

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

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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
<i>The number of employees whose emoluments exceeded £60,000 were as follows:-</i>		
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>	£'000	£'000	£'000	£'000	£'000
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		Total	
	<i>Properties</i> £'000	£'000	<i>Investments</i> £'000	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
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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	2022	2023	2022
	£'000	£'000	£'000	£'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	2022	2023	2022
	£'000	£'000	£'000	£'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)
<i>Unrealised gains at 31 Dec 2022</i>	-	-	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