

THE CHURCH
OF ENGLAND
**DIOCESE OF
WORCESTER**



Report of the Directors and Financial Statements
for the year ended 31 December 2024 for
Worcester Diocesan Board of Finance Limited
Registered Charity Limited by Guarantee
Company Registration Number 00271752 Registered Charity Number 247778



2024 REPORT



THE CHURCH
OF ENGLAND
DIOCESE OF
WORCESTER

Company Registration Number 00271752

Registered Charity Number 247778

Published September 2025

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2024

In 2024 our priorities continued to be to:

- Double the number of children and young people worshipping in our churches.
- Create 100 new worshipping communities.
- Invest in the renewal of churches in our major population areas.
- Provide training and development opportunities for our clergy and lay leaders.



Company Information for the year ended 31 December 2024

The full name of the charitable company is Worcester Diocesan Board of Finance Limited (The). The directors, who are also the trustees and members of the Bishop's Council of the Diocese, during the year and up to the date the report was approved are:

Directors

W S Downing (Chair)
E A Wiles (Vice Chair)
The Right Reverend J G Inge
(resigned 10 October 2024)
The Right Reverend M C Gorick
The Venerable NJ Groarke
The Venerable R G Jones
(resigned 18 April 2024)
The Venerable M Badger
(appointed 1 January 2024)
The Reverend A C Davies
(resigned 2 January 2025)
The Very Reverend S M Edwards
MD Hunter
The Reverend R Johnson
P V Kear (resigned 18 January 2025)
The Reverend Canon C A Lording
(resigned 2 January 2025)
R J Pearce
(resigned 2 January 2025)
D I A R Phillips
(resigned 14 November 2024)

HA Richards
TH Terera
D M Wightman
The Reverend Canon T J Williams
The Reverend Canon D M Cooksey
(appointed 24 January 2025)
R C Lunn (appointed 24 January 2025)
Prof J L Nichol
(appointed 24 January 2025)
The Reverend A Hadley
(appointed 25 March 2025)
The Reverend S Roberts-Malpass
(appointed 12 May 2025)
The Reverend SJ Hewitt
(appointed 12 May 2025)

Company Secretary

The Reverend Canon A G Todd

Registered Office

16 Lowesmoor Wharf
Worcester WR1 2RS

Registered Number

Company: 00271752
Charity: 247778

Auditors

Crowe U.K. LLP, Statutory Auditor
Black Country House, Rounds Green Road,
Oldbury, West Midlands B69 2DG

Bankers

Lloyds Bank Plc, 4 The Cross,
Worcester WR1 3PY

Solicitors

Anthony Collins Solicitors LLP,
134 Edmund Street,
Birmingham B3 2ES

Investment Advisors

CCLA Investment Management Ltd,
1 Angel Lane, London EC4R 3AB

Insurance Agents

PIB Insurance Brokers,
Poppleton Grange, Low Poppleton Lane
York, Yorkshire YO26 6GZ

Property Investment Adviser

Fisher German LLP Chartered Surveyors,
Global House, Hindlip Lane,
Worcester WR3 8SB



Report of the directors for the year ended 31 December 2024

The directors, who are also trustees for the purposes of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2024. The directors/trustees are one and the same and in signing as directors they are also signing in their capacity as trustees.

This combined report satisfies the legal requirements for:

- a Directors' Report of a charitable company,
- a Strategic Report under the Companies Act 2006 and
- a Trustees' Annual Report under the Charities Act 2011

Chair's Report *Commit your work to the Lord, and your plans will succeed. (Proverbs 16.3)*

I spoke in this report last year of our 2023-2030 vision *"to grow as Kingdom People, sharing the good news of Jesus' love in Worcestershire and Dudley through churches that are growing in health and sustainability"*, and the launch of a complex growth orientated transformation plan to achieve our goals. As the plan has been developed and more widely communicated, we have seen more acceptance and early successes.

As a reminder the three key strategic priorities, together with one underpinning priority are to:

- **Double** the number of children and young people worshipping in our churches.
- Create **100 new worshipping communities** offering a range of ways for people to come to faith and worship God.
- **Invest in the renewal** of around a dozen churches to ensure that each major area of population has at least one church with 150 people attending weekly, enabling them to support other local churches.
- Underpin these by investing in our clergy and lay leaders, providing **training and development opportunities** to enable them to grow and feel supported and equipped for mission.

This plan has been significantly mobilised in 2024, and through a great deal of hard work and prayer this is already beginning to show evidence of encouraging developments in our engagement with children and young people, of growth in our Renewals Church congregations and of New Worshipping Communities across the Diocese.

In December 2024 we were very grateful to receive a further £1.1 m capacity funding from the Strategic Mission and Ministry Investment Board, on behalf of Archbishop's Council, to enable key roles to support the programme.

On our financial results for the year 2024 was yet another challenging year for the UK economy, with global unrest and poor domestic growth having implications for our parishioners' finances, and for parish contributions (2% down 2024: £3.9m; 2023:

£4.0m). Against this backdrop the Diocese produced a resilient set of financial results. At the Net Operational Position¹ level, the measure which management uses to measure day to day performance, we achieved a breakeven result for the year (2024 £0.0m; 2023 £0.0m). This is after transfer from reserves (2024 £1.0m; 2023 £1.1m), principally our "total return" transfers from our endowment funds.

Disciplined risk management continued to underpin our balance sheet, and we grew our investments, a mixture of glebe property and investment portfolios up 2% in the year (2024: £50.6m; 2023: £49.6m). These form part of our endowment funds which we need to support our parishes for decades, and hopefully centuries, to come. At all times we maintained enough free reserves to remain within our solvency parameters (2024: £4.7m).

The financial sustainability of parishes continues to be a very real concern for all Dioceses across the country. Growing parish receipts and controlling costs as well as growing reserves for unexpected events is a significant challenge for most. In 2024 we provided over £760k (2023: £560k) to support benefices and parishes working towards this financial sustainability. Understandably we cannot provide this level of finance in perpetuity, and most parishes are starting down the road of putting plans in place to become self-sufficient. This will also require difficult choices. The central team continue to be on hand to support those needing assistance with developing their plans.

Finally, but most importantly, I must add my thanks to the staff and clergy who make this happen. We are blessed with an excellent team across the Diocese and the central team under the leadership of Reverend Andy Todd have done a fantastic job supporting, and challenging, the parishes to deliver this successful 2024. I look forward to working alongside you, and on your behalf, in the year ahead.

Wadham Downing

W S Downing

Public Benefit

The directors of the Worcester Diocesan Board of Finance Limited (WDBF) are aware of the Charity Commission's guidance on public benefit in *The Advancement of Religion for the Public Benefit* and have had regard to it in their administration of the Board.

By promoting, facilitating, and enabling the work and purposes of the Church of England in the Diocese of Worcester, the Board believes it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes. In doing so the Board provides a benefit to the public by:

- providing resources for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers: and
- 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.

Structure, Governance and Management

The company is governed by its memorandum and articles of association. The company is controlled by the Bishop's Council, the members of which are Directors and Trustees. Bishop's Council has two principal committees for finance and governance – the Finance and Resources Committee and the Audit, Risk and Challenge Committee. The statutory responsibilities of the Diocesan Mission, Pastoral and Resources Committee are fulfilled by the Bishop's Council of Trustees, and those of the Parsonages Board and the Glebe Committee are fulfilled by the Finance and Resources Committee. The Diocesan Board of Education is also a Committee of the WDBF, with statutory responsibilities.

The clergy and lay directors are elected by the respective houses of clergy and lay members of the Diocesan Synod and further directors are co-opted by the Bishop's Council so as to seek that among its elected and co-opted members all the deaneries in the Diocese are represented, subject always to there being a majority of lay elected and co-opted directors. At the start of each triennium, the members of the Bishop's Council are given a full and substantive overview of their duties and responsibilities as directors of the company and trustees of the charity. Training is updated within the triennium as and when required. The company is limited by guarantee and therefore the directors have no beneficial interest to disclose.

The Diocesan Secretary is responsible for the day-to-day management of the charity as delegated by the charity trustees. The senior management team is made up of the Diocesan Secretary, the Director of Finance, the Director of Education, the Director of Communications, the Director of Mission and Ministry, the Director of Church Buildings & Net Zero, the Director of Property, the Director of Safeguarding and the Transformation Programme Director. The administration of the charity is undertaken by the employed staff, who are based at 16 Lowesmoor Wharf, Worcester.

The Board is associated with a number of other charities and funds, full details of which are included with the connected party transactions within note number 31 to these financial statements.

¹ The Net Operational Position is defined as the net movement in funds from the SoFA of £4.7m, less a) the net impact of funding of special projects which net off to £0.2m in the SoFA, b) the realised and unrealised gains from our endowment funds investment portfolios of £3.5m, and c) the realised gains on our property portfolio of £1.1m.

Objectives and Activities

The principal object of The Worcester Diocesan Board of Finance (WDBF) is to advance the Christian faith by promoting, assisting and advancing the work of the Church of England in the Diocese of Worcester by acting as the financial executive of the Worcester Diocesan Synod. This includes the enabling of public worship, pastoral care and the promotion of Christian values by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

A major part of the Board's responsibilities results from legislation with regard to funding the costs of the clergy in the diocese of Worcester, including stipends, pension contributions, maintaining clergy houses and paying council tax and water rates. The Board also supports clergy and lay people with training for Christian mission and ministry including children's and youth work.

The WDBF also has the following statutory responsibilities:

- The management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;
- The repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
- The management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education (DBE) Measure; and
- The custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The Board's main sources of income are contributions of Ministry Share from Parochial Church Councils and income from grants and from investments. The Board is responsible for the custody and management of the Diocesan Synod's financial affairs as well as those of the Diocesan Board of Education which works with church schools and academies.

In addition to their important role in the governance of the company, and as well as contributing to the work of the Church at a parish level, volunteers make a significant contribution to the delivery of the following activities:

- The work of the Diocese's committees and working groups
- The development of vocations and the provision of training for lay and ordained ministry
- Help and advice given to parishes by the Diocesan Advisory Committee for the care of churches
- Mission and social responsibility work under the umbrella of several groups including the Climate Crisis Task Group.

The Diocese has a long-established Kingdom People vision, which is underpinned by four values: love, compassion, justice, freedom. Our vision is that as we grow as Kingdom People, we will see more people come to worship God, that we will engage in transformative ministry within our communities, bringing hope and supporting those who consider themselves to be Christians develop their faith throughout a lifelong journey of discipleship.

Overview

During 2024 we made significant progress on our approach to Diocesan Transformation, against an ongoing challenging background of cost of living pressures which continue to affect both parishes and the WDBF.

2024 Priorities

In last year's report we set out our priorities for 2024:

• PRIORITY 1:

Engagement of Children and Young People: Increasing the number of children and youth workers equipped with effective plans, to ensure greater engagement and discipleship with children and young people.

Over the course of the year, significant progress has been made in the deployment of children and youth workers across the diocese, with targeted investment focused on areas identified as having the highest potential for growth. There are now 17 employed children and youth ministers in post across the diocese. Early indicators suggest increased engagement from children and young people, with promising signs of deepening discipleship where mission plans are embedded in local contexts.

A developing network of practitioners is helping to shape a shared learning culture-enabling peer support, the exchange of good practice, and the emergence of a diocesan-wide pool of expertise in mission and ministry with children, young people, and their households. Strategic planning is now underway at deanery level, fostering a more coordinated approach to resourcing and impact.

A pilot partnership with iSingPop has also been launched to assess the viability of their resources in supporting the formation of new worshipping communities, particularly where integrated into a coherent missional design plan. This work intentionally draws together two of our strategic priorities.

• PRIORITY 2:

Support and Development of New Worshipping Communities (NWCs): Prioritising the support and training for new worshipping communities (NWCs) while fostering a culture of innovation. This involves equipping NWC leaders with the necessary resources and guidance to establish vibrant and inclusive worshipping communities that connect with people in new ways.

Support and training for those leading or preparing to lead new worshipping communities has been a key area of focus this year, with further development of the Myriad learning community. Adapted specifically for the Diocese of Worcester, the course equips both lay and ordained leaders to create and lead new worshipping communities, fostering a culture

of innovation while embedding sustainable and contextually appropriate practice.

Alongside this, we have worked closely with the diocesan safeguarding team to ensure that new worshipping communities are fully integrated into local governance structures. This alignment is essential in ensuring that NWCs are not only safe but positioned for long-term viability within the wider ecclesial framework.

We have also explored additional models of learning and support, including the Greenhouse model, to ensure we offer a diverse and responsive portfolio of learning opportunities.

To date, over 50 new worshipping communities have been launched through this strategic priority, engaging with new people in new ways. Several more are currently in the planning stages, demonstrating ongoing momentum and increasing confidence across the diocese in forming diverse expressions of church rooted in local context.

• PRIORITY 3:

Renewals Programme Implementation: Finalising mission plans to unlock national funding and advancing the implementation of Phase 1 renewal projects. Additionally, scoping Phase 2 renewal projects to ensure a sustained momentum in our renewal programme.

Detailed missional design plans have now been finalised for all six Phase 1 renewal projects. Five of these have been approved, with funding released from the national church and implementation well underway. The sixth project is pending final approval and is scheduled to launch in May, aligned with the installation of a new incumbent as renewal leader.

Initial work has also begun to scope Phase 2 renewal projects in the remaining major population centres. Conversations are currently underway with key stakeholders in those parishes, and in some cases, early work on the development of missional design plans is already in progress.

• PRIORITY 4:

Equipping Ministers of Mission: Empowering clergy and key lay leaders alike, and further equipping them with the necessary skills and resources to fulfil effectively the work of transformation in the diocese. This includes continuation of the Mission Accompanier programme.

This underpinning priority has seen a wide range of activity focused on resourcing and supporting those leading transformation on the ground in parishes, both lay and ordained. Coaching provision has been established for all renewal leaders, supported by the formation of a dedicated learning community for their coaches, enabling mutual learning and alignment with the wider goals of the renewal programme. Alongside this, the learning community for renewal leaders themselves has been reimagined, creating a more engaging, relevant, and practical training programme and a safe space for peer support and shared leadership development.

Investment has also been made in the development of the children and youth ministers network, offering practitioners a growing platform for collaboration and resource sharing. The Myriad learning community continues to equip a new cohort of leaders for new worshipping communities, contributing to the diocese's leadership ecosystem.

Additionally, the work of the Clergy Development Officer has provided focused support around clergy wellbeing, as well as coaching and mentoring opportunities tailored to individual contexts. Collectively, these initiatives represent a significant step forward in creating the leadership culture and capacity necessary for sustained transformation across the diocese.

Ministry Share System

Total contributions to Ministry Share were £3,869k, which represents 90.8% of Ministry Share requests, once Ministry Support Fund and Lowest Income Community (LLnC) grants were considered.

Alongside Ministry Share contributions, grants of £987k were given to help support parishes with Ministry Share. Nearly two-thirds of these grants came from the National Church's Lowest Income Community (LLnC) Fund which are restricted to helping ministry in those parishes that are in the most deprived areas of the country. The remaining grants came from the Ministry Support Fund, which were funds set aside by the WDBF in 2021 to support parishes during the transition from the previous Parish Share system to the current Ministry Support Fund. The intention of the Ministry Support Fund was for it to reduce over time and it is currently expected to be fully utilised by the end of 2026.

7 benefices contributed more than their Ministry Share allocation into the Ministry Support Fund to enable other benefices to receive transitional support. This amounted to £18k, a lower figure than originally hoped for, due not least to the ongoing high energy costs.

Ministry Development

In retrospect, 2024 has been an interim year for the Mission and Ministry Team, with the departure of the Director of Mission and Ministry announced towards the end of the year, and occurring only some 18 months after his appointment, and the first year in which all but two posts (DMM and Lay Training Officer) are now part-time. Nonetheless, work has progressed across all areas of the team's remit, especially in service of the underpinning diocesan priority, equipping ministers for mission.

The Clergy Development Officer is now well embedded in post, and engaged in one-on-one supportive conversations with clergy across the diocese, as well as supporting a number of ongoing developmental programmes, several being delivered in a West Midlands regional partnership. Alongside this is the detailed formational work engaged in by the Director of Ordinands and his volunteer team, and the support programme for curates led by the IME2 Officer, now also established in post. In partnership with the Church Pastoral Aid Society (CPAS), we have run training pilots for both oversight and focal ministry, to explore how we can best support clergy and lay people adapting to changing patterns of ministry.

In the summer the first iteration of the Auxiliary Pathway saw 10 priests ordained alongside 6 who had trained on mainstream pathways, and 4 deacons ordained alongside 5 mainstream ones. Although only one new Licensed Lay Minister (LLM) was admitted in 2024, six are in their second year of training to be licensed in 2025. The second iteration of the Auxiliary Pathway joined training for lay and ordained ministry together, with 9 people on it entering discernment and training for ordination, and 5 people beginning training for Licensed Lay Ministry.

There are 12 ordinands currently in training on mainstream pathways in Theological Education Institutions (8 for stipendiary ministry and 4 for Self-Supporting Ministry).

Ongoing ministry support by all members of the team continues in addition to those areas already mentioned with the ongoing programme of events put on with diocesan colleagues as part of the core offer of diocesan support. 19 people completed Authorised Lay Minister (ALM) training in 2024, of whom 12 have been authorised. 13 people completed a Bishop's Certificate course and 37 started on one. In addition to these planned courses, 726 people attended one or more of 54 other training events organised by WDBF staff, in a mix of online and onsite delivery.

Support for Church Buildings

The year began with the appointment of a new Chair of the Diocesan Advisory Committee (DAC), Gareth Doodles. A relocation for work at the end of the year meant that he resigned in December. Bishop Martin invited Robert Jones, the former Archdeacon of Worcester, to take on the role from January 2025, the appointment has been accepted. Advice visits to 108 churches were made by team members (105 in 2023) along with supporting several longer-term major building projects. Full DAC visits to assess major proposals were just 9, lower than last year's 12: often these respond to demand but were also affected by the availability of DAC members. In 2024, 47 applications for Faculty were considered by the DAC (2023 - 40, 2022 - 54) and 159 List B applications were granted (2023 - 128, 2022 - 148). The first Consistory Court hearing on a church buildings matter since 2015 took place in January, at Holy Trinity, Wordsley.

New appointments to the team were made thanks to funding granted by the Archbishop's Council: a part-time support officer to aid parishes with maintenance and repair issues, and the churches specialist within the Net Zero Carbon cluster (see section below). Jim Grevatte departed the team after a year in July 2024, his role supporting the churches undertaking works as part of the Renewals programme under the Transformation funding was contracted to local heritage project management firm Greenwoods Projects to ensure no time was lost by a recruitment programme. These projects have progressed slowly, mainly due to objections from heritage bodies.

The Minor Repairs and Improvements grants, also issued by the Archbishops' Council for dioceses to distribute through 2024 and 2025 was launched and has proved popular with parishes of all types. The scheme will likely be fully committed by the time it comes to an end in 2025. The team offered training and support sessions for parishes on Faculty Rules, fundraising and churchyard regulation and management. The annual church buildings conference, run along with other Midlands' dioceses, was held in Gloucester this year with decarbonization as its theme. The theme for 2025's event will be planning major projects. A similar joint conference for architects and building professionals was held in Burford, Oxfordshire. Worcester will host this in 2025. Team Leader, Mark Carter, joined the Diocese's delegation to the Three Confessions Conference hosted by our partner diocese in Magdeburg, the subject matter of the conference being the future and repurposing of church buildings.

Work continued on the growing portfolio of closed and closing churches, with progress hampered by delays caused by the staffing restructure within the Church Commissioners' team. The church of St James, Dudley is due to close formally in early 2025 with regular worship having ceased in summer 2024. Funding has been accessed for a significant options analysis for the building's future thanks to the West Midlands Combined Authority and Architectural Heritage Fund.

Education

In 2024, The Diocesan Board of Education published its revised strategy for the Academisation of our ninety-nine Church of England schools. This, alongside revised policy and procedures, has been shared and agreed with the Department for Education. All documentation has been shared with schools and Multi-Academy Trusts (which have Church School Articles of Association for Academisation) with meetings being held with individual Governing Bodies that are considering their options for conversion.

The Education Team has continued its offer of National Professional Qualifications (NPQs) for teachers and support staff in 2024. As regional delivery partner, this year there has been the additional offer of the new NPQ Special Educational Needs Coordinator as well as the continued offer of the following six qualifications; NPQ- Headship, NPQ- Senior Leadership, NPQ - Leading Teacher Development, NPQ - Learning Behaviour and Culture, NPQ - Leading Teaching and NPQ - Mathematics. During 2024 there have been 148 delegates enrolled. As well as providing much-needed professional development and qualifications for senior leaders, teachers and support staff in schools, it continues to generate a modest amount of additional income. The work carried out by the Education Team has continued to focus on providing a range of core services to schools in line with the Diocesan Board of Education (DBE) Measure. In response to this we also offer three Service Level agreements (SLA). The Training and Support SLA provides training for schools for them to become effective and develop as Church Schools, with a theologically-rooted Christian vision, whilst preparing them for Statutory Inspection of Anglican and Methodist Schools (SIAMS); the School Effectiveness SLA provides bespoke packages of support to improve the quality of leadership and teaching and learning; and the third SLA improves governance by

delivering enhanced training courses and audits for governors and their boards.

Through the DBE Service Level Agreements, there is a continued offer of Mental Health and Wellbeing support. This support has been invaluable in supporting school senior leaders who require counselling and support. Requests for support continue to grow and feedback and results from service users have been very positive.

During the year, the Education Team has supported the facilitation of nine building, maintenance and refurbishment projects in Voluntary Aided schools valued at just over £620,000. This work, in the main, is funded by the Department of Education through their School Condition Allocation scheme.

As part of the Framework and Action Planning for the Decarbonisation of Church of England schools, the Education Team continues to work alongside Mantis Energy who have been appointed as Regional Consultants. This work ensures that the Diocesan Board of Education has free access to advice, guidance, and experience to help shape, focus and deliver ongoing plans towards Net Zero Carbon in the Voluntary Aided schools and schools within Diocesan Multi-Academy Trusts, where the diocese holds the responsibility for the maintenance of development of school buildings. To date, as well as providing support and advice, the Education Team alongside the regional consultants have acquired grant funding and completed the first eight decarbonisation plans for Voluntary Aided/ Diocesan Multi-Academy Trust schools within the diocese.

Net Zero Carbon (NZC)

In November 2023, Diocesan Synod approved the Diocese's Practical Path Towards Net Zero Carbon, an emerging plan which outlines specific short-term actions and strategies to reduce our carbon footprint and work towards achieving net-zero carbon emissions within the Diocese by the year 2030. The Climate Crisis Task Group (an evolution of the earlier Diocesan Environment Group) has been convened as a steering group, and it redrafted the Environmental Strategy (originally published in 2008). The Environmental Strategy received Diocesan Synod approval in November 2024. The year also saw the recruitment of the regional team, for which funding had been achieved in 2023, in partnership with colleagues in Hereford and Gloucester dioceses.

Action to date:

- Recruitment of fixed term NZC Regional Programme Manager (July 2024) to advance the Diocese of Worcester's NZC ambitions and lead a cluster of three dioceses (this postholder also holds the church buildings portfolio across the three dioceses).
- Obtaining £58,850 grant funding the central church to run a NZC minor improvement scheme for churches which has helped 6 churches with £20,000 of funding so far
- Visiting and advising churches on first steps and funding available and demonstrating heating technologies
- Gaining a better understanding of church heating systems particularly by driving higher levels of Energy Footprint Tool Returns
- Delivering training to office staff, churches and schools on urgency of issue and actions that can be taken
- Top 20% emitting churches identified and contacts made to assess heating options and budget implications
- A Communications Plan has been drafted and is part of a larger plan shared between the three dioceses working as a cluster.

The research and costing works undertaken this year and at the start of 2025 will be needed for the expected bidding process for the 2026-28 Triennium Funding promised as part of the Church of England's £190m commitment to Net Zero through to 2031. It is expected that £100m will be available for this middle period to be split between dioceses: some will be a continuation of capacity building and there is expected to be some capital funding too.



2025 Priorities

In 2024, we made significant progress in implementing our transformation priorities. In 2025, we continue to build on this momentum - deepening our work across key areas while preparing for Phase 2 of the transformation programme and a next stage of national funding. A new focus on infrastructure, learning, and governance will enable the systems and culture that support long-term transformation across the diocese:

1. **Children and Young People:** Supporting the strengthening and sustainability of engagement with children, young people, and their households by resourcing those on the ground through Children and Young People's Minister networks, training, and strategic coordination at deanery level. This includes the development of practitioner networks, integration of this work into local mission planning, and the piloting of innovative approaches such as the iSingPop partnership, which explores the potential for New Worshipping Communities emerging through schools-based ministry.
2. **New Worshipping Communities (NWCs):** Supporting and embedding new worshipping communities across the diocese, with a growing focus on missional opportunities in areas of new housing development. This priority also includes expanding access to leadership development and deepening our learning community approach through Myriad and other models.
3. **Renewals Programme Preparation:** Laying the foundations for Phase 2 of the Renewals Programme through local engagement, contextual planning, and strategic assessment. This includes the diocese-wide Health and Sustainability Analysis currently underway, which will inform the identification of future renewal locations. Alongside this, work continues to support the development and implementation of robust, locally owned missional design plans in key strategic locations.
4. **Equipping Ministers for Mission:** Developing new models of leadership formation and learning that are theologically grounded, accessible, and inclusive. This includes creating leadership development pathways that are contextually and culturally inclusive, enabling a more diverse range of people to step into roles of missional leadership, and continuing to invest in the well-being and effectiveness of those leading transformation on the ground.
5. **Enabling Strategic Transformation:** Embedding the governance, learning frameworks, and programme infrastructure required to support long-term transformation across the diocese. This includes development of a Project Management Office, strategic alignment of activities, and preparation for the next submission for DIP funding for our second phase of transformation. The Health and Sustainability Analysis, while integral to renewal planning, also serves as a key diagnostic and decision-making framework supporting wider governance, investment, and strategic planning.



Financial Review

Total incoming resources for the year was £13,137k (2023 - £14,163k). The principal funding source was from Ministry Share which represents 29.6% (2023 - 27.9%) of total incoming resources. The increase in this percentage is mainly because of two things: the decreased value of gains on sale of tangible fixed asset properties (£2,506k in 2024, £4,083k in 2023) and the decrease in grants received from the Archbishops' Council (£2,600k in 2024, £3,373k in 2023). If gains and grants are omitted share represents 48.4% of operational income (2023 - 58.9%).

Benefices applied for grants to help fund any gaps between the costs of ministry in their Benefice and what they could afford to pay. This resulted in grants being awarded totalling £987k (2023 - £1,385k), being split between grants from the Ministry Support Fund of £368k (2023 - £430k), £619k (2023 - £683k) from the Lowest Income Communities Grants (LInC), and £0k (2023 - £272k) of other grants towards ministry. These grants mean that the Net Ministry Share Requested (after grants) should have been received in full from the Benefices. However, due to the continuing high inflationary economic environment, including the costs of energy, only 90.8% (2023 - 96.7%) was received. Total Ministry Share received during the year, including donations to the Ministry Support Fund and arrears, was £3,883k (2023 - £3,953k).

Endowments increased by £4,349k (2023 - £6,408k). This was because of an increase in investment valuations at the year-end of £747k (2023 - £2,246k), as well as gains on disposal of endowed assets of £2,506k (2023 - £4,083k). From the endowment £817k (2023 - £811k) was transferred to general funds under Total Return Accounting, see below and note 28. Total resources expended were £9,285k (2023 - £9,960k).

The Statement of Financial Activities on page 21 shows an overall increase in funds of £4,728k (2023 - £6,796k), of which £876k related to unrealised investment gain (2023 - £2,593k), and £2,506k (2023 - £4,083k) from surpluses on property sales.

The underlying operational result for the year, after transfers from Total Return and the Ministry Support Fund, was breakeven (2023 - breakeven).

WDBF Management has continued to monitor its costs and seek to gain additional funding where possible, to support the operations of the organisation, and its operational result, and to allow the Diocese to maximise its support to Benefices, Parishes, Churches and individuals.

Investment Policy

The Board's investment policy was reviewed during the year by an Investment Panel, a working group of the Finance and Resources Committee (FRC), although the ultimate responsibility remains that of the Worcester Diocesan Board of Finance. The policy was reviewed in September 2024 and the overarching objective is to maximise long-term income without exposing capital to undue risk, within a diversified portfolio spread across a broad range of asset classes and without compromising the Board's ethical investment policy, which essentially follows the national guidance established by the Church of England's Ethical Investment Advisory Group.

We remain in regular contact with CCLA Investment Management, our investment advisers, and Fisher German LLP, our property investment advisers, whom we fed into the establishment of the new investment policy.

Reserves *Restricted and endowment funds*

As set out in note 24 the WDBF holds and administers several restricted and endowment funds. As at 31 December 2024 restricted funds totalled £4,768k (2023 - £4,109k) and endowment funds totalled £77,066k (2023 - £72,717k). This includes the Diocesan Unapplied Total Return Fund (UTR) which totalled £22,285k (2023 - £21,403k) – see below.

Total Return Accounting

The law governing the use of Diocesan Endowment funds changed in 2016. Traditionally, permanent endowment funds draw income only, maintaining capital in perpetuity for the benefit of future generations. A Total Return investment approach allows the release of both income and capital gains for use. The Trustees adopted Total Return accounting for the Diocesan Stipends Capital Fund (DSCF) with effect from 1 January 2021 by reference to the following:

- The date used for the initial value, or base year, of the trust for investment was 31 December 1995. At this point the DSCF balance was £15,598k. This is taken as the original value of the endowment.
- CPIH was used to uplift the trust for investment giving rise to a valuation as at 31 December 2024 of £31,259k (2023 - £30,195k). The Unapplied Total Return fund as at 31 December 2024 amounted to £22,285k (2023 - £21,403k).

The Board can then release funds which are transferred to the income fund to fund stipends. This enables other funds which would have normally been used for the funding of stipends to be used as the Board sees fit. As a result, the Board has made transfers into designated funds as follows, in line with its agreed policy:

- Ministry Support Fund Transitional Support for Parishes - £118k in 2024 (2023 - £114k), which is based on an original base value of £100k, uplifted for inflation each year, for six years (to 31 December 2026). This is to help Parishes transition to the new Ministry Share system. This was further supported by an initial allocation of £600k of unrestricted reserves into the Ministry Support Fund in 2021.

- Net Zero Carbon Fund - £27k in 2024 (2023 - £27k), which is based on an original base value of £25k, uplifted for inflation each year, for six years (to 31 December 2026). This is to provide some expert resources to help the diocese achieve the 2030 Net Zero Carbon target.

Total Return Accounting had an impact on the allocation of income to the general and endowment funds. In years prior to 2021, all income arising on the DSCF was allocated to general fund on the understanding that the value of stipend payments would far exceed the value of any income, which they did, and continue to. On the introduction of Total Return Accounting, all such income is allocated to the UTR within the endowment fund with subsequent transfers to the general fund.

Designated funds

The Board may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of the designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in note 27. At 31 December 2024 total designated reserves were £1,754k (2023 - £2,458k). See note 24 for further details.

Reserves policy *Free reserves*

It is the Board's policy to maintain the year end general unrestricted reserves position, excluding tangible fixed assets, at a level of 4.5 months' expenditure. This should provide sufficient liquid funds to allow the Board to meet its commitments across the year.

As at 31 December 2024 the general unrestricted fund's net assets, excluding tangible fixed assets was £4,678k (2023 - £4,240k), and during 2024 total operational costs were £7,231k (2023 - £7,416k) providing for 8 months of operational expenditure (2023 - 7 months).

The 2025 budget suggests that expenditure will grow to £8,254k (a 4% increase), based on this figure 6.8 months of operational expenditure is provided for.

The Board are aware that the current level of reserves is in excess of the stated reserves target by 2.3 months, however, the financial challenges that Benefices and Parishes face are growing, with the Diocese continuing to provide significant financial support to many areas. Whilst it is expected that Benefices and Parishes will transition to financial sustainability and sustainable level of Ministry, it is considered appropriate to carry the level of free reserves that are currently held so that the Diocese can respond to areas where sustainability is challenging, whilst at the same time invest in growth.

Fundraising

Funds were raised in 2024 for our partner dioceses of Peru and Morogoro: £18.7k (2023 - £10.5k) was raised for the Diocese of Peru; £9.6k (2023 - £8.7k) for the Diocese of Morogoro; £7.2k (2023 - £1.0k) for Berega Hospital, Tanzania; £1k (2023 - £0.7k); and £0.9k (2023 - £0.1k) for Morogoro Bible College.

As a result of the pandemic, we launched a Diocese of Worcester Ministry fund in 2020. The aim was to raise enough to cover the stipend of one vicar for one year to assist with the continued reduced income caused by Covid-19. We encouraged potential donors to support their local church as their first priority and if they were able to make an additional gift to this Ministry Fund. Through donors' generosity £1.6k was received in 2024 (2023 - £3.7k)

Safeguarding

The directors consider the WDBF's safeguarding governance processes to be robust and rigorous. The Diocesan Safeguarding Advisory Panel (DSAP) has an experienced and independent chair. The panel also has members from organisations external to the church including the police, vulnerable adult safeguarding and probationary services. The function of the DSAP is to oversee safeguarding in the diocese and to provide a source of independent advice and expertise on safeguarding policies, procedures and practices. The DSAP makes annual reports to the Bishops' Council, which includes the trustees of the WDBF.

Directors Report

An Operational Safeguarding Group (OSG) made up of diocesan officers, parish representatives and the independent chair of DSAP meets regularly to review the work of the Safeguarding Team including case work, safety plans, DBS checks, parish safeguarding, safeguarding training, and safeguarding strategy and policies.

The OSG makes reports and recommendations to DSAP. The OSG also considers lessons learned from casework and recommends policy/procedural changes as appropriate. An important part of the work of the OSG is to monitor the WDBF's adherence to National Church of England policies and procedures and highlight to DSAP if there are gaps. The trustees receive regular training including safeguarding. The WDBF risk register includes the risks posed by failures to provide adequate safeguarding measures.

In July 2024 an external safeguarding audit of the Diocese of Worcester was undertaken by INEQE. The auditors found that safeguarding in the diocese is effective, that the Diocesan Safeguarding Team is efficient and offers good support to parishes. One of the key audit recommendations was about restructuring safeguarding provision in the diocese and the cathedral to include the appointment of a director of safeguarding. This was approved by the WDBF and additional resources were agreed including the appointment of a new training officer post for safeguarding and the creation of the post of Director of Safeguarding which is the first such post in the Church of England".



Risk Policy

The Directors have continued the process of examining the major strategic and operational risks which the DBF faces. They hold and monitor a register of the significant risks, assessing the probability of occurrence and likely impact if they were to occur, divided into five operational areas.

The most significant risks in this analysis, and plans for mitigation, are:

- High inflation in both the cost of living for individuals, and in the cost of heating churches, lead to lower receipts of Ministry Share, which are insufficient to meet the financial commitments and the strategic plans of the Diocese:
 - The clarity given by the new Ministry Share system brings forward visibility on likely receipts;
 - Regular and active communication with parish treasurers to maintain two-way communication;
 - The launch of a Ministry Support Fund provides support to parishes, encourages medium term planning. The fund will be supplemented for 2024 to provide additional support;
 - Monthly monitoring of receipts and projection for the remainder of the year;
 - Proactive support by the Stewardship Officer with struggling parishes.
- Falling numbers and ageing of attendance / membership within churches in the Diocese leading to their becoming unsustainable:
 - Progress the implementation of the Diocesan Transformation Strategy and begin planning for the next Phase of Renewals;
 - Ensure the Resourcing Churches projects continue to be effective, including the planting and renewing of a number of additional churches;
 - Provision of a Healthier Churches Fund to resource parishes who have developed Health and Sustainability plans;
 - Continued provision of Mission Accompaniers to support parishes develop and implement such plans.
 - Supporting churches with volunteer recruitment and retention.
- Serious safeguarding case:
 - Ensure swift action taken if a situation does arise;
 - Ensure effective safeguarding provision is available, through the diocesan safeguarding team; training officers and caseworkers. This will include use of core groups to bring in a wider team where appropriate;
 - Ensure safer recruitment, training, policies applied and audited at diocesan and parish level;
 - Ensure adequate insurance is in place.
- Complexity & Capacity: The transformation strategy on top of sustaining 'business as usual' provides significant complexity and workload for a small DBF team:
 - Plans have clear priorities and these have been developed with an eye to the capacity to deliver;
 - Many of the priorities will lead to additional employment to deliver the work e.g. parish based Childrens, Families and Youth workers;
 - We are seeking funding from the National Church to add the capacity to deliver at both parish level (especially for renewals) and for the DBF rather than requiring it to be funded through Ministry Share.

It is recognised that there are reputational risks to the DBF associated with each of these key risks. As well as mitigating risk in each of these areas the DBF's Communications team bring expertise to support parishes and the bishops in facilitating the mission of the church across the Diocese.

The directors have established a framework of five risk registers, each of which is reviewed periodically by an appropriate committee. An overview of key risks is considered by Bishop's Council along with the Risk Policy. The Audit, Risk and Challenge Committee reviews the DBF's approach to risk management on an annual basis, including reviewing the risk policy.

Remuneration Policy

The Board's policy regarding level of remuneration is that salaries are those appropriate to recruit and retain staff in the context of the job market. Remuneration for more senior roles is set so as to involve an element of "sacrifice" compared to the secular market, but to be broadly in line with that of equivalent roles in similar dioceses.

Investment Performance

Overall performance

Investments are held in both glebe and general funds. The total value of investments at 31 December 2024 was £50,579k (2023: £49,630k) and the total return on investment saw share values increase by 3% (2023: 9%). Investments in glebe funds are primarily to generate a sustainable income to continue funding clergy stipends.

Agricultural land and properties (Glebe only)

Agricultural, commercial and residential land and buildings were valued at £15,750k (2023: £15,625k). Rents receivable amounted to £244k (2023: £255k) - an income yield of 1.6% (2023: 1.6%). The unrealised market value gain was £150k (2023: £571k) and the realised gain on disposal was £1,271k (2023: £2,487k).

These assets are managed by Fisher German, the property investment advisers for the Board.

Investment securities (Glebe and General)

Investments in equity and other securities were valued at £34,829k (2023: £34,005k). Income from these securities amounted to £1,056k (2023: £1,011k) - an income yield of 3.0% (2023: 3.0%). The unrealised market value gain was £726k (2023: £2,022k).

These assets are managed by CCLA Investment Management, the investment advisers for the Board.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

In so far as the directors are aware, there is no relevant audit information of which the charitable company's auditors are unaware; the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

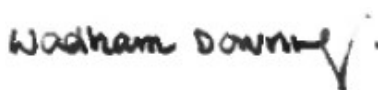
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure of Information to Auditors

As far as the directors are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware and each director has taken all the steps he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving this Directors' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

On Behalf of the Board: W S Downing



Date: 4 June 2025

Independent Auditor's Report to the Members and Trustees of the Worcester Diocesan Board of Finance Limited

Opinion

We have audited the financial statements of The Worcester Diocesan Board of Finance Limited ('the charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2024 and of its income and receipts of endowments and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in 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 and proper accounting records have not been kept; 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

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019, and the Charities Act 2011 and Church of England Measures. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Blundell LB FCS FCIE DchA (Senior Statutory Auditor)

For and on behalf of Crowe U.K. LLP, Statutory Auditors

Black Country House, Rounds Green Road, Oldbury, West Midlands B69 2DG

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were those related to employment (including taxation), safeguarding and health and safety.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit & Risk and Challenge Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Helen Blundell

Date: 17 June 2025

Statement of Financial Activities for the Year Ended 31 December 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000	Total 2023 £'000
INCOME AND ENDOWMENTS						
Donations						
- Parish contributions	2	3,865	18	-	3,883	3,953
- Archbishops' Council	3a	876	1,724	-	2,600	3,373
- Other donations	3b	225	347	-	572	389
Charitable activities	4	596	52	-	648	615
Other activities	5	509	-	-	509	484
Investments	6	364	-	2,055	2,419	1,266
Other – gains on sale of tangible fixed asset properties		-	-	2,506	2,506	4,083
		6,435	2,141	4,561	13,137	14,163
EXPENDITURE						
Raising funds	7	-	-	142	142	180
Charitable activities						
- Contributions to Archbishops' Council	8	513	-	-	513	528
- Parish Ministry	9	5,184	1,932	-	7,116	7,677
- Support for Ministry	10	810	254	-	1,064	1,165
- Support for Schools	11	306	144	-	450	410
		6,813	2,330	142	9,285	9,960
Net (expenditure) / income before investment gains		(378)	(189)	4,419	3,852	4,203
Net (losses) / gains on investments		92	37	747	876	2,593
Net (expenditure) / income		(286)	(152)	5,166	4,728	6,796
Unapplied Total Returns allocated to income for stipends	25	-	817	(817)	-	-
Transfers between funds	25	6	(6)	-	-	-
Net movement in funds		(280)	659	4,349	4,728	6,796
Total funds brought forward	24	8,244	4,109	72,717	85,070	78,274
Total funds carried forward	24	7,964	4,768	77,066	89,798	85,070

All incoming resources and resources expended derive from continuing activities.
The notes on pages 24 to 50 form part of these financial statements.

Income and Expenditure Account Year Ended 31 December 2024

	2024 £'000	2023 £'000
Total income	8,577	9,010
Total expenditure	(9,143)	(9,780)
Operating (deficit) / surplus for the year	(566)	(770)
Net (losses) / gains on investments	129	347
Net (expenditure) for the year	(437)	(423)
Other comprehensive income:		
Net assets transferred from endowments	817	811
Total comprehensive (expenditure) / income	380	388

*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 24 to 50 form part of these financial statements.*

Balance Sheet

Balance Sheet as at 31 December 2024

Company Number 00271752

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
FIXED ASSETS					
Tangible assets	16		37,685		34,864
Investments					
Investment property	17		15,750		15,625
Investments	17		34,829		34,005
			88,264		84,494
CURRENT ASSETS					
Debtors	18	2,662		2,020	
Cash at bank	19	611		629	
		3,273		2,649	
CREDITORS					
Amounts falling due within one year	20	(740)		(1,353)	
NET CURRENT ASSETS					
			2,533		1,296
TOTAL ASSETS LESS CURRENT LIABILITIES					
			90,797		85,790
CREDITORS					
Amounts falling due after more than one year	21		(999)		(720)
NET ASSETS					
			89,798		85,070
FUNDS OF THE CHARITY					
Endowment funds	24		77,066		72,717
Restricted Income funds	24		4,768		4,109
Unrestricted Income funds:					
- General funds	24		6,210		5,786
- Designated funds	24		1,754		2,458
			89,798		85,070

The financial statements were approved by the Board of Directors on 4 June 2025 and were signed on its behalf by:

W S Downing

Wadham Downing

Date: 4 June 2025

The notes on pages 24 to 50 form part of these financial statements

Cash Flow Statement for the Year Ended 31 December 2024

Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Net cash flow from operating activities		(2,010)		(1,356)
Cash flows from investing activities				
Dividends, interest and rent from investments	2,419		1,266	
Proceeds from the sale of:				
- Tangible fixed assets	4,403		5,789	
- Investments	1,743		-	
- OCF gift of CCLA accounts	(1,063)		-	
Purchase of:				
- Tangible fixed assets for the use of the WDBF	(4,732)		(1,383)	
- Fixed asset investments	(1,946)		(4,090)	
Net cash provided by investing activities		824		1,582
Change in cash and cash equivalents in the year		(1,186)		226
Cash and Cash Equivalents at 1 January		2,232		2,006
Cash and Cash Equivalents at 31 December		1,046		2,232
Reconciliation of net movements in funds to net cash flow from operating activities				
Net income before investment gains for the year		3,852		4,203
Adjustments for:				
Depreciation Charges	17		25	
Dividends, interest and rent from investments	(2,419)		(1,266)	
(Surplus) on sale of functional assets	(2,481)		(4,083)	
(Increase)/decrease in debtors	(643)		(1,042)	
Increase/(decrease) in creditors	(335)		806	
		(5,862)		(5,560)
Net cash used in operating activities		(2,010)		(1,356)
Analysis of cash and cash equivalents				
Cash in Hand		611		629
Notice Deposits		435		1,603
		1,046		2,232

The notes on pages 24 to 50 form part of these financial statements

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in c), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The principal accounting policies and estimation techniques are as follows:

a) Income

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

- i) **Ministry Share and donations for the Ministry Support Fund** recognised as income of the year in respect of which it is receivable up to 7 February 2025.
- ii) **Rent receivable** is recognised as income in the period with respect to which it relates.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Parochial fees** are recognised as income of the year to which they relate up to 7 February 2025.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the WDBF's own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- viii) **Stipends fund income.** The Diocesan Stipends Capital Fund (DSCF) account is governed by the Diocesan Stipends' Fund Measure 1953 as amended, and the use of the income is restricted for clergy stipends. In 2021 WDBF elected to apply Total Return Accounting, accordingly income received in relation to the DSCF is accounted for in the endowment fund, with an agreed transfer from the DSCF to general funds occurring each year towards the costs of stipends (which is significantly greater than the value of the transfer). See note 28 for more details.

b) Expenditure

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

- i) **Costs of raising funds** are constrained to investment management costs of glebe and any other investment properties.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese and expenditure on education and Church of England schools in the diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the WDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The WDBF's staff are members of the Church Workers Pension Fund and clergy are members of the Church of England Funded Pensions Scheme (see note 23). The pension costs charged as resources expended represent the WDBF's contributions payable in respect of the accounting period, in accordance with FRS 102. Deficit funding for the pension schemes in which WDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

c) Tangible fixed assets and depreciation

Freehold properties

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The WDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Parsonage houses

The WDBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The WDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at cost.

d) Investment property

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

Glebe land with the potential for development is valued according to its agricultural value until such time as planning permission has been granted and is free from challenge and a signed agreement is in place with developer who will purchase the land, at which point it is revalued to reflect the development value, provided this can be determined with reasonable accuracy and taking into account timing and the potential for development not actually taking place. This is chosen as the point of revaluation as up until this point there is no developable land, and both sides can walk away from the deal, delay or renegotiate the agreement, so there is uncertainty regarding the timing and value of any receipt. Costs incurred by WDBF in relation to enabling the development, should there be any, will initially be capitalised; if the development is unsuccessful any aborted costs will be taken to the Statement of Financial Activities as an investment loss.

e) Other tangible fixed assets

All capital expenditure over £1,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Fixtures and Fittings 20% per annum straight line basis

Leasehold improvements are depreciated on a straight-line basis over the course of the lease.

f) Other accounting policies

- i) **Fixed asset investments** are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.
- ii) **Leases.** The WDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates.
- iii) **Taxation.** The company is a registered charity and is not liable to corporation tax in this year.

g) Fund balances

Fund balances are split between unrestricted (general and designated), restricted and endowment funds.

- Unrestricted funds are the WDBF's charity corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the WDBF. There are two types of unrestricted funds:
 - General Funds which the WDBF intends to use for the general purposes of the WDBF and
 - Designated Funds set aside out of unrestricted funds by the WDBF for a purpose specified by the Trustees.
- Restricted Funds are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- Endowment Funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the WDBF (Stipends Fund Capital and Parsonage Houses) there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches. Trusts where the WDBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

h) Key judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

1. The Trustees perform annual impairment reviews (as explained in c above), and have concluded that there are no indications of material impairment;
2. Freehold properties are not depreciated for the reasons set out in c) above;
3. The assumptions underpinning the pension scheme liabilities are set out in note 23 below;
4. Receipts of Ministry Share, Donations for the Ministry Support Fund, and Fees are recognised in the year under review up to 9 February of the following year.

i) Going concern

Having reviewed the funding facilities available to Worcester DBF together with the forecast cash flows, the trustees conclude that that charity has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the charity's financial viability. Accordingly, the financial statements are prepared on the going concern basis.

2. PARISH CONTRIBUTIONS

	Total Funds 2024 £'000	Total Funds 2023 £'000
Current year's allocation	5,249	5,352
Ministry Support Fund Grants	(368)	(430)
SDF Grant	-	(272)
Lowest Income Communities Grants	(619)	(683)
	4,262	3,967
Shortfall in contributions	(393)	(130)
	3,869	3,837
Arrears for previous years	(4)	15
	3,865	3,852
Ministry Support Fund donations - Restricted	18	101
TOTAL	3,883	3,953

The Ministry Share system was adopted from 1 January 2022. The system included a grants system which saw grants of £368k from the Ministry Support Fund and £619k from the LInC being awarded. Donations of £18k were received from Benefices to support Ministry and Mission in other areas of the Diocese - these are restricted donations.

	2024 Net Ministry Share Request £'000	2024 Shortfall £'000	2024 Total Received £'000	2024 Total Received %	2023 Net Ministry Share Request £'000	2023 Total Received £'000	(Decrease) Increase / £'000	(Decrease) Increase / %
Deanery								
Greater Dudley	940	69	871	92.7	949	922	(51.0)	(5.4)
Kidderminster & Stourport	698	27	671	96.1	560	542	129.0	23.0
Malvern & Upton	635	37	598	94.2	574	544	54.0	9.4
Pershore & Evesham	821	175	646	78.7	665	631	15.0	2.3
Redditch & Bromsgrove	411	28	383	93.2	472	459	(76.0)	(16.1)
Worcester	757	57	700	92.5	747	739	(39.0)	(5.2)
	4,262	393	3,869	90.8	3,967	3,837	32.0	0.8

Notes to the Financial Statement

Year Ended 31 December 2024

3a. ARCHBISHOPS' COUNCIL

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Lowest Income Communities Funding	820	-	820	793
Archbishops' Council - RME grant	-	(163)	(163)	80
Registry-Church Commissioners	56	-	56	54
DIP Grant	-	1,123	1,123	1,019
MR&I Grant	-	-	-	135
Myriad Grant	-	-	-	20
SDF Grant - Calling Young Disciples	-	-	-	64
SDF Grant - Resourcing Churches	-	658	658	1,076
SDF Grant - Capacity Grant Funding	-	106	106	132
	876	1,724	2,600	3,373
Total Funds 2023	847	2,526	3,373	

3b. OTHER DONATIONS

Benefact Trust Grant (HCF)	-	92	92	107
Education Grants and income	52	144	196	153
Parsonage Grants and income	75	-	75	24
Ministry Restricted Donations	-	3	3	3
Net Zero Carbon	-	108	108	15
Developing Ministry Course and income	8	-	8	20
Sundry Income	62	-	62	35
Safeguarding Income	28	-	28	32
	225	347	572	389
Total Funds 2023	120	269	389	

4. CHARITABLE ACTIVITIES

Statutory fees	429	-	429	389
Education Service Level Agreements	128	-	128	127
Education NPQ	32	-	32	-
Trust Income				
- Clergy Widows and Orphans Fund	-	9	9	11
- Ordination Candidates Fund	-	-	-	30
- Church Schools Improvement and Maintenance Fund	8	-	8	13
- Sundry Trust Funds	-	43	43	45
	596	52	649	615
Total Funds 2023	529	86	615	

5. OTHER ACTIVITIES

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Insurance claim	-	-	-	45
Rental income from parsonages	458	-	458	355
Rental income from other property	46	-	46	42
Recharges – rent, salary and service charge	5	-	5	42
	509	-	509	484
Total Funds 2023	439	45	484	

Included in note 3a above is (£163k) relating to an RME grant which was repaid to Archbishop's Council. This was Worcester Diocese's element of a diocese national build-up of unspent balances relating to ministerial education.

Notes to the Financial Statement

Year Ended 31 December 2024

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowed Funds 2024 £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
6. INVESTMENTS					
Dividends receivable	292	-	749	1,041	999
Interest receivable	-	-	15	15	12
Ordination Candidates Fund	72	-	1,047	1,119	-
Rents receivable	-	-	244	244	255
	<u>364</u>	<u>-</u>	<u>2,055</u>	<u>2,419</u>	<u>1,266</u>
Total Funds 2023	<u>241</u>	<u>-</u>	<u>1,025</u>	<u>1,266</u>	
7. RAISING FUNDS					
Glebe Agent's fees and expenses	-	-	142	142	180
Total Funds 2023	<u>-</u>	<u>-</u>	<u>180</u>	<u>180</u>	
8. CONTRIBUTIONS TO ARCHBISHOPS' COUNCIL					
Training for Ministry	213	-	-	213	215
National Church responsibilities	150	-	-	150	155
Retired clergy housing costs	89	-	-	89	85
Pooling of ordination candidates' costs	51	-	-	51	61
General Synod Representatives' Expenses	10	-	-	10	12
	<u>513</u>	<u>-</u>	<u>-</u>	<u>513</u>	<u>528</u>
Total Funds 2023	<u>528</u>	<u>-</u>	<u>-</u>	<u>828</u>	
9. PARISH MINISTRY					
Stipends and National Insurance	1,703	954	-	2,657	2,589
Pension costs	528	-	-	528	592
Housing costs – Council Tax	241	-	-	241	248
Parsonage Houses maintenance	927	-	-	927	1,268
Removal, resettlement and other grants	153	-	-	153	121
Lowest Income Communities Grants	49	-	-	49	380
Resourcing Churches	-	608	-	608	1,050
Diocesan Investment Programme Fund	-	298	-	298	-
Minor Repair and Improvements Fund	-	51	-	51	-
Myriad Grant	-	10	-	10	-
Grants to Parishes	47	-	-	47	-
Other expenses	117	11	-	128	148
Healthier Churches Grants	663	-	-	663	561
Support costs - Administration (see note 13)	756	-	-	756	720
	<u>5,184</u>	<u>1,932</u>	<u>-</u>	<u>7,116</u>	<u>7,677</u>
Total Funds 2023	<u>6,461</u>	<u>1,216</u>	<u>-</u>	<u>7,677</u>	
10. SUPPORT FOR MINISTRY					
Ministry and Discipleship	287	-	-	287	309
Calling Young Disciples project	-	-	-	-	89
Church Buildings Team	141	-	-	141	125
Capacity Restructuring	-	106	-	106	132
Safeguarding	155	-	-	155	142
World Church Links	4	-	-	4	8
Ordination Candidates Allowances and tuition fees	81	-	-	81	136
Ministry Hardship Grants for individuals (note 12)	-	4	-	4	20
Confrence Delivery Costs	-	-	-	-	39
Transformation Delivery Unit	-	69	-	69	30
Net Carbon Zero	-	75	-	75	-
Support costs – Administration (see note 13)	142	-	-	142	135
	<u>810</u>	<u>254</u>	<u>-</u>	<u>1,064</u>	<u>1,165</u>
Total Funds 2023	<u>825</u>	<u>340</u>	<u>-</u>	<u>1,165</u>	

Notes to the Financial Statement

Year Ended 31 December 2024

11. SUPPORT FOR SCHOOLS

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowed Funds 2024 £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Education team	259	144	-	403	365
Support costs – Administration (see note 13)	47	-	-	47	45
	<u>306</u>	<u>144</u>	<u>-</u>	<u>450</u>	<u>410</u>
Total Funds 2023	<u>266</u>	<u>144</u>	<u>-</u>	<u>410</u>	

12. GRANT ANALYSIS

	Closing balance of unpaid commitments 2024 £'000	New commitments approved during 2024 £'000	Grants paid out in 2024 £'000	Grants cancelled in 2024 £'000	Opening balance of unpaid commitments 2023 £'000	
<u>Grants to Parishes</u>						
Lowest Income Communities Grants	308	112	58	74	328	
Healthier Churches Grants	1,045	706	160	93	592	
Total unpaid commitments as per grant accruals on balance sheet	<u>1,353</u>				<u>920</u>	
	2024 £'000	2024 no. of Grants			2023 £'000	2023 no. of Grants
<u>Grants to Individuals</u>						
Removal, Resettlement and Other Grants						
Resettlement Grants	55	19			36	13
First Appointment Grants	52	18			45	22
Removal Grants	47	19			40	15
	<u>154</u>	<u>56</u>			<u>121</u>	<u>50</u>
Ministry Hardship Grants for Individuals	<u>4</u>	<u>14</u>			<u>20</u>	<u>20</u>
Total Grant Expenditure excluding Healthier Churches and LiNC	<u>158</u>				<u>141</u>	

13. ANALYSIS OF SUPPORT COSTS

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowed Funds 2024 £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Central Administration	780	-	-	780	747
Governance:					
- External audit	21	-	-	21	18
- Registrar and Chancellor	144	-	-	144	135
	945	-	-	945	900
Total Funds 2023	900	-	-	900	

	Activities Undertaken Directly £'000	Support Costs £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Cost of generating funds	142	-	142	180
Contributions to Archbishops' Council	513	-	513	528
Parish Ministry	6,360	756	7,116	7,677
Support for Ministry	922	142	1,064	1,165
Support for Schools	403	47	450	410
Charitable activities	8,198	945	9,144	9,780
	8,340	945	9,285	9,960
Total Funds 2023	9,060	900	9,960	

Support costs are apportioned as 80% Parish Ministry, 15% Support for Ministry and 5% Education.
Support costs are not allocated to the Glebe Agent's fees and expenses because the Glebe Agent provides their own administrative support.

14. STAFF COSTS

Gross Salaries
Employers National Insurance Costs
Other Pension Costs - Annual

2024 £'000	2023 £'000
1,503	1,340
147	128
225	205
1,875	1,673

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

	No. in 2024	No. in 2023
Full time	22	22
Part time	26	24
	48	46

In terms of full-time equivalent employees, the average number employed and their funding was as follows:

Operational posts funded by the DBF

Project posts and operational posts funded from other sources*

	No. in 2024	No. in 2023
Operational posts funded by the DBF	31	28
Project posts and operational posts funded from other sources*	8	8
	39	36

* Other sources include Strategic Development Funding (SDF) from the National Church, Bishops' office funding from the Church Commissioners, grants from trust funds and a contribution from reserves.

There are three employees with emoluments above £60,000 per annum (2023: three employees). Pension contributions are paid for 9 directors during the year (2023: 7 directors).

There were no redundancies in 2024 (2023: two redundancies). Accordingly, the total paid during the year in termination and redundancy payments was £0k (2023: £8k).

Worcester Diocesan Board of Finance is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than the bishops and cathedral staff. The WDBF is also responsible for the provision of housing for stipendiary clergy in the diocese, again excluding the diocesan bishop and cathedral staff.

The WDBF paid an average of 86 (2023: 88) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

Stipends
National Insurance contributions and apprenticeship levy
Pension costs - current year

2024 £'000	2023 £'000
2,573	2,552
230	202
579	617
3,382	3,371

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary	Andy Todd
Director of Finance	Shaun Mooney
Director of Education	Tim Reid
Director of Ministry and Discipleship	Roger Latham
Director of Communications	Samantha Setchell
Transformation Programme Director	Damien Herbert
Director of Ordinands	John Fitzmaurice
Director of Property	Ruth Beard (Director role began 1st November 2024)
Director of Church Buildings	Mark Carter (Director role began 1st November 2024)

Remuneration including employers NI and employers pensions contributions for these nine roles amounted to £545,392 (2023: £438,950 for seven roles).

Trustees' emoluments

No trustee received any remuneration for services as Trustee. Five (2023: four) trustees received travelling and out of pocket expenses, totaling £14,756 (2023: £10,671) in respect of General Synod duties, duties as archdeacon or rural dean and other duties as Trustees.

The following table gives details of the Trustees who were in receipt of a stipend, housing provided and /or a removal/resettlement grant by the WDBF during the year:

	Stipend	Housing	Removal/Resettlement Grant
W S. Downing	No	No	No
EA Wiles	No	No	No
The Right Reverend J G Inge (resigned 10 October 2024)	Yes	Yes	No
The Right Reverend M C Gorick	No	Yes	No
The Venerable NJ Groarke	Yes	Yes	No
The Venerable R G Jones (resigned 18 April 2024)	Yes	Yes	No
The Venerable M Badger (appointed 1 January 2024)	Yes	Yes	No
The Reverend A C Davies (resigned 2 January 2025)	Yes	Yes	No
The Very Reverend S. M Edwards	Yes	Yes	No
MD Hunter	No	No	No
The Reverend R Johnson	Yes	Yes	No
P V Kear (resigned 18 January 2025)	No	No	No
The Reverend Canon CA Lording (resigned 02 January 2025)	Yes	Yes	No
R J Pearce (resigned 2 January 2025)	No	No	No
D I A R Phillips (resigned 14 November 2024)	No	No	No
HA Richards	No	No	No
TH Terera	No	No	No
D M Wightman	No	No	No
The Reverend Canon T J Williams	Yes	Yes	No
The Reverend Canon D M Cooksey (appointed 24 January 2025)	Yes	Yes	No
R C Lunn (appointed 24 January 2025)	No	No	No
Prof J L Nichol (appointed 24 January 2025)	No	No	No
The Reverend A Hadley (appointed 25 March 2025)	Yes	Yes	No

15. SURPLUS FOR THE FINANCIAL YEAR

Is stated after charging / (crediting):

	2024 £'000	2023 £'000
Depreciation	17	25
(Surplus) on disposal of fixed assets	(2,481)	(4,083)
Operating Lease – Rent Lowesmoor Wharf	28	27
Auditors Remuneration – external scrutiny	21	18

16. TANGIBLE FIXED ASSETS

Unrestricted Funds

COST

	Board Houses £'000	Leasehold Improvements £'000	Fixtures and Fittings £'000	Totals £'000
At 1 January 2024	1,522	67	54	1,643
Additions	-	-	3	3
Disposals	-	-	-	-
At 31 December 2024	1,522	67	57	1,646

DEPRECIATION

At 1 January 2024	-	52	45	97
Charge for year	-	15	2	17
Disposals	-	-	-	-
At 31 December 2024	-	67	47	114

NET BOOK VALUE

At 31 December 2024	1,522	-	10	1,532
At 31 December 2023	1,522	15	9	1,546

Restricted Funds

COST

	Glebe Team Vicarages & Curates' Houses £'000	Parsonages Houses £'000	Pastoral Buildings £'000	Totals £'000
At 1 January 2024	13,165	19,961	192	33,318
Additions	2,612	2,120	-	4,732
Disposals	(816)	(1,081)	-	(1,897)
Transfers	-	-	-	0
At 31 December 2024	14,961	21,000	192	36,153

DEPRECIATION

At 31 December 2024	-	-	-	-
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NET BOOK VALUE

At 31 December 2024	14,961	21,000	192	36,153
At 31 December 2023	13,165	19,961	192	33,318

Total Tangible Fixed Assets

Unrestricted funds – Net Book Value

Restricted funds – Net Book Value

2024 £'000	2023 £'000
1,532	1,546
36,153	33,318
37,685	34,864

The parsonage houses are legally vested in the Incumbent as a freeholder during their incumbency. The Incumbent is not free to dispose of the house and is not responsible for the maintaining the house. The charitable company has both the benefits and obligations of ownership.

The trustees consider the difference between the carrying value and the market value of the interests in land and buildings not held as investments is not quantifiable.

Included in land and buildings is freehold land stated at £36.1m (2023 - £33.3m) which is not depreciated. The freehold property of Board, Parsonage, Glebe and Pastoral buildings and the fixtures and fittings are held in the direct furtherance of the charity's objects.

17. FIXED ASSET UK INVESTMENTS

	Land and Property £'000	CBF Shares £'000	Cash £'000	Total £'000
Valuation				
At 1 January 2024	15,625	32,402	1,603	49,630
Additions/increase in deposit accounts	-	1,946	1,203	3,149
OCF gift of CCLA accounts	-	1,063	-	1,063
Disposals /decrease in deposit accounts	(25)	(1,743)	(2,371)	(4,139)
Increase/(Decrease) in revaluation	150	726	-	876
At 31 December 2024	15,750	34,394	435	50,579
At 31 December 2023	15,625	32,402	1,603	49,630

	Total 2024 £'000	Total 2023 £'000	
UK investment property	15,750	15,625	Investment property was valued on an open market basis as at 31 December 2024 by Fisher German LLP, who is Glebe Agent Historical investment costs are not readily available as much of the investment properties was acquired a considerable time ago.
Unlisted UK investment shares	34,394	32,402	
CBF Investments	435	1,603	
	50,579	49,630	

18. DEBTORS

	Total 2024 £'000	Total 2023 £'000
Current year Ministry Share and Donations	184	243
Fee receivable	39	41
Other debtors	496	481
Prepayments	5	82
Accrued Income	1,938	1,173
	2,662	2,020

19. CASH AT BANK

Lloyds Bank PLC Accounts	611	629
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20. CREDITORS:

Amounts falling due within one year

Trade creditors	185	170
Other creditors	40	492
Deferred income	87	93
Grant accruals	354	329
Parsonage houses maintenance accrual	75	269
	740	1,353

21. CREDITORS:

Amounts falling due after more than one year

Grant accruals	999	720
	999	720

22. OPERATING LEASES

Total commitments under non-cancellable operating leases areas follows:

Photocopiers at 16 Lowesmoor Wharf

Payable within one year of the balance sheet date	4	4
Payable in the second to fifth years inclusive of the balance sheet date	13	17
	17	21

Land and Buildings

Payable within one year of the balance sheet date	24	24
Payable in the second to fifth years inclusive of the balance sheet date	20	30
	44	54

23. PENSION COMMITMENTS - Church of England Funded Pension Scheme

The Worcester Diocesan Board of Finance participates in the Church of England Funded Pension 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 scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions 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 a specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2024: £579k, 2023: £607k). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £Nil (2023: £Nil).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out 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 inline with RPI less 0.80% pre 2030 moving to RPI with no adjustments from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

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

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

% of pensionable stipends	Jan 2018 to Dec 2020	Jan 2021 to Dec 2022	Jan 2023 onwards
Deficit repair contributions	11.9%	7.1%	0.0%

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.

PENSION COMMITMENTS - Church of England Funded Pension Scheme (continued)

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 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

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

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

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

PENSION COMMITMENTS - Church of England Funded Pension Scheme

Worcester DBF participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and the other participating employers.

CWPF has two sections:

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

Church of England Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2024: £203k, 2023: £177k).

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

For the Pension Builder Classic section, the 2022 valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due at 31 December 2025.

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

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

24. SUMMARY OF MOVEMENTS IN FUNDS

	Balance at 1 January 2024 £'000	Income and Endowments £'000	Expenditure £'000	Investment Gains / (Losses) £'000	Transfers £'000	Balance at 31 December 2024 £'000
Unrestricted Funds						
General Fund	5,786	5,567	(5,434)	92	199	6,210
Designated Funds						
Healthier Churches Fund	1,659	-	(663)	-	-	996
Ministry Support Fund	507	-	-	-	(232)	275
Net Zero Carbon Fund	62	48	(48)	-	27	89
Conferences Fund	12	-	-	-	12	24
Lowest Income Communities Fund	218	820	(668)	-	-	370
Designated Funds	2,458	868	(1,379)	-	(193)	1,754
Total Unrestricted Funds	8,244	6,435	(6,813)	92	6	7,964
Restricted Income Funds						
Diocesan Stipends Income Fund	-	-	(817)	-	817	-
Education Fund	250	144	(144)	5	-	255
Transformation Delivery Unit	-	-	(69)	-	69	-
Resourcing Churches	-	658	(608)	-	(50)	-
Capacity Grant Restructuring	-	106	(106)	-	-	-
Diocesan Pastoral Account Fund	2,379	-	-	32	-	2,410
Benefact Trust	-	92	(92)	-	-	-
Net Zero Carbon Fund	15	108	(75)	-	-	48
Clergy Widows and Orphans Fund	-	9	(9)	-	-	-
Lay Staff Support Fund	10	-	-	-	-	10
Ministry Restricted Donations	-	3	(3)	-	-	-
RME RMF Fund	174	(163)	-	-	(7)	4
Diocese Investment Programme Fund	1,019	1,123	(298)	-	-	1,844
Minor Repair and Improvements Fund	135	-	(51)	-	-	84
Myriad Fund	20	-	(10)	-	-	10
Ministry Support Fund	-	18	-	-	(18)	-
Ministry Hardship Grants for Individuals	4	-	(4)	-	-	-
Maynard and Outram Smith Library	103	-	-	-	-	103
Sundry Trust Funds	-	43	(43)	-	-	-
Restricted Funds	4,109	2,141	(2,330)	37	811	4,768
Endowment Funds						
Ordination Candidates Fund	-	1,047	-	(6)	-	1,041
Diocesan Stipends Capital Fund	30,195	-	-	1,064	-	31,259
Diocesan Unapplied Total Return	21,403	2,280	(142)	(439)	(817)	22,285
Diocesan Parsonage Capital Fund	21,119	1,234	-	128	-	22,481
Endowment Funds	72,717	4,561	(142)	747	(817)	77,066
TOTAL FUNDS	85,070	13,137	(9,285)	876	-	89,798

25. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted General fund £'000	Unrestricted Designated fund £'000	Restricted funds £'000	Endowed funds £'000	Total 2024 £'000
From General fund					
- Annual allocation	(118)	118	-	-	-
- Reinvestment of operating surplus			-	-	-
From General fund to Net Zero Carbon Fund	(27)	27	-	-	-
Ministry Support	368	(350)	(18)	-	-
Designated fund for 2026 clergy conference	(12)	12	-	-	-
Resourcing Churches	50	-	(50)	-	-
Transformation Delivery Unit costs	(69)	-	69	-	-
RMF payments in advance	7	-	(7)	-	-
	<u>199</u>	<u>(193)</u>	<u>(6)</u>		
From Endowment Fund to General Fund for stipends under Total Return (see note 28)	-	-	817	(817)	-
Total	<u>199</u>	<u>(193)</u>	<u>811</u>	<u>(817)</u>	<u>-</u>

26. SUMMARY OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £'000	Investment Property £'000	Investments £'000	Current Assets £'000	Creditors £'000	Inter Fund Loan £'000	Net Assets £'000
Unrestricted Funds							
General Fund	1,532	-	7,495	448	(817)	(2,448)	6,210
Designated Funds							
Healthier Churches Fund	-	-	-	-	(593)	1,589	996
Ministry Support Fund	-	-	-	-	-	275	275
Net Zero Carbon Fund	-	-	-	-	-	89	89
Conferences Fund	-	-	-	-	-	24	24
Lowest Income Communities Fund	-	-	-	698	(328)	-	370
Designated Funds	-	-	-	698	(921)	1,977	1,754
Total Unrestricted Funds	1,532	-	7,495	1,146	(1,738)	(471)	7,964
Restricted Funds							
Education Fund	-	-	247	8	-	-	255
Diocesan Pastoral Account Fund	192	-	2,193	25	-	-	2,410
Lay Staff Support Fund	-	-	10	-	-	-	10
Net Zero Carbon Fund	-	-	-	48	-	-	48
Maynard and Outram Smith Library	-	-	-	103	-	-	103
DIP Grant	-	-	-	1,844	-	-	1,844
MR&I Grant	-	-	-	84	-	-	84
Myriad Grant	-	-	-	10	-	-	10
RME Fund	-	-	-	4	-	-	4
Restricted Funds	192	-	2,450	2,126	-	-	4,768
Endowment Funds							
Ordination Candidates Fund	-	-	1,041	-	-	-	1,041
Diocesan Stipends Capital Fund	14,961	15,750	22,974	-	-	(141)	53,544
Diocesan Parsonage Capital Fund	21,000	-	869	-	-	612	22,481
Endowment Funds	35,961	15,750	24,884	-	-	471	77,066
TOTAL FUNDS	37,685	15,750	34,829	3,272	(1,738)	-	89,798

27. PURPOSE OF FUNDS

General Fund is the WDBF's unrestricted undesignated fund available for any of the WDBF's purposes without restriction.

DESIGNATED FUNDS

Healthier Churches Fund (HCF) is a designated fund from which grants are awarded to support our churches towards greater health and sustainability.

Ministry Support Fund (MSF) is a designated fund to offer transitional support for benefices with the new ministry share system and transition to financial sustainability.

Net Carbon Zero Fund (NZC) is a designated fund to support the transition to Net Zero Carbon position.

Conference Designated Fund is an amount set aside to help fund the clergy conference which will take place every 3 years. The most recent conference was in September 2023.

Lower Income Communities Designated Fund (LInC) is income received to support stipendiary ministry in the most deprived areas of the Diocese. Due to a number of reasons not all of the planned projects could take place and hence the increase of the funds held at the year end. There are initial plans to enable these funds to be utilised.

RESTRICTED FUNDS

Restricted Education Fund provides for income to be used for educational purposes.

Resourcing Churches Fund is income received from Archbishops' Council for the Dudley and Worcester Resourcing churches.

Capacity Grant Restructuring Fund is income received from Archbishops' Council (Strategic Development Funding (SDF)) to fund additional central diocesan costs to enable strategic transformation within the diocese.

Diocesan Pastoral Account Fund (DPA) has arisen from the Pastoral Measure 2011 and can be used for purposes laid down in Section 94 of the Pastoral Measure 2011.

This includes expenditure on any property vested by or under this Measure in the Church Commissioners of the DBF, and grants and loans for parsonage and church provision, restoration, improvement or grant.

Where the DBF is satisfied that any monies in the Diocesan Pastoral Account are not (likely to be) required for meeting the costs referred to in this section it may:

- a. Apply those monies by way of grant or loan to the provision, restoration, improvement or repair of church and parsonage house in the diocese, including the repair of any building closed for

regular public worship vested in the Board pending the coming into operation of arrangement under a pastoral (church buildings disposal) scheme, or to other purposes of the diocese or any benefice or parish in the diocese; or

- b. Apply those monies by way of grant or loan for the benefit of another diocese; or
- c. Transfer monies to the Diocesan Stipends Fund Capital or Income Account (which cannot be reversed). Sufficient funds must be held in the Fund to finance all redundant buildings in the Diocese; or
- d. Transfer those monies to one or more other accounts of funds held by the Board.

Benefact Trust Fund is to contribute towards the transformation strategy. This funding was fully spent during the year and no reserve is carried forwards.

Net Carbon Zero Fund (NZC) funding received from the Archbishops' Council to support the transition to Net Zero Carbon position.

Clergy Widows and Orphans Fund is to finance the cost of clergy widows and orphans in the Diocese. The expenditure is funded by a grant from a trust fund, the Clergy Widows and Orphans Trust. No reserves are held in this fund.

Lay Staff Support Fund is a restricted fund which can only be used for specific expenditure for lay support employees working at the WDBF.

Ministry Restricted Donations related to the Diocese of Worcester Ministry fund which was launched as a result of the pandemic, due to the effects of reduced Ministry Share. All income was expended during the year towards a stipend for a vicar.

Resourcing Ministerial Education Fund (RME) from which block grants are received by WDBF, out of which training and maintenance costs are met. Any unused funds at the end of each year can only be used to fund future training and maintenance costs.

Diocesan Investment Programme Fund (DIP) is income received from Archbishops' Council to fund church renewal projects within the diocese.

Minor Repair and Maintenance Fund (MR&I) is income received from Archbishops' Council to fund urgent and necessary repairs and improvements to church buildings within the diocese.

Myriad Fund is income received from Myriad to fund a learning hub to recruit and develop lay church planting teams.

27. PURPOSE OF FUNDS

Ministry Support Fund (MSF) the restricted element of this fund represents donations from Benefices who have paid additional amounts above that of their Ministry Share request to help and support Ministry in other areas of the Diocese. The whole of this restricted fund is spent in the year received on Stipends.

Maynard and Outram Smith Library Fund is from the sale of donated books under the Charities Act Scheme known as Maynard Smith and Outram Smith Library. The proceeds can be used for the advancement of theology and theological learning for the benefit of the public, including providing grants for the training and maintenance of ordination candidates, and continuing education for those who are already ordained. Accordingly, the fund will be spent on clergy training.

Sundry Trust Funds is an amalgamation of sundry restricted trust funds which have been fully expended in the year.

ENDOWMENT FUNDS

Ordination Candidates Fund has started when the separate charity for OCF was closed 30th June 2024 and all assets which comprised of CCLA accounts were transferred to the Diocese of Worcester. Dividends generated from this fund can be spent but the capital remains.

Diocesan Stipends Capital and Income Funds have arisen from and are governed by the provisions of Section 35 of the Endowment and Glebe Measure of 1976 (as amended), which provides for the income to be used to pay clergy stipends and pension premiums. The capital can only be expended as provided by the Measure.

Diocesan Parsonage Capital Fund has arisen from the Mission and Pastoral Measure 2011 and can only be used for the provision of parsonage houses.

28. ENDOWMENT FUND - TOTAL RETURN

	Trust for Investment £'000	Unapplied Total return £'000	2024 Total Endowment £'000	2023 Total Endowment £'000
At 1 January 2024				
Gift component of the permanent endowment	15,598	-	15,598	15,598
Accumulated inflation since original gift	14,597	-	14,597	13,393
Unapplied total return	-	21,403	21,403	17,945
	30,195	21,403	51,598	46,936
Movements in the year:				
Dividends, interest and rental income	-	1,009	1,009	1,070
Realised gains on sale of property	-	1,271	1,271	2,487
Unrealised gains on investments	-	625	625	2,096
Transfer from general fund for reduction in clergy pension deficit payments liability	-	-	-	-
Cost of managing endowments	-	(142)	(142)	(180)
Indexation on base value of investment	1,064	(1,064)	-	-
	1,064	1,699	2,763	5,473
Unapplied Total Return allocated transferred to income to fund stipends:				
- Equating to budgeted dividends and interest	-	(672)	(672)	(670)
- Additional annual transfer	-	(145)	(145)	(114)
	-	(817)	(817)	(811)
	1,064	882	1,946	4,662
Net movements in year:				
At 31 December 2024	31,259	22,285	53,544	51,598

The trustees adopted a Total Return accounting approach under the Diocesan Stipends Funds (Amendment) Measure 2016 with effect from 1 January 2021.

The trustees decided that £7,169k of Unapplied Total Return (UTR) is to be kept as a minimum UTR reserve so that the underlying value of the Unapplied Total Return investment fund is protected.

The indexation base value on investment has been calculated by taking the annual CPIH percentage increase for the year.

The release of funds which can be transferred to the income fund in order to fund stipends is limited to no more than the annual amount spent on stipends for clergy each year. Accordingly, the maximum which could be realised in 2024 was £3,184k (2023 - £3,371k).

29. FINANCIAL INSTRUMENTS

	2024 £'000	2023 £'000
Financial assets measured at fair value	50,144	48,027

Financial assets measured at fair value comprise unlisted investments and agricultural land and buildings.

30. FUNDS HELD AS CUSTODIAN TRUSTEE

The Worcester Diocesan Board of Finance acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are Parochial Church Councils and others.

Assets held in this way are not aggregated in these financial statements as the Board does not control them. The financial assets held in this way may be summarised as follows:

	2024 £'000	2023 £'000
Church of England Investment Fund income shares	15,150	16,736
CBF Church of England Fixed Interest Securities Fund shares	209	215
CBF Church of England Investment Fund accumulation shares	194	184
CBF Church of England Property Fund shares	155	214
CBF Church of England Deposit Fund	2,245	1,939
Total assets held as Custodian Trustee	17,952	19,288

Note - during 2024 Ordination Candidates Fund was closed and £1,063k, with the balance moving from "Funds Held as Custodian Trustee" to DBF Funds.

31. CONNECTED PARTY TRANSACTIONS

The Board is associated with various charities and trusts due to the majority of their trustees being trustees of the Board. The trustees consider that this relationship does not inhibit either charity from pursuing its own separate interests. The amounts due to / (from) the DBF at 31 December 2024 are as shown below. During the year ended 31 December 2024 the Board has received grants from the charities and trusts as follows:

	Grants Receivable 2024	Grants Receivable 2023	Amounts due to/(from) the DBF at 31 Dec 2024	Amounts due to/(from) the DBF at 31 Dec 2023
	£	£	£	£
Worcester Diocesan Social Responsibility Fund	22,000	22,000	-	-
Worcester Diocesan Ordination Candidates Fund	-	32,259	-	-
Worcester Diocesan Church Schools Improvement and Maintenance Fund	144,500	144,500	-	-
Worcester Diocesan Clergy Holiday Fund	5,567	5,250	-	-
Lye Church Estate Trust	8,937	8,799	-	-
Cholmondeley Bequest Fund	1,266	1,236	-	-
Trust Administration Fund	2,073	2,251	-	-
Special Purposes Fund	8,136	8,040	-	-
Redditch Holy Trinity Charity	25,000	25,000	-	-
Diocesan Records Office Income Fund	9,000	12,685	-	8,640
Worcester Diocesan Academies Trust	-	-	-	700
Clergy Widows & Orphans Income	9,421	10,710	-	-
Clent Hall Parish Hall	6,000	6,000	-	-
Abberton Spire Trust Fund	14,500	14,500	867	977

In addition to the above grants, an administration contribution is paid from the Church Schools Improvement and Maintenance Fund. This figure in 2024 was £7,530 (2023: £9,014)

The Board acts as Trustee for a number of funds and has delegated its role, by virtue of a resolution dated 26 June 1934, to its Trust Committee (Diocesan Trustees). These funds objects all fall within the wider objects of the DBF. These funds are:

- Mary Bottjer Trust
- Lye Church Estate Trust
- Queen Victoria Clergy Fund
- In Service Training Fund
- Pendock Church of England Voluntary School Fund
- Ronkswood Holy Trinity & St Matthew Trust Fund
- St Edmund King & Martyr Dudley Fund

The Dean and Chapter of the Cathedral, Worcester is considered a connected party as there are common Trustees between the two entities, being The Bishop of Worcester and The Dean of Worcester. The trustees involved do not have significant control of each entity.

Owing to the nature of the charity's operations and the composition of the Board of Trustees being drawn from the local churches, transactions do arise where a Trustee of the WDBF may also be on the PCC of the local church. All discussions about grant awards or other transactions are undertaken without the presence of the conflicted Trustee.

32. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
INCOME AND ENDOWMENTS						
Donations						
- Parish contributions	2	3,852	101	-	3,953	4,227
- Archbishops' Council	3a	847	2,526	-	3,373	2,191
- Other donations	3b	120	269	-	389	490
Charitable activities	4	529	86	-	615	712
Other activities	5	439	-	45	484	466
Investments	6	241	-	1,025	1,266	1,098
Other – gains on sale of tangible fixed asset properties		-	-	4,083	4,083	856
		6,028	2,982	5,153	14,163	10,040
EXPENDITURE						
Raising funds	7	-	-	180	180	59
Charitable activities						
- Contributions to Archbishops' Council	8	528	-	-	528	415
- Parish Ministry	9	6,461	1,216	-	7,677	6,791
- Support for Ministry	10	825	340	-	1,165	1,161
- Support for Schools	11	266	144	-	410	398
Other - Old Palace	33	-	-	-	-	-
		8,080	1,700	180	9,960	8,824
Net (expenditure)/income before investment gains		(2,052)	1,282	4,973	4,203	1,216
Net (losses) / gains on investments		257	90	2,246	2,593	(3,473)
Net (expenditure) / income		(1,795)	1,372	7,219	6,796	(2,257)
Transfers between funds	26	907	(96)	(811)	-	-
Other recognised gains/(losses)						
Actuarial gain on defined benefit pension scheme	24	-	-	-	-	-
Net movement in funds		(888)	1,276	6,408	6,796	(2,257)
Total funds brought forward	25	9,132	2,833	66,309	78,274	80,531
Total funds carried forward	25	8,244	4,109	72,717	85,070	78,274

33. PRIOR YEAR COMPARATIVE ANALYSIS OF MOVEMENT IN FUNDS

	Balance at 1 January 2023 £'000	Income and Endowments £'000	Expenditure £'000	Investment Gains / (Losses) £'000	Transfers £'000	Balance at 31 December 2023 £'000
Unrestricted Funds						
General Fund	5,637	5,235	(6,426)	257	1,083	5,786
Designated Funds						
Healthier Churches Fund	2,220	-	(561)	-	-	1,659
Ministry Support Fund	722	-	-	-	(215)	507
Net Zero Carbon Fund	35	-	-	-	27	62
Conferences Fund	10	-	(10)	-	12	12
Lowest Income Communities Fund	489	793	(1,064)	-	-	218
Calling Young Disciples	19	-	(19)	-	-	-
Designated Funds	3,495	793	(1,654)	-	(176)	2,458
Total Unrestricted Funds	9,132	6,028	(8,080)	257	907	8,244
Restricted Income Funds						
Education Fund	232	144	(144)	18	-	250
Transformation Delivery Unit	-	30	(30)	-	-	-
Resourcing Churches	-	1,045	(1,050)	-	5	-
Calling Young Disciples	-	64	(64)	-	-	-
Capacity Grant Restructuring	-	132	(132)	-	-	-
Diocesan Pastoral Account Fund	2,308	-	-	71	-	2,379
Benefact Trust	-	107	(107)	-	-	-
Net Zero Carbon Fund	-	15	-	-	-	15
Ordination Candidates Fund	-	30	(30)	-	-	-
Clergy Widows and Orphans Fund	-	11	(11)	-	-	-
Lay Staff Support Fund	9	-	-	1	-	10
Ministry Restricted Donations	-	3	(3)	-	-	-
Resourcing Ministerial Education Fund	157	81	(64)	-	-	174
Diocese Investment Programme Fund	-	1,019	-	-	-	1,019
Minor Repair and Improvements Fund	-	135	-	-	-	135
Myriad Fund	-	20	-	-	-	20
Ministry Support Fund	-	101	-	-	(101)	-
Ministry Hardship Grants for Individuals	24	-	(20)	-	-	4
Maynard and Outram Smith Library	103	-	-	-	-	103
Sundry Trust Funds	-	45	(45)	-	-	-
Restricted Funds	2,833	2,982	(1,700)	90	(96)	4,109
Endowment Funds						
Diocesan Stipends Capital Fund	28,991	-	-	1,204	-	30,195
Diocesan Unapplied Total Return	17,945	3,557	(180)	892	(811)	21,403
Diocesan Parsonage Capital Fund	19,373	1,596	-	150	-	21,119
Endowment Funds	66,309	5,153	(180)	2,246	(811)	72,717
TOTAL FUNDS	78,274	14,163	(9,960)	2,593	-	85,070

34. PRIOR YEAR COMPARATIVE OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £'000	Investment Property £'000	Investments £'000	Current Assets £'000	Creditors £'000	Inter Fund Loan £'000	Net Assets £'000
Unrestricted Funds							
General Fund	1,546	-	4,462	90	(682)	370	5,786
Designated Funds							
Healthier Churches Fund	-	-	-	-	(593)	2,252	1,659
Ministry Support Fund	-	-	-	-	-	507	507
Net Zero Carbon Fund	-	-	-	-	-	62	62
Conferences Fund	-	-	-	-	-	12	12
Lowest Income Communities Fund	-	-	-	546	(328)	-	218
Calling Young Disciples	-	-	-	-	-	-	-
Designated Funds	-	-	-	546	(921)	2,833	2,458
Total Unrestricted Funds	1,546	-	4,462	636	(1,603)	3,203	8,244
Restricted Funds							
Education Fund	-	-	240	10	-	-	250
Diocesan Pastoral Account Fund	192	-	1,654	533	-	-	2,379
Net Zero Carbon Fund	-	-	-	15	-	-	15
Lay Staff Support Fund	-	-	10	-	-	-	10
Resourcing Ministerial Education Fund	-	-	-	174	-	-	174
Diocese Investment Programme Fund	-	-	-	1,019	-	-	1,019
Minor Repair and Improvements Fund	-	-	-	135	-	-	135
Myriad Fund	-	-	-	20	-	-	20
Ministry Hardship Grants for Individuals	-	-	-	4	-	-	4
Maynard and Outram Smith Library	-	-	-	103	-	-	103
Restricted Funds	192	-	1,904	2,013	-	-	4,109
Endowment Funds							
Diocesan Stipends Capital Fund	13,165	15,625	25,229	-	-	(2,421)	51,598
Diocesan Parsonage Capital Fund	19,961	-	2,410	-	(470)	(782)	21,119
Endowment Funds	33,126	15,625	27,639	-	(470)	(3,203)	72,717
TOTAL FUNDS	34,864	15,625	34,005	2,649	(2,073)	-	85,070