

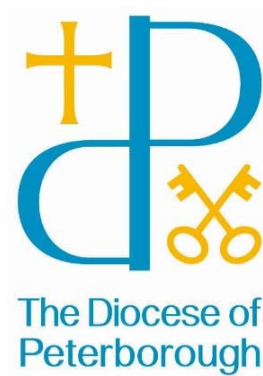
Company registration number 186179

Charity registration number 250569

PETERBOROUGH DIOCESAN BOARD OF FINANCE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



A large print version is available on request from
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PETERBOROUGH DIOCESAN BOARD OF FINANCE

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PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Foreword

I am delighted to introduce you to the Diocesan Board of Finance Annual Report. Since taking up post at the beginning of March, I have been enjoying travelling around the Diocese and getting to know you better. There is so much to give thanks for as we seek to share the love of Jesus with those around us and I have appreciated hearing your stories.

As you read this report, you will see that our finances remain on a consistent basis, which provides the opportunity for a wide range of ministries to take place across the Diocese. We are always looking at ways to be good stewards of our financial resource and I am grateful to the members of the DBF, especially the Chair, Paul Buckingham, for their careful work. Thanks must also go to the staff who work behind the scenes to ensure our accounts are in order, under the guidance of our Chief Finance Officer, David Mason.

I would like to take this opportunity to thank you for your generosity and support as we partner together in the work of God.

With my prayers

+Debbie

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Introduction

The trustees, who are also the directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2023. The names of the trustees/directors serving during this period from 1 January 2023 to the date of this report can be found in section 11.

3 Strategic Report and Aims

The financial affairs of the Diocese are conducted through the Peterborough Diocesan Board of Finance ('the DBF') which is governed by its Articles of Association (which were updated in 2017) as well as by statutory provisions in the Diocesan Boards of Finance Measure 1925. At a strategic level, the DBF is responsible for the financing of any recommendations proposed by the Bishops Management Group and agreed by Diocesan Synod for the furtherance of the Bishop's vision for growth.

In addition to ensuring the Diocese complies with national safeguarding standards, the main functions of the DBF are:

- to finance and administer recruitment, training, deployment and housing of clergy appointed to posts in parishes in the Diocese;
- to finance and administer recruitment and employment of clergy and other staff based in offices in Peterborough and Northampton; handling Diocesan administration and, led by the Bishop, providing parish focused services in relation to mission, training, parish development, youth and children's work and social, rural and urban issues;
- to finance any strategic recommendations proposed by the Bishop's Management Group and agreed by Diocesan Synod for the furtherance of the Bishop's vision for growth;
- to manage, or arrange the management of, investments, including glebe assets, owned by the DBF;
- to be financially responsible for the care of closed churches in the 'alternative use seeking' period;
- to act as custodian trustee of assets on behalf of some parishes which are held on permanent trusts by vesture of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964, the managing trustees being parochial church councils and other bodies.

The overarching strategic aim continues to be achieving growth in all areas of mission in the church in Peterborough Diocese. We are committed to supporting the provision of ministry especially in the poorest parts of the Diocese. To assist us in that endeavour we are grateful for the Low Income Communities Grant funding from the National Church. We are further assisted by the Strategic Development Funding awarded in 2018, which underpins the training of youth mission enablers in the Diocese, aimed at engaging a new and younger church family to sustain long term growth in this Diocese.

The trustees will continue to make deliberate use of financial resources through the Pastoral Fund to address the budget deficit. We recognise the importance of this in a time when parishes have found they cannot fundraise in traditional ways and with significantly rising building costs.

We remain committed to these aims, and will work towards them against the backdrop of the pandemic and its continued impact on us and our parishes. We remain committed to using the opportunities and experience we have gained to consider what we might look like going forward.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Objectives

To ensure we offer the best service to our parishes and communities in the most efficient and effective way.

Many parishes continue to experience financial challenges. It is apparent those parishes where their major source of income is from regular planned giving (by Standing Order or Direct Debit) are better able to meet the financial challenges. The roll out and switch to the Parish Giving Scheme has continued. We will continue to promote this scheme to encourage regular planned giving more widely across the Diocese.

We will engage fully in developments in National Safeguarding Policies and Procedures and Training to ensure the Peterborough Diocese remains a safe place to worship, work and live. The Safeguarding team provide the advice, guidance and ongoing support to: Parishes, the Diocesan Board of Finance Staff (DBF) Officers and Clergy, The Bishops Office Staff, Officers and Clergy.

We will ensure clergy numbers are affordable, and clergy in post receive continuous professional development to help them deliver growth in the Christian Church in this Diocese; allowing the foundations to emerge for further increases in clergy numbers in future years.

We will continue to work to create, sustain and increase the pipeline of people offering for ordained and licensed lay ministries in order to resource the growth of the church across the Diocese. We have received Strategic Ministry Funding of £53,610 to help with the cost of having an additional curate and also had confirmation of continuing funding for a further extra curate in 2024.

The trustees will review the property portfolio to seek the potential to sell houses not required for ministry purposes.

The trustees will continue to use video conferencing to drive down costs. Investment in improved hardware and infrastructure capability will drive transformational change.

We have moved on to MyConcern and will implement the new National Safeguarding Casework Management System, and an online Faculty System is being rolled out across the Diocese and will help to reduce bureaucracy and improve efficiencies.

We have adopted the National Church Route Map to Net Zero Carbon by 2030 and have begun the implementation of measures to achieve this target across all departments. We will offer advice and guidance to parishes to assist their journey to Net Zero Carbon by 2030 including advising on the completion of the On Line Energy Footprint Tool to provide them with baseline figures relating to the carbon footprint of individual churches. A Net Zero Officer will be appointed in partnership with Leicester Diocese.

The DAC will continue to signpost parishes to the national church sources of information in relation to environment and climate change, along with the availability of subsidised energy audits. We will administer the Buildings for Mission Minor Repairs and Improvements Fund and will apply for National money from the Quick Wins Fund.

Over the next year, a key priority is to encourage all our clergy and churches to engage with their local schools and through that to build relationships with parents and families. An application will be made to the Flourish initiative.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Activities and Achievements

Recovering from the pandemic continued to impact on the work and mission of the Diocese in 2023.

Despite the challenges, no annual report would be complete without the acknowledgement of the efforts parishes have made to continue to meet their parish share obligations - 81.1% received. As the most significant element of funding of the work described in every annual report by the trustees of the Diocesan Board of Finance, we simply would not exist without the hard work, generosity and sacrifice of our donors. THANK YOU.

Safeguarding remains a priority, and a new Diocesan Safeguarding Officer will lead the work afresh in 2024 to deliver the national safeguarding training obligations we have and look forward to continuing our work to keep this Diocese a safe place to worship, work and visit.

We continually review our working practices to ensure we can continue to benefit from changed working practices brought about by the pandemic. Most of our meetings remain in the virtual space, with a 'hybrid' option in Bouverie Court with the installation of new audio visual equipment. We are of course committed to offering 'face to face' meetings when required or requested, but do so mindful of the cost both in terms of finances and environmental damage.

Vacant posts (clergy or lay) remain subject to scrutiny to ensure any appointments are missionally necessary and financially affordable. The equivalent of 8.1 incumbent posts were vacated during 2023 but 11.2 incumbent status posts were filled. We are also well supported by clergy who do not take a stipend and by those providing duty in return for housing.

Pastoral Reorganisation has been progressing following a hiatus during the pandemic. Deaneries are being encouraged to prepare to develop local reviews.

The Diocese uses Interim Ministry to turn around parishes that are struggling and to focus attention and resources where they are most needed. The LICF grants have helped to make this possible and have been particularly helpful in sustaining that ministry during the demands and financial constraints of Covid.

The Diocesan Website continued to be developed and content imported to provide an enhanced resource for all of our parishes.

6 Structure and Governance

The DBF is a company limited by guarantee with company number 186179, and a registered charity with charity number 250569. Its registered office is The Diocesan Office, The Palace, Peterborough PE1 1YB. The DBF is registered for VAT, with registration number 737 9263 95. It has not undertaken any activities which would give rise to corporation tax. Details of the principal officers and agents of the DBF are in section 11.

The charity, which has no share capital, is a company limited by guarantee. The trustees, who are also the directors may derive no benefit or income from, or have any capital interest in, the charity's financial affairs other than reimbursement of out-of-pocket expenses. Trustees who are also clergy are paid a stipend for their services as clergy.

The members of the DBF act as both its board of directors and as charity trustees. Members are elected for a term of three years, lay members by Deanery Synods and clergy members by Diocesan Synod. Members can also be co-opted on to the DBF. The trustees maintain a register of people with significant control and have determined that the sole entry on the register is the Bishop of Peterborough.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Structure and Governance

A small team of staff based in offices in Peterborough and Northampton handle essential administration. In addition a number of Bishop's Officers (many part-time or honorary) oversee such things as safeguarding, mission, training, parish development, youth and children's work and social, rural and urban issues.

Charitable donations are made as part of normal expenditure in the exercise of the charity's objectives. No political contributions are made.

The members of the DBF as charity trustees are aware of the Charity Commission's guidance on public benefit and have regard to that guidance in their administration of the charity.

The trustees believe that, by supporting the work of the Church of England in the Diocese of Peterborough, the DBF helps to promote more effectively the whole mission of the Church (pastoral, evangelistic, social and ecumenical), both in the Diocese as a whole and its individual parishes, and that in doing so, it provides a benefit to the public by:

- Providing resources for public worship, pastoral care and spiritual, moral and intellectual development, for its members as well as for anyone who wishes to benefit from what the Church offers;
- Promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole; and

6.1 Committees

Certain DBF Committee functions are described below. In addition, matters requiring senior management attention are dealt with by the Bishop's Management Group (BMG) for pastoral issues relating to clergy, officers and staff, and by the Bishop's Leadership Team (BLT) for operational matters relating to achieving the Bishop's Vision. Remuneration for clergy members of senior management accords with levels set by the Church of England Central Stipends Authority; A staffing sub-committee of the DBF Finance and Administration Committee (see below) reviews lay staff salaries and any annual increases are in line with the increase in clergy stipends.

These management teams sit in addition to Diocesan Synod, Bishop's Council and the Board of Finance and its various committees.

6.1.1 Finance and Administration Committee

This committee acts as the Executive Committee of the charity and focuses particularly on budget preparation, the parish share and the overall financial strategy.

6.1.2 Glebe and Trust Committee

This committee directs and manages the glebe properties on behalf of the charity and acts for the DBF in its corporate capacity as custodian and managing trustee.

A joint meeting of the Finance and Administration and Glebe and Trust Committees helps define an investment policy for the Board's assets, acting as the Investment Steering Group.

6.1.3 Houses Committee

The functions of the DBF as Diocesan Parsonages Board are delegated to the Houses Committee. This committee deals with the provision of, and day-to-day maintenance of, clergy housing.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Structure and Governance (continued)

6.1.4 Audit Committee

This committee scrutinises the financial reporting of the DBF and reviews governance procedures and documentation.

We were saddened at the death of Jeremy early in 2023. He brought serious in-depth thinking to the Committee and helped to ensure policies were developed and adhered to. He will be greatly missed.

A new Chair, Alice Cooper, was appointed on 29 April 2024.

6.2 Diocesan Board of Education

Peterborough Diocesan Board of Education (DBE) has charitable status and is an unincorporated body separate from the DBF - it was granted charitable status with the Charity Commission on 27 September 2023, registration number 1204953. The DBF grants funds to the DBE on an annual basis. The DBE has separate officers and staff and administers its own day-to-day operations. Note 32 gives a breakdown of the assets and liabilities of the DBE that were removed from the DBF when it became a separate body on 1 January 2023.

6.3 Related Organisations

Within the ministry of the Church of England in the Diocese of Peterborough, the DBF plays an important role in co-operation with other people and charities that form part of the Church. While the Bishop of Peterborough and her clergy have the cure of souls within the Diocese, the responsibility for the funding of stipends for clergy (other than bishops and cathedral clergy), provision of clergy housing (other than for the Diocesan bishop and cathedral clergy) and training, as well as other associated costs, falls to the DBF. Some such clergy, listed in 11.2, are members of the DBF.

The main income of the DBF consists of parish share contributed by the parishes of the Diocese. The DBF calculates parish share according to a formula agreed by the Diocesan Synod, which is intended to cover the cost of ministry.

Whilst Dioceses are responsible for the funding of clergy stipends, the national clergy payroll is administered by the Church Commissioners, to whom the DBF reimburse the costs of stipendiary clergy deployed in the Diocese. The Church Commissioners also make grants for ministry in dioceses and parishes. The Archbishops' Council funds the administration of the general Synod, its boards and committees, and work undertaken on behalf of the church nationally. The DBF contributes a share of these costs annually according to a formula agreed by that Synod, to which the Diocese elects a number of lay and clergy members.

6.4 Other related organisations:

- The Church of England Pensions board, to whom the DBF pays retirement benefit contributions for stipendiary clergy and employees;
- The Ecclesiastical Insurance Group plc, to whom the DBF pays insurance premiums;
- Shared Churches (Peterborough) Ltd and Shared Churches (Northampton) Ltd, to whom the Diocese makes annual contributions;
- The Peterborough Diocesan Education Trust (PDET), a multi-academy trust formed by the Peterborough Diocese Board of Education who occupy space at Bouverie Court under the terms of a sharing agreement;
- Peterborough Cathedral, to whom we provide IT services to under a service level agreement;
- Bishop's Office, to whom we provide IT services to under a service level agreement.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Financial review

We are immensely grateful to the efforts made in all our parishes to meet the requests for parish share and celebrate the hard work our parishes make to meet their obligation despite these incredibly difficult times. Thanks are due to all concerned in continuing to respond to the need to resource our Kingdom journey. The DBF recognises that an increasing number of parishes are finding it extremely difficult to meet the requests for parish share. Many are meeting the increases from reserves, and almost half are not paying in full.

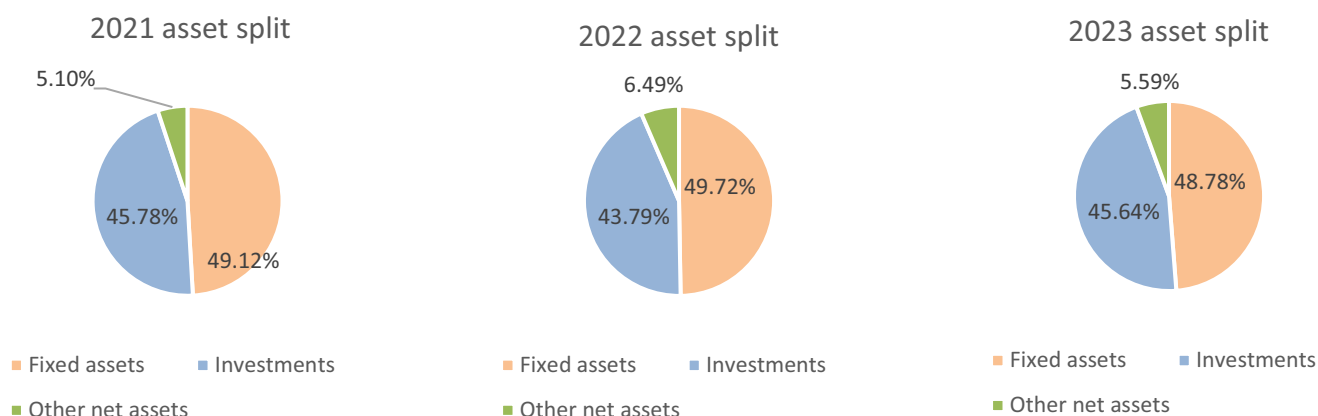
We are committed to ensuring we use this experience to drive forward transformational change to make cost savings where possible. Achieving a balanced budget remains the strategic aim of the trustees without damaging the excellent work done over the period to achieve sustainable growth of the Church.

The Diocesan Synod approved a deficit budget for 2023 of £877,143. The actual results for 2023 show a deficit before investment gains and revaluations of £457,019. As has been the case in the previous three years, the on-going effects of the pandemic and clergy vacancy rates caused significant movements to the budget. The movements are explained in the income and expenditure review on pages 8 and 9.

The DBF is responsible for two main categories of asset – clergy houses and investments. The accounting requirement is that the assets be entered into the year end balance sheet at an estimated current valuation. Given recent years' increases in house prices and in the markets for land and financial investments, the DBF balance sheet figures on page 23 have increased significantly. These valuation increases are not available to subsidise DBF expenditures.

Trustees hold the portfolio of clergy houses for their operational importance to the provision of ministry in the Diocese. With only rare exceptions, the houses are not for sale and their financial impact is more a matter of the level of expenditure appropriate to their maintenance than to the increase or decrease in year-end valuation.

Investments (land and financial investments) are principally permanent endowments which are held neither for operational purposes or for sale. Their importance is in providing an annual financial return which enables the DBF to afford a higher level of ministry and support expenditure than would be possible without it.



PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

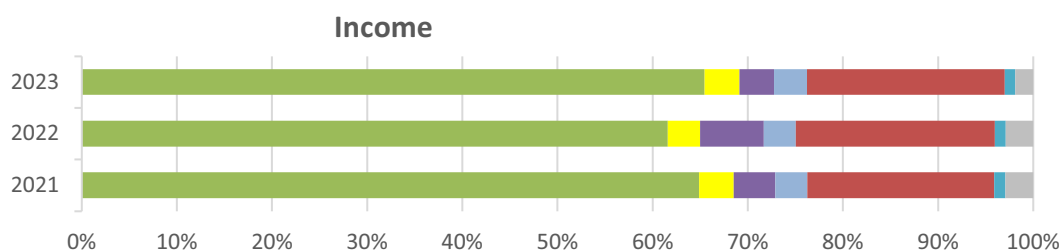
FOR THE YEAR ENDED 31 DECEMBER 2023

7 Financial review (continued)

Income review

Parish share, the money given by parishes to the Diocese to fund its mission and ministry, is still the main incoming resource for the Diocese. Parish share receipts for 2023 were lower than in recent years, although the percentage "collected" remained broadly consistent with 2020 to 2022. Including the amounts received in respect of earlier years, share decreased in cash terms by £136,996 compared to 2022. The total share received when expressed as a percentage of the overall share requested was 80.9% (2022 : 80.4%).

Investment income decreased by approximately £230,000. This was due to a £194,000 glebe receipt in 2022 not repeated in 2023. Additionally, this was due to a move to new investment managers so there was a small time lag in the dividend income from the new portfolio replacing the old portfolio. We took this opportunity to divest of our interest in fossil fuel companies.



	2021	2022	2023
■ Parish share	64.88%	61.58%	65.47%
■ Fees	3.64%	3.42%	3.65%
■ Church Commissioners funding	4.38%	6.69%	3.65%
■ Low Income Communities funding	3.37%	3.34%	3.45%
■ Investment income	19.63%	20.94%	20.79%
■ All Churches funding	1.17%	1.14%	1.10%
■ Other income	2.93%	2.89%	1.89%

Expenditure review

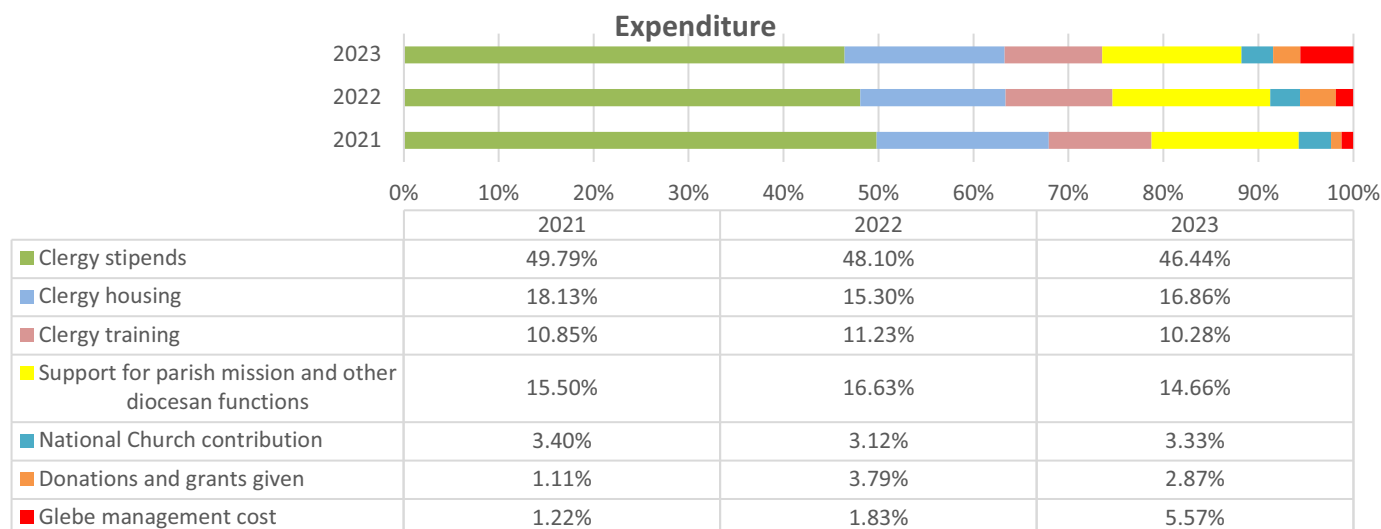
Our main activities continued to return to normality in 2023. However, there were still positive variances against budgeted expenditure in most areas. Unfilled clergy vacancies and training courses not being run resulted in a £531,931 positive variance to budget - clearly, this had a significant negative impact on our mission work. We were able to inspect and carry out works in clergy houses and, by using more effective and efficient contractors, our housing costs were £32,452 under budget. As a continued result of home working, there were again considerably lower travelling and training costs along with other general office cost savings.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

7 Financial review (continued)

Expenditure review (continued)



7.1 Investment Policy

The trustees' investment policy is that the investments made should produce as much income as reasonably possible while maintaining the real value of the asset base. This policy also requires that the value of the total investment portfolio should be split approximately equally between financial assets and glebe. The trustees decided that a Total Returns policy in respect of its permanent endowment is not appropriate at this time.

Although there are no significant legal restrictions on the range of assets in which the trustees may invest, the advice of the Church of England Ethical Investment Advisory Group is required to be followed as far as possible. Any identified breach of these guidelines is required to be reported to the trustees who will direct what action to take.

The Finance and Administration Committee and the Glebe and Trust Committee meets together from time to time, as an Investment Steering Group, to ensure that each of them is aware of the position of the other with regard to the investment policy agreed by the trustees.

During the year, the DBF took the decision to change its investment manager to Charles Stanley and Co. This has resulted in the DBF disposing of its holdings in the CCLA investment account and M&G Charifund and has taken the decision to divest of holdings in companies involved in fossil fuels.

7.2 Reserves Policy and Reserves

The DBF notes that 65.47% of its annual income is from parish share receipts (2022 - 61.58%) with most of the balance coming from historic resources.

In view of the need to fund clergy stipends whether or not receipts from the parishes are up to date, the charity's reserves policy is to operate within a minimum general fund reserve of 60 days of annual expenditure - £1,628,080 (2022 - £1,779,753).

At 31 December 2023, the level of funds which are unrestricted, undesignated and not held as fixed assets totalled £2,929,8080. This equates to approximately 99 days of annual expenditure (2022 - 79 days).

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Risk management

The trustees are responsible for the identification, mitigation and/or management of risk. To achieve this the DBF has a register of all risks identified, supported by the appropriate policy. The risk register is subject to annual review and responsibility for delivery of the mitigation activities are delegated to the Diocesan Secretary.

The pandemic, associated lockdown, and post-pandemic challenges has exposed us to a greater level of financial and pastoral risk as well as some opportunities. Balancing expenditure against income will be a key challenge in the coming years and the risk register below will incrementally change to reflect a new operating environment based on driving efficiencies through opportunities presented by the pandemic.

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

8.1.1 Spiritual Leadership

The risk that the Diocese is ineffective in providing a spiritual lead for the people it seeks to serve.

The mitigations for this are:

- The work of the Director of Ordinands and Director of Mission is explicitly linked to the vision for growth.
- The training and ongoing professional development of ordained stipendiary clergy explicitly links to the vision for growth.
- The rollout of the 'Leading your Church into Growth' (LyCiG) training to parishes, with some financial assistance, is explicitly linked to the vision for growth.

8.1.2 Finances

The risk that there is a failure to generate enough income from parish share, investments and other income sources affects the vision for growth.

The mitigations for this are:

- Routine monitoring of Income v Expenditure;
- The Investment Policy designed to provide growing investment income;
- The importance of paying parish share in full is emphasised routinely; the application of the Low Income Communities Funding is designed to assist poorer parishes with their share obligation;
- The opportunities presented through a different way of working in the pandemic will be used to drive down expenditure where possible;
- A Budget Review Group is convened at times of crisis to identify measures to counter the impact of medium term shortfalls in income/savings on expenditure.

8.1.3 An unforeseen incident adversely affects the reputation of the Diocese

The risk of an unforeseen incident affecting the reputation of the Diocese - this could be either in the safeguarding or data security (IT) environment.

The mitigations for this are:

Safeguarding;

- The DBF invests in highly skilled and well-trained safeguarding professionals in advisor roles;
- We align our policies to the National Church guidance;
- All parishes are required to implement and endorse the Diocesan Safeguarding Policy;
- The DBF provides compulsory safeguarding training for all staff.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Risk management (continued)

8.1.3 An unforeseen incident adversely affects the reputation of the Diocese (continued)

Information Technology;

- The DBF has invested in a professional IT Managed Service Company to deliver the IT function across the DBF offices;
- The IT delivery model puts data security and cyber essentials accreditation at its core; in addition to providing opportunities for efficiency savings;
- Infrastructure developments implemented during 2021/2022 provide additional opportunities for savings through migrating to cloud services;
- The IT service delivery model is underpinned by a clear governance framework and staff user forums.

8.1.4 Changing demographic profile.

The risk is that an aging participating population without any rebalancing is detrimental to the future of the Church in the Diocese.

The mitigations for this are:

- The team goals for the Mission Team include “researching ways to encourage growth and mission piloting ‘Church in Schools’ to encourage young people to come to the Church;
- The Generation to Generation Strategic Development Funded project is focussed on children and youth and increasing their participation in the Church.

9 Structure and Governance of the Church of England

The Church of England is organised as two provinces, each led by an archbishop. The Archbishop of Canterbury leads the Southern Province and the Archbishop of York leads the Northern Province. Each province is comprised of dioceses of which there are 41 in England (42 including the diocese of Europe).

Dioceses, each under the spiritual leadership of a Diocesan Bishop, are the principal pastoral, financial and administrative resource of the Church of England. Each Diocese is divided into parishes. Each parish is overseen by a parish priest, who is an Incumbent (Vicar or Rector) or Priest-in-Charge. From ancient times through to today, Incumbents and their Bishop are responsible for the ‘cure of souls’ in their parish.

His Majesty the King, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and some deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally led, with 108 bishops including Diocesan Bishops and Assistant and Suffragan Bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures, which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or ‘houses’ of members: The Houses of Bishops, of Clergy and of Laity. General Synod meets in London or York at least twice annually to consider legislation for the broader good of the Church.

9.1 Three National Church Institutions

The Archbishops’ Council, the Church Commissioners and the Church of England Pensions Board are the three National Church Institutions.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Structure and Governance of the Church of England (continued)

9.1 Three National Church Institutions (continued)

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage historic assets of the Church of England, spending most of their income on pensions for the clergy. The Church Commissioners meet the costs of episcopal administration through the Diocesan and Suffragan Bishops.

The Church of England Pensions Board was established by the Church Assembly in 1926 to administer the pension scheme for the clergy. It was subsequently given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for surviving partners of those who have served in ministry; and to administer pension schemes for lay employees of Church organisations.

The Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close co-operation both with the Archbishops' Council and with the Church Commissioners.

The financial transactions of the General Synod, the Church Commissioners and the Archbishops' Council do not form part of these accounts.

9.2 The Diocese of Peterborough

The Diocese of Peterborough was created in 1541, following the dissolution of the Benedictine Abbey of Peterborough under Henry VIII. The Diocese assumed roughly its present dimensions in 1927 with a total area of 1,150 square miles.

The Diocese comprises 350 parishes, divided into 12 deaneries, covering Northamptonshire, the part of Cambridgeshire formerly known as the Soke of Peterborough (i.e. the area of the present-day city of Peterborough north of the River Nene) and the county of Rutland. The River Nene marks part of the boundary with the Diocese of Ely, which falls mainly to the east; to the south the Diocese borders St Albans and Oxford dioceses, to the west Coventry and Leicester, and to the north Lincoln. Its total population is around 917,000 (mid term estimate 2017).

The Diocese comprises two archdeaconries, the Archdeaconry of Northampton to the south and the Archdeaconry of Oakham to the north, each with a broad rural/suburban/urban and socio-cultural mix. The Archdeacon of Northampton has an office base and lives in Northampton, and the Archdeacon of Oakham in Peterborough.

Peterborough Cathedral is the Mother Church of the Diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements are available from: The Cathedral Office, Minster Precincts, Peterborough PE1 1XS.

The Diocesan Synod is the statutory governing body of the Diocese. It is made up of broadly equal numbers of clergy and lay representatives elected from across the Diocese together with the bishops and archdeacons. Its role is to:

- consider matters affecting the Church of England in the Diocese;
- act as a forum for debate of Christian opinion on matters of religious or public interest;
- advise the Bishop where requested;
- deal with matters referred by General Synod;
- provide for the financing of the Diocese.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

9.2 The Diocese of Peterborough (continued)

Each deanery has a Deanery Synod. Each Deanery Synod has two houses, laity and clergy, and Deanery Synod's role is to:

- give effect to the decisions made by Diocesan Synod;
- consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod;
- raise with Diocesan Synod such matters as it considers appropriate;
- elect members of the deanery to Diocesan Synod and of the Diocese to General Synod.

The Bishop's Council, under the constitution of Diocesan Synod, has the following functions:

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion;
- To initiate proposals for action by the Synod and to advise it on matters of policy. This includes taking forward, for approval by Synod, recommendations made by the Bishop's Management Group;
- To advise the President (the Diocesan Bishop) on any matter;
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees;
- To carry out such functions as the Synod may delegate to it.

A Parochial Church Council (PCC) is the elected governing body of an individual parish which in general is the smallest pastoral area in the Church of England. Typically, each parish has one parish church. A PCC comprises of the incumbent as chair, the churchwardens, and a number of elected and ex-officio members. Each PCC is a charity. All PCCs with gross income over £100,000 are required by law to register with the Charity Commission (as soon as practical after their gross income exceeds £100,000) unless the Charity Commission issues a written determination to the contrary. This may be possible in exceptional circumstances such as when gross income includes a substantial grant for a purpose that will not be repeated in the near future. If not required to register, PCCs are 'excepted' charities. Financial statements of an individual PCC are available from the relevant PCC treasurer.

The DBF is custodian trustee of assets held on permanent trusts by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964, the managing trustees being parochial church councils and other bodies. We do not aggregate these assets in the financial statements, as the DBF does not control them, and they are segregated from the DBF's own assets. Further details of financial trust assets, whose market value at 31 December 2023 was £16,036,953 (2022 - £13,601,506), are set out in note 30 to the accounts. Where we hold properties as custodian trustee, the deeds are held in safe custody by the DBF's solicitors.

Parishes, Benefices, Deaneries and Archdeaconries are the remaining geographic units. A benefice is an ecclesiastical office in a parish or group of parishes normally served by an Incumbent. Team ministries may have several clergy of incumbent status serving in one benefice. A deanery is a group of parishes over which a rural dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

The information in this section about General Synod, the Church Commissioners, the Archbishops' Council, Peterborough Cathedral and PCCs is included as background only. The financial transactions of these bodies do not form part of these financial statements.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Statement of Trustees' Responsibilities

10.1 Trustees' Responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees (as company directors) to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the DBF and of the surplus or deficit of the DBF for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the DBF will continue to carry out its charitable activities.

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

10.2 Statement of disclosure to auditors

As far as the trustees are aware, there is no relevant audit information of which the DBF's auditors are unaware. The trustees have taken all necessary steps to make themselves aware of any relevant information and to establish that the DBF's auditors are aware of that information.

The Trustees Annual Report, which includes the Strategic Report, was approved by the Board on 25 Sep 2024

Signed on its behalf by:

Paul V Buckingham

Paul Buckingham (Wed, 25th Sep 2024
16:41:13 BST)

Dr Paul Buckingham
Chair

Andrew Roberts

Andrew Roberts (Thu, 26th Sep 2024
8:47:59 BST)

Andrew Roberts
Secretary and Treasurer

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Administrative Details

11.1 Officers and Agents

President	Rt Revd D M Sellin (Bishop of Peterborough) - from 3 March 2024 Rt Revd D S Allister (Bishop of Peterborough) - until 8 January 2023	
Chair	Dr P Buckingham	
Secretary and Treasurer	Mr A J Roberts	
Assistant Secretary	Mrs S J Ratcliffe	
Registered Office	The Diocesan Office The Palace Peterborough PE1 1YB	
Registered Numbers	Company Registration No. 186179 Charity No. 250569 VAT Registration No.737 9263 95	
Diocesan Surveyors, Glebe and Property Agents	Houses / Surveyors	Glebe agents
	Carter Jonas LLP 12 Waterside Way Bedford Road Northampton NN4 7XD	Andrew Granger & Co Limited 44-46 Forest Road Loughborough Leicestershire LE11 3NP
Bankers	Barclays Bank plc 1 Church Street Peterborough PE1 1QP	
Auditors	Price Bailey LLP Tennyson House Cambridge Business Park Cambridge Business Park CB4 0WZ	
Investment Fund Managers	Charles Stanley & Co Ltd 55 Bishopsgate London EC2N 3AS	CCLA Investment Management Ltd 1 Angel Lane London EC4R 3AB

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

11.1 Officers and Agents (continued)

Diocesan Registrar Ms A Spriggs
c/o The Diocesan Office

Diocesan Chancellor Mr D M Pittaway KC
c/o Diocesan Registrar

Deputy Diocesan Chancellor Mr M Griffiths KC
c/o Diocesan Registrar

Solicitors Howes Percival LLP
Nene House
4 Rushmills
Northampton
NN4 7YB

Finance and Administration Committee Chair: Dr P Buckingham
Secretary: Diocesan Secretary
c/o The Diocesan Office

Glebe and Trust Committee Chair: Mr William Craven
Secretary: Property Officer
c/o The Diocesan Office

Houses Committee Chair: Mr R Purser
Secretary: Property Officer
c/o The Diocesan Office

Audit Committee Chair: Mr J Orme (to 15 March 2023)
Chair: Mrs A Cooper (from 29 April 2024)
Secretary: Assistant Diocesan Secretary
c/o The Diocesan Office

PETERBOROUGH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

11.2 List of trustees/directors

President	Rt Revd Debbie Sellin Rt Revd Donald Allister	appointed 3 March 2024 resigned 8 January 2023
Chair	Dr P Buckingham (FA, GT)	
Ex- Officio	Rt Revd J E Holbrook Ven R J Ormston (FA, GT, H) Ven A Booker (FA, GT, H) Very Revd C Dalliston	
Co- opted	Mr W Craven (GT) Mr R Purser (H) Mr P McKay	resigned 23 February 2023

Elected by the House of Clergy of the Diocesan Synod (2021 – 2024)

Archdeaconry of Northampton	Archdeaconry of Oakham
Revd K Hutchins (also Wellingborough) (A, FA)	Revd Canon J E Baxter (GT)
Revd S Trott - appointed 29 June 2023 (H)	Revd Dr B Brandon (H)
	Revd M W Lucas
	Revd D Walsh (also Kettering Deanery) resigned 29 June 2023

Elected by the Houses of Laity of the Deanery Synods (2021 – 2024)

Archdeaconry of Northampton	Archdeaconry of Oakham
Mrs I Burbidge (Brackley)	Mr J Hindle (Corby)
Mr R Baker (Daventry) (A)	Revd D Walsh (Kettering) - resigned 29 June 2023
Mr N Critchlow (Greater Northampton) (FA) - resigned 22 November 2023	Mr A C Hawkins (Oundle)
Mr D Pickard (Greater Northampton) (A) - appointed 22 November 2023	Mr R Gregory-Smith (Peterborough)
Dr H Creek (Towcester)	Mr J Orme (Rutland) (A) - deceased 15 March 2023
Revd K Hutchins (Wellingborough) (FA, A)	

The abbreviations used above indicate sub-committees on which members serve, as follows:

A = Audit	FA = Finance and Administration
GT = Glebe and Trust	H = Houses

11.3 Key Management Team

Rt Revd D M Sellin	Bishop of Peterborough - appointed 3 March 2024
Rt Revd D S Allister	Bishop of Peterborough - resigned 8 January 2023
Ven R J Ormston	Archdeacon of Northampton
Ven A Booker	Archdeacon of Oakham
Mr A Roberts	Diocesan Secretary
Mr P Cantley	Director of Education
Mr D Mason	Chief Finance Officer
Revd C Nobbs	Director of Mission and Development
Mrs S Ratcliffe	Assistant Diocesan Secretary
Revd H Spenceley	Director of Vocation and Formation
Mr P White	Director of Children and Youth

PETERBOROUGH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITORS TO THE MEMBERS OF THE DIOCESAN BOARD OF FINANCE *FOR THE YEAR ENDED 31 DECEMBER 2023*

Opinion

We have audited the financial statements of Peterborough Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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.

Other information

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

We have nothing to report in this regard.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITORS TO THE MEMBERS OF THE DIOCESAN BOARD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' 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 strategic report or the directors' report included within 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

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

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

Auditor responsibilities for the audit of the financial statements

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

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

PETERBOROUGH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITORS TO THE MEMBERS OF THE DIOCESAN BOARD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor's responsibilities for the audit of the financial statements (continued)

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. We identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment law, 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 reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.

We reviewed accounting policies for evidence of management bias and ensured that the accounting policies were correctly applied to the financial statements.

We reviewed minutes of Trustee Board meetings, any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.

We made enquiries of management and officers of the charitable company regarding laws and regulations applicable to the organisation and discussed whether there had been any known breaches of laws and regulations in order to consider any possible further considerations or impact upon the charity.

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

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Suzanne Goldsmith FCA (Senior Statutory Auditor)
For and on behalf of Price Bailey LLP, Statutory Auditor
Tennyson House, Cambridge Business Park, Cambridge, CB4 0WZ
27 September 2024

PETERBOROUGH DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Income and endowments from						
Donations:						
Parish share	3	6,298,821	-	-	6,298,821	6,564,751
Other donations	4	618,180	297,971	-	916,151	1,327,525
Charitable activities	5	351,462	-	-	351,462	482,951
Other income	6	54,492	-	-	54,492	52,734
Investment income	7	117,248	568,466	1,314,556	2,000,270	2,232,640
Total income		7,440,203	866,437	1,314,556	9,621,196	10,660,601
Expenditure on						
Raising funds	8	386,862	-	174,061	560,923	185,978
Charitable activities	9	7,998,471	247,754	1,271,067	9,517,292	9,977,122
Total expenditure		8,385,333	247,754	1,445,128	10,078,215	10,163,100
Net income/(expenditure) before investment gains		(945,130)	618,683	(130,572)	(457,019)	497,501
Net gains on investments	16	38,777	51,389	2,069,429	2,159,595	2,697,668
Net income/(expenditure)		(906,353)	670,072	1,938,857	1,702,576	3,195,169
Transfers between funds	21	665,042	(185,369)	(479,673)	-	-
Other recognised gains						
Gains on revaluations of fixed assets	16	-	(155,238)	(2,366,540)	(2,521,778)	5,303,655
Actuarial gains on pension schemes	30	879,000	-	-	879,000	96,000
Net movement in funds		637,689	329,465	(907,356)	59,798	8,594,824
Transferred to DBE	33	-	(335,004)	(1,851,645)	(2,186,649)	-
Total funds brought forward		3,297,141	13,762,879	161,972,380	179,032,400	170,437,576
Total funds carried forward		3,934,830	13,757,340	159,213,379	176,905,549	179,032,400

For detailed fund by fund comparisons, a copy of the 2022 Statement of Financial Activities is included in note 33

The notes on pages 25 to 53 form part of these accounts

PETERBOROUGH DIOCESAN BOARD OF FINANCE

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	Total 2023 £	Total 2022 £
Total income	8,306,640	9,017,836
Total expenditure	(8,633,087)	(8,643,059)
Gross income for the year	<u>(326,447)</u>	<u>374,777</u>
Net movement on investments	90,166	(130,492)
Net income for the year	<u>(236,281)</u>	<u>244,285</u>
Other comprehensive income		
Net assets transferred from / (to) endowments	479,673	760,848
Net comprehensive income for the year	<u><u>243,392</u></u>	<u><u>1,005,133</u></u>

The income and expenditure account is derived from the statement of financial activities with movements in endowment funds excluded to comply with company law.

All income and expenditure is derived from continuing activities.

The notes on pages 25 to 53 form part of these accounts

PETERBOROUGH DIOCESAN BOARD OF FINANCE

BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	15	86,326,866		89,019,442	
Investments	16	80,768,675		78,402,244	
			167,095,541		167,421,686
Current assets					
Debtors	17	1,853,856		906,415	
Cash on deposit, at bank and in hand	18	8,785,900		11,922,547	
		10,639,756		12,828,962	
Creditors: amounts falling due within one year	19	(751,748)		(1,078,113)	
Net current assets			9,888,008		11,750,849
Total assets less current liabilities			176,983,549		179,172,535
Creditors: amounts falling due after more than one year	20		(78,000)		(140,135)
Net assets			176,905,549		179,032,400
Funds					
Endowment funds	22		159,213,379		161,972,380
<i>(including revaluation reserve £110,618,131 - 2022 £119,090,201)</i>					
Restricted funds	23		13,757,340		13,762,879
<i>(including revaluation reserve £4,088,670 - 2022 £4,192,520)</i>					
Unrestricted income funds:					
General funds	24		2,956,291		2,346,079
Designated funds	25		978,539		951,062
<i>(including revaluation reserve £280,617 - 2022 £241,839)</i>					
Total funds	26		176,905,549		179,032,400

Approved by the Board and authorised for issue on 25 Sep 2024

and signed on its behalf by

Paul V Buckingham

Andrew Roberts

Paul Buckingham (Wed, 25th Sep 2024
16:41:13 BST)

Andrew Roberts (Thu, 26th Sep 2024
8:47:59 BST)

Dr P Buckingham
Chairman

A Roberts
Secretary

Company number: 186179

The notes on pages 25 to 53 form part of these accounts

PETERBOROUGH DIOCESAN BOARD OF FINANCE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2023 £	2022 £	2022 £
Net cash flow from operating activities		(3,239,148)		(1,870,226)
Cash flows from investing activities				
Dividends, interest and rent from investments	2,000,270		2,232,640	
Proceeds from sale of tangible fixed assets	501,989		475	
Proceeds from sale of investments	21,639,417		2,567,614	
Purchase of tangible fixed assets	(522,744)		(13,132)	
Purchase of investments	(23,516,431)		(250,000)	
Net cash flow from investing activities		102,501		4,537,597
Change in cash and cash equivalents in the year		(3,136,647)		2,667,371
Cash and cash equivalents brought forward		11,922,547		9,255,176
Cash and cash equivalents carried forward		8,785,900		11,922,547
Reconciliation of net movement in funds to net cash flow from operating activities				
Net movement in funds for the year		(457,019)		497,501
Adjustments for:				
Depreciation		17,492		15,004
Loss / (profit) on sale of fixed assets		174,061		(46)
Dividends, interest and rent from investments		(2,000,270)		(2,232,640)
(Increase) in debtors		(947,441)		(77,084)
Increase / (decrease) in creditors		(388,500)		63,039
Pension scheme liability movement		-		(232,000)
Adjustment for actuarial gain on pension scheme		879,000		96,000
Net current assets of Diocesan Board of Education removed		(516,471)		-
Net cash flow from operating activities		(3,239,148)		(1,870,226)
Analysis of cash and cash equivalents				
Cash at bank and in hand		3,481,964		5,666,531
Cash on deposit with Central Board of Finance of the Church of England and the Church Commissioners		5,303,936		6,256,016
		8,785,900		11,922,547

The notes on pages 25 to 53 form part of these accounts

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 General information

The Peterborough Diocesan Board of Finance (the PDBF) is a company limited by Guarantee. The liability of each Board Member is limited to £1.

The registered office is The Diocesan Office, The Palace, Peterborough, PE1 1YB.

The principal activity of the charity is to promote, assist and advance the work of the Church of England in the Diocese of Peterborough by acting as the financial executive of the Peterborough Diocesan Synod. These financial statements have been presented in Pounds Sterling as this is the charity's functional currency.

2 Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared under the historical cost convention, with the exception of freehold and investment properties and investments which are included at market value. The financial statements have been prepared in accordance with "Accounting and Reporting by Charities" Statement of Recommended Practice (Second Edition, effective 1 January 2019), the Diocesan Annual Report and Financial Statements Guide (DFS 2015 Guide) and Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting

Until 31 December 2022, the financial statements presented an aggregation of the accounts of the PDBF and those of the Peterborough Diocesan Board of Education (the PDBE). From 1 January 2023, the DBE has been removed from the PDBF accounts

The financial statements have been drawn up in accordance with the requirements of the Companies Act 2006 except where the special nature of the PDBF's operations has required adaptation of the formats as allowed by section 396(5). There are no material uncertainties relating to going concern and therefore it is appropriate to continue to adopt the going concern basis in preparing the financial statements. The COVID-19 pandemic has had a negative effect on collection of parish share, however the trustees are satisfied that the PDBF has sufficient liquid disposable reserves to maintain its level of operations.

2.2 Income

Income is accounted for on an accruals basis where both the amount and receipt are reasonably certain with the following exceptions:

Parish Share is recognised as income of the year in which it is received.

Fees and chaplaincy income is included as received. Donations and legacies are recognised where there is entitlement, probability of receipt and the amount of the gift is measurable, e.g. when the executor informs the PDBF following probate.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Royalties are included as received.

Income is analysed between unrestricted, restricted or endowment funds in the Statement of Financial Activities dependent on the source of the income and/or the purpose for which it has been given. Income from endowment funds is restricted income.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting Policies (continued)

2.3 Expenditure

Expenditure is included in the SoFA on an accruals basis, inclusive of any VAT which cannot be recovered.

Grants are recognised when payable.

Operating lease payments are recognised when payable. The assets are not capitalised in the balance sheet.

The Church Commissioners administer the clergy payroll and are re-imbursed by the charity. The costs are included in the SoFA as ministry and mission within resources expended.

The PDBF participates in both defined contribution and defined benefit pension schemes (see note 30). Contributions payable by the PDBF to the defined contribution scheme are included in the SoFA when payable. Contributions payable to the defined benefit schemes are included in the SoFA when payable in respect of current service. Contributions payable in respect of scheme deficits relating to past service are charged to the Clergy Pension Liability in the Balance Sheet.

All expenses are recognised when a liability is reasonably certain in terms of amount and payment.

Investment management costs are the apportioned staff costs involved in the management of investments and also the direct costs of agents dealing with property investments.

Wherever possible, costs are charged directly to the activity concerned. Central support costs of £655,795 (2022: £576,090) are apportioned on the basis of estimated usage of central resources at Diocesan Office and Bouverie Court.

Net gains and losses arising on revaluations and disposals during the year are included in the SoFA.

2.4 Tangible Fixed Assets

All assets costing more than £1,000 and with an expected useful life in excess of one year are capitalised.

Tangible fixed assets have been included on the following bases:

Clergy and Other Domestic Houses:

At either cost or at a valuation using a published index to reflect changes since the last valuation. In addition, a selection of properties are reviewed each year by the Diocesan Property Officer based on recent sales of similar properties in order to assess the appropriateness of the valuation derived from the above method. Where other factors are identified to indicate a material change in the valuation, the carrying value of the properties concerned is revised accordingly. The revised value will then be utilised as the new base point for ongoing revaluations in future years.

Clergy houses are held in the balance sheet as tangible fixed assets given their use in the furtherance of the PDBF charitable activities. For many of these the freehold is vested in the incumbent during occupancy. Any income generated from renting out these properties is treated as investment income.

Board Property:

At either cost or at a valuation using a published index to reflect changes since the last valuation. Where other factors are identified to indicate a material change in the valuation, the carrying value of the properties concerned is revised accordingly. The revised value will then be utilised as the new base point for ongoing revaluations in future years.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting Policies (continued)

2.5 Depreciation

Depreciation is calculated to write off the cost of other tangible fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:-

Fixtures and Fittings	20%
Motor Vehicles	25%
Leasehold Improvements	20%
Computer Equipment	25%

No depreciation is charged on freehold properties. The PDBF is committed to a maintenance policy which endeavours to ensure that realisable values exceed carrying values. Accordingly the PDBF considers that the lives of these assets are so long and residual values so high that any resulting depreciation charge is not material. As explained above a policy of re-valuation has been adopted.

2.6 Fixed Asset Investments

Fixed asset investments have been included on the following bases:

Listed Investments are stated at bid price at the balance sheet date.

Unlisted Investments are stated at market value at the balance sheet date.

Agricultural Land and Commercial Property was valued at 31 December 2023 as part of an estate held for investment purposes by the glebe agent, Andrew Granger and Co Limited, 44-46 Forest Road, Loughborough, Leicestershire, LE11 3NP.

Domestic Properties are valued at either cost or the mid-point of the council tax banding as adjusted by a published index to reflect changes since the last valuation.

Benefice Properties which have been vacated by their incumbent and are being rented out are presented as tangible fixed assets within the financial statements. This is not in accordance with FRS102 which requires that they are recognised as Investment Properties. This presentation has been used for the purposes of achieving a true and fair view as this reflects the intended long term use of the properties concerned.

2.7 Custodian Trustee

Investments held by the charity as Custodian Trustee are not included in these financial statements but are set out separately in note 31. These will be reviewed with the local PCCs during 2024.

2.8 Debtors

Debtors are measured at the transaction price less any impairment. Loans are initially measured at fair value and are measured subsequently at amortised cost less any impairment.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting Policies (continued)

2.9 Cash and Cash equivalents

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities due within one year are recognised on an accruals basis. Liabilities due after one year relate to long term loans either for the purchase of domestic property or for onward lending to parishes. The loans to parishes are also represented in debtors due after one year.

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The charity 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 measured at their settlement value.

2.12 Pension contributions

The charity's staff are members of the Church of England Pension Board's defined contribution pension scheme and Clergy are members of the Church of England Funded Pensions Scheme. The pension costs charged as resources expended represent the charity's contributions in respect of the accounting period, in accordance with FRS 102. Lay staff who are members of the stakeholder pension scheme or have contributions paid into their own personal pension plan are accounted for in the month in which they are deducted. Deficit funding for the pension schemes in which the charity participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

2.13 Fund Accounting

In accordance with the SORP - "Accounting and Reporting by Charities" (Second Edition, effective 1 January 2019), the charity's funds are analysed under specific headings as follows:

Unrestricted Funds - available for any purpose of the charity. These funds may be set aside by the charity for specific purposes creating designated funds.

Restricted Funds - these are subject to legally binding conditions imposed by the donor upon the charity or by the terms of an appeal.

Permanent Endowment Funds - these funds are held to produce income, and are sometimes called capital funds. The income from endowment funds is added to the relevant fund, along with investment movements.

Expendable Endowment Funds - these are funds that may be used as income at the discretion of the charity. Use of the funds are subject to legally binding conditions imposed by the donor upon the charity or by terms of an appeal.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting Policies (continued)

2.13 Fund Accounting (continued)

Investment income and movement in market values of property/investments are allocated to the appropriate fund.

During the year monies may be transferred between specific funds in line with the PDBF budget, as approved by Diocesan Synod. These only appear on the SoFA if the transfer is between the fund types identified above.

2.14 Taxation

The Diocese does not carry out any non-charitable activities that may give rise to a Corporation Tax liability.

2.15 Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The key estimates and assumptions made in these accounts are:

Clergy and Other Domestic Houses:

At either cost or at a valuation using a published index to reflect changes since the last valuation. In addition, a selection of properties are reviewed each year by the Diocesan Property Officer based on recent sales of similar properties in order to assess the appropriateness of the valuation derived from the above method. Where other factors are identified to indicate a material change in the valuation, the carrying value of the properties concerned is revised accordingly. The revised value will then be utilised as the new base point for ongoing revaluations in future years.

The valuation methodology used will be reviewed annually.

Pension scheme liability

The deficit funding liability for the Church of England Funded Pension Scheme liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the assumptions set out in note 29 and set by reference to the duration of the deficit recovery payments.

Depreciation

Depreciation is calculated on a straight line basis, based on the trustees best estimate of the useful economic lives of assets. Depreciation policies can be seen above.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3 Parish share

	Total 2023 £	Total 2022 £
Current year requests	7,741,405	8,116,012
Shortfall in contributions	(1,512,242)	(1,589,230)
	<u>6,229,163</u>	<u>6,526,782</u>
Receipts for prior year	69,658	37,969
	<u>6,298,821</u>	<u>6,564,751</u>

4 Other donations

	Total 2023 £	Total 2022 £
All Churches Trust	105,875	121,000
Forsters Charity	6,960	-
Mission Fund donations	8,800	6,800
Donations	111,055	130,386
Strategic Development Fund	163,051	203,341
Low Income Communities grant	331,880	355,838
Strategic Ministry Fund	53,610	34,818
RME Block grants	119,920	210,342
Energy grant	-	265,000
Central Church Net Zero grant	15,000	-
	<u>916,151</u>	<u>1,327,525</u>

5 Charitable activities

	Total 2023 £	Total 2022 £
Statutory fees for parochial services	351,462	364,668
Education	-	118,283
	<u>351,462</u>	<u>482,951</u>

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6	Other income	Total 2023 £	Total 2022 £
	Administration income	54,492	52,734
		<hr/>	<hr/>
		54,492	52,734
		<hr/>	<hr/>
7	Investment income	Total 2023 £	Total 2022 £
	Dividends receivable	799,327	1,091,781
	Interest receivable	322,881	95,185
	Rents receivable:		
	Properties	377,389	395,572
	Glebe	500,673	650,102
		<hr/>	<hr/>
		2,000,270	2,232,640
		<hr/>	<hr/>
8	Glebe management costs	Total 2023 £	Total 2022 £
	Professional charges	253,186	125,480
	Loss on disposal of property	174,061	-
	Other support costs	133,676	60,498
		<hr/>	<hr/>
		560,923	185,978
		<hr/>	<hr/>

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9 Charitable activities

	Total 2023 £	Total 2022 £
National Church	335,870	317,271
Clergy stipends and staff costs (note 10)	5,035,542	5,187,586
Clergy housing	1,698,870	1,554,818
Clergy training	679,988	841,904
Grants and donations (note 11)	289,175	385,360
Education	-	371,130
Diocesan support for Parish Mission (note 12)	1,477,847	1,319,053
	9,517,292	9,977,122

10 Clergy stipends and staff costs

	Total 2023 £	Total 2022 £
Stipends and employers national insurance	3,822,135	3,873,311
Pension contributions	857,011	1,150,795
Clergy pension deficit reduction payments	-	(136,000)
Removal, resettlement and other grants	239,111	162,734
Other expenses and other grants	117,285	136,746
	5,035,542	5,187,586

11 Grants and donations

	Total 2023 £	Total 2022 £
Bishop's Discretionary Funds	3,000	4,750
Widows and Dependants	11,583	11,900
Shared Churches Peterborough	32,961	22,518
Shared Churches Northampton	-	-
Northamptonshire Ecumenical Council	7,645	6,950
Peterborough Diocesan Board of Education	163,231	-
Quinquennial grants	9,984	12,168
Mission Fund grants	20,100	16,000
Energy grants	-	265,005
Other grants	25,671	46,069
Net Zero consultancy	15,000	-
	289,175	385,360

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12 Diocesan support for Parish Mission

	Total 2023 £	Total 2022 £
Bishop's Advisors and Support to Parishes	169,114	173,156
DAC, Legal, Stewardship, Support to parishes and asset management	551,058	507,131
Bishop's Officers and Mission work in the Parishes	286,134	249,016
Adult, Lay and Clergy Training and Conferences	259,067	203,898
Social Responsibility (including overseas links)	8,734	2,304
SSMs, Readers, Pastoral Assistants, Parish Evangelists	8,564	5,500
Strategic Development Fund - "Generation to Generation" project	188,210	176,401
Other costs	6,966	1,646
	1,477,847	1,319,052

Included above are Governance costs of £115,651 (2022 : £156,410)

13 Surplus/(Deficit) for the financial year

	2023 £	2022 £
The net surplus/(deficit) for the financial year is stated after charging:		
Auditors remuneration including VAT:		
in respect of audit services - current year	27,000	24,600
in respect of corporation tax computations - current year	-	2,160
in respect of corporation tax computations - under-provision of prior year	240	240
	27,240	27,000
Depreciation on tangible fixed assets	17,492	15,004
Adjustment on disposal of tangible fixed assets	174,061	(46)
Operating lease charges in the year	31,000	31,000
Interest charges on Church Commissioner Value Linked Loans	12,069	11,052

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

14 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

Staff costs

	Total 2023 £	Total 2022 £
Employee costs during the year were as follows:		
Wages and salaries	1,240,610	1,297,732
National insurance contributions	116,140	126,726
Pension costs	143,429	169,094
	1,500,179	1,593,552

Redundancy and termination costs during the year totalled £18,148 (2022 - £nil).

Clergy stipends

The PDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The PDBF is also responsible for the provision of housing for stipendiary clergy in the diocese including the suffragan bishop but excluding diocesan bishop and cathedral staff.

The stipends of the Bishop and Suffragan Bishop were paid and funded by the Church Commissioners.

The PDBF paid an average of 124 (2022 - 132) stipendiary clergy and lay ministers as office-holders holding parochial or diocesan appointments in the Diocese and the costs were as follows:

	Total 2023 £	Total 2022 £
Stipends	3,559,052	3,599,598
National insurance contributions	263,083	273,713
Pension costs - current year contributions	857,011	1,150,795
	4,679,146	5,024,106

The average number of employees during the year was as follows:

	2023 full-time	2023 part-time	2022 full-time	2022 part-time
Archdeacons	2	-	2	-
Stipendiary Parochial Ministers	106	16	113	17
Diocesan Boards and Councils	19	2	20	6
Parochial Youth Staff (SDF)	4	2	4	2
Administration	9	6	9	4
	140	26	148	29

In addition to the above, there are 40 self supported ministers and a further 13 house for duty ministers.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

14 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

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

	2023	2022
£80,001 - £90,000	1	1
£70,001 - £80,000	-	1
£60,001 - £70,000	1	1

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary	Andrew Roberts
Chief Finance Officer	David Mason
Assistant Diocesan Secretary	Sue Ratcliffe
Director of Children and Youth	Pete White
Director of Mission and Development	Charlie Nobbs
Director of Vocation and Formation	Haydon Spenceley

Remuneration, pensions and expenses for these employees amounted to £360,890 (2022 : £318,084).

Trustees remuneration and expenses

During the year, no trustee received any remuneration for services as a trustee or received any travel expenses relating to services as a trustee (2022 : none).

During the year the charity made contributions to the Church Commissioners at the standard rate agreed by Diocesan Synod towards the stipends, national insurance and pension contributions of the licensed clergy who are directors of the Board and provided houses, including payment of council tax and maintenance costs, as part of normal clergy remuneration.

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

	Stipend	Housing
Revd J Baxter	Yes	Yes
Ven A Booker	Yes	Yes
Rt Rev J Holbrook	No	Yes
Revd K Hutchins	No	Yes
Revd M Lucas	Yes	Yes
Ven R J Ormston	Yes	Yes
Revd D Walsh	Yes	Yes
Revd S Trott	Yes	Yes

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

15 Tangible fixed assets

	Freehold land and buildings £	Short Leasehold improvements £	Office equipment £	Total 2023 £
Cost or valuation:				
At 1 January 2023	88,981,097	56,602	451,012	89,488,711
Additions	517,114	-	5,630	522,744
Disposals proceeds	(501,989)	-	-	(501,989)
Eliminated on disposal	(174,061)	-	-	(174,061)
Revaluation	(2,521,778)	-	-	(2,521,778)
	86,300,384	56,602	456,642	86,813,627
Depreciation:				
At 1 January 2023	-	56,602	412,667	469,269
Charge for the year	-	-	17,492	17,492
Eliminated on disposals	-	-	-	-
	-	56,602	430,159	486,761
Net book value				
At 31 December 2023	86,300,384	-	26,483	86,326,866
At 31 December 2022	88,981,097	-	38,345	89,019,442

The historical cost of the land and buildings is £12,125,196 (2022 - £11,670,217).

The historical cost of land and buildings shown above is only for purchases made by the DBF. The historical cost of land and buildings taken over by the DBF from parishes is not known.

16 Fixed asset investments

	Investment properties £	Listed investments £	Unlisted investments £	Total 2023 £
Valuation:				
At 1 January 2023	51,021,759	4,220,438	23,160,047	78,402,244
Additions	-	23,516,431	-	23,516,431
Disposals proceeds	(44,953)	(1,789,564)	(19,804,900)	(21,639,417)
Gain on disposal	43,549	(86,857)	363,779	320,471
Revaluation	623,623	953,444	262,057	1,839,124
Transferred to DBE	(760,000)	-	(910,178)	(1,670,178)
	50,883,978	26,813,891	3,070,805	80,768,675
Historic cost at 31 December 2023	12,841,553	26,831,081	774,163	40,446,797
Historic cost at 31 December 2022	13,541,854	4,794,303	13,818,882	32,155,039

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

16 Fixed asset investments (continued)

The glebe land valuation was conducted by Andrew Granger & Co Limited as at 31 December 2023.

The historical cost of glebe land and buildings shown above is only for purchases made by the DBF. The historical cost of glebe land and buildings taken over by the DBF from parishes is not known.

Listed investments are valued at bid price at the year end.

Unlisted investments consist of holdings in CBF Church of England Funds managed by CCLA Investment Managers Limited (the CBF Investment Fund and CBF Short Duration Bond Fund).

17 Debtors

	2023 £	2022 £
<i>Due within one year</i>		
Parish share received after year end	-	98,467
Parochial loans	34,347	49,609
Trade debtors	124,244	167,250
Other debtors	1,631,022	541,999
	<hr/>	<hr/>
	1,789,613	857,325
<i>Due after more than one year</i>		
Parochial loans	64,243	49,090
	<hr/>	<hr/>
Total debtors	<hr/>	<hr/>
	1,853,856	906,415

18 Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand - current and deposit accounts	3,481,964	5,666,531
Funds with the Central Board of Finance of the Church of England Deposit fund and the Church Commissioners	5,303,936	6,256,016
	<hr/>	<hr/>
	8,785,900	11,922,547

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

19 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	81,042	97,933
Taxation and social security	57,582	53,409
Other creditors	428,666	669,627
Accruals and deferred income	122,323	257,144
Church Commissioners value linked loans	62,135	-
	751,748	1,078,113

20 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Church Commissioners value linked loans	78,000	140,135
	78,000	140,135

Value linked loans are repayable either when the house concerned is sold or when it ceases to be occupied by a qualifying person. Interest is charged by the Commissioners at 4% per annum on the amount loaned initially, the rate rising annually by the increase in the Retail Price Index.

21 Transfers

The transfers between funds during 2023 were:

	Unrestricted £	Designated £	Restricted £	Endowment £
Sale proceeds of parsonages	-	-	439,854	(439,854)
Dividend income transferred	39,819	-	-	(39,819)
Parsonage repair costs	625,223	-	(625,223)	-
	665,042	-	(185,369)	(479,673)

The transfers between funds during 2022 were:

	Unrestricted £	Designated £	Restricted £	Endowment £
Sale proceeds of parsonages	-	-	868,990	(868,990)
Sale proceeds of houses	27,858	-	-	(27,858)
Education s554	(136,000)	-	-	136,000
Energy grant	(5)	-	5	-
	(108,147)	-	868,995	(760,848)

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

22 Endowment funds

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

Permanent Endowments

	Balance at 1.1.23	Income	Expenditure	Transfers in/(out)	Gains/ (Losses)	Balance at 31.12.23
<i>Current year</i>	£	£	£	£	£	£
Houses Committee	1,331,461	39,819	-	(39,819)	125,269	1,456,730
Stipends Capital	359,252	10,744	-	(10,744)	33,800	393,052
Diocesan Stipends Capital Fund	76,307,979	1,260,323	(1,445,128)	10,744	1,836,482	77,970,400
Clergy Pension Liability	-	-	-	-	-	-
Church Major Works	122,727	3,670	-	-	11,547	137,944
	<u>78,121,419</u>	<u>1,314,556</u>	<u>(1,445,128)</u>	<u>(39,819)</u>	<u>2,007,098</u>	<u>79,958,126</u>

	Balance at 1.1.22	Income	Expenditure	Transfers in/(out)	Gains/ (Losses)	Balance at 31.12.22
<i>Prior year</i>	£	£	£	£	£	£
Houses Committee	1,509,108	-	-	-	(177,647)	1,331,461
Stipends Capital	407,185	-	-	-	(47,933)	359,252
Diocesan Stipends Capital Fund	74,569,846	1,642,765	(1,506,765)	-	1,602,133	76,307,979
Clergy Pension Liability	(232,000)	-	96,000	136,000	-	-
Church Major Works	139,102	-	-	-	(16,375)	122,727
	<u>76,393,241</u>	<u>1,642,765</u>	<u>(1,410,765)</u>	<u>136,000</u>	<u>1,360,178</u>	<u>78,121,419</u>

Houses Committee

This fund represents the permanent capital of the Houses Committee and, under the Repair of Benefices Measure 1972, only the income from the capital and not the capital itself may be used for the general purposes of the Houses Committee.

Stipends Capital

This represents the capital of a number of bequests, the income from which may only be used for clergy stipends.

Diocesan Stipends Capital Fund

The Diocesan Stipends Capital Fund was set up under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents glebe property, the accumulated sale proceeds of glebe property, sale proceeds of certain parsonage houses and surplus benefice endowments following pastoral re-organisation. Capital funds may be used for the purchase of glebe property and capital expenditure on parsonage house property.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

22 Endowment funds (continued)

Permanent Endowments (continued)

Clergy Pension Liability

Before 2019, the clergy pension liability was presented as a component of unrestricted funds. Following a review, it is considered appropriate to show this as part of endowment funds on the basis that the endowment assets underpin the liability.

Church Major Works Fund (formerly Church Major Repair Fund)

This fund may be loaned to parishes in need of funds for works to churches.

Expendable Endowments

	Balance at 1.1.23 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31.12.23 £
Current year						
Education Act 1996	1,851,645	-	-	(1,851,645)	-	-
Clergy Houses	81,999,316	-	-	(439,854)	(2,304,209)	79,255,253
	<u>83,850,961</u>	<u>-</u>	<u>-</u>	<u>(2,291,499)</u>	<u>(2,304,209)</u>	<u>79,255,253</u>
Prior year						
Education Act 1996	2,014,217	-	(13,276)	(27,858)	(121,438)	1,851,645
Clergy Houses	76,334,973	-	-	(868,990)	6,533,333	81,999,316
	<u>78,349,190</u>	<u>-</u>	<u>(13,276)</u>	<u>(896,848)</u>	<u>6,411,895</u>	<u>83,850,961</u>

Clergy Houses

These funds are represented by clergy houses. Although benefice houses are vested in incumbents for the time being of the benefices concerned, the DBF is obliged to maintain them, to ensure that there are sufficient houses for the pastoral structure of the Diocese. The Pastoral Account funds new parsonage houses and transfers the asset to the Clergy House fund. Any sale proceeds, net of original cost, are transferred back into the Pastoral Account.

Education Act 1996 (Section 554)

This is an expendable endowment which can be used to support the work of the Peterborough Diocesan Board of Education.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

23 Restricted funds

	Balance at 1.1.23 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31.12.23 £
Current year						
Houses Committee	6,524,540	377,389	-	-	(155,238)	6,746,691
Widows & Dependants	488,020	14,406	(11,583)	-	40,204	531,047
Ordination Candidates	130,474	3,555	-	-	11,185	145,214
Education Act 1996	335,004	-	-	(335,004)	-	-
Church Major Works	54,138	2,801	-	-	-	56,939
Resourcing Ministerial Education (RME)	(533)	119,920	-	-	-	119,387
Gen 2 Gen - SDF	25,119	163,051	(188,210)	-	-	(40)
Family Care Fund	200	-	-	-	-	200
Pastoral Account	6,205,917	170,315	(32,961)	(185,369)	-	6,157,902
Net Zero grant	-	15,000	(15,000)	-	-	-
	13,762,879	866,437	(247,754)	(520,373)	(103,849)	13,757,340
Prior year						
Houses Committee	5,921,336	412,633	(169,171)	-	359,742	6,524,540
Widows & Dependants	545,135	14,424	(11,900)	-	(59,639)	488,020
Ordination Candidates	146,697	3,536	(3,897)	-	(15,862)	130,474
Education Act 1996	282,200	52,804	-	-	-	335,004
Church Major Works	53,037	1,101	-	-	-	54,138
Resourcing Ministerial Education (RME)	(25,320)	210,342	(185,555)	-	-	(533)
Gen 2 Gen - SDF	(1,821)	203,341	(176,401)	-	-	25,119
Family Care Fund	200	-	-	-	-	200
Pastoral Account	5,302,378	57,067	(22,518)	868,990	-	6,205,917
Energy grant funding	-	265,000	(265,005)	5	-	-
	12,223,842	1,220,248	(834,447)	868,995	284,241	13,762,879

Houses Committee

This fund represents non-parsonage houses held in the name of the Diocesan Board of Finance. On sale the proceeds are transferred back to general funds.

Widows and Dependants

This is a revenue fund made up of trust income and donations specifically given for the relief of clergy widows and their dependants.

Ordination Candidates

This is a revenue fund made up of trust income and donations specifically given for the support of ordinands and their families during training.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

23 Restricted funds (continued)

Schools Fund/Education/Education Act 1996

The income of these funds primarily represents income from the Department for Education and Skills for specific building projects and repairs carried out during the year. The Education Act 1996 fund balance is made up of sale proceeds from closed schools and is used primarily towards improvement costs at Church Aided Schools.

Church Major Works Fund (formerly Church Major Repair Fund)

This represents unspent income from the endowment fund.

Resourcing Ministerial Education (RME)

This is a fund created by changes to how Ordinands in training are funded by the Church Commissioners Ministry Division (from September 2017). It represents surplus/(deficits) between the value of the grants given by Ministry Division and the actual costs of training.

Gen 2 Gen

This relates to the Gen 2 Gen Childrens and Youth worker programme funded by The Church Commissioners Strategic Development Fund (SDF)

Family Care Fund

This represents funds received from Family Care under a Deed of Gift and must be spent in accordance with the terms of the Deed. The terms of the Deed include working in partnership with families and other agencies to protect children and prevent family breakdown.

Pastoral Account

This represents the capital and investment income which is made up from the sale proceeds of parsonage houses and churches which have become redundant under pastoral reorganisation. At the year end funds from the Expendable Endowment Fund and Designated Fund were transferred into the fund in accordance with the 2006 Diocesan Accounts Group recommendations.

Energy Grant Funding

The Diocese received £265,000 from Church Commissioners for distribution to parishes to help with rising energy costs. It was decided to spread this equally across all parishes, giving £755 to each parish.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

24 Unrestricted funds

<i>Current year</i>	Balance at 1.1.23 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31.12.23 £
General fund	2,346,079	7,431,403	(8,365,233)	665,042	879,000	2,956,291
Church Worker Fund pension deficit	-	-	-	-	-	-
	<u>2,346,079</u>	<u>7,431,403</u>	<u>(8,365,233)</u>	<u>665,042</u>	<u>879,000</u>	<u>2,956,291</u>

<i>Prior year</i>	Balance at 1.1.22 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31.12.22 £
General fund	2,476,274	7,770,564	(7,792,612)	(108,147)	-	2,346,079
Church Worker Fund pension deficit	-	-	-	-	-	-
	<u>2,476,274</u>	<u>7,770,564</u>	<u>(7,792,612)</u>	<u>(108,147)</u>	<u>-</u>	<u>2,346,079</u>

The General fund is a free reserve representing accumulated annual surpluses less deficits on the PDBF's main activities and represents the fund used in the ongoing business of the PDBF.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

25 Designated funds

	Balance at 1.1.23 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31.12.23 £
Current year						
Church Major Works	804,531	-	-	-	38,777	843,308
Mission Fund	146,531	8,800	(20,100)	-	-	135,231
	<u>951,062</u>	<u>8,800</u>	<u>(20,100)</u>	<u>-</u>	<u>38,777</u>	<u>978,539</u>
Prior year						
Church Major Works	841,854	17,668	-	-	(54,991)	804,531
Mission Fund	153,175	9,356	(16,000)	-	-	146,531
	<u>995,029</u>	<u>27,024</u>	<u>(16,000)</u>	<u>-</u>	<u>(54,991)</u>	<u>951,062</u>

Church Major Works Fund (formerly Church Major Repair Fund)

This was set up by Diocesan Synod under the "Budget for Growth" and is used to assist parishes with major church repairs. The funds are available as loans and, exceptionally, as grants.

Mission Fund

This Fund exists to provide monies for expenditure on mission activities specifically supported by the Diocese.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

26 Analysis of net assets between funds

Fund balances at 31 December 2023 are represented by:

	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	26,483	-	5,808,862	80,491,521	86,326,866
Investments	-	450,936	611,673	79,706,066	80,768,675
Current assets	3,619,421	527,603	7,476,940	(984,208)	10,639,756
Current liabilities	(689,613)	-	(62,135)	-	(751,748)
Long term liabilities	-	-	(78,000)	-	(78,000)
	<u>2,956,291</u>	<u>978,539</u>	<u>13,757,340</u>	<u>159,213,379</u>	<u>176,905,549</u>

Included in the above is a revaluation reserve which relates to:

Tangible fixed assets	-	-	3,605,139	70,570,049	74,175,188
Investments	-	280,617	483,531	40,048,082	40,812,230
	<u>-</u>	<u>280,617</u>	<u>4,088,670</u>	<u>110,618,131</u>	<u>114,987,418</u>

Fund balances at 31 December 2022 are represented by:

	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	38,345	-	6,026,236	82,954,861	89,019,442
Investments	-	412,159	560,284	77,429,801	78,402,244
Current assets	3,525,983	538,903	7,176,359	1,587,718	12,828,963
Current liabilities	(1,078,114)	-	-	-	(1,078,114)
Long term liabilities	(140,135)	-	-	-	(140,135)
	<u>2,346,079</u>	<u>951,062</u>	<u>13,762,879</u>	<u>161,972,380</u>	<u>179,032,400</u>

Included in the above is a revaluation reserve which relates to:

Tangible fixed assets	-	-	3,760,377	73,550,503	77,310,880
Investments	-	241,839	432,143	45,539,698	46,213,680
	<u>-</u>	<u>241,839</u>	<u>4,192,520</u>	<u>119,090,201</u>	<u>123,524,560</u>

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

27 Capital commitments and contingent liabilities

	2023	2022
	£	£
Expenditure on house repairs approved but not contracted for	4,570	5,958
Ordinands support grants approved	161,700	202,946
Contingent liability in respect of guarantee given	150,000	150,000

The contingent liability relates to a guarantee given to The Charity Bank in respect of a loan given to St Matthew's PCC, Northampton.

28 Operating leases

	2023	2022
	£	£
Total commitments under non-cancellable operating leases are as follows:		
Operating leases in respect of buildings where the lease expires:		
within one year	31,000	31,000
within two to five years	-	-
At 31 December 2023	<u>31,000</u>	<u>31,000</u>

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

29 Pension costs

Church Workers Pension Fund

PDBF participates in the Defined Benefits Scheme section of the Church Workers Pension Fund (CWPF) for some lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

Defined Benefit Scheme

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

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. It does 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 pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the DBS were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year - 2023 : £nil, 2022: £nil - plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in SoFA, giving a total charge of £nil for 2023 and total charge of £nil for 2022.

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

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

The next actuarial valuation was due at 31 December 2022.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

29 Pension costs (continued)

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below.

	2023 £	2022 £
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	-
	<hr/>	<hr/>
Balance sheet liability at 31 December	-	-

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

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

	<i>December 2023</i>	<i>December 2022</i>	<i>December 2021</i>
Discount rate	n/a	0.0%	0.0%

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

Pension Builder Scheme (PBS)

For eligible salaried employees who commenced employment after 1 January 2000, the charity participates in the Church of England Pension Builder Scheme, within the Church Workers Pension Fund, which is administered by the Church of England Pensions Board.

The PBS of the Church Workers Pension Fund is made of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined contribution schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contribution paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension age.

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

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

29 Pension costs (continued)

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions cost charged to the SoFA in the year are contributions payable.

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

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

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

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

Clergy Pension Fund

Peterborough 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 each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £857,011 in 2023 (2022: £1,150,795), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £nil (2022: £nil).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 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 of 3.4% p.a.;
- 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%

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

29 Pension costs (continued)

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

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

<i>%age of pensionable stipends</i>	<i>January 2021 to December 2023</i>	<i>January 2021 to December 2021</i>
Deficit repair contribution	0.0%	7.1%

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

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

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

	2023	2022
	£	£
Balance sheet liability as at 1 January	-	232,000
Deficit Contributions paid	-	(136,000)
Interest cost (recognised in the SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(96,000)
	<hr/>	<hr/>
Balance sheet liability at 31 December	-	-
	<hr/>	<hr/>

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

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

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

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

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

30 Trust funds

The charity acts as custodian trustee of a number of trusts in the diocese. The invested capital of these trusts, which is vested in the charity as custodian trustee but which does not form part of the charity's assets, amounted to £17,415,955 at 31 December 2023 (2022 : £13,617,612) made up as follows:

	2023 Cost £	2023 Valuation £	2022 Cost £	2022 Valuation £
Land & Buildings	727,124	946,326	96,823	221,076
Miscellaneous Unlisted Investments	550,188	1,436,638	550,188	1,359,169
Central Board of Finance:				
Investment Fund shares	2,846,868	12,094,322	2,051,751	10,041,711
Short Duration Bond Fund shares	459,929	454,047	459,452	429,586
Equity Fund	49,490	76,566	49,490	69,201
Property Fund	49,490	39,460	49,490	42,040
Deposits	1,518,909	1,518,909	1,454,829	1,454,829
Diocesan Board of Education bank balances	849,687	849,687	-	-
	<u>7,051,685</u>	<u>17,415,955</u>	<u>4,712,023</u>	<u>13,617,612</u>

31 Related party transactions

The Diocese maintains a register of Trustees interests. Trustees have declared participation in training funded by the Diocese and transactions arising from their stipendiary ministry and housing (note 14). It shows no other related party transactions. Any such transactions are at arm's length under the normal commercial terms applied by the DBF and are part of its normal activities.

The charity has made reasonable endeavours to confirm from trustees that they are not aware of any related party transactions with themselves or close family members. The charity is not aware of any further transactions which require disclosure other than those already noted here.

The Very Reverend Chris Dalliston is one of the trustees of the PDBF and also a trustee of Launde Abbey Trust. The spouse of Jeremy Orme, another trustee of the PDBF, is also a trustee of Launde Abbey Trust and a director of Launde Abbey Enterprises Limited. During the year, PDBF bought services totalling £250 (2022 : £5,047) from Launde Abbey Trust and services totalling £59,966 (2022 : £38,100) from Launde Abbey Enterprises Limited.

During the year, the DBF recharged provision of IT services to the Bishop's Office and the Cathedral - who are related party transactions. The value of these recharges were:

	2023 £	2022 £
Bishop's Office	13,057	11,910
Peterborough Cathedral	41,435	40,824

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

31 Related party transactions (continued)

Parochial Church Councils

Parochial Church Councils (PCCs) support PDBF financially with payments of parish share. Many committee members and trustees are also members of PCCs within the Diocese. Much of PDBF's activity is in support of PCCs through practical assistance and advice and in the provision of grants and loans.

32 Peterborough Diocesan Board of Education

At 31 December 2022, the Diocesan Board of Education (DBE) became its own separate entity, rather than being part of the Diocesan Board of Finance (DBF).

On 1 January 2023, the assets and liabilities of the DBE were transferred from the DBF to the DBE. The DBE is registered separately as its own independent unincorporated charity.

The balance sheet of the DBE at that date was as follows:

		£
Fixed assets		760,000
Investments		910,178
Current assets:		
Debtors	33,288	
Cash at bank	1,092,619	
	<hr/>	
	1,125,907	
Current liabilities:		
Creditors	(609,436)	
	<hr/>	
Net current assets		516,471
		<hr/>
Net assets		2,186,649
		<hr/> <hr/>
Reserves		2,186,649
		<hr/> <hr/>

PETERBOROUGH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

33 Prior year Statement of Financial Activities (SoFA)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £
Income and endowments from				
Donations:				
Parish share	6,564,751	-	-	6,564,751
Other donations	648,842	678,683	-	1,327,525
Charitable activities	482,951	-	-	482,951
Other income	52,734	-	-	52,734
Investment income	48,310	541,565	1,642,765	2,232,640
	<u>7,797,588</u>	<u>1,220,248</u>	<u>1,642,765</u>	<u>10,660,601</u>
Expenditure on				
Raising funds	185,978	-	-	185,978
Charitable activities	7,622,634	834,447	1,520,041	9,977,122
	<u>7,808,612</u>	<u>834,447</u>	<u>1,520,041</u>	<u>10,163,100</u>
Net income/(expenditure) before investment gains	(11,024)	385,801	122,724	497,501
Net gains on Investments	(54,991)	(75,501)	2,828,160	2,697,668
	<u>(66,015)</u>	<u>310,300</u>	<u>2,950,884</u>	<u>3,195,169</u>
Transfers between funds	(108,147)	868,995	(760,848)	-
Other recognised gains/(losses)				
Gains/(losses) on revaluations and disposals of fixed assets	-	359,742	4,943,913	5,303,655
Actuarial gains on pension schemes	-	-	96,000	96,000
	<u>(174,162)</u>	<u>1,539,037</u>	<u>7,229,949</u>	<u>8,594,824</u>
Net movement in funds	(174,162)	1,539,037	7,229,949	8,594,824
Total funds brought forward	3,471,303	12,223,842	154,742,431	170,437,576
	<u>3,297,141</u>	<u>13,762,879</u>	<u>161,972,380</u>	<u>179,032,400</u>
Total funds carried forward	<u>3,297,141</u>	<u>13,762,879</u>	<u>161,972,380</u>	<u>179,032,400</u>