

Gloucester Diocesan Board of Finance

Annual Report & Accounts

2024



Board of Trustees

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

Principal Officers

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

Solicitor

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

Bankers

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

Registered office

Church House
College Green Gloucester GL1 2LY

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Auditors

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Investment managers

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

Company limited by guarantee

Registered number 00162165

Registered charity number 251234

How have we done – some highlights

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

2024: 121 2023: 126 change:

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

parish share contributions

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

shortfall of parish share to fund parish ministry:¹

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

balance sheet value (net assets)

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

¹ See 'Ongoing Activities' section on page 9.

Trustees' report

for the year ended 31 December 2024

Structure, Governance and Management

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

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

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

Ex-officio members:

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

Members elected by the GDBF – House of Clergy

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

Trustees' report

for the year ended 31 December 2024

Structure, Governance and Management cont.

Members elected by the GDBF – House of Laity

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

Co-opted members and nominations

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

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

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

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

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

Trustees' report

for the year ended 31 December 2024

Structure, Governance and Management cont.

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

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

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

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

Public Benefit

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

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

Strategic Aims

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

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

Trustees' report

for the year ended 31 December 2024

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

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

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

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

Strategic Report

Vision: LIFE Together

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

There are five commitments in LIFE Together:

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

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

Deanery Strategic Planning

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

Trustees' report

for the year ended 31 December 2024

Strategic Report cont.

Deanery Strategic Planning cont.

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

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

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

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

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

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

Sportily

Sportily is a wholly owned subsidiary of the GDBF.

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

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

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

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

Trustees' report

for the year ended 31 December 2024

Strategic Report cont.

Gloucester Diocesan Board of Education

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

Church Development Agency

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

Grace Network

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

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

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

Jumping Fish

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

Ann Edwards Charity

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

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for the year ended 31 December 2024

Achievements and performance in the year

Financial Review

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

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

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

Fig1: Parish Share Collected cf. Parish Ministry Costs

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

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

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

² See Note 9

Trustees' report

for the year ended 31 December 2024

Plans for future periods

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

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

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

Church Housing Association

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

Church Development Agency

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

Carbon Net Zero

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

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

Trustees' report

for the year ended 31 December 2024

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

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

Principal risks and uncertainties

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

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

Governance and Management:

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

Operational Risks

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

Financial Risks

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

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External Risks

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

Going Concern

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

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

Investment policy

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

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

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

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

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

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

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

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

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

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

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

Reserves policy

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

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

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

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

Fundraising activities

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

Trustees' responsibilities in respect of the financial statements

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

Trustees' report

for the year ended 31 December 2024

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

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

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

Statements as to disclosure of information to auditors

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

Statements as to disclosure of information to auditors cont.

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

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

+Rachel Gloucestr.

+Rachel Gloucestr:

President, Gloucester DBF

David Roberts

Mr David Roberts

Chair, Gloucester DBF

Independent Auditors' Report

To the Trustees of Gloucester Diocesan Board of Finance

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditors' Report cont.

To the Trustees of Gloucester Diocesan Board of Finance

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent Auditors' Report cont.

To the Trustees of Gloucester Diocesan Board of Finance

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the Trustees of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

Independent Auditors' Report cont.

To the Trustees of Gloucester Diocesan Board of Finance

Audit procedures performed by the engagement team included:

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

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

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

Use of our report

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



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

10 Queen Street Place
London
EC4R 1AG

Date 27 June 2025

Consolidated statement of financial activities

for the year ended 31 December 2024

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

Consolidated summary income & expenditure account

for the year ended 31 December 2024

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

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

Other comprehensive income:

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

All income and expenditure is derived from continuing activities.

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

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

Consolidated balance sheet

as at 31 December 2024

Company number 00162165

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

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

David Roberts

David Roberts, Chair

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

Parent company balance sheet

as at 31 December 2024

Company number 00162165

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

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

David Roberts

David Roberts, Chair

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

Consolidated cash flow statement

for the year ended 31 December 2024

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

Accounting policies

for the year ended 31 December 2024

The principal accounting policies adopted are as follows:

Basis of Accounting

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

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line-by-line basis. The subsidiaries are Jumping Fish Limited, The Church Development Agency, Sportily Limited and the Ann Edwards Charity. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The deficit of the parent charity for the year was £3.968 million (2023: deficit of £2.753 million). Gloucester DBF meets the FRS102 definition of a Public Benefit Entity.

The principal accounting policies and estimation techniques are as follows.

Income

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

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

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

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

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

Expenditure

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

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

Accounting policies

for the year ended 31 December 2024

Expenditure cont.

- ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, expenditure relating to the running of the diocesan retreat centre, and expenditure on education and Church of England schools in the Diocese.
- iii) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the GDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) Support costs consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) Pension contributions. The GDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 27). The pension costs charged as expenditure represent the GDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which GDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.
- vi) Employee benefits. Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accruals basis and in line with FRS 102.

Taxation

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

Volunteers

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

Going Concern

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

Depreciation

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

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

Accounting policies

for the year ended 31 December 2024

Depreciation cont.

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

Tangible fixed assets

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

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

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

Fixed asset investments

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

Financial Instruments

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

Stock and Work in progress

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

Debtors

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

Accounting policies

for the year ended 31 December 2024

Cash

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

Creditors

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

Fund accounting

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

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

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

Operating leases

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

Judgements and estimates

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

Accounting policies

for the year ended 31 December 2024

Judgements and estimates cont.

Significant judgements:

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

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

Sources of estimation uncertainty:

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

Notes to the financial statements

for the year ended 31 December 2024

Note 1

Parish Share

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

Note 2

Income from the Church Commissioners

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

Notes to the financial statements

for the year ended 31 December 2024

Note 3

Grants and other donations

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

Note 4

Other activities

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 5

Investments

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

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

Note 6

Other

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

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

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

Note 7

Raising funds

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

Notes to the financial statements

for the year ended 31 December 2024

Note 8

Charitable activities

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

Notes to the financial statements

for the year ended 31 December 2024

Note 8 cont.

Comparative analysis for 2023

Charitable activities

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

Notes to the financial statements

for the year ended 31 December 2024

Note 9

Analysis of expenditure including the allocation of support costs

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 12

Net movement in funds is stated after charging:

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

Note 13

Interest on long term loans

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 14

Staff costs

Costs of employees and officer holders

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

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

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 14

Staff costs cont.

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

Remuneration of key management personnel

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

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

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

Trustees'/Trustees' emoluments

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

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

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 14

Staff costs cont.

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 15b Parent

Tangible Fixed Assets

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

Notes to the financial statements

for the year ended 31 December 2024

Note 16a Group

Fixed Asset Investments

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

Gains on investment assets

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 16b Parent

Fixed Asset Investments

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

Gains on investment assets

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

Investments comprise:

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

Notes to the financial statements

for the year ended 31 December 2024

Note 16b

Fixed Asset Investments cont.

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

The Diocese has four wholly owned subsidiaries:

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 16c

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 16c

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

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

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

Note 17

Stock and Work In Progress

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

Note 18a

Consolidated group debtors

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

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

Note 18b

Parent company debtors

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

Notes to the financial statements

for the year ended 31 December 2024

Note 19a

Consolidated group creditors

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

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

Note 19b

Parent company creditors

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 20

Analysis of net assets by fund:

Summary

Funds at 31 Dec 2024 are represented by:

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

Funds include the following unrealised gains on investments:

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

Comparative analysis of net assets by fund:

Summary

Funds at 31 Dec 2023 are represented by:

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

Notes to the financial statements

for the year ended 31 December 2024

Note 20 cont.

Funds include the following unrealised gains on investments:

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

Note 21

Designated funds

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

Notes to the financial statements

for the year ended 31 December 2024

Note 21 cont.

Designated funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 21 cont.

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

Note 22

Restricted funds

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

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

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

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

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

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

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

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

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

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

Note 22

Restricted funds

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

Notes to the financial statements

for the year ended 31 December 2024

Note 22

Restricted funds cont.

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 23

Endowment funds

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

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

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

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

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

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 23

Endowment funds cont.

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

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

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

Note 24

Financial Commitments: Operating Leases

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

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

Note 25

Related party transactions

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

Notes to the financial statements

for the year ended 31 December 2024

Note 26

Reconciliation of Net Debt

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

Comparative reconciliation of Net Debt

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

Note 27

Pensions

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

The CWPF has two sections:

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

Defined Benefits Scheme

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 27

Pensions cont.

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

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

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

A valuation of DBS is carried out once every three years. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

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

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

The movement in the provision is set out below:

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 27

Pensions cont.

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

	December 2024	December 2023	December 2022
Discount rate*	N/A	N/A	0.0%

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

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

Church of England Funded Pension Scheme (CEFPS)

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

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year which were £750k in 2024 (2023: £802k) plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £nil (2023: £nil).

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020=0%).

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

Notes to the financial statements

for the year ended 31 December 2024

Note 27

Pensions cont.

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

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

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

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

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

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

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

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

Church of England Pension Builder Scheme (PBS)

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

CWPf has two sections:

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

Notes to the financial statements

for the year ended 31 December 2024

Note 27

Pensions cont.

Pension Builder Scheme

Both sections are classed as defined benefit schemes.

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

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

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

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

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022.

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

The next valuation is due as at 31 December 2025.

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

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

Notes to the financial statements

for the year ended 31 December 2024

Note 28

Prior year comparative SOFA

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