1,072	2,312

Included in 'Accruals and sundry creditors' is a total of £33k (2020 - £29k) due to related charities which are administered by staff of the Board and whose trustees are separate from the trustees of the Board.

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested.

Notes to the financial statements

for the year ended 31 December 2021

Note 20

Analysis of net assets by fund:

Summary

Funds at 31 Dec 2021 are represented by:

	General Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	224	13,720	1,254	31,974	47,172
Fixed asset investments	-	296	3,215	47,905	51,416
Current assets	1,708	105	1,659	1	3,473
Creditors	(1,057)	(781)	(44)	(1,208)	(3,090)
Inter-fund indebtedness	(5,287)	1,195	(1,787)	5,879	-
Total Funds at 31 Dec 2021	(4,412)	14,535	4,297	84,551	98,971

Funds include the following unrealised gains on investments:

Unrealised gains at 1 Jan 2021	-	296	928	21,160	22,384
Net gains on revaluation in year	-	-	373	9,767	10,140
Gains on disposals	-	-	(2)	-	(2)
Unrealised gains at 31 Dec 2021	-	296	1,299	30,927	32,522

The inter-fund indebtedness arises as a result of transactions relating to certain funds being effected through the general fund.

Comparative analysis of net assets by fund:

Summary

Funds at 31 Dec 2020 are represented by:

	General Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	272	14,581	1,238	32,490	48,581
Fixed asset investments	-	297	1,964	37,337	39,598
Current assets	2,564	202	1,013	376	4,155
Creditors	(1,682)	(732)	-	(1,293)	(3,707)
Inter-fund indebtedness	(4,514)	(543)	(970)	6,027	-
Total Funds at 31 Dec 2020	(3,360)	13,805	3,245	74,937	88,627

Funds include the following unrealised gains on investments:

Unrealised gains at 1 Jan 2020	-	296	806	13,662	14,764
Net gains on revaluation in year	-	-	122	7,871	7,993
Gains on disposals	-	-	-	(373)	(373)
Unrealised gains at 31 Dec 2020	-	296	928	21,160	22,384

Notes to the financial statements

for the year ended 31 December 2021

Note 21

Designated funds

	Balance at 1 Jan 2021	Income	Expenditure	Net gains/(losses) on assets	Transfers*	Balance at 31 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000
Development Fund	17	1	(135)	-	(208)	(325)
Albright Bequest	469	3	-	-	-	472
Houses Capital	6,495	-	-	-	-	6,495
Curates Housing Reserve	6,654	1,090	(21)	-	-	7,723
Education	-	433	(490)	-	57	-
Viney Hill Development	170	-	-	-	-	170
Total Funds at 31 Dec 2021	13,805	1,527	(646)	-	(151)	14,535

Unrestricted funds are monies available for use at the discretion of the Board. The General Fund is for the day to day running of the Board and is funded primarily by the parish share. Certain funds have been earmarked for particular purposes and these are termed designated funds, they do not constitute legally separate funds.

The Development Fund has been designated to make a fund available to finance mission initiatives approved by Bishop's Council.

The Albright Bequest represents monies bequeathed by Miss Albright. The funds came with a request, but not a formal restriction, that they be used for diocesan projects rather than ongoing ministry costs. As a result, the trustees have nominated to designate these funds

The Houses Capital Fund represents the cost, less outstanding loans, of houses owned by the Board to provide accommodation for assistant curates and team vicars. During 2019, the Board decided to make a transfer from the Houses Capital Fund to a new Curates Housing Reserve as part of the work undertaken on agreeing a new policy for the provision of housing for curates. The efficient operation of this new policy required the creation of a suitable reserve to enable the Resources Committee to buy and sell curates housing in a timely and controlled manner without frequent referral to Bishop's Council. The management of this reserve has been delegated to the Diocesan Resources Committee.

The Education Fund brings together the Education work undertaken by GDBF with income specific to that activity, primarily from the Voluntary Schools Fund and St Matthias Trust. The deficit at the end of the year was covered by a transfer from the general fund and is the portion of this work funded by the general fund.

The Viney Hill Development relates to a property owned by GDBF but used by Viney Hill Adventure Centre for charitable purposes consistent with those of the GDBF.

Notes to the financial statements

for the year ended 31 December 2021

Note 21 cont.

Comparative Designated funds

	Balance at 1 Jan 2020 £'000	Income £'000	Expenditure £'000	Net gains/(losses) on assets £'000	Transfers* £'000	Balance at 31 Dec 20 £'000
Development Fund	17	-	-	-	-	17
Albright Bequest	1,459	5	(995)	-	-	469
Houses Capital	6,495	-	-	-	-	6,495
Curates Housing Reserve	6,114	540	-	-	-	6,654
Education	-	396	(459)	-	63	-
Viney Hill Development	170	-	-	-	-	170
Total Funds at 31 Dec 2020	14,255	941	(1,454)	-	63	13,805

Note 22

Restricted funds

	Balance at 1 Jan 2021 £'000	Income £'000	Expenditure £'000	Net gains/(losses) on assets £'000	Transfers £'000	Balance at 31 Dec 21 £'000
Housing for elderly clergy	136	2	-	8	-	146
Ordination training	258	-	(1)	-	(25)	232
Diocesan pastoral fund	933	47	(60)	233	-	1,153
Stratton Davis fund	299	7	(10)	31	-	327
Bishop's Discretionary Mission fund	30	-	-	-	-	30
Ann Edwards Charity	1,729	87	(66)	-	-	1,750
Sportily Limited	-	446	(518)	-	-	(72)
Ministerial Education Training	20	243	(202)	9	-	70
Life projects	88	-	(100)	-	103	91
Other	(248)	98	(185)	-	(52)	(387)
Bishop Monk's Horfield Trust fund	-	910	-	92	(45)	957
Total Funds at 31 Dec 2021	3,245	1,840	(1,142)	373	(19)	4,297

Notes to the financial statements

for the year ended 31 December 2020

Note 22 Restricted funds cont.

Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board. The Housing for Elderly Clergy Fund derives from various bequests and is used to give assistance to retired clergy of the diocese in difficulty with their housing requirements. The Ordination Training Fund derives from various bequests, principally from the late Mrs. M Harries. The income is used to fund ordination training.

The Diocesan Pastoral Fund is derived principally from the proceeds of sale of surplus parsonage houses as a result of pastoral reorganisations under the Pastoral Measure 1983. Under the Measure, the Fund must be used firstly in connection with expenses relating to pastoral schemes and redundant churches. To the extent that it is considered that any remaining funds are not required, or are not likely to be required, for these purposes then the funds may be applied to any general purpose of the Board.

The Stratton Davis Fund arises from a bequest received in 2001 from the estate of the late Mr. David Stratton Davis. The terms of the settlement are that the fund may be used for the repair or restoration of churches and their fixtures and fittings in the diocese. The Board has decided initially to use the income to make an annual grant to the Gloucestershire Historic Churches Trust.

The Bishop's Discretionary Mission Fund derives from a donation received in 2013 and restricted to mission works of the Church of England at the Bishop of Gloucester's discretion.

The Charity of Ann Edwards restricted funds comprise the Extraordinary Repair Fund (ERF) and the Cyclical Maintenance Fund (CMF). These funds were established in the governing instrument and are for future repairs and maintenance, with transfers being made each year.

The Sportily funds may only be used for the objects of the charity which include promoting and assisting the work, objects and purposes of the Church of England for the advancement of Christian faith, in particular (but not exclusively) by the development of specialist ministries based principally on sports and wellbeing particularly with children, young people and their families in (but not limited to) the Diocese of Gloucester.

The Ministerial Education Training fund relates to Resourcing Ministerial Education introduced in 2017.

The Life Projects fund relates to those special projects funded by the Life Development Fund.

The Watermoor Trust fund relates to the sale of the property previously vested in a separate Trust whose sole Trustee is the GDBF. The Feed 5k fund relates to fundraising in response to the start of the global pandemic to ensure the most vulnerable across our Diocese could access quality meals. The expenditure relates to the awarding of grants to partner organisations, most notably Grace Network in Stroud – The Long Table.

The Bishop Monk Horfield Trust fund was gifted to the GDBF by a previously independent trust of that name which had managed the ancient legacy of Bishop Monk of Gloucester and Bristol. The funds received by GDBF are restricted to the funding of curates in training.

The Other Restricted funds include a negative fund balance of £304k for Glebe revenue. This relates to glebe rental income less professional fees, repairs and maintenance against Glebe assets (the asset is held in the Glebe Property endowment fund – see note 23).

Notes to the financial statements

for the year ended 31 December 2021

Note 22 Restricted funds cont.

Comparative Restricted funds

	Balance at 1 Jan 2020	Income	Expenditure	Net gains/(losses) on assets	Transfers	Balance at 31 Dec 20
	£'000	£'000	£'000	£'000	£'000	£'000
Housing for elderly clergy	130	2	-	4	-	136
Ordination training	279	-	-	4	(25)	258
Diocesan pastoral fund	756	123	(51)	105	-	933
Stratton Davis fund	293	7	(10)	9	-	299
Bishop's Discretionary Mission Fund	30	-	-	-	-	30
Ann Edwards Charity	1,712	87	(70)	-	-	1,729
Ministerial Education Training	47	196	(223)	-	-	20
Life projects	132	185	(143)	-	(86)	88
Other	(282)	98	(106)		42	(248)
Watermoor Trust	-	839	-	-	(839)	-
Feed 5K	-	49	(49)	-	-	-
HMRC furlough grants	-	66	-	-	(66)	-
Total Funds at 31 Dec 2020	3,097	1,652	(652)	122	(974)	3,245

Notes to the financial statements

for the year ended 31 December 2021

Note 23

Endowment funds

	Balance at 1 Jan 21	Income	Expenditure	Net gains/(losses) on assets	Transfers*	Balance at 31 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000
Pensions & assistance	366	-	-	33	-	399
Benefice property	30,267	819	-	-	-	31,086
Diocesan stipends fund	27,992	-	(29)	3,713	(940)	30,736
Ann Edwards Charity	835	-	-	106	-	941
Glebe property	15,477	(1)	(2)	5,915	-	21,389
Total funds at 31 Dec 2021	74,937	818	(31)	9,767	(940)	84,551

Permanent endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment funds represent money that must be held as capital but may be expended when certain conditions are satisfied.

The Pensions & Assistance Fund is permanent endowment represented by a house used to provide accommodation for retired clergy, and a cash balance arising from the sale of a second house.

The Benefice Property Fund represents the value of benefice houses. These houses are owned by benefices but are recognised as assets by the Board. The fund is classified as expendable endowment as under certain conditions the value of the houses may be realised and the proceeds used as income.

The Diocesan Stipends Fund (DSF) represents ancient endowments and other gifts and legacies. The Fund is governed principally by the Diocesan Stipends Funds Measure 1953 and the Endowment and Glebe Measure 1976, as amended. The Fund is mainly invested in CBF managed funds. Income generated from the Fund must be used to fund stipends. The Fund is expendable under certain circumstances.

During 2019, Bishops Council approved a total return approach to investment for the CBF managed funds of the DSF. This change in policy was to take effect from 1st January 2019. An Unapplied Total Return (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF.

The Unapplied Total Return comprises that part of the total return on the DSF which has not yet been allocated by the Board to either the General Fund or the Trust for Investment. It can be carried forward if not needed or allocated to be spent as income or reinvested in the DSF Trust for Investment in a particular year.

The value of the Trust for Investment of the DSF is preserved, by an amount equivalent to the application of RPI to the opening balance for the year being transferred from the Unapplied Total Return to the DSF Fund. For the year ended 31st December 2021, the Board took the decision to transfer £1,647k (2020: £1,108k) from the Unapplied Total Return to the General Fund. (see note 16c)

The Endowment Fund of the Charity of Ann Edwards represents the original endowment of the charity, comprising mainly the sale proceeds of Edwards College, the original Almshouse in South Cerney. This money may not be spent as income. Glebe property represents glebe land previously held by incumbents but transferred to the Board under the Endowment and Glebe Measure 1976. Income derived from rents must be used to fund stipends. Proceeds of sale of glebe land must be transferred to the DSF.

Notes to the financial statements

for the year ended 31 December 2021

Note 23 Endowment funds cont.

Comparative Endowment funds	Balance at 1 Jan 2020	Income	Expenditure	Net gains/ (losses) on assets	Transfers*	Balance at 31 Dec 20
	£'000	£'000	£'000	£'000	£'000	£'000
Pensions & assistance	357	-	-	9	-	366
Benefice property	30,030	237	-	-	-	30,267
Diocesan stipends fund	26,188	-	319	1,925	(440)	27,992
Ann Edwards Charity	788	-	-	47	-	835
Glebe property	9,611	-	-	5,866	-	15,477
Total Funds at 31 Dec 2020	66,974	237	319	7,847	(440)	74,937

Note 24

Financial Commitments: Operating Leases

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

	2021	2020
	£'000	£'000
Office Equipment where the lease expires:		
Within one year of the balance sheet date	10	10
In the second to fifth years inclusive of the balance sheet date	20	29

Notes to the financial statements

for the year ended 31 December 2021

Note 25 Pensions

The GDBF participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy and the other is the Church Workers Pension Fund (CWPF) for lay staff.

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

Defined Benefits Scheme

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

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

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

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

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

A valuation of DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 34.3% of pensionable salary and expenses of £12,800 per year. In addition, deficit payments of £167,784 per year have been agreed for 5.50 years from 1 April 2021 in

Notes to the financial statements

for the year ended 31 December 2021

Note 25

Pensions cont.

respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2021 £'000	2020 £'000
Balance sheet liability at 1 January	1,192	1,299
Deficit contribution paid	(168)	(168)
Interest cost (recognised in SoFA)	6	17
Remaining change to the balance sheet liability* (recognised in SoFA)	(264)	44
Balance sheet liability at 31 December	766	1,192

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

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

	December 2021	December 2020	December 2019
Discount rate	1.4%	0.5%	1.4%

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.

Church of England Funded Pension Scheme (CEFPS)

Gloucester DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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 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 plus the figures highlighted in the table below as being recognised in the SoFA.

Notes to the financial statements

for the year ended 31 December 2021

Note 25

Pensions cont.

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 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 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.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2021 £'000	2020 £'000
Balance sheet liability at 1 January	418	742
Deficit contribution paid	(214)	(354)
Interest cost (recognised in SoFA)	1	6
Remaining change to the balance sheet liability* (recognised in SoFA)	8	24
Balance sheet liability at 31 December	213	418

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

Notes to the financial statements

for the year ended 31 December 2021

Note 25

Pensions cont.

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 2021	December 2020	December 2019
Discount rate	0.0% pa	0.2% pa	1.1%
Price inflation	N/A	3.1% pa	2.8%
Increase to total pensionable payroll	1.1% pa	1.6% pa	1.3%

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

Church of England Pension Builder Scheme (PBS)

For eligible salaried employees who commenced employment after 1st January 2013, the Gloucester Diocesan Board of Finance participates in the Church of England Pension Builder Scheme (PBS), within the Church Workers Pension Fund.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2021

Note 25

Pensions cont.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time. There is no requirement for deficit payments at the current time.

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

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

Notes to the financial statements

for the year ended 31 December 2021

Note 26

Prior year comparative SOFA

	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000
Income & endowments from					
Donations					
parish share contributions	6,520	-	-	-	6,520
church commissioners	47	-	-	-	47
grants and other donations	233	390	571	-	1,194
Charitable activities – statutory fees and licence to occupy income	216	-	52	-	268
Other activities	192	5	-	-	197
Investments	793	5	114	-	912
Other	71	541	915	237	1,764
Total	8,072	941	1,652	237	10,902
Expenditure on					
Raising funds	69	-	-	-	69
Charitable activities	9,929	1,454	652	(319)	11,716
Total	9,998	1,454	652	(319)	11,785
Net income/(expenditure) before investment gains	(1,926)	(513)	1,000	556	(883)
Net gains on investments	-	-	122	7,871	7,993
Net income/(expenditure)	(1,926)	(513)	1,122	8,427	7,110
<i>Total return transfer</i>	400	-	-	(400)	-
Net income/(expenditure) after total return transfer	(1,526)	(513)	1,122	8,027	7,110
<i>Transfers between funds</i>	951	63	(974)	(40)	-
Other recognised gains/(losses)	(44)	-	-	(24)	(68)
Net movement in funds	(619)	(450)	148	7,963	7,042
<i>Total funds brought forward</i>	<i>(2,741)</i>	<i>14,255</i>	<i>3,097</i>	<i>66,974</i>	<i>81,585</i>
<i>Total funds carried forward</i>	(3,360)	13,805	3,245	74,937	88,627

THE GLOUCESTER DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 251234

Accounts

Gloucester Diocesan Board of Finance
**Annual Report
& Accounts**
2020



Board of directors

The Rt Revd Rachel Treweek (President)
Mr Colin Rank (Chair until 1 Jun 2020)
Canon Karen Czapiewski (Chair from 1 Jun 2020)
The Ven Phil Andrew
The Revd Craig Bishop (resigned 6th November 2021)
The Revd Andrew Blyth (from 6th November 2021)
Prof Patricia Broadfoot
Mr George Collins (from 6th November 2021)
The Revd Henry Curran (from 6th November 2021)
The Ven Hilary Dawson
Revd James Faragher (from 3rd March 2022)
Mr Steve Grindrod (resigned 6th November 2021)
Mr Chris Hill
Mr Martin Kingston
Very Revd Stephen Lake
Mr Robert McNeill-Wilson (from 6th November 2021)
Mr Richard Neale (resigned 6th November 2021)
The Revd Dr Sunkanmi Osunsanmi (from 24 Aug 2020)
The Revd Michael Parsons (resigned 6th November 2021)
The Revd Jo Pestell (from 6th November 2021)
Mr Les Reilly (resigned 6th November 2021)
The Revd Canon Helen Sammon (resigned 31st January 2021)
The Revd Ed Sauven (from 6th November 2021)
The Revd Canon Katrina Scott
The Rt Revd Robert Springett
Mr Michael Storey (resigned 6th November 2021)
The Revd John Swanton (from 6th November 2021)
Mr Alastair Taylor (from 6th November 2021)
Mrs Emma Taylor (from 6th November 2021)
Mr Kevan Taylor
Mr Andy Wilson (from 6th November 2021)

principal officers

Benjamin Preece Smith – *Secretary*
Julie Ridgway – *Head of Finance*
..

solicitor

Jos Moule; Diocesan Registrar
Veale Wasborough Vizards LLP
Orchard Court, Orchard Lane
Bristol BS1 5WS

bankers

Barclays Bank plc
288 Britannia Warehouse
The Docks Gloucester GL1 2Y

registered office

Church House
College Green Gloucester GL1 2LY

Contents

Board of Directors and Principal Officers.....	1
Summary results.....	2
Directors' report.....	3-9
Report of the auditors.....	10-13
Consolidated statement of financial activities.....	14
Summary income & expenditure account.....	15
Consolidated balance sheet.....	16
Parent balance sheet.....	17
Consolidated cash flow statement.....	18
Accounting policies.....	19-22
Notes to the financial statements.....	23-53

auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

investment managers

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

Company limited by guarantee
Registered number 162165
Registered charity number 251234

How have we done – some highlights

number of stipendiary clergy funded by the DBF

2020:	2019:	change:
126	123	+2.4%

Stipendiary vacancies at 31st December 2020 were 11 (2018:14)

parish share contributions

2020:	2019:	change:
£6.5m	£6.6m	-1.5%

“ongoing” deficit:

2020:	2019:	change:
£1.32m	£1.1m	-20%

See page 6 for reconciliation to SOFA

balance sheet value (net assets)

2020:	2019:	change:
£89m	£82m	+8.5%

Directors' report

for the year ended 31 December 2020

Structure, Governance and Management

The Gloucester Diocesan Board of Finance (DBF) is a company limited by guarantee and a registered charity. Its governing instrument is the Articles of Association. These were revised and updated in 2019 and formally adopted by members on 9 March 2019. Printed copies of the revised Articles of Association are available from the Secretary on request. The DBF's membership comprises:

- The Bishop of Gloucester as president, ex-officio.
- Each and every member for the time being of the Diocesan Synod.
- Members co-opted to ensure that lay members constitute a majority of the DBF.

Elections and co-options take place every three years. The current triennium started in September 2018. The DBF, which meets three times each year, is the principal policy making body. It takes advice from its Board of Directors, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also take executive action in certain matters and deals with day-to-day issues. The membership of the Bishop's Council is as follows:

Ex-officio members:

- The Bishop of Gloucester
- The Chair of the DBF
- The Bishop of Tewkesbury
- The Dean of Gloucester
- The Archdeacon of Gloucester
- The Archdeacon of Cheltenham
- The Vice-President of the House of Clergy of the Diocesan Synod
- The Vice-President of the House of Laity of the Diocesan Synod

Members elected by the DBF – House of Clergy

- Two clergy members of the DBF from the Archdeaconry of Gloucester
- Two clergy members of the DBF from the Archdeaconry of Cheltenham
- One Proctor in Convocation from among the members of General Synod

Members elected by the DBF – House of Laity

- Three lay members of the DBF from the Archdeaconry of Gloucester
- Three lay members of the DBF from the Archdeaconry of Cheltenham
- One lay member from among the members of General Synod

Co-opted members and nominations

- Up to two members may be co-opted by the Bishop's Council
- Up to two members may be nominated by the Bishop

Directors' report

for the year ended 31 December 2020

Structure, Governance and Management (continued)

Trustees are recruited, as indicated above, through a mixture of ex-officio positions, elections and nominations. The Diocesan Secretary oversees membership elections.

An induction pack for trustees is available for new trustees include key documents, minutes, strategic discussions. This is supplemented by an invitation to meet with the Secretary to discuss any matters further or explore further induction through.

The DBF was assisted in its work during the year by the following of committees:

- Audit Committee (Chair: Tim Greenhalgh) acts as the risk management group and reports to the DBF on matters relating to the auditors, the annual accounts and internal controls.
- Glebe Committee (Chair: Tony MacFarlane) acts in all matters relating to the management of glebe property management and the disposal of assets not required for charitable or investment purposes.
- Resources Committee (Chair: Colin Rank until 1st June 2020, then Canon Karen Czapiewski) acts on matters delegated by the trustees relating to finance, assets, property, staffing and health and safety.

The DBF is the financial custodian for the Diocese of Gloucester, which is an administrative and pastoral area within the Church of England. The DBF therefore has important relationships with the national institutions of the Church of England, specifically:

- Archbishops' Council, to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.
- Church Commissioners, from which the DBF receives grants and which acts for tax and national insurance purposes as the pseudo-employer of diocesan clergy. The DBF pays for clergy stipends through the Church Commissioners.
- Church of England Pensions Board, which provide pensions for clergy and DBF's lay staff.

Locally, the DBF works with Parochial Church Councils (PCCs) which are legally independent bodies that pay contributions, based on an apportionment system, to the DBF to fund its activities. The DBF is a tenant of the Dean and Chapter of Gloucester Cathedral, from whom it rents office accommodation. The DBF manages various charities on behalf of their respective trustees, for which management charges are paid, namely the Voluntary Schools Fund (VSF) and the Charity of Ann Edwards (AEC).

Public benefit

The GDBF is a public benefit entity and the directors are aware of the Charity Commission's guidance on public benefit and the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity.

Directors' report

for the year ended 31 December 2020

Strategic Aims

The objects of the DBF, as set out in its Articles of Association, are:

- To promote and assist the work, objects, and purposes of the Church of England for the advancement of the Christian religion in (but not limited to) the Diocese of Gloucester.
- To advance such other objects or purposes which are exclusively charitable according to the law of England and Wales in any part of the world and in such manner as the Trustees may in their absolute discretion consider may be expedient for the better promotion and assistance of the work of the Church of England.

In pursuing these objects, the DBF acts as the financial executive of and employer for the Gloucester Diocesan Synod. As such it undertakes three principal activities:

- It funds costs associated with the vast majority of Church of England clergy in the diocese,
- It is responsible for the custody and management of the synod's funds.
- It provides services to other organizations within the diocese, primarily PCCs and schools.

In pursuing its objectives and undertaking these activities the DBF is informed by the diocesan vision, LIFE Together. For more information see: <https://www.gloucester.anglican.org/about-us/our-vision/>

Strategic Review

During 2020 the ministry of the diocese, and thereby the focus of the DBF, centred on supporting the communities we minister to through the challenge of Covid. Bishop Rachel made a decision to focus the ministry of the DBF on supporting outward facing ministry, notably through partnering with the Long Table, and an alliance of social enterprise cafes in “Feeding the 5,000” which delivered 30,000 meals to people in need at the height of the pandemic, including freezers in hospitals and places of need. Parishes were supported with an emergency fund by which parishes could apply for grants to replace lost income from closed venues and other effects of the pandemic. This missional leadership proved effective.

The LIFE vision had its “official” final year with a development through 2021 into “LIFE together” which builds on LIFE but with a more specific focus on gathering together as communities, especially worshipping communities. There are five commitments in LIFE Together:

- Being advocates for flourishing through initiatives which combat injustice, environmental destruction, exclusion and isolation
- Encouraging new and courageous ways of worshipping in different places which connect with more people
- Nurturing everyday discipleship
- Investing in people and programmes which excite young people to explore and grow in faith
- Developing diverse lay and ordained leaders.

Substantial resourcing has been made available to specific projects working to this vision, notably “Sportily”, Church Army Centres of Mission and Deanery Strategic Planning.

Directors' report

for the year ended 31 December 2020

Achievements and performance in the year

Ongoing Activities

This year's results should be placed in context. In 2020 the world, and therefore the diocese, experienced a pandemic that led to the suspension or cessation of normal life. Church communities could not gather in their ancient places to kneel where prayer has been valid. Weddings and baptisms were suspended, funerals became a sad, functional service. By halfway through the year many predicted cataclysmic results for the Church's financial health.

The year ended with Parish Share down a little less than 2%. More clergy served in the diocese than in the previous year. The balance sheet went up by £7m. It was not the apocalypse but a remarkable consistent year financially for the DBF. Challenges lie ahead but the financial story of 2020 is of the commitment of the Church in this diocese to act together, each to its part, to maintain the presence of Christ in our communities. In this most challenging of years the Church here managed and overcame. The ongoing deficit is calculated as follows:-

General Fund deficit per SOFA:	(£1,526k)
Add back Good & Faithful Servant loss:	£38k
Add back Pension deficit payments:	£168k
Equivalent ongoing deficit:	<u>(£1,320k)</u>

Plans for future periods

The main strategic issue for the DBF remains the removal of its structural deficit. This is reflective of the missional weakness of the current pattern of ministry which has seen significant decline in engagement with Church over recent decades. Bishop Rachel set out (as reported above) her desire to see a transformation in the pattern of Anglican ministry in the diocese and has identified three main strands to help enable that transformation: Sportily (previously OneLife), Church Army and Trinity Cheltenham. Alongside these initiatives the Deanery LIFE Mapping process (now referred to as Deanery Strategic Planning) has restarted and additional resource allocated to the development of these plans to enable deaneries to make clear proposals for missional growth and financial stability for their ministry by May 2022. This delay of 3 years comes at a significant cost to the DBF but assurances have been made to Synod that it will now proceed quickly and be effective soon.

Alongside these challenges the DBF continues to see growth in its balance sheet through a mixture of strong investment management by CCLA and its long-term strategic management of its property portfolio, especially glebe. This asset base gives the Board confidence to invest in missional strategies that will see the Church continue to serve the communities of our diocese for generations. Sales of glebe in the next few years are expected to lead to a substantial improvement in the GDBF's asset base. The Board's asset management approach has come to the attention of the wider Church through the work of the Archbishops' Commission on Housing, Church and Community. The Board has decided to offer its support to the wider Church in delivering better missional and financial results through asset management by supporting a part time Housing Executive team and making time available from the Bishop of Tewkesbury and the Diocesan Secretary.

Directors' report

for the year ended 31 December 2020

Principal risks and uncertainties

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

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

Governance and Management:

- Loss of key staff: Managed through professional HR resource and appropriate contracts.
- Safeguarding: Managed via a properly resourced Safeguarding Board overseeing the work of the HR and Safeguarding Department.
- Acting *Ultra-Vires*: Managed by the appropriate use of legal advice and all contracts with significant Church legislative implications being undertaken by the Diocesan Registry.

Operational Risks

- Capacity and use of assets: Overseen by a formal Delegation of Authority document with delegations to the Resources and Glebe Committees and the Diocesan Secretary.
- Use of Church Buildings: The Advisory Committee on Faculties and Care of Churches (DAC) is resourced and staffed appropriately by the Board and operates to national legislation and guidelines.

Financial Risks

- Pension obligations: the Board's pension obligations are overseen by the Resources Committee. Any change of policy is authorised directly by the Board.

External Risks

- Unexpected changes to the demographic of congregations: The Board has contracted with *Experian* to receive detailed demographic information on the Diocese of Gloucester. This has been shared widely, including at two Diocesan Synod meetings. The Board also funds a Children and Families Officer to help resource local Church engagement with younger audiences.

Covid 19

Covid 19 has had significant impact on the diocese, as with the rest of the country. The financial impact on the DBF is, however, modest. We believe therefore that the out-turn for 2020 was, and 2021 will be, consistent with our long-term financial performance. We therefore do not have any short-term financial concerns directly attributable to the pandemic.

Directors' report

for the year ended 31 December 2020

Investment policy

The DBF maintains a review of its investments through the Investment Group which also monitors performance against market benchmarks and considers the adequacy of its investment mix.

The DBF considers that investing in a range of medium-low risk funds using the investment management skills of a professional fund manager (CCLA) to achieve good performance, in line with the Church of England Ethical Investment Advisory Group's ethical investment policy .

Reserves policy

The policy of the DBF is to hold between 4 and 8 months of parish share plus the deficit for the year on the general fund in free reserves (i.e. for 2020 between £3.7m and £5.9m). This level is considered prudent to manage for the cash flow deficit experienced each year resulting from parish share contributions being remitted irregularly during the year, (whereas the DBF's expenditure is fairly constant on a month-by-month basis), and also to allow for unexpected occurrences.

At 31 December 2020, free reserves within the general fund were £nil (2018: £nil) as the general fund is in deficit at the year end, which is significantly below the target level.

The nature of the Board's designated and restricted reserves means this negative position is not a risk to the Board's going concern. It does however require a restructure of the reserves to better reflect the use of funds within permissible legal use. This process was originally planned for inclusion within these accounts; however this has now been deferred to the 2021 accounts. After this restructure the Board's general fund reserves will be at or above the target level.

Fundraising activities

The charity undertakes very limited fundraising activities directly with individuals. The majority of the DBF's income comes from other charitable entities. The DBF does not use third party professional fundraisers and did not receive any complaints about its fundraising practices during 2020.

Directors' report

for the year ended 31 December 2020

Directors' responsibilities in respect of the financial statements

The Directors are required by company law to prepare financial statements, based on applicable accounting standards, which give a true and fair view of the state of affairs of the DBF as at the end of the financial year and of the result of the year and which comply with the Companies Act 2006.

The Directors ensure that, in preparing the financial statements, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made. The Directors have a reasonable expectation that the DBF has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Directors are also responsible for ensuring that adequate systems of internal control are in operation, for maintaining adequate accounting records, for safeguarding the assets of the DBF and for preventing and detecting fraud and other irregularities. They are also responsible for showing that the assets are applied in accordance with charity law.

Statements as to disclosure of information to auditors

The Directors have taken all the necessary steps to make sure that they are aware of any relevant audit information and to establish that the auditors are aware of that information.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' report, incorporating the Strategic Review, was approved by the Board of Directors on 17th March 2022.

+Rachel Gloucestr:

+Rachel Gloucestr:

President, Gloucester DBF

Date: 17 March 2022



Canon Karen Czapiewski

Chair, Gloucester DBF

Date: 17 March 2022

Independent Auditors' Report

To the Members of Gloucester Diocesan Board of Finance

Opinion

We have audited the financial statements of the Gloucester Diocesan Board of Finance for the year ended 31 December 2020 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the parent charitable company's affairs as at 31 December 2020 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

To the Members of Gloucester Diocesan Board of Finance

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent Auditors' Report (ctd)

To the Members of Gloucester Diocesan Board of Finance

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

Independent Auditors' Report (ctd)

To the Members of Gloucester Diocesan Board of Finance

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings of significant value or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

Use of our report

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



Adam Halsey (Senior Statutory Auditor)

10 Queen Street Place

For and on behalf of Haysmacintyre LLP, Statutory Auditor
London EC4R 1AG

Date: 22 March 2022

Consolidated statement of financial activities

for the year ended 31 December 2020

	Notes	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000	Total 2019 £'000
Income & endowments from							
Donations							
parish share contributions	1	6,520	-	-	-	6,520	6,627
church commissioners	2	47	-	-	-	47	43
grants and other donations	3	233	390	571	-	1,194	1,075
Charitable activities – statutory fees and licence to occupy income		216		52	-	268	417
Other activities	4	192	5		-	197	2,059
Investments	5	793	5	114	-	912	899
Other	6	71	541	915	237	1,764	1,717
Total		8,072	941	1,652	237	10,902	12,837
Expenditure on							
Raising funds	7	69	-	-	-	69	1,332
Charitable activities	8	9,929	1,454	652	(319)	11,716	10,989
Total	9	9,998	1,454	652	(319)	11,785	12,321
Net (expenditure)/income before investment gains		(1,926)	(513)	1,000	556	(883)	516
Net gains on investments		-	-	122	7,871	7,993	4,111
Net (expenditure)/income		(1,926)	(513)	1,122	8,427	7,110	4,627
Total return transfer		400	-	-	(400)	-	-
Net (expenditure)/income after total return transfer		(1,526)	(513)	1,122	8,027	7,110	4,627
Transfers between funds	20 - 23	951	63	(974)	(40)	-	-
Other recognised (losses)/gains	25	(44)			(24)	(68)	1,207
Net movement in funds		(619)	(450)	148	7,963	7,042	5,834
Total funds brought forward		(2,741)	14,255	3,097	66,974	81,585	75,751
Total funds carried forward		(3,360)	13,805	3,245	74,937	88,627	81,585

Consolidated summary income & expenditure account

for the year ended 31 December 2020

	2020	2019
	£'000	£'000
Total income	10,665	12,483
Expenditure	(12,104)	(12,581)
<i>Operating (deficit) for the year</i>	<i>(1,439)</i>	<i>(98)</i>
Net gains on investments	122	282
Net (expenditure)/income for the year	(1,317)	184

Other comprehensive income:

Net assets transferred from endowments	440	340
Actuarial (losses)/gains on defined benefit pension schemes	(44)	(53)
Total comprehensive (expenditure)/income	(921)	471

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.

Full comparatives for the year to 31 December 2019 are shown in note 26.

The notes on pages 23 to 53 form part of these financial statements.

Consolidated balance sheet

as at 31 December 2020

Company number 162165

	Notes	2020 £'000	2019 £'000
Tangible assets	15a	48,581	49,045
Investments	16a	39,598	32,341
Fixed Assets		88,179	81,386
Stock and work in progress	17	9	6
Debtors: amounts falling due after one year	18a	500	462
Debtors: amounts falling due within one year	18a	1,118	808
Cash at bank and in hand		2,528	2,772
Current Assets		4,155	4,048
Creditors: amounts falling due within one year	19a	(1,395)	(1,001)
<i>Net Current Assets (Current assets less creditors <1 year)</i>		2,760	3,047
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		90,939	84,433
Creditors: amounts falling due after one year			
Pension scheme liabilities	19a, 25	(1,088)	(1,539)
Other creditors	19a	(1,224)	(1,309)
Net Assets		88,627	81,585
Endowment funds	20,23	74,937	66,974
Restricted funds	20,22	3,245	3,097
Designated funds (unrestricted)	20,21	13,805	14,255
General fund (unrestricted)	20	(3,360)	(2,741)
Total funds		88,627	81,585

Approved by the Board of Directors on 17th March 2022 and signed on its behalf by

Karen Czapiewski

Canon Karen Czapiewski, Chair

The notes on pages 23 to 53 form part of these financial statements.

Parent company balance sheet

as at 31 December 2020

Company number 162165

	Notes	2020 £'000	2019 £'000
Tangible assets	15b	47,272	47,736
Investments	16b	39,509	32,298
Fixed Assets		86,781	80,034
Debtors: amounts falling due after one year	18b	500	462
Debtors: amounts falling due within one year	18b	1,106	866
Cash at bank and in hand		1,282	1,437
Current Assets		2,888	2,765
Creditors: amounts falling due within one year	19b	(1,376)	(983)
<i>Net Current Assets (Current assets less creditors <1 year)</i>		1,512	1,782
<i>Total Assets less current liabilities (Fixed Assets plus NCA)</i>		88,293	81,816
Creditors: amounts falling due after one year			
Pension scheme liabilities	19b, 25	(1,088)	(1,539)
Other creditors	19b	(1,224)	(1,309)
Net Assets		85,981	78,968
Endowment funds	20,23	74,100	66,184
Restricted funds	20,22	1,513	1,384
Designated funds (unrestricted)	20,21	13,805	14,255
General fund (unrestricted)	20	(3,437)	(2,855)
Reserves		85,981	78,968

The deficit of the parent charity for the year was £862k (2019: surplus of £425k)

Approved by the Board of Directors on 17th March 2022 and signed on its behalf by

Karen Czapiewski

Canon Karen Czapiewski, Chair

The notes on pages 23 to 53 form part of these financial statements.

Consolidated cash flow statement

for the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Net cash (used in) / provided by operating activities		(3,529)	(1,126)
Cash flows from investing activities			
Dividends and interest received	5	912	899
Proceeds from sale of tangible fixed assets		2,834	2,942
Purchase of tangible fixed assets for use by GDBF	15a	(829)	(2,156)
Purchase of fixed asset investments	16a	(5)	(500)
Sale and reclassification of fixed asset investments	16a	373	233
Net cash provided by investing activities		3,285	1,418
Cash flows from financing activities			
New loan received by GDBF		-	-
Loans repaid to GDBF		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents during year		(244)	292
Cash & cash equivalents at 1 January		2,772	2,480
Cash & cash equivalents at 31 December		2,528	2,772
<i>Reconciliation net movement in funds to net cash flow from operating activities:</i>			
Net (expenditure)/income for the year		(883)	516
Adjustments for:			
Depreciation and amortisation charges		93	83
Dividends, interest & rent from investments		(912)	(899)
Profit on sale of functional assets		(1,616)	(1,662)
(Increase)/decrease in stock and work in progress		(3)	1,193
(Increase)/decrease in debtors		(348)	212
Increase/(decrease) in creditors		639	(142)
FRS102 – pension adjustment (deficit contribution and interest charge)		(499)	(427)
Net cash used in operating activities		(3,529)	(1,126)
Analysis of cash and cash equivalents			
Cash in bank & in hand		2,528	2,772
Total cash and cash equivalents		2,528	2,772

Accounting policies

for the year ended 31 December 2020

The principal accounting policies adopted are as follows:

Basis of Accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd edition, effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries on a line by line basis. The subsidiaries are Jumping Fish Limited, The Good and Faithful Servant Limited and the Anne Edwards Charity. 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 deficit of the parent charity for the year was £862k (2019: surplus of £425k).

Gloucester DBF meets the FRS102 definition of a Public Benefit Entity.

The principle accounting policies and estimation techniques are as follows:

Income

Parish Share contributions by parishes are included in the financial statements when there is certainty of receipt. Other donations are recognised when received. Legacies are recognised when there is reasonable certainty as to both entitlement and amount. Grants are generally included in the financial statements when received, to ensure that there is reasonable certainty as to both entitlement and amount. However, in cases where the grant relates to a specific project, it is recognised when the project expenditure takes place. Interest and dividends are included in the financial statements when received. Rental income is recognised in the period to which the rent relates.

Investment income arising upon the Diocesan Stipends Fund is credited to the unapplied total return in the year in which the distribution is due.

Expenditure

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

- i) Costs of raising funds are constrained to 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, expenditure relating to the running of the diocesan retreat centre, 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 GDBF, such grants being recognised as expenditure when the conditions attaching 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.

Accounting policies

for the year ended 31 December 2020

Expenditure (ctd)

- 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 on an approximate staff time basis.
- v) Pension contributions. The GDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 25). The pension costs charged as expenditure represent the GDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which GDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.
- vi) Employee benefits. Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accruals basis and in line with FRS 102.

Going concern

The Directors consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, levels of reserves and future plans give the Directors confidence the charity remains a going concern for a period in excess of 12 months from the date of approval of these accounts. This review has included an assessment of cash flow forecasts and the ongoing impact of the Covid-19 pandemic.

Depreciation

Depreciation on equipment is calculated on a straight line basis at annual rates estimated to write off the assets over their respective expected useful lives, as follows:

Leasehold property improvements	5%	Assets under construction	0%
Office equipment	20%	Office furniture	12½%
Telephone equipment	20%	Computer equipment	25%
Solar PV panels	4%		

No depreciation is provided on clergy houses. As the remaining useful life of these assets exceeds 50 years and a programme of planned maintenance ensures that the residual value does not fall below the carrying value, any depreciation would be immaterial. An annual impairment review is carried out in accordance with FRS102.

Accounting policies

for the year ended 31 December 2020

Tangible fixed assets

Clergy houses owned by the Board as corporate property are included in the financial statements at historical cost.

Clergy houses owned by benefices are included in the financial statements at a carrying value established by the directors and based on a professional valuation in December 2000. Houses acquired since that date are included at cost, and any major improvements are capitalised to the extent that the carrying value does not exceed the estimated net realisable value. Although the Board does not own these houses, it has the responsibility for maintaining them and receives any sale proceeds on disposal if the house becomes surplus under a pastoral scheme. Under FRS102 the Board considers that it has access to the benefits of these houses and also the associated risks and therefore needs to recognise them as assets in the financial statements. Solar PV panels installed on clergy houses are included within the asset value of the house and depreciated on a straight line basis over 25 years.

Fixed asset investments

Listed investments are stated at open market value at the balance sheet date with the gain or loss arising on the investment funds representing the Diocesan Stipends Fund, taken directly to the unapplied total return and others to the Statement of Financial Activities. For units held in managed funds of the Central Board of Finance this is the published bid price. Investment properties, which comprise the glebe portfolio, are stated at directors' valuation. The valuation is arrived at after taking appropriate professional advice and is reviewed each year. Certain short-term cash deposits, which are held for long term investment purposes, are included in fixed asset investments.

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short term maturity.

Creditors

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

Accounting policies

for the year ended 31 December 2020

Fund accounting

The resources of the Board are classified according to restrictions imposed on their use by donors or by legislation, and in accordance with the SORP, as follows:

- Endowment funds represent money that must be permanently held as capital, and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.
- Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board, or as expressed in the trusts under which the funds are held.
- Unrestricted funds are monies available for use at the discretion of the Board. The General Fund is for the day to day running of the Board, and is primarily funded by the parish share. However, certain funds have been earmarked for particular purposes, and these are termed designated funds. Such funds are kept separate for administrative purposes but do not constitute legally separate funds.

During 2019, Bishops Council approved a total return approach to investment for the investments held as one of the GDBF's permanent endowments – the Diocesan Stipends Fund (DSF). This change in policy took effect from 1st January 2019 and since then GDBF has operated a total return approach to the management of the investment portfolio attributable to the DSF. Using this approach, GDBF is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return. GDBF is permitted to allocate from the unapplied total return element, such sums as the Board see appropriate, provided that the Board exercise their statutory duty to be even handed as 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 regard to the volatility of the investment markets. GDBF's objective is also to maintain the value of non-distributable funds in real terms.

Operating leases

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Judgements and estimates

In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements:

Valuation of investment properties - Investment properties are stated at directors' valuation after taking appropriate professional advice.

Depreciation of clergy houses - The Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

Sources of estimation uncertainty:

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

Notes to the financial statements

for the year ended 31 December 2020

Note 1 Parish Share

	Allocated in 2020 (memo) £'000	Received in 2020 re 2020 £'000	Received in 2020 re prior years £'000	2020 £'000	2019 £'000
Gloucester City	590	549	-	549	561
Severn Vale	644	619	-	619	620
Forest South	435	417	-	417	441
Wotton	704	657	-	657	694
Stroud	675	635	-	635	665
Cheltenham	1,335	1,332	14	1,346	1,326
North Cotswold Deanery	855	856	-	856	823
Cirencester	935	887	-	887	906
Tewkesbury & Winchcombe	574	551	-	551	588
Other	-	3	-	3	3
Parish Share contributions	6,747	6,506	14	6,520	6,627

Note 2 Income from the Church Commissioners

	2020 £'000	2019 £'000
Grant re Bishop's share of registrar's retainer	47	43
Church Commissioner grants received	47	43

Notes to the financial statements

for the year ended 31 December 2020

Note 3

Grants and other donations

	2020 £'000	2019 £'000
Ecclesiastical Insurance Group grant	104	107
Voluntary Schools Fund grants	343	308
Other grants	114	157
Other restricted grants/donations	509	455
Feed 5k donations	49	-
Other donations	75	48
Grants and donations	1,194	1,075

Note 4

Other activities

	Unrestricted £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2020 £'000	Total 2019 £'000
Rental of vacant housing	181	-	-	-	181	318
Property development: G&FS*	-	-	-	-	-	1,700
Educational services: JF Ltd*	7	-	-	-	7	15
Other income	4	5	-	-	9	26
Total	192	5	-	-	197	2,059

In 2019, £2,039k of other activities income was unrestricted, and £20k was designated.

*The principal activity of Good & Faithful Servant (G&FS) is the development of property, whilst Jumping Fish's (JF Ltd) is the publication of educational materials and professional services, for advertisement of the Christian religion.

Notes to the financial statements

for the year ended 31 December 2020

Note 5

Investments

	2020 £'000	2019 £'000
Income from fixed asset investments	870	853
Other interest receivable and similar income	7	8
Rent receivable	35	38
Investments	912	899

Note 6

Other

	2020 £'000	2019 £'000
Gain on disposal of tangible fixed assets*	1,616	1,662
Annual allowance – national insurance	-	3
Miscellaneous income	72	52
Monies received from Church Commissioners for sale of church building from previous years	76	-
Other	1,764	1,717

* The gain on disposal of tangible fixed assets in 2020 comprised the sale of six surplus clergy houses for the DBF. The gain on disposal of tangible fixed assets in 2019 comprised the gain on the sale of six surplus clergy houses for the DBF.

Note 7

Raising funds

	2020 £'000	2019 £'000
Tenancy costs associated with the letting of vacant properties	31	56
Property development – G & FS Limited	31	1,267
Educational services – Jumping Fish Limited	7	9
Raising funds	69	1,332

Notes to the financial statements

for the year ended 31 December 2020

	Unrestricted	Designated	Restricted	Endowment	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Note 8						
Charitable activities						
Contributions to Archbishops' Council:						
National Church responsibilities	255	-	-	-	255	269
Training for Ministry	305	-	-	-	305	305
Training of Ordinands – support grants	146	-	-	-	146	126
Pooling of Ordinand support costs	36	-	-	-	36	11
Mission agencies pension contributions	11	-	-	-	11	3
Retired clergy housing costs (CHARM)	110	-	-	-	110	104
	863	-	-	-	863	818
Resourcing Ministry & Mission:						
Parish Ministry						
Stipends and National insurance	3,235	-	-	-	3,235	3,166
Clergy pension contributions	1,044	-	-	-	1,044	1,031
FRS102 adjustment – clergy pension	(151)	-	-	(348)	(499)	(289)
Housing costs including removal and resettlement grants	1,775	-	-	-	1,775	1,699
	5,903	-	-	(348)	5,555	5,607
Support for parish ministry	3,163	-	582	29	3,774	3,456
	9,066	-	582	(319)	9,329	9,063
Expenditure on Education						
Support for church schools	-	459	-	-	459	482
Other expenditure						
Grants awarded (note 11)	-	995	10	-	1,005	571
Charitable activities of Ann Edwards charity	-	-	60	-	60	55
	9,929	1,454	652	(319)	11,716	10,989

Notes to the financial statements

for the year ended 31 December 2020

Note 8 (continued)	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	<i>Total</i>
Comparative analysis for 2019	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>
Charitable activities	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Contributions to Archbishops' Council:</i>					
National Church responsibilities	269	-	-	-	269
Training for Ministry	305	-	-	-	305
Training of Ordinands – support grants	126	-	-	-	126
Pooling of Ordinand support costs	11	-	-	-	11
Mission agencies pension contributions	3	-	-	-	3
Retired clergy housing costs (CHARM)	104	-	-	-	104
	818	-	-	-	818
<i>Resourcing Ministry & Mission:</i>					
Parish Ministry					
Stipends and National insurance	3,166	-	-	-	3,166
Clergy pension contributions	1,031	-	-	-	1,031
FRS102 adjustment – clergy pension	-	-	-	(289)	(289)
Housing costs including removal and resettlement grants	1,699	-	-	-	1,699
	5,896	-	-	(289)	5,607
Support for parish ministry	3,003	-	424	29	3,456
	8,899	-	424	(260)	9,063
Expenditure on Education					
Support for church schools	-	482	-	-	482
Other expenditure					
Grants awarded (note 11)	-	558	13	-	571
Charitable activities of Ann Edwards charity	-	-	55	-	55
	9,717	1,040	492	(260)	10,989

Notes to the financial statements

for the year ended 31 December 2020

Note 9

Analysis of expenditure including the allocation of support costs

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs
	2020	2020	2020	2020
	£'000	£'000	£'000	£'000
Raising funds	69	-	-	69
Charitable activities:				
Contributions to Archbishop's Council	-	863	-	863
Resourcing parish ministry	7,785	-	1,544	9,329
Education	325	-	134	459
Other expenditure	60	1,005	-	1,065
Total	8,239	1,868	1,678	11,785

	Activities undertaken directly	Grant funding of activities	Support costs	Total costs
	2019	2019	2019	2019
	£'000	£'000	£'000	£'000
<i>Raising funds</i>	<i>1,332</i>	<i>-</i>	<i>-</i>	<i>1,332</i>
<i>Charitable activities:</i>				
<i>Contributions to Archbishop's Council</i>	<i>-</i>	<i>818</i>	<i>-</i>	<i>818</i>
<i>Resourcing parish ministry</i>	<i>7,611</i>	<i>-</i>	<i>1,452</i>	<i>9,063</i>
<i>Education</i>	<i>325</i>	<i>-</i>	<i>157</i>	<i>482</i>
<i>Other expenditure</i>	<i>55</i>	<i>571</i>	<i>-</i>	<i>626</i>
Total	9,323	1,389	1,609	12,321

Notes 10 to 14 provide further details on expenditure for 2020.

Notes to the financial statements

for the year ended 31 December 2020

Note 10

Analysis of support costs

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Central administration	1,583	-	25	29	1,637	1,569
Governance:						
External audit	27	-	-	-	27	24
Chancellor and professional fees	13	-	-	-	13	11
Synodical costs	1	-	-	-	1	5
Total	1,624	-	25	29	1,678	1,609

In 2019, £1,514k of central administration costs were unrestricted, £26k were restricted and £29k were endowed. All remaining expenditure of £40k was unrestricted.

Note 11

Summary of grants made:

	2020 number	2019 number	2020 £'000	2019 £'000
Church repairs	1	1	10	13
Development Grants	42	38	712	558
Sportily	1	-	283	-
Grants made in the year	44	39	1,005	571

Notes to the financial statements

for the year ended 31 December 2020

Note 12

Net movement in funds is stated after charging:

	2020	2019
	£'000	£'000
Depreciation	93	83
Auditors' remuneration - audit	27	24
Interest on Church Commissioners' loans:		
Loan for Solar Panel installations	9	11
Value Linked Loans on parsonage houses	31	31
Operating leases: Land and buildings (note 24)	33	33

Note 13

Interest on long term loans

	2020	2019
	£'000	£'000
Interest on loans wholly or partly repayable beyond 5 years	31	31

All interest relates to value linked loans, being equity share loans made to the DBF by the Church Commissioners in respect of Parsonage Housing.

Notes to the financial statements

for the year ended 31 December 2020

Note 14 Staff costs

	2020	2019
	£'000	£'000
<i>Costs of employees and officer holders</i>		
salaries and stipends	1,906	1,733
redundancy and termination payments	29	-
social security costs	187	167
other pension costs	604	568
Employees, including clergy in DBF employment:	2,726	2,468

stipends	2,970	2,903
social security costs	265	263
pension costs	1,069	1,031
Parochial clergy funded by the DBF:	4,304	4,197

	2020	2019
	Number	Number
<i>Number of employees including clergy in DBF employment</i>		
Full time equivalent	46	46
Parochial clergy funded by the DBF	126	123

The number of employees whose emoluments exceeded £60,000 were as follows:-

Employees earning between £60,001 and £70,000	2	2
Employees earning between £70,001 and £80,000	1	1

The employer's pension contributions for staff earning over £60,000 were £51,087 (2019: £45,790).

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the directors, for planning, directing and controlling the activities of the diocese. During 2020 they were:

Diocesan Secretary and Company Secretary	Canon Benjamin Preece Smith
Director of Education	Canon Rachel Howie
Director of Mission and Ministry	Canon Dr Andrew Braddock
Head of Communications	Canon Lucy Taylor
Director of Resources	Canon Judith Knight
Head of Finance	Julie Ridgway

Remuneration and pensions for these six employees amounted to £431k. (2019 :£420k)

Notes to the financial statements

for the year ended 31 December 2020

Note 14

Staff costs continued

Directors'/Trustees' emoluments

No Director/Trustee received any remuneration for services as a Director/Trustee. The Directors/Trustees received travelling and out of pocket expenses, totalling £7k (2019 - £9k) in respect of General Synod duties, duties as Archdeacon or Area Dean, and other duties as Directors/Trustees.

Certain directors of the Board who are also clergy received benefits during the year from the Board as part of its normal charitable activity of providing a stipend and housing for clergy in the diocese.

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

	Stipend	Housing
The Archdeacon of Cheltenham	Yes	Yes
The Archdeacon of Gloucester	Yes	Yes

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

The stipends of the two Bishops were paid and funded by the Church Commissioners.

The stipends of the Diocesan Bishop and Suffragan Bishop are funded by the Church Commissioners and are in the range £37,670 - £46,180 (2019 range £36,930 - £45,270). The annual rate of stipend, funded by the GDBF, paid to Archdeacons in 2020 was £36,830 (2019 £36,110).

Notes to the financial statements

for the year ended 31 December 2020

Note 15a Group	<i>Assets under construction</i>	<i>Leasehold property improvements</i>	<i>Freehold Property</i>	<i>Office Equipment</i>	Total
<i>Cost or valuation:</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2020	21	235	48,945	383	49,584
Additions	4	-	807	18	829
Disposals	-	-	(1,200)	-	(1,200)
At 31 December 2020	25	235	48,552	401	49,213
<i>Depreciation:</i>					
At 1 January 2020	-	70	235	234	539
Charge for year	-	12	29	52	93
Disposals	-	-	-	-	-
At 31 December 2020	-	82	264	286	632
<i>Net book value:</i>					
At 1 January 2020	21	165	48,710	149	49,045
At 31 December 2020	25	153	48,288	115	48,581

The Board has vested in it two redundant churches. One is leased to the Methodist Church on a long lease at a peppercorn rent. The other is held pending disposal. No value is attributed to these properties.

The freehold property disposals made in 2020 relate to the sales of 6 (2019: 6) surplus clergy Houses.

Notes to the financial statements

for the year ended 31 December 2020

Note 15b Parent					
Tangible Fixed Assets	Assets under construction	Leasehold property improvements	Freehold Property	Office Equipment	Total
Cost or valuation:	£'000	£'000	£'000	£'000	£'000
At 1 January 2020	21	235	47,630	383	48,269
Additions	4	-	807	18	829
Disposals	-	-	(1,200)		(1,200)
At 31 December 2020	25	235	47,237	401	47,898
<i>Depreciation:</i>					
At 1 January 2020	-	70	229	234	533
Charge for year	-	12	29	52	93
Disposals	-	-	-	-	-
At 31 December 2020	-	82	258	286	626
<i>Net book value:</i>					
At 1 January 2020	21	165	47,401	149	47,736
At 31 December 2020	25	153	46,979	115	47,272

Notes to the financial statements

for the year ended 31 December 2020

Note 16a Group

Fixed Asset Investments

	Properties £'000	Assets under construction £'000	Investments £'000	Total 2020 £'000	2019 £'000
Market value at 1 Jan 2020	5,948	239	26,154	32,341	27,937
Additions	-	5	-	5	526
Disposals	(280)	(93)	-	(373)	(233)
Unrealised investment gains	5,498	-	2,127	7,625	4,111
Market Value at 31 Dec 2020	11,166	151	28,281	39,598	32,341
<i>Historic cost at 31 Dec 2020</i>	-	-	16,868	16,868	15,688

Gains on investment assets

Unrealised gains (as above)	-	-	2,127	2,127	4,111
Realised gain on Glebe disposal	368	-	-	368	-
Glebe revaluation	5,498	-	-	5,498	-
Total investment gains	5,866	-	2,127	7,993	4,111

Messrs Bruton Knowles undertook a valuation of one of the Glebe sites as at 31st December 2020, which resulted in a revaluation of £5,498k as noted above.

Notes to the financial statements

for the year ended 31 December 2020

Note 16b Parent					
Fixed Asset Investments	<i>Properties</i>	<i>Assets under construction</i>	<i>Investments</i>	Total 2020	2019
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Market value at 1 Jan 2020	5,948	239	26,111	32,298	27,970
Additions	-	5	-	5	526
Disposals	(280)	(93)	-	(373)	(233)
Unrealised investment gains	5,498	-	2,081	7,579	4,035
Market Value at 31 Dec 2020	11,166	151	28,192	39,509	32,298
<i>Historic cost at 31 Dec 2020</i>	<i>-</i>	<i>-</i>	<i>17,518</i>	<i>17,518</i>	<i>16,044</i>
<i>Gains on investment assets</i>					
Unrealised gains (as above)	-	-	2,081	2,081	4,035
Realised gains - Glebe	368		-	368	-
Glebe revaluation	5,498	-	-	5,498	-
Total investment gains	5,866	-	2,081	7,947	4,035

Messrs Bruton Knowles undertook a valuation of one of the Glebe sites as at 31st December 2020, which resulted in a revaluation of £5,498k as noted above.

Notes to the financial statements

for the year ended 31 December 2020

Note 16b Fixed Asset Investments continued

Investments comprise:

		Note 16a Group		Note 16b Parent	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
(i)	Listed investments (equities)				
	UK Investments	2,798	3,080	2,798	3,080
	Non-UK investments	18,701	14,765	18,701	14,765
Listed Investments total		21,499	17,845	21,499	17,845
(ii)	Unlisted investments				
	Property & other	5,847	6,858	5,108	6,165
	Cash	935	1,451	935	1,451
(iii)	Good and Faithful Servant Ltd	-	-	650	650
Investments total		28,281	26,154	28,192	26,111

The Diocese has three wholly owned subsidiaries:

Subsidiary name	Company number	Charity number	Share Capital
The Good & Faithful Servant Limited (GFS)	06258385	n/a	£1
Jumping Fish Limited (JF)	06672775	n/a	£1
The Charity of Ann Edwards (AEC)	n/a	263956	Limited by guarantee GDBF sole Trustee

The transactions and balances for these wholly owned subsidiaries were as follows:-

	Income £		Expenditure £		Assets £		Liabilities £		Net assets £	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
GFS	-	1,700k	38k	1,622k	738k	830k	(6k)	(61k)	731k	769k
JF	7k	15k	7k	15k	16k	20k	(16k)	(20k)	-	-
AEC	87k	78k	70k	64k	2,570	2,507k	(4k)	(6k)	2,566k	2,501k

Notes to the financial statements

for the year ended 31 December 2020

Note 16c Application of the total return to the Diocesan Stipends Fund

The investment power of total return permits Gloucester DBF to invest the permanently endowed Diocesan Stipends Fund (DSF) to maximise total return and apply an appropriate portion of the unapplied total return each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. During 2020, the portion of unapplied total return allocated to income amounted to £1,108k. (2019: £978k)

An Unapplied Total Return Fund (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF permanent endowment.

The Unapplied Total Return Fund comprises that part of the total return on the DSF which has not yet been allocated by the Board to either the General Fund or the Permanent Endowment Fund. It can be carried forward if not needed or allocated to be spent as income or reinvested in the DSF Permanent Endowment Fund in a particular year.

For the year ended 31st December 2020, the Board took the decision to transfer £1,108k (2019: £978k) from the Unapplied Total Return Fund to the General Fund.

	Trust for investment £'000	Unapplied Total Return £'000	Total endowment £'000
As at 1st January 2020:			
Base value of the permanent endowment	9,065	-	9,065
Unapplied total return	-	14,029	14,029
Total	9,065	14,029	23,094
Movements in the year:			
Additions in year	-	-	-
Investment returns – income received	-	708	708
Unrealised gains for year	-	1,950	1,950
Unapplied total return allocated to income in the year	-	(1,108)	(1,108)
Add indexation to base level of the endowment	109	(109)	-
Net movements in the year	109	1,441	1,550
As at 31st December 2020:			
Base value of the permanent endowment	9,174	-	9,174
Unapplied total return	-	15,470	15,470
Valuation at 31st December 2020	9,174	15,470	24,644

Notes to the financial statements

for the year ended 31 December 2020

Note 17

Stock and work in progress

This comprises work in progress amounting to £9k (2019: £6k) in relation to property developments being undertaken by the Good & Faithful Servant Ltd.

Note 18a

Consolidated group debtors

	Due within one year		Due after one year	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Prepayments and sundry debtors	939	530	-	-
Staff car loans	36	11	9	24
Loans to parishes, Cathedral and other DBF	108	227	491	438
Parish Giving Scheme	35	40	-	-
Debtors	1,118	808	500	462

Debtors include £48k (2019: £58k) due from related charities. These charities are administered by staff of the Board, but the trustees are separate from the trustees of the Board.

Note 18b

Parent company debtors

	Due within one year		Due after one year	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Prepayments and sundry debtors	836	464	-	-
Staff car loans	36	11	9	24
Loans to parishes, Cathedral and other DBF	108	227	491	438
Good & Faithful Servant Ltd	3	57	-	-
Jumping Fish Ltd	14	18	-	-
Parish Giving Scheme	35	40	-	-
Oasis Centre	74	49	-	-
Debtors	1,106	866	500	462

Notes to the financial statements

for the year ended 31 December 2020

Note 19a

Consolidated group creditors

	Due within one year		Due after one year	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Accruals and sundry creditors	695	394	-	-
Taxation and social security	48	45	-	-
Loans	45	60	-	-
CBF Loan (Solar Panels)	-	-	875	875
Value Linked Loans (Church Commissioners)	85	-	349	434
Pension scheme liabilities (note 25)				
- Lay defined benefit scheme	168	168	1,024	1,131
- Clergy Pension Scheme	354	334	64	408
Creditors	1,395	1,001	2,312	2,848

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested.

Notes to the financial statements

for the year ended 31 December 2020

Note 19b

Parent company creditors

	Due within one year		Due after one year	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Accruals and sundry creditors	676	376	-	-
Taxation and social security	48	45	-	-
Loans	45	60	-	-
CBF Loan (Solar Panels)	-	-	875	875
Value Linked Loans (Church Commissioners)	85	-	349	434
Pension scheme liabilities (note 25)				
- Lay defined benefit scheme	168	168	1,024	1,131
- Clergy Pension Scheme	354	334	64	408
Creditors	1,376	983	2,312	2,848

Included in 'Accruals and sundry creditors' is a total of £29k (2019 - £29k) due to related charities which are administered by staff of the Board and whose trustees are separate from the trustees of the Board.

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested.

Notes to the financial statements

for the year ended 31 December 2020

Note 20

Analysis of net assets by fund:

Summary

Funds at 31 Dec 2020 are represented by:

	General funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	272	14,581	1,238	32,490	48,581
Fixed asset investments	-	297	1,964	37,337	39,598
Current assets	2,564	202	1,013	376	4,155
Creditors	(1,682)	(732)	-	(1,293)	(3,707)
Inter-fund indebtedness	(4,514)	(543)	(970)	6,027	-

Total Funds at 31 Dec 2020

(3,360) 13,805 3,245 74,937 88,627

Funds include the following unrealised gains on investments:

Unrealised gains at 1 Jan	1,450	154	1,119	16,298	19,021
Net gains on revaluation in year	-	-	122	7,871	7,993

Unrealised gains at 31 Dec 2020

1,450 154 1,241 24,169 27,014

The inter-fund indebtedness arises as a result of transactions relating to certain funds being effected through the general fund.

Comparative analysis of net assets by fund:

Summary

Funds at 31 Dec 2019 are represented by:

	General Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	303	14,792	1,234	32,716	49,045
Fixed asset investments	-	296	1,843	30,202	32,341
Current assets	2,707	389	950	2	4,048
Creditors	(2,613)	(494)	-	(742)	(3,849)
Inter-fund indebtedness	(3,138)	(728)	(930)	4,796	-

Total Funds at 31 Dec 2019

(2,741) 14,255 3,097 66,974 81,585

Funds include the following unrealised gains on investments:

Unrealised gains at 1 Jan 2019	1,450	154	837	12,469	14,910
Net gains on revaluation in year	-	-	282	3,829	4,111

Unrealised gains at 31 Dec 2019

1,450 154 1,119 16,298 19,021

Notes to the financial statements

for the year ended 31 December 2020

Note 21

Designated funds

	Balance at 1 Jan 2020 £'000	Income £'000	Expenditure £'000	Net gains/(losses) on assets £'000	Transfers £'000	Balance at 31 Dec 20 £'000
Development Fund	17	-	-	-	-	17
Albright Bequest	1,459	5	(995)	-	-	469
Houses Capital	6,495	-	-	-	-	6,495
Curates Housing Reserve	6,114	540	-	-	-	6,654
Education	-	396	(459)	-	63	-
Viney Hill Development	170	-	-	-	-	170
Total Funds at 31 Dec 2020	14,255	941	(1,454)	-	63	13,805

Unrestricted funds are monies available for use at the discretion of the Board. The General Fund is for the day to day running of the Board and is funded primarily by the parish share. Certain funds have been earmarked for particular purposes and these are termed designated funds, they do not constitute legally separate funds.

The Development Fund has been designated to make a fund available to finance mission initiatives approved by Bishop's Council.

The Albright Bequest represents monies bequeathed by Miss Albright. From this bequest two loans were made to Glenfall House Trust (GHT) secured on the freehold of Glenfall House which previously was owned by the GHT. When these loans were created, the directors were of the opinion that the terms of these loans were such that the ultimate benefits and liabilities of ownership of Glenfall House remained with the Board with a right to use the house granted to the GHT. Glenfall House was always then recognised as an asset of the Board in accordance with FRS5 and had been included on the balance sheet at £1.2m based on a valuation carried out in 2000 by a qualified chartered surveyor. During 2016, the sale of Glenfall House to a third party was progressed with the surplus on sale being included as income to the Albright Bequest in 2016.

The Houses Capital Fund represents the cost, less outstanding loans, of houses owned by the Board to provide accommodation for assistant curates and team vicars. During 2019, the Board decided to make a transfer from the Houses Capital Fund to a new Curates Housing Reserve as part of the work undertaken on agreeing a new policy for the provision of housing for curates. The efficient operation of this new policy required the creation of a suitable reserve to enable the Resources Committee to buy and sell curates housing in a timely and controlled manner without frequent referral to Bishop's Council. The management of this reserve has been delegated to the Diocesan Resources Committee.

The Education Fund brings together the Education work undertaken by GDBF with income specific to that activity, primarily from the Voluntary Schools Fund and St Matthias Trust. The deficit for year was covered by a transfer from the general fund and is the portion of this work funded by the general fund.

The Viney Hill Development relates to a property owned by GDBF but used by Viney Hill Adventure Centre for charitable purposes consistent with those of the GDBF.

Notes to the financial statements

for the year ended 31 December 2020

Note 21 (continued)

Comparative Designated funds

	Balance at 1 Jan 2019 £'000	Income £'000	Expenditure £'000	Net gains/(losses) on assets £'000	Transfers £'000	Balance at 31 Dec 19 £'000
Development Fund	17	-	-	-	-	17
Albright Bequest	2,008	9	(558)	-	-	1,459
Houses Capital	11,308	-	-	-	(4,813)	6,495
Curates Housing Reserve	-	1,301	-	-	4,813	6,114
Education	-	385	(482)	-	97	-
Viney Hill Development	170	-	-	-	-	170
Total Funds at 31 Dec 2019	13,503	1,695	(1,040)	-	97	14,255

Note 22

Restricted funds

	Balance at 1 Jan 2020 £'000	Income £'000	Expenditure £'000	Net gains/(losses) on assets £'000	Transfers £'000	Balance at 31 Dec 20 £'000
Housing for elderly clergy	130	2	-	4	-	136
Ordination training	279	-	-	4	(25)	258
Diocesan pastoral fund	756	123	(51)	105	-	933
Stratton Davis fund	293	7	(10)	9	-	299
Bishop's Discretionary Mission fund	30	-	-	-	-	30
Ann Edwards Charity	1,712	87	(70)	-	-	1,729
Ministerial Education Training	47	196	(223)	-	-	20
Life projects	132	185	(143)	-	(86)	88
Other	(282)	98	(106)	-	42	(248)
Watermoor Trust	-	839	-	-	(839)	-
Feed 5K	-	49	(49)	-	-	-
HMRC furlough grants	-	66	-	-	(66)	-
Total Funds at 31 Dec 2020	3,097	1,652	(652)	122	(974)	3,245

Notes to the financial statements

for the year ended 31 December 2020

Note 22 Restricted funds (continued)

The Housing for Elderly Clergy fund derives from various bequests and is used to give assistance to retired clergy of the diocese in difficulty with their housing requirements. The Ordination Training Fund derives from various bequests, principally from the late Mrs. M Harries. The income is used to fund ordination training.

The Diocesan Pastoral fund is derived principally from the proceeds of sale of surplus parsonage houses due to pastoral reorganisations under the Pastoral Measure 1983. Under the Measure, the fund must be used firstly in connection with expenses relating to pastoral schemes and redundant churches. To the extent that it is considered that any remaining funds are not required, or are not likely to be required, for these purposes then the funds may be applied to any general purpose of the Board.

The Stratton Davis fund arises from a bequest received in 2001 from the estate of the late Mr. David Stratton Davis. The terms of the settlement are that the fund may be used for the repair or restoration of churches and their fixtures and fittings in the diocese. The Board has decided initially to use the income to make an annual grant to the Gloucestershire Historic Churches Trust.

The Bishop's Discretionary Mission fund derives from a donation received in 2013 and restricted to mission works of the Church of England at the Bishop of Gloucester's discretion.

The Charity of Ann Edwards restricted funds comprise the Extraordinary Repair Fund (ERF) and the Cyclical Maintenance Fund (CMF). These funds were established in the governing instrument and are for future repairs and maintenance.

The Ministerial Education Training fund relates to Resourcing Ministerial Education introduced in 2017.

The Life Projects fund relates to those special projects funded by the Life Development Fund.

The Other Restricted funds include a negative fund balance of £375k for Glebe revenue. This relates to glebe rental income less professional fees, repairs and maintenance against Glebe assets (the asset is held in the Glebe Property endowment fund – see note 23).

The Watermoor Trust fund relates to the sale of the property previously vested in a separate Trust whose sole Trustee is the GDBF. The Feed 5k fund relates to fundraising in response to the start of the global pandemic to ensure the most vulnerable across our Diocese could access quality meals. The expenditure relates to the awarding of grants to partner organisations, most notably Grace Network in Stroud – The Long Table.

Comparative Restricted funds

	Balance at 1 Jan 2019 £'000	Income £'000	Expenditure £'000	Net gains/(losses) on assets £'000	Transfers £'000	Balance at 31 Dec 19 £'000
Housing for elderly clergy	119	3	-	8	-	130
Ordination training	269	-	-	10	-	279
Diocesan pastoral fund	523	44	(51)	240	-	756
Stratton Davis fund	272	7	(10)	24	-	293
Bishop's Discretionary Mission Fund	42	-	(12)	-	-	30
Ann Edwards Charity	1,698	77	(63)	-	-	1,712
Ministerial Education Training	35	204	(192)	-	-	47
Life projects	45	162	(75)	-	-	132
Other	(279)	129	(89)	-	(43)	(282)
Total Funds at 31 Dec 2019	2,724	626	(492)	282	(43)	3,097

Notes to the financial statements

for the year ended 31 December 2020

Note 23

Endowment funds

	Balance at 1 Jan 20	Income	Expenditure	Net gains on assets	Transfers	Balance at 31 Dec 20
	£'000	£'000	£'000	£'000	£'000	£'000
Pensions & assistance	357	-	-	9	-	366
Benefice property	30,030	237	-	-	-	30,267
Diocesan stipends fund	26,188	-	319	1,925	(440)	27,992
Ann Edwards Charity	788	-	-	47	-	835
Glebe property	9,611	-	-	5,866	-	15,477
Total funds at 31 Dec 2020	66,974	237	319	7,847	(440)	74,937

Permanent endowment funds represent money that must be permanently held as capital, and may not be spent as income. Expendable endowment funds represent money that must be held as capital, but may be expended when certain conditions are satisfied.

The Pensions & Assistance fund is permanent endowment represented by a house used to provide accommodation for retired clergy and a cash balance arising from the sale of a second house.

The Benefice Property fund represents the value of benefice houses. These houses are owned by benefices, but are recognised as assets by the Board. The fund is classified as expendable endowment as under certain conditions the value of the houses may be realised and the proceeds used as income.

The Diocesan Stipends fund (DSF) represents ancient endowments and other gifts and legacies. The fund is governed principally by the Diocesan Stipends Funds Measure 1953 and the Endowment and Glebe Measure 1976, as amended. The fund is mainly invested in CBF managed funds. Income generated from the Fund must be used to fund stipends. The Fund is expendable under certain circumstances.

During 2019, Bishops Council approved a total return approach to investment for the CBF managed funds of the DSF. This change in policy took effect from 1st January 2019. An Unapplied Total Return Fund (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF.

The Unapplied Total Return fund comprises that part of the total return on the DSF which has not yet been allocated by the Board to either the General fund or the Permanent Endowment fund. It can be carried forward if not needed or allocated to be spent as income or reinvested in the DSF Permanent Endowment fund in a particular year.

The value of the remainder of the DSF will be preserved, by an amount equivalent to the application of RPI to the opening balance for the year being transferred from the Unapplied Total Return to the DSF fund. For the year ended 31st December 2020, the Board took the decision to transfer £1,108k (2019: £978k) from the Unapplied Total Return fund to the General fund. (see note 16c)

The Endowment Fund of the Charity of Ann Edwards represents the original endowment of the charity, comprising mainly the sale proceeds of Edwards College, the original Almshouse in South Cerney. This money may not be spent as income. Glebe property represents glebe land previously held by incumbents but transferred to the Board under the Endowment and Glebe Measure 1976. Income derived from rents must be used to fund stipends. Proceeds of sale of glebe land must be transferred to the DSF.

Notes to the financial statements

for the year ended 31 December 2020

Note 23 continued

Endowment funds

Comparative Endowment funds

	Balance at 1 Jan 2019	Income	Expenditure	Net gains/ (losses) on assets	Transfers*	Balance at 31 Dec 19
	£'000	£'000	£'000	£'000	£'000	£'000
Pensions & assistance	317	-	-	40	-	357
Benefice property	29,676	354	-	-	-	30,030
Diocesan stipends fund	21,292	-	260	4,976	(340)	26,188
Ann Edwards Charity	715	-	-	73	-	788
Glebe property	9,611	-	-	-	-	9,611
Total Funds at 31 Dec 2019	61,611	354	260	5,089	(340)	66,974

Note 24

Financial Commitments: Operating Leases

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

Land and buildings where the lease expires:

	2020 £'000	2019 £'000
Within one year of the balance sheet date	33	33
In the second to fifth years inclusive of the balance sheet date	132	132

Notes to the financial statements

for the year ended 31 December 2020

Note 25

Pensions

The GDBF participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy and 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.

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

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

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

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, 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.

Notes to the financial statements

for the year ended 31 December 2020

Note 25

Pensions (continued)

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m.

A valuation as at 31 December 2019 was under way as at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 34.7% of pensionable salary and expenses of £12,800 per year. In addition deficit payments of £167,784 per year have been agreed for 10.00 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2020 £'000	2019 £'000
Balance sheet liability at 1 January	1,299	1,384
Deficit contribution paid	(168)	(168)
Interest cost (recognised in SoFA)	17	30
Remaining change to the balance sheet liability* (recognised in SoFA)	44	53
Balance sheet liability at 31 December	1,192	1,299

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

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

	December 2020	December 2019	December 2018
Discount rate	0.5%	1.4%	2.3%

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.

Notes to the financial statements

for the year ended 31 December 2020

Note 25

Pensions (continued)

Church of England Funded Pension Scheme (CEFPS)

Gloucester DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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 specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

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 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 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.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Notes to the financial statements

for the year ended 31 December 2020

Note 25

Pensions (continued)

As at 31 December 2019 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2020 £'000	2019 £'000
Balance sheet liability at 1 January	742	2,291
Deficit contribution paid	(354)	(334)
Interest cost (recognised in SoFA)	6	45
Remaining change to the balance sheet liability* (recognised in SoFA)	24	(1,260)
Balance sheet liability at 31 December	418	742

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

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

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1%
Price inflation	3.1% pa	2.8% pa	3.1%
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6%

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

Notes to the financial statements

for the year ended 31 December 2020

Note 25

Pensions (continued)

Church of England Pension Builder Scheme (PBS)

For eligible salaried employees who commenced employment after 1st January 2013, the Gloucester Diocesan Board of Finance participates in the Church of England Pension Builder Scheme (PBS), within the Church Workers Pension Fund.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes. Pension Builder Classic provides a pension for members for payment from retirement, 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. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m 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, Gloucester DBF could become responsible for paying a share of that employer's pension liabilities.

Notes to the financial statements

for the year ended 31 December 2020

Note 26

Prior year comparative SOFA

	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000
Income & endowments from					
Donations					
parish share contributions	6,627	-	-	-	6,627
church commissioners	43	-	-	-	43
grants and other donations	263	357	455	-	1,075
Charitable activities – statutory fees and licence to occupy income	366		51	-	417
Other activities	2,039	20	-	-	2,059
Investments	770	9	120	-	899
Other	54	1,309	-	354	1,717
Total	10,162	1,695	626	354	12,837
Expenditure on					
Raising funds	1,332	-	-	-	1,332
Charitable activities	9,717	1,040	492	(260)	10,989
Total	11,049	1,040	492	(260)	12,321
Net income/(expenditure) before investment gains	(887)	655	134	614	516
Net gains on investments	-	-	282	3,829	4,111
Net income/(expenditure)	(887)	655	416	4,443	4,627
Total return transfer	300	-	-	(300)	-
Net income/(expenditure) after total return transfer	(587)	655	416	4,143	4,627
Transfers between funds	(14)	97	(43)	(40)	-
Other recognised gains/(losses)	(53)	-	-	1,260	1,207
Net movement in funds	(654)	752	373	5,363	5,834
Total funds brought forward	(2,087)	13,503	2,724	61,611	75,751
Total funds carried forward	(2,741)	14,255	3,097	66,974	81,585