The St Albans Diocesan Board of Finance

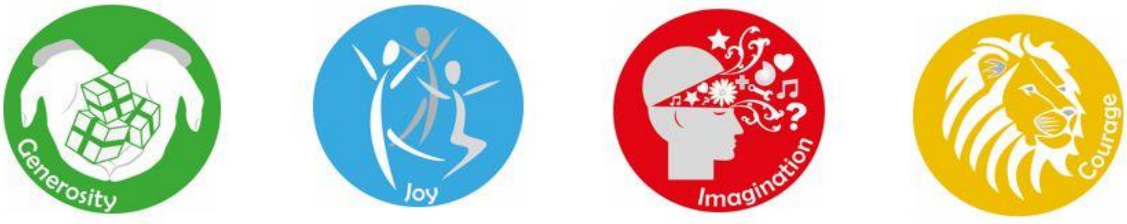
Annual Report and Consolidated Financial Statements

31 December 2023

Company Limited by Guarantee
Registration Number
00145227 (England and Wales)

Charity Registration Number
248887

The principal object of the Board is the promotion of the work of the Church of England in the Diocese of St Albans



The aim of Living God's Love is to see flourishing Christ centred communities inspiring people of all ages and backgrounds to discover God, to grow in their relationship with him and to respond to his transforming love, through serving others so that God's Kingdom may grow in our world.

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Chair's statement Year to 31 December 2023

I write my first Chair's statement having joined the Board in November and been elected Chair on 27 November. I must give thanks to the former Chair Colin Bird for his leadership of the Board since 2019 and for his commitment to remaining involved as a member of the Board and various Committees and other governance bodies. The Board has been led well and I am most pleased that Colin will be continuing to contribute.

Inevitably the year covered in this report and financial statements was predominantly before I took up my role.

I must begin with sincere thanks to all involved in parishes, schools and chaplaincies who have continued to support and deliver ministry in 2023, supported by Diocesan staff. The Diocese exists primarily in local ministries across Hertfordshire, Bedfordshire, Luton and parts of Barnet and is possible because of generous giving by individuals in our parishes.

2023 was the first full year beyond the pandemic and its restrictions on life in our parishes. However, a sense of normality was limited because of the continuing conflict in Ukraine, and war in Gaza. In the UK we have experienced a period of very high energy prices and general inflation that has had a major impact on individuals and in our parishes. We believe that inflation has been a significant factor in a setback to parish share recovery. In 2022 parish share recovery was at 92.5% of the sums requested of parishes, which was most encouraging. In 2023 the recovery rate dropped back to 91.5% of the sums requested. In total this meant parish share income was £421k below budget.

Whilst this parish share outcome was disappointing the Diocesan Common Fund has had an operational surplus of £250k in the year because of reduced expenditure resulting from higher than budgeted clergy vacancies. We had not planned for higher vacancies; indeed, every effort is made to fill clergy vacancies as soon as is practicable. However, most Dioceses have seen clergy recruitment difficulties with generally lower candidate interest in parish vacancies. The reduced expenditure on stipends has led to the operational surplus but it is hoped that vacancy rates will reduce in 2024, with good evidence that this is being achieved.

As reported last year the DBF adopted a total return investment policy with effect from 2022. This enables us to budget investment income with confidence based on a distribution of 3.5% return on the five-year rolling average year end value of our capital funds, including on our Glebe portfolio. After two years of this total return policy additional investment income of £1,622k has been distributed: £480k has supported the Common Fund and £1,142k has been designated to support parishes through grants for mission initiatives and net zero carbon projects on church buildings. We are very pleased to be able to use these funds to directly support parish activity.

We acknowledge with thanks the support of our major external funders including the Church Commissioners who have committed funding to build capacity in the Diocese to develop a major programme of local activity to support the objective of Growing Younger and More Diverse.

Chair's statement Year to 31 December 2023

I would like to take this opportunity to thank on your behalf our Diocesan staff at Holywell Lodge and elsewhere for their vital contribution to the life of the Diocese, with a consistent focus on supporting operations in our parishes.

Dr Tim Coulson

Chair of the Board of Trustees

Date:

INTRODUCTION

The members, as trustees for the purposes of charity legislation, submit their report together with the consolidated financial statements of the St Albans Diocesan Board of Finance (the "Board" or the "DBF" or the "Charity") for the year ended 31 December 2023. The report has been prepared in accordance with of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 46 to 51 of the attached financial statements and comply with applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

OBJECTIVES, ACTIVITIES AND POLICIES

The principal object of the Board, as set out in its Memorandum and Articles, is the promotion of the work of the Church of England in the Diocese of St Albans. The members of the Board are aware of the Charity Commission's guidance on public benefit and have had regard to it in their management of the Board.

The Board believes that, by promoting the work of the Church of England in the Diocese of St Albans, 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, and that in doing so 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.

The Board continues to support engagement with other Christian churches and other faiths throughout the Diocese.

Together with the Bishop's Council the Board seeks to develop comprehensive, sustainable strategies for the use of resources – people, finance and properties – to provide ministry and mission throughout the Diocese and to continue to provide practical support and tools for parishes, schools and chaplaincies.

The Diocesan initiative 'Living God's Love', was launched in St Albans Abbey in January 2011. Living God's Love has three themes: Going Deeper into God, Transforming Communities and Making New Disciples. Living God's Love is rooted in the parishes, and the effective deployment of Stipendiary Clergy is vital to that work. The Board aims to support and resource parochial mission and ministry through the payment of stipends and the provision of housing and training.

The number of ordained ministers as at 31 December 2023[1] were:

Bishops and archdeacons	6
Cathedral Clergy	7
Parochial clergy - Incumbent status	200
Curates	56
Non-parochial clergy	26
Total	**295**

As at 31 December 2023, there were also 47 self-supporting ministers and 229 licensed readers. The Diocese continues to:

- Follow the national stipend benchmark adjusted for regional factors in determining the level of stipend for clergy of incumbent status; and
- Contribute to the Church of England defined benefit pension scheme for clergy.

[1] Statistics report for St Albans Diocese as at the end of December 2023 produced by the Church Commissioners.

Funding of stipendiary clergy and the provision of housing accounts form the majority of the Board's expenditure (see Note 6 to the accounts) and is achieved by:

(i) **The collection of contributions from parishes via the Parish Share** - the current Parish Share Scheme has been in place since 1995. The Board seeks to ensure it operates effectively by receiving regular reports on receipts, following up where contributions have not been received and reviewing share factors on a regular basis. It also provides help with meeting Parish Share commitments by making Pastoral Aid Support grants to offset the contribution due. These grants fall into two categories: multi-year Mission Aided Support Grants for parishes identified by senior clergy as needing particular support to sustain mission and one year Pastoral Aid Support Grants to assist with transitory financial challenges.

(ii) **The management of financial investments** - The investment policy and specific powers of investment of the Board are set out in various measures and acts. The Board holds investments as authorised by the Trustee Act 2000. In 2022, the Board adopted a total return policy with the intention of securing a consistent return on investments. Distribution is set at a rate of 3.5% to achieve this, whilst also seeking capital growth in real terms, over the much longer term. This is to be achieved through a balanced and diversified portfolio of equities, bonds, property, alternative assets and cash. Further details of this policy is provided in the financial review.

The investment strategy is set by the Board and takes into account income and capital growth requirements, ethical considerations, the risk profile and the investment managers' view of the market prospects in the medium term. Quarterly reports are received from the investment managers.

The Boards Investment Managers are Sarasin, Baillie Gifford and CCLA Investment Management. The Board continues regularly to review its investments. This includes systems for monitoring and reporting on ethical issues, online reporting and close networking with members of the Ethical Investment Advisory Group of the Church of England (EIAG) and the Charities Investment Group (CIG). The property portfolio is primarily managed by Bidwells, professional managing agents, who report to the Glebe Committee which monitors their performance and the implementation of the investment strategy.

The Board follows the guidelines established by the Ethical Investment Advisory Group of the Church of England. In addition the Board is committed to Fossil Fuel divestment following a Diocesan Synod resolution in October 2022.

The portfolio of listed investments at 31 December 2023 had a market value of £59.5m (2022 £56.7m). Under the Diocesan Stipends Funds Measure 1953, as amended by the Endowments and Glebe Measure 1976, capital may be applied to the acquisition of land and buildings to be held as part of Diocesan glebe.

Grant making policy

Grants made by the **Diocesan Board of Finance** fall into one or more of the following main categories:

- Grants to parish churches to assist with repairs or rebuilding costs;
- Grants to parish churches for roof alarms;
- Grants made in support of evangelism and mission projects;
- Grants made at the discretion of the Bishop or Archdeacons for clergy assistance;
- Mission-Aided Grants – identified by the Archdeacons for parishes who meet the criteria;
- Pastoral Aid Support Grants to assist in meeting Parish Share contribution;
- Mission Initiatives;
- Church Schools – Grants for capital funding from the schools conditions allocations (SCA); other grants to Schools;

- External Charities – For humanitarian relief mission and evangelism;
- Clergy/Clergy widows
- Ordinands' support;
- Discretionary Grants for the relief of financial hardship.

In addition to the above, parishes and schools raised over £50,287.79 in 2023 for 'Cracking Food Poverty Together', the Bishop's Harvest Appeal to help change the lives of people in Uganda to provide them with chickens. For this Harvest appeal, the Diocesan Board of Finance partnered with Mission Direct, a Christian charity aiming to make a practical and lasting difference to some of the world's most vulnerable people.

All awards are authorised by the designated trustees.

Reserves policy

The majority of the Board's budget is expended on the monthly payment of stipends and salaries. Any action to deal with cash flow shortfalls will take time to implement. Therefore, the Board has agreed that the level of free reserves should ideally be not less than eight and not more than twelve weeks' expenditure. At the end of 2023, the free and realisable unrestricted reserves totalled £4.7 million representing 14.5 weeks of expenditure (2022 - £3.9 million representing 12.8 weeks of expenditure).

The Board continues to review the level of working capital to ensure that it covers core costs and there is sufficient cash flow to conduct the activities of the charity on a day-to-day basis.

It is the Board's policy to set aside, in a Property Ring-fenced Fund, capital receipts from the sale of former parsonage houses that become surplus to needs after pastoral reorganisation. The purpose of this fund is to invest in income generating assets in order to fund improvements to its remaining housing stock. The value of the investments at the end of the year in the fund amounted to £6.2 million (2022 £6.2 million).

We have continued to increase operational reserves significantly as a result of the application of total return, which has contributed an extra £500,000 to unrestricted funds in this year. We did not need to transfer funds from other unrestricted funds to cover the operational deficit from last year because we were able to release undesignated funds that were no longer required for their original designation. Costs remain under tight control. However, parish giving remains fragile given the buffeting of economic conditions over the last few years, combined with continuing reductions in church attendance. Last year yielded a surplus on the Common Fund before investment gains and losses and taking in to account total return. The underlying concerns over parish giving means the Board will continue to monitor and manage the ongoing consequences carefully.

Fundraising

The Charities (Social Protection and Social Investment Act) 2016 requires large charities to include a statement within their financial statements with respect to fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." While the Board of Finance does not routinely undertake fundraising from individuals (including any potentially vulnerable groups), it may periodically apply for grant funding from grant-awarding bodies.
The Board of Finance undertakes all such activities internally and does not engage with professional fundraisers or third parties. The day-to-day management of income generation is delegated to management who are accountable to the trustees.

Owing to the low level of fundraising activity, the Board of Finance are not registered with the Fundraising Regulator and are not bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising.

The charity did not receive any complaints in relation to fundraising activities during the year ended 31 December 2023.

COMMITTEE STRUCTURE

The **Bishop's Council** is a statutory body established under the Synodical Government Measure 1969. It acts as the Standing Committee of the Synod and carries on the work of the Synod between sessions. It advises the Diocesan Bishop on matters where he seeks guidance and has, since its inception in 1970, gradually assumed an important role in the formulation of diocesan policy.

During the year, the Council received regular reports from the **Board for Mission and Ministry, Board of Education** and the **Agenda Group**. The Council also received reports on new housing areas in the Diocese through the **Development Plans Monitoring Group**, and closed churches through the **Closed Churches Uses Committee**.

Since 1 January 2019 the Bishop's Council assumed the role of Diocesan Mission and Pastoral Committee. The **Diocesan Mission and Pastoral Executive Committee (DMPEC)** is responsible for carrying out the detailed casework which is then ratified by the Bishop's Council. The statutory responsibilities are undertaken by the Bishop's Council.

The **Diocesan Advisory Committee (DAC)** is a statutory body whose functions are set out in ecclesiastical legislation. Its role is to advise the Chancellor and parishes on proposals for works to church buildings, churchyards and church furnishings, and to advise more generally on the care and development of churches. In line with statutory provision and the priorities of Living God's Love, the Committee has regard to churches as local centres of worship and mission, in which:

- People can encounter God and be drawn into a worshipping community;
- Parishes can reach out in mission; and
- Local communities can be transformed.

The **Property Committee** continues to be responsible on behalf of the Diocesan Board of Finance for clergy housing including corporate properties. This includes:

- Providing secure accommodation for all clergy
- Ensuring the Board meets its statutory duty to carry out repairs;
- Replacing unsuitable houses where possible;
- Improving properties;
- Realising development potential of sites;
- Selling houses no longer required;
- Letting houses during vacancies; and
- Providing new houses where required.

The Committee is charged with ensuring that appropriate accommodation is provided for our clergy in the right places, that repairs are carried out and that improvements are made where there is the need and benefits are identified. This is done with regard to the Environmental Policy adopted by the Committee in recent times.

The adoption of "Net Zero Carbon" targets by General Synod has presented new challenges and opportunities to the Board. The Board has consistently focussed resources where they are needed most notably the substantial programme of improvements reflecting environmental concerns across the Diocese. The Property Committee gives active consideration to all aspects of this developing policy.

The **Glebe Committee** continued to manage glebe holdings. Investment property comprises agricultural land, retail and residential property.

The Diocesan glebe comprises over 3,000 acres of rural land, together with some residential properties, mainly in the Diocese of St Albans. The glebe land is managed for the benefit of the diocesan stipends fund for clergy in the Diocese.

The **Assets Committee's** role is "to recommend to the Board of Finance an overall strategy for the management of the Board's investment and operational assets consistent with the functional priorities of the Diocese and the responsibilities of the Board as Charity Trustees to current and future beneficiaries".

During the year, the Committee received regular updates on the Board's Investments, together with presentations from the Board's Investment Managers. In addition, it received updates on

Glebe property developments and the Linmere development at Houghton Regis.

The **Parish Shares and Support Committee** was separated from the Grants Committee from the start of 2023 and continues to review and adjust the operation of the Parish Shares Scheme.

The **Parish Grants Committee has** operated as a stand-alone Committee from the start of 2023 and considers applications from parishes for grants including Mission and Ministry and NZC grants funded from total return income, Church Repair Grants and Grants from the City Church Fund.

Board for Mission and Ministry (BMM)

The purpose of the Board is to enable people in every place in the diocese to glimpse the good news of Jesus and be empowered in their discipleship and calling.

The Board's values are being resourceful, imaginative, caring, hopeful (RICH)

The Board is inspired by Matthew 9:35-38 – 'Ask the Lord of the harvest to send out labourers into his harvest.'

The Board's vision is to see our people and places flourishing in God's purposes and achieving our eight diocesan objectives:

1. More activities that seek to grow discipleship enabling us to join in with God's action in the world
2. Parishes equipped with appropriate ministerial capacity
3. Enhanced wellbeing of our ministers
4. Churches growing younger and more diverse
5 Parishes that are financially sustainable
6. More New Worshipping Communities
7. Parishes operating safely and with good governance
8. Net Carbon Zero by 2030

The **Diocesan Board of Education** is a statutory body established under the Diocesan Boards of Education Measure 2021, with functions including:

- The promotion of education consistent with the faith and practice of the Church of England;
- The promotion of religious education and religious worship in schools and academies;
- The promotion of Church schools and academies in the Diocese; and
- Advice to school governors on any matter affecting Church schools and academies.

The Diocesan Board of Education has a strong reputation with its schools due to the quality and depth of services it provides. The Diocesan Board of Education is making a contribution to the wider life of the Diocese through the creation of resources to support the development of faith at home, at school and in church.

KEY ACTIVITY INDICATORS

As part of the Vision of Living God's Love, statistics published during the year in respect of 2023, illustrate some of the work of mission and ministry being undertaken in parishes.

	2023	2022	2021[2]	2020
Infant and Child Baptisms	1,443	1,889	1,468	1,011
Adult Baptisms	307	222	126	337
Total Baptisms	1,750	2,111	1,594	1,348
Infant Thanksgivings	26	29	26	15
Child Thanksgivings	29	38	23	16
Total Thanksgivings	55	67	49	31
Marriages	563	763	711	585
Blessings	43	62	45	36
Total	606	825	756	621
Funerals in church	1,625	1,843	1,754	1,170
Funerals at crematorium	943	1,053	2,489	1,841
Total Funerals	2,568	2,896	4,243	3,011
Easter Day Communicants	21,563	21,325	12,155	n/a
Easter All Age Attendance	29,233	28,048	15,965	n/a
Christmas Day Communicants	21,665	20,039	14,320	7,884
Christmas All Age Attendance	73,665	66,433	35,290	16,183
Usual Sunday Attendance	15,228	14,815	n/a	n/a
Electoral Roll[3]	24,752	26,586	25,034	32,190

[2] Statistics for Mission 2021, published by the Research and Statistics Department of the Archbishops' Council. Previous years' figures have been updated as further parish returns are received.

COMMITTEE ACTIVITIES

BISHOP'S COUNCIL

The Council has a dual role and function, acting as the Standing Committee of the Diocesan Synod and giving advice to the Bishop on any matter about which he consults the Council. The Council also exercises the role of the Diocesan Mission and Pastoral Committee. During the year the Council met four times.

Diocesan Finances - In January, the Council noted that the deficit for 2022 was lower than predicted and likely to be approximately £350,000k, which was due to parish share recovery being higher than budget at 92.5% and the higher than budgeted number of vacancies for stipendiary clergy. The Council continued to monitor financial matters at each of its meetings. The Council noted that it continued to be a challenging and difficult period for parishes particularly in relation to high inflation rates and increased fuel bills. In July, the Council received a presentation from Mr David White on the revised five-year plan which had been developed with parish share recovery at 92.5% and a reduction in stipendiary posts of 15 between 2023-2027. In October, it was noted that the 5-year budget would need to make provision for potential losses from Living in Love and Faith. The Council gave thanks to Colin Bird who retired as Chair of the St Albans Diocesan Board of Finance at the end of November and welcomed Dr Tim Coulson who took up the role.

Safeguarding - During the year, the Council received regular reports and noted that the safeguarding team continued to promote safeguarding policies and practice whilst dealing with a substantial workload and a large amount of 'in person' and online training. The Council noted that priority was given to ensuring training compliance by stipendiary clergy, with a campaign organised by Bishop's Staff and the Safeguarding Team leading to significantly improved compliance. It was reported to the Council that twelve reports were made to the Charity Commission, which was the highest number of reports made in one year. DBS checks were all brought into the three-year renewal, a requirement by the close of 2023.

Diocesan Mission and Pastoral Committee - The Council, acting as the Diocesan Mission and Pastoral Committee, continued to receive regular reports from the Diocesan Mission and Pastoral Committee Executive Committee and considered draft proposals for pastoral reorganisation to promote appropriate models of ministry to support mission in each part of the Diocese.

The work of the **Closed Churches Uses Committee (CCUC)** is undertaken against the background of risks associated with closed churches being borne by the DBF. It was reported in January, that following a period of marketing of the site of **Letchworth, St Michael,** for worship, educational or community use, nine offers had been made. In October the Council were informed that the division of the sale proceeds would be apportioned statutorily between the Diocesan Pastoral Account and the Church Commissioners for transmission to the Churches Conservation Trust. The adjacent site of the parish hall and car park was to be sold by the DBF in conjunction with the church. The sale proceeds of the hall and car park site would be apportioned by the Board to the three benefices covering the area of the former parish for purposes of mission in the town of Letchworth.

The Council continued to receive updates on the work of the **Development Plans Monitoring Group** which included progress reports on new housing developments in the Diocese, parish responses to new opportunities for growth and cases where very large-scale development of over 3000 homes required consideration of a missional strategy and additional ministerial resources.

The **Agenda Group**, a committee of Bishop's Council, met on five occasions to consider future business of Diocesan Synod and Bishop's Council.

The Council received reports from the **Racial Justice Action Group** and was encouraged to hear that in the process of renewing membership of the group, there were some positive leads for diversity. The Racial Justice Action Plan continued to be implemented.

The Council also received reports from the newly formed **Diocesan Environment Group** including progress on implementation of the Diocesan Net Zero Carbon Action Plan.

Risk – The Council discussed the major operational and strategic risks faced by the Diocese. The Diocesan Board of Finance adopted the full Risk Register in November, noting that the Audit Committee would review the full register at each of its meetings and the DBF and Bishop's Council would review the top 10 risks at two meetings each year.

The Council received updates from the Bishop of Hertford on the work of the newly formed **Growing Younger and More Diverse Programme Board**. This Board supervised both the Alban Way project and the Growing Younger and More Diverse programme which had received capacity funding from the Diocesan Investment Programme.

In January, the Council discussed potential events to mark the **Coronation of King Charles III.**

DIOCESAN ADVISORY COMMITTEE

Chair: Dr Christopher Green

Introduction

The DAC continues to support the work of PCCs and volunteers to manage, develop and care for their church buildings and churchyards.

Much of this dedicated work in parishes across the Diocese is "nuts and bolts" work – making sure routine inspections are carried out; clearing gutters and gullies; "stitch in time" repairs to prevent larger problems building up; dealing with matters of safety; improving accessibility; welcoming worshippers, visitors, the local community and those in need.

Quinquennial Inspections are a vital resource for PCCs to understand their building's condition and plan for repairs. QIs are undertaken by an experienced professional (usually an architect or building surveyor) who is a member of a professional body providing a framework for assuring professional standards and accreditation in the field of conservation of historic buildings. It is important that the QI is done on time and the report produced for the PCC within 3 months; the DAC team regularly follow up cases where this has not happened. A follow up meeting with the quinquennial inspector should be arranged to discuss the report; the DAC team Support Officers can attend on request.

Alongside all this there are significant projects undertaken to make buildings fit for worship, outreach and community events. The DAC's members and consultants are available to offer expert advice and experience from the start of a project via a site visit or Zoom call; and can provide a parish with a steer or sense-check initial ideas without charge, before the PCC incurs the expense of commissioning detailed scheme drawings, a planning application or paid-for pre-application advice from the local planning authority. Their input helps to avoid wasting time in developing unfeasible proposals, and sometimes prevents local contention. The DAC will also assist with engaging national consultee bodies, put a parish in touch with others who have completed similar projects, all with the aim of ensuring the parish's vision and needs are met in the most appropriate way.

Achievements

Net Zero Carbon, heating and sustainability

- The DAC and staff team supported the implementation of new national requirements for faculty applications with an environmental impact, particularly replacement heating. This included:
    - Providing templates for a PCC statement confirming they have followed CBC guidance when delivering their NZC plan
    - Ensuring faculty applications in cases such as Lyonsdown Holy Trinity (hall heating) and Luton St Mary (hall) were well thought through and well presented for consideration by the Diocesan Chancellor
    - DAC technical advisers agreed–principles for appropriate heating approaches and a framework for advising on PCC proposals.
    - Supporting the work of Tom Abraham, the Diocesan NZC officer, who was appointed in May 2023

  - Developing a process for PCCs to follow including: uploading energy usage data to the Energy Footprint Tool; obtaining an energy audit supported by a DBF grant; exploring options for electric heating and considering temporary heating.
  - Cases considered by the DAC during the year included: Biggleswade St Andrew (one of the Heating Case Studies); Bedford St Andrew; Stevenage St Peter (a Case Study church); Widford St John the Baptist; and South Mymms St Giles, regarding conservation heating
  - A key factor in decision making was the amount of use of a church building, which often suggested it would be more appropriate (cheaper as well as lower carbon) to heat the people using the church rather than heating the whole space or provide background heating. This had implications for insulation, building management and fabric conservation in some cases, as well as heat sources and heating systems.
  - The NZC Officer identified that there was often a very long-time lag for updated guidance to filter through to PCCs, and parishes were often wedded to their existing heating system even when they recognised it did not meet their needs. It is important for parishes to discuss their needs and any fabric conservation requirements with their professional advisers. The NZC Officer also identified that there were examples of good and bad installations of all types.
- Along with other diocesan boards, committees, and staff the Committee reviewed how it carried out its work to contribute to reducing the diocesan carbon footprint. An assessment was made of site visit~~s~~ requests, planning several site visits on the same day and shared transport, recognising the importance of site visits for a parish considering a significant project.

Churchyards

- As a result of the Archdeacons observing that clergy were dealing with an increasing number of issues concerning churchyards, (seemingly indicative of a rising level of anxiety and the impact of Covid restrictions in preventing a proper grieving process) two churchyard management workshops were delivered before Easter. The resulting resources are in the diocesan website-linked Resource Centre. A new poster was issued for churchyard display in the autumn.
- A proposal from Whipsnade provided clarification by the Chancellor about the extent of the delegated power for the archdeacon to designate a new area for burial of ashes in a parish with a small electoral roll and low number of burials each year.
- In assessing an application from Hatfield Hyde, the Chancellor required the PCC to have regard to the CBC's statutory guidance on trees and in particular to commission a report from a Tree Consultant to inform decisions about a major and complex scheme of tree removal. The DAC team committed to give appropriate advice to parishes, the updated advice to be part of the DAC's Biodiversity Strategy, which was being developed.

RAAC

- Following the publicised failure of this material in structural contexts in schools and other public buildings, the DAC's structural engineering consultant quickly provided advice. The DAC team reviewed QI reports of unlisted churches to identify any possibly affected. To date, only one parish has identified the presence of RAAC within the church building, thanks to the advice of its quinquennial inspector. Unexpectedly, not a modern building but the grade II* listed All Saints, Great Barford, where the north aisle roof was replaced in the 1980s.

Completed projects can demonstrate the transformative nature of church buildings and their potential to be places where people can encounter God and be centres of mission and ministry:

- At **East Barnet,** the new community hall is now open**,** as is the north extension providing a parish room and facilities at **Bromham. Willian** church has completed a major internal redevelopment

scheme, whilst at **Radlett**, the daughter church of **St John** has been replaced with a new worship centre/hall in a scheme with the local council providing housing units.
- A multi-benefit project at **Luton, St Mary** has provided new chairs, with the old seating going to **Marsh Farm, Holy Cross** (chairs, and a new dais constructed from their own benches) and **Husborne Crawley** (chairs). Other significant and varied repair and reordering projects include **Anstey** – Font restoration; **Benington, St Peter** - repairs to north chapel; **Bourne End, St John** - reredos repositioning and reordering; **Ickleford, St Katharine** - window repair; **Welwyn, St Mary** - wall repair; and **Renhold, All Saints** - new floor.

Like the completed projects, the **casework** considered by the Committee represented the range of issues facing parishes across the Diocese and showed that creative solutions can enhance the building and people's experience of it:

- **Hitchin St Mary** is developing a range of repair and development proposals in the context of a Major Church.
- There are plans for providing facilities, improved accessibility and welcome at churches in all parts of the diocese including **Milton Ernest** (toilet and servery); **Steppingley** (facilities); **Wootton** (better use of spaces); **Hatfield St Etheldreda** (glass doors); **Campton** (disabled access); **Cuffley** (reordering and heating); **St Ippolyts** (kitchenette); **Luton St Hugh Lewsey** (accessible toilets and welcome); **Roxton** (pew removal to improve space for worship and community use); **High Wych** (welcome and disabled access); and **Rickmansworth** (access/porch extension). In several cases the DAC's advice has led to consideration of options the PCC would not have considered or has provided support for the PCC's plans following the principle of access for all.

Future plans

The DAC will continue to respond to the needs of parishes throughout 2024 and beyond through regular casework, site visits and circulating advice and guidance. There will be a particular focus on helping parishes to meet the Net Zero Carbon target by helping to administer diocesan grants for energy audits, providing general advice and resources, and specific advice at site visits or in response to applications. The Committee will continue to build up work in other areas of the environment, especially biodiversity and climate resilience, ensuring that parishes are well-prepared for the effects of climate change. The Committee will continue to provide resources for parishes through the DAC church buildings and churchyards pages of the diocesan website and Resource Centre, including grants and inspiring stories.

Notifications of Advice for Faculties	**144** (162)
Archdeacons' Letters of Authority	**195** (210)
Archdeacons' Temporary Re-ordering Licences	**7** (5)
Extensions/New Build	**2** (2)
Re-ordering/alterations	**27** (14)
Repairs	**69** (77)
Furniture/fittings	**45** (47)
Services/M&E (mechanical and electrical)	**57** (51)
Churchyard (incl. trees, benches, signage)	**108** (148)
Other (e.g. bells; organs, clocks)	**38** (36)

Appendix: 2023 Statistics (2022 in brackets)

- **6** (6) DAC meetings, 2 of which took place virtually using Microsoft Teams and 4 were hybrid
- **115** (50) visits by DAC members and staff.
- **346** (375) cases completed

DIOCESAN BOARD OF EDUCATION

Living God's Love in Education: Can we thrive here?

Introduction

Against a challenging organisational, financial, and educational backdrop, the DBE has sought, across 2023, to provide church schools with stability, clarity and confidence as they seek to flourish as Church of England educational communities. In *Living God's Love* in education, the Board works alongside six local authorities, seven CofE multi-academy trusts and 137 schools as well as the Department for Education, Church of England Education Office (CEEO) and other educational bodies. The considerable pressures faced by schools, including falling pupil numbers, tightening budgets, recruitment issues, funding for pupils with Special Education Needs or Disabilities (SEND), and increasingly dilapidated buildings and sites, are starting to manifest themselves in high vacancy rates for school leaders and a growing inability to recruit sufficient foundation governors.

Into this challenging context, using the *'Can we thrive here?'* narrative, with its focus on mutual flourishing, the DBE has in 2023 sought to develop and deliver creative approaches which provide targeted assistance to schools, school leaders and governors. Feedback from schools continues to reference the quality of the nurture, support and pastoral care the DBE provides to its school communities and the reassurance this brings when navigating a complex and increasingly challenging educational landscape.

Church schools *Living God's Love* in new ways.

Throughout 2023, diocesan church schools continued to find new ways to *Live God's Love*. St Mary's VA Primary School in East Barnet helped combat climate change by reducing waste, recycling, litter picking and gardening to help support biodiversity. The school have planted 1,500 crocus bulbs in their local park to help bring a smile to the local community and were joined by Farah Ali from Barnet Council's Sustainability Team who were very impressed with the children's passion and commitment to tackling climate change. Nash Mills VA Primary School explored the South African principle of Ubuntu; the idea of what it means to be an individual within a community: 'I am me because you are you'. Through this, the school's Reflections Councilors, supported by their local vicar, have worked on different values that tie into the concept, beginning with Friendship and Faithfulness.

In February, St Nicholas VA Primary School in Harpenden celebrated 'Love Yourself Day' as part of Children's Mental Health Week. During the week, they encouraged everyone to focus on their own mental health and how this affects their individuality and well-being. St Nicholas's is very proud to have received the silver standard award in Mental Health in Schools from the Carnegie Centre of Excellence (Leeds Beckett University), reflecting the importance given to the well-being of all pupils and staff there, with its emphasis on all being created in the image of God.

The Bishop of Bedford, Bishop Richard, visited St Michael's Primary, Woolmer Green in June. Accompanying him was the Bishop of Belize, Bishop Philip. The school assembled for Collective Worship, led by Bishop Richard who introduced himself and spoke about spirituality. After this, both bishops toured the classes for some tough questioning from the children. In Bedfordshire, the last half term of the school year began with a special Pentecost Wild Worship at St Augustine's Academy in Dunstable. Younger classes took part in Collective Worship outside on their school field while the older pupils enjoyed Collective Worship on Blows Downs. The school's Pupil Worship Leaders led with confidence, and everyone thoroughly enjoyed all that they had planned for them. Feeling the wind on their faces and seeing Downside and Dunstable from the hilltop helped everyone to experience the awe and wonder of God's creation and sense his presence with them.

The Diocesan Board of Education *Living God's Love in Education: Enabling Life in All its Fullness.*
The Board of Education, through the work of the Schools Team, continues to enable church schools to flourish through change. Current engagement with schools is good, with 120 of the 137 diocesan schools participating in the DBE Training and Development offer in 2023, with the remaining 17 schools having worked with members of the Schools Team on a 1-to-1 basis. During 2023, 49 schools received an inspection from Ofsted whilst 16 were inspected under the SIAMS framework.

The 2023 Senior Leaders Conference, with its theme *'Can I thrive here?'*, focusing on racial justice and courageous advocacy, was a positive but challenging start to the school year. Another highlight in 2023 included the ongoing success of the InspiREd, RE subject leader development programme, which continues to grow (now across St Albans, Canterbury, Rochester, London, Southwark, Chichester dioceses). A secondary cohort has also commenced (St Albans and Southwark). Feedback remains incredibly positive.

The 'Flourishing Together' diocesan podcast continues to develop as a place of CPD for diocesan colleagues (https://podcasters.spotify.com/pod/show/flourishingtogether). So far, the episodes include: a theological grounding of the podcast series in the 'The Road to Emmaus' (Fr Simon Cutmore); a Heart for the Earth – climate change (Ruth Valerio); Spirituality in Schools (Anne Lumb); Pupil-Led Worship (Rebecca Swansbury); Spirituality within SMSC (Bill Moore); Courageous Advocacy (Caz Weir) and Prayer Stations (Jane Whittington). A second series was launched in September 2023 with a stimulating discussion with Professor Trevor Cooling.

Building on highly successful partnership working with the DBF, activity will increase in the area of decarbonisation for those schools in the scope of the Net Zero Carbon target. This is going to be a challenging area of work as initial decarbonisation plans for schools show that significant additional external funding will be needed to address what is an important shared goal.

In sadder news, 2024 will see the closure of Tonwell St Mary's VC Primary School. The DBE has supported this very small school closely over the previous four years, working alongside senior leadership and the governing body to try to ensure a future for a school much valued by parents and members of the local community.

Organisational and financial management
The strategic direction of the DBE, which is a statutory committee of the DBF, is informed by its Education Strategy, most recently updated in November 2023. This determines the main priorities for its work and informs its financial planning which are then combined into a three-year Strategic

Development Plan (SDP) aligned to the triennium. The SDP is itself informed by a combination of external (DfE, National Church, CEEO, local authority, multi-academy trust) and internal (diocesan, DBF, DBE finance, school) factors.

The DBE year begins with the Schools Team away day in September. Each team member has considerable autonomy to deliver the objectives allocated to them through the DBE's strategic plan. The Team's PDR process ensures that one personal target each year is aligned to strategic objectives. Training and Development is provided to ensure a balance of appropriate skills and experience is maintained. Personal wellbeing is facilitated through a team WhatsApp group and regular one-to-ones with line managers and the Director of Education. The team meet weekly online to update one another on their work and three times a year in person, allowing for a greater depth of reflection.

The DBE monitors the implementation of the strategic plan through its six Board meetings, the DBE Strategy Group, the DBE Finance Working Group and through the receipt of termly officer reports which enable Board members to gain an insight into the work of individual team members. At the end of each academic year, a summary report is submitted to the DBE and to Bishop's Council. The strategic development of the work of the DBE continues to be supported by strong financial management, monitoring and evaluation. The 2023 end-of-year budget was once more in surplus with predictions for 2024 again showing a surplus. All key policies, including risk management, are in place.

In maintaining the following strategic priorities for 2022-24, and in planning for the 2025-2027 triennium, the DBE has ensured it has sufficient capacity to respond to unexpected situations and therefore maintain its high standards of service to schools:

- Work to ensure that a minimum of 90% of schools are deemed to be good or excellent church schools (as defined by SIAMS)
- Support the development of Christian pedagogical approaches to teaching and learning
- Deliver diocesan-wide initiatives which promote a shared understanding of Living God's Love through community, worship and prayer
- Extend and develop work to promote the wellbeing of the whole school community
- Promote and facilitate outstanding leadership and governance which supports excellence in church schools
- Develop Church of England educational provision across the Diocese of St Albans.

Key achievements

- The publication of the DBE's education strategy
- The continued work of *The Community Life Fund* providing targeted grant support to schools as they live out their unique Christian vision for education
- The successful launch of series 2 of the 'Flourishing Together' Podcast with contributions from Professor Trevor Coolong and Dr David Lewin
- The delivery of a highly regarded Senior Leaders Conference, *'Can I thrive here?'*, focused on racial justice and courageous advocacy
- Facilitating the introduction of the new framework governing the statutory inspection of church schools (SIAMS)

- The delivery of 54 Training and Development courses
- Ensuring all voluntary aided schools are actively engaging in plans to reduce their carbon footprint

DIOCESAN BOARD OF MISSION AND MINISTRY

- The Mission and Ministry Conference – Into the Harvest – gathered around seventy-five clergy and lay ministers along with senior staff and experienced speakers to explore elements of contextual mission.
- The Symposium on the Mixed Ecology of Church enabled a group of around thirty clergy from a range of contexts and traditions to look more deeply at how their own churches contribute to the mixed ecology in the diocese. Many attending followed up with coaching, advanced coaching training, Action Set Learning groups and specific support in leading change.
- The diocese successfully bid for capacity funding to enable us to work towards our Growing Younger and More Diverse Programme of strategic projects that meet the Church of England missional funding criteria.

MINISTRY DEVELOPMENT TEAM

Main achievements from 2023

- Developing a new job-sharing role for lay vocations and training officers that will enable and encourage a larger and more representative cohort of future ministers.
- Made ministerial progress assessments for readers along contemporary criteria and with the help of newly appointed local training groups for year 1 readers. Updated appropriate handbooks.
- Ongoing reviews of lay ministry training through the LLW programme, Foundations course and ERMC provided training so in 2024 a report on effectiveness and future training implications can be made.
- Recruited and trained new Vocation Advisors to double the team, clarified their role in the larger vocation process and reviewed the Ministerial Experience Scheme to address governance and implementation issues.

Future plans for 2024

- Developing training courses for lay ministers to address 'gaps' in present training for a more comprehensive ministry and mission portfolio.
- Providing a more comprehensive understanding of the universal vocational call of God to his people, so that all disciples are enabled to realise and release their gifts in their God given calling. Discerning how training is actually being used in the parish/community setting.
- Streamlining the reader discernment process to provide greater accountability and ownership in the ministry formation and training process.
- To keep vocations in their broadest definition on the agenda for 2024 in the Diocese. With some new vocational events.
- To increase uptake, completion and engagement with parish life with the LLW, Foundations and reader training courses.

VOCATIONS TEAM

Main achievements from 2023

- 14 new Deacons ordained in the Diocese (7 Stipendiary and 7 Self Supporting), plus 15 new Ordinands entering training at Theological College. The increase in numbers entering ministry will significantly boost the impact the church is able to make in their communities.

- With the retirement of the Diocesan Director of Ordinands (DDO) Philip Waller, the Vocations team have recruited and trained of a total of 8 Associate DDOs to work with our current DDO Tim Bull to take on more candidates discerning for ordained ministry. This will ensure that we continue a steady stream of candidates going through Discernment, training and into parishes.
- The team have attracted a good level of ethnically diverse candidates, with approximately 15% non-white ordinands and curates (which is representative of the wider population of the Diocese), as well as attracting and ordaining younger people in greater numbers; a strategic priority for us alongside the Church of England nationally.

Future plans for 2024

- To ordain at least 7 new Deacons in the Diocese (6 Stipendiary and 1 Self Supporting), plus at least 9 new Ordinands entering training at Theological College and continue the focus of attracting a diverse range of candidates within the Diocese – both in terms of a variety of ages and disabilities, educational background and those with a global majority heritage.
- To ensure all our processes and efficient and cost-effective, particularly in terms of integrating our new A/DDOs into the wider team.
- To work closely with our Growing Vocations and Lay Ministry Officers, and our Vocations Advisers, on finding new ways of promoting Vocations within the Diocese.

FLOURISHING CHURCHES TEAM

Achievements:

- 111 Churches received strategic support for Mission Action Planning or Giving from the Church Growth Officers and Giving Advisor.
- The number of parishes with no Mission Action Plan reduced from 167 to 146 (-13%).
- 4 Action Learning Sets to support new incumbents were facilitated.
- 70+ people attended the Leading Your Church into Growth follow up day.
- New website uploading form and system created for Mission Action Planning.

Future Plans for 2024

- To run the Hope for Rural Churches Conference on 16th March 2024.
- To reduce the number of parishes with no Mission Action Plan or a plan that is out of date.
- To oversee the roll out of 50 digital card readers to increase the number of parishes involved in digital giving.
- To establish further support for incumbents to lead change focussed on growth.

GROWING YOUNGER AND MORE DIVERSE

Achievements:

- Trained over 100 volunteers through Youthscape Essentials, CYM Children's Leaders Training, and Launchpad youth ministry training courses.
- Ran our first cohort of the Alban Way program for young adults and began recruiting for the 2024 group. Launched new initiatives engaging Year 6 students in schools.
- Secured £500k in capacity funding from the Strategic Mission and Ministry Investment Board and recruited additional staff.

Future Plans for 2024:
- Continue training and networking opportunities for youth and children's ministry volunteers through retreats, brunches, and tailored support for employed leaders.
- Scale the Alban Way program by partnering with more schools and explore options to increase capacity for young adult ministry.
- Complete funding request to the SMMIB by the Feb 25 deadline to sustain and expand our ministry efforts.

THE ENVIRONMENT

Achievements
- Achieved Bronze Eco Diocese award in October 2023, work which included the Diocesan Offices achieving the Bronze Eco award in June, exceeding the target of 10% of churches registered for the Eco Church scheme and %% having achieved an Eco Award. Currently 135 churches are registered with 51 Bronze and 16 Silver awards. Environmental issues and creation care theology are included in ongoing training for lay and ordained ministers.
- Progress on improving management of churchyards and gardens for the benefit of biodiversity, with churches in the diocese being selected to take part in the churchyard soil carbon study. Also contributed to the new national guidance for churches to increase biodiversity in churchyard management. A scything course contributed to the support of churches through the Living Churchyard scheme and a new DAC strategy on biodiversity was published in November.
- Progress has been made towards Net Zero Carbon, with increased numbers of parishes entering data into the Energy Footprint Tool. A New Zero Carbon office was appointed, and Carbon Literacy training began in November. New grants are also available for churches to support these improvements.
- Engagement with climate justice – supporting parish initiatives and partnering in action to fight climate change and providing resources and information for church action in support of COP28.

STRATEGIC REPORT

FINANCIAL REPORT FOR THE YEAR

Overview

Each year shows the fact that we are subject to fragility in income and expenditure whilst having a strong asset base that provides us with some protection in the short to medium term. Two conflicting trends were seen during 2023 in our Common Fund. Income was below budget because of disappointing Parish Share recovery. This impact has been felt consistently throughout the year and across all types of churches in size, location, and theology. The reducing and aging profiles of our congregations is becoming a consistent theme of concern which reveals that this is primarily a membership issue that is fuelling financial concerns. The second and opposite trend was that Common Fund expenditure was under budget by £403k, predominantly because of savings in stipend costs resulting from the unusually high vacancy rate in 2023. Whilst this underspend effectively produced a surplus the trend is unwelcome, pointing as it does to longer vacancies in parishes. We are acutely aware that unfilled posts are costly in the longer term, impacting further on problems of parish share collection.

In spite of this, and because of the strength of our asset base, we have been able to ensure that the Common Fund remains strong and at the same time support parish-based initiatives as described in the section below on Investments. This is not something that can continue indefinitely and we have developed a rolling five-year plan to strengthen the areas where we see financial vulnerability.

The outcomes from Living in Love and Faith have not impacted finances for this year to any degree but could have consequences for next year. Some Dioceses are attempting to address this. The Board will be kept informed of developing trends as and when they happen. Discussions around finances that have been held with parishes expressing concerns over the outcome of LLF have been positive.

Investment Approach

Following a review undertaken by the Assets Committee the Board decided to adopt a Total Return Investment approach, specifically:

- Adoption of total return with a distribution rate of 3.5%.
- Draw down to be calculated using the average of the previous five years capital values.
- Application across all invested diocesan funds
- A base line asset value at 31 December 2017, £57.2 million in total though disaggregated to individual funds and subject to CPI indexation.
- Application from 1 January 2022.
- Review of the distribution policy every three years.

The impact of the policy and its application in 2022 is described in detail in Note 15.

As a result of adopting a Total Return Investment approach, investment income distribution in 2023 has been greater than budgeted investment income. This has released funds of at least £500k to be allocated to support parishes in initiatives such as Net Zero Carbon and mission through grant availability.

Results for the year

Total income amounted to £22.7m compared to £23.9m in 2022, a decrease of £1.2m, mainly due to £1.0m from proceeds from the sale of parsonage houses in 2022 not repeated in 2023. The income includes £2.1 (2022 - £2.9) of sales in the property company.

During 2023, Parish Share contributions amounted to £13.1m (2021 - £13.2m). This amount included contributions by parishes in respect of earlier years' "shortfalls" of approximately £46k (2021 - £140k). The collection rate for Parish Share for 2022 (amount received/amount requested) was 91.5% (2022 - 92.5%).

Expenditure totalled £23.1m in the year compared to £21.7m in 2022, the increase being due to extensive work on a parsonage house and increased cost of repairs across the housing stock.

Net expenditure before revaluations and investment asset disposals amounted to £0.3m (2022 - £2.2m net income). The net realised and unrealised losses on investment properties and listed investments totalled £3.1m (2022 - £1.8m loss). The net increase in funds for the year was £2.9m (2022 - £0.4m) with the Common Fund showing an increase of £1.7m (2022 - £1.2m), which includes a total return transfer that provided an extra £907k of income (2022 - £615k) and the undesignation of £510k.

Financial position

The consolidated balance sheet showed total funds of £205.9m (2022 - £203.0). This figure included endowment funds of £161.5m (2022 - £159.6m), the principal part of this being the parsonage houses fund amounting to £76.9m (2022 - £76.9m). Where income arises from these funds, it may be used for general purposes of the charity and therefore is credited to unrestricted funds.

Also included in total funds were restricted funds totalling £15.1m (2022 - £14.1m). These monies have either been raised for, and their use restricted to, specific purposes or they comprise donations subject to donor-imposed conditions. Further details of these restricted funds can be found in note 23 to the financial statements together with an analysis of movements in the year. Funds totalling £20.3m (2022 - £21.3m) had been designated, or set aside, by the Board for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 24 to the financial statements.

FUTURE PLANS

The Diocesan vision of Living God's Love will continue to be promoted, to encourage churches to engage more missionally. Boards and Committees will continue working to support that vision by resourcing parochial mission and ministry and offering help and guidance to parishes as they seek to Live God's Love. The theme of 'Growing Younger and More Diverse' will continue to be an important part of future work.

The Bishop's Council will continue to make recommendations about proposals for pastoral reorganisation and support and encourage emerging mission initiatives and seeking ways to share good practice in parishes and deaneries.

The Diocesan Board of Finance will continue to work with its Investment Managers to ensure maximum returns for the benefit of mission and ministry in the Diocese. It will also continue dialogue with parish treasurers over the impact of COVID-19 on parish and diocesan finances.

The DAC will continue to respond to the needs of parishes throughout 2023 and beyond through regular casework, site visits and circulating advice and guidance. There will be a particular focus on helping parishes to meet the Net Zero Carbon target by helping to administer diocesan grants for energy audits, providing general advice and resources, and specific advice at site visits or in response to applications. The Committee will continue to build up work in other areas of the environment, especially biodiversity and climate resilience, to ensure that parishes are well-prepared for the effects of climate change.

The DAC team will also resource and support parishes in the care and development of church buildings by updating content for the new website and Resources Centre. This will be informed by parishes and build upon work already started in 2022, such as updating the DAC's advice leaflet on electrical wiring following complications in the high-level wiring at Royston.

The DBE, in maintaining the following strategic priorities for 2022-24, will continue to ensure it has sufficient capacity to respond to unexpected situations and therefore maintain its high standards of service to schools:

The DBE will continue to ensure that a minimum of 90% of schools are deemed to be good or excellent church schools (as defined by SIAMS) and support the development of Christian pedagogical approaches to teaching and learning.

The DBE will continue to deliver diocesan-wide initiatives which promote a shared understanding of Living God's Love through community, worship and prayer, extend and develop work to promote the wellbeing of the whole school community, promote and facilitate outstanding leadership and governance which supports excellence in church schools and develop Church of England provision across the Diocese of St Albans.

The Board for Mission and Ministry will continue supporting Living God's Love and our eight mission and ministry objectives of:

1. More activities that seek to grow discipleship enabling us to join in with God's action in the world
2. Parishes equipped with appropriate ministerial capacity

3. Enhanced wellbeing of our ministers
4. Churches growing younger and more diverse
5. Parishes that are financially sustainable
6. More New Worshipping Communities
7. Parishes operating safely and with good governance
8. Net Carbon Zero by 2030

However, within our work to support each objective we will give particular attention to:

- Developing our work to grow younger and more diverse disciples of Christ, including our Growing Younger and More Diverse Strategic Programme.
- Starting further cohorts of The Alban Way spiritual formation pathway for young adults, young people and children.
- Running Leading Your Church into Growth and the annual Mission and Ministry Day Conference.
- Increasing the number of effective up to date Mission Action Plans.
- Reviewing Initial Ministerial Education Phase 2 (for Readers and Curates in training).
- Reviewing the lay ministry training provision.
- Growing the number of younger and more diverse people exploring a vocation to lay and ordained ministry.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has reviewed the risks faced by the charity. During 2023 a full review of the diocesan risk register was undertaken and 86 risks identified and evaluated, with mediation measures identified. The Board adopted the risk register in November 2023 and instated a regime of regular, six-monthly, review by both the Board and the Bishop's Council.

The most significant risks are specifically identified for review together with new and emerging risks. The top 11 risks identified were:

- Conflicts over governance, strategic and operational matters
- Lack of legal mechanisms to deal with unsatisfactory parish clergy performance
- Parishes not undertaking their own risk assessments
- Decline in attendance
- Disagreement over significant ecclesiological differences
- Departure of congregations through ecclesiological differences
- Failure to ensure high levels of safeguarding training compliance
- High profile safeguarding cases
- Failure to collect parish share because some parishes cannot contribute
- Failure to collect parish share because some parishes will not contribute
- Failure to provide ad maintain appropriate housing for clergy

For each of the risks identified action to mitigate risk, the monitoring process to be adopted and the bodies and individuals responsible for the risk are identified. The Board recognises that whilst mitigation of risk is a key responsibility, there are some individual risks where only limited mitigation is available.

CUSTODIAN FUNDS

As at 31 December 2023, the St Albans Diocesan Board of Finance held funds on behalf of parishes, church schools and general trust funds within the Diocese with a market value of approximately £38.5m (2022 - £36.2m) as Custodian Trustee.

These assets are not included in the financial statements. The funds are held predominantly as units in common investment funds held by the Central Board of Finance (CBF) of the Church of England and are professionally managed on behalf of the CBF by CCLA Investment Management Limited. At all times, funds held by the charity as Custodian Trustee are segregated clearly from those belonging to the charity itself.

RAISING FUNDS

The charity raises funds through Parish Share and on occasions receives other donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with parishes, donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on parishioners, parochial councils, donors and supporters. It applies best practice to protect their data and never sells data, never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, the charity received no formal complaints about its activities for raising funds.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The St Albans Diocesan Board of Finance is a registered charity (Charity Registration No 248887) and a company limited by guarantee (Company Registration No 00145227 (England and Wales)). It is constituted in accordance with the Diocesan Boards of Finance Measure 1925.

Liability of the members of the company

Each company member has undertaken to contribute to the assets of the company in the event of it being wound up whilst he or she is a member, or within one year after he or she ceases to be a member. The contribution, which cannot exceed £1, may be applied toward the payment of the debts and liabilities contracted before he or she ceased to be a member.

Organisation

The members of the Board are empowered by the Articles of Association of the company to act as the company directors of the St Albans Diocesan Board of Finance. The members also act as trustees of the Board for the purposes of charity legislation.

The Diocesan Synod is the democratically elected decision-making body of the Diocese and its standing committee, the Bishop's Council, is responsible for the formulation of diocesan policy.

The Board of Finance is the financial executive of the Diocesan Synod and is responsible for the custody and management of the Synod's funds and the employment of all those paid directly from the funds. Much of the work of the Board is delegated to its executive committee, the General Committee, or to its sub-committees, the Property Committee, the Glebe Committee, and the Assets Committee.

Related bodies

The Board's staff provide administrative and financial services to the Board of Education, the Board for Mission and Ministry as well as the Diocesan Mission and Pastoral Committee and Diocesan Advisory Committee. All these bodies report to the Diocesan Synod which has overall responsibility for policy. The Synod delegates its day-to-day business to its standing committee, the Bishop's Council.

Members

The members who served during the year (and continuing unless otherwise stated) were as follows:

Members	Sub-committee Membership	Appointed/Resigned
Ex-officio Member		
The Bishop of St Albans (The Rt Revd Dr A G C Smith)		19 September 2009
Clergy elected by the Diocesan Synod		
The Reverend Dr G R Cappleman		1 January 2022
The Reverend K David	2	1 January 2022
The Reverend C Bunce	2, 7	1 January 2022
The Reverend A Thomas	1, 5	1 January 2022
The Reverend J Hookway	6, 7	20 October 2023
Lay Members elected by the Deanery Synods		
Archdeaconry of St Albans		
N K Challis	1, 5	1 January 2022
T Fleming	1, 4, 5	1 January 2022
C B Gage	1, 6	1 January 2022
D Roberts	3	1 January 2022
Dr R L V Southern	3	1 January 2022
M Taylor		1 January 2022
Archdeaconry of Hertford		
C Bell		11 April 2022
C G Bird	1, 2, 3, 4, 6, 7	1 January 2022
M E Butcher	2, 7	1 January 2022
J W Butler	1, 2, 4	1 January 2022
Dr M Eaton	1, 6	1 January 2022
Archdeaconry of Bedford		
D C Clark	3	1 January 2022
Dr D W Dallinger	2, 6	1 January 2022
K Ebbage	1, 6	1 January 2022
M J Gates	7	1 January 2022
K Smith	2, 7	1 January 2022
Members nominated by the Bishop of St Albans		
The Archdeacon of St Albans	1, 2, 3, 6, 7	1 January 2022
The Archdeacon of Bedford	1, 2, 3, 6, 7	1 January 2022
The Archdeacon of Hertford	1, 2, 3, 6, 7	1 January 2022
A Brown OBE (Chair of Glebe Committee)	1, 3, 4, 7	1 January 2022
Dr Tim Coulson	1, 2, 3, 4, 6, 7	30 October 2023

Members co-opted by the Board		
B Crawford	4	7 June 2019
P Easterbrook	1, 5	1 January 2022
P R Lindley	1, 4, 7	11 January 2016

1 General Committee, 2 Property Committee, 3 Glebe Committee, 4 Assets Committee, 5 Audit Committee, 6 Parish Shares and Support Committee, 7 Parish Grants Committee

Members

During the year no member of the Board had any beneficial interest in any contract with the charitable company. During the year several members, who are also clergy within the Diocese, received stipends from the charitable company in connection with their religious and pastoral duties within the Diocese. However, no member received any remuneration in connection with their duties as members of the Board during the year. No expenses were incurred in the performance of their duties as Board members were reimbursed during the year.

Member-selection and appointment

Members can be co-opted to the Board by existing members, or they can be elected by a number of different entities including the Diocesan Synod and the Deanery Synods or nominated by the Bishop of St Albans. The Bishop of St Albans is an ex-officio member of the Board. Members of the Board are elected to serve for a period of three years, after which period they may offer themselves for re-election. Elections were held at the end of 2021 to appoint members for the triennium 1 January 2022 to 31 December 2024.

On agreeing to become a member of the charity, the members are thoroughly briefed by their co-members on the history of the charity, the day-to-day management, the responsibilities of the members, the current objectives and future plans. The members are also encouraged to attend any courses which they feel are relevant to the development of their role, and to keep up to date on any changes in legislation.

Member induction and training

An induction pack has been issued to all members.

Remuneration of key management personnel

Key management personnel comprise all the members of the Board, together with the senior executives who are the Diocesan Secretary, the Director of Finance, the Estates Secretary and the Diocesan Pastoral and Advisory Secretary. The remuneration of all lay members of staff, including that of key management personnel, is set according to pay structures originally established by the Archbishops' Council which have, in recent years, been adapted by the Board. These scales are reviewed annually within the confines of the Common Fund Budget which, is in turn, approved by the Diocesan Synod. Members of the Board, also part of key management personnel, do not receive remuneration for their roles either as trustees of the charity or directors of the Board of Finance. The clergy members of the Board, as office holders within the Diocese, receive housing and stipends as part of their clergy role. Clergy stipends follow regional benchmarks as agreed annually by the National Church Central Stipends Authority.

Members' responsibilities statement

The members of the St Albans Diocesan Board of Finance are responsible for preparing the members' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charity and of the income and expenditure of the group for the financial year. Under company law the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of the income and expenditure of the group for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in operation.

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

Each member confirms that:

- so far as the member is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the member has taken all steps that he/she ought to have taken as a member in order to make him/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Trading subsidiary

The charity has a wholly owned trading subsidiary, the St Albans Diocesan Property Company (Company No. 08899302), a company incorporated in England with a share capital of £7,700,000 (2022 – £7,700,000). The principal activity of the company is property development. During the year the company made a net profit of £270k (2022 – £947k) and made a charitable donation of £1,048k (2021 - £510k) to the charity. This donation ensured that there was no tax liability for 2022.

In 2018, the charity loaned the subsidiary £7m for two years to aid working capital. £1m of this was repaid in 2019. The remaining £6m loan was exchanged for equity in the company in 2022.
The members' report, including the strategic report, was approved by the members and signed on their behalf by:

Tim Coulson
Chairman of the Board of Trustees

David White
Diocesan Secretary

Approved on:

Opinion

We have audited the financial statements of The St Albans Diocesan Board of Finance (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 affairs of the group and of the charitable company as at 31 December 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' 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 either the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the members' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- this report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the members' report, including the strategic report.

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the charitable company's financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of members' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members 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 members 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 members are responsible for assessing the group's and 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 members either intend to liquidate the group or 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.

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the audit partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company and group through discussions with members and management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company and group, including the Charities Act 2011, the Companies Act 2006 and Church Assembly and General Synod Measures;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's and group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- performed substantive testing of expenditure;
- tested journal entries to identify unusual financial transactions; and
- assessed whether judgements and assumptions made were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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

Use of our report

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

Catherine Biscoe, Senior Statutory Auditor
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL Date:

Consolidated statement of financial activities Year to 31 December 2023

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	Notes	Endow-ment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Non-charitable trading funds £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:							
Donations and legacies	1	–	7	13,107	–	13,114	13,423
Investments	2	1,547	417	1,132	21	3,117	2,292
Trading activities	26	–	–	–	2,109	2,109	2,926
Charitable activities	3	–	3,431	952	–	4,383	4,139
Other sources	4	–	–	2	–	2	1,072
Total income		1,547	3,855	15,193	2,130	22,725	23,852
Expenditure on:							
Raising funds	5	343	131	26	2,196	2,696	2,178
Charitable activities							
Promotion of the work of the Church of England in the Diocese of St Albans	6	–	3,284	17,075	–	20,359	19,497
Total expenditure		343	3,415	17,101	2,196	23,055	21,675
Net income (expenditure) before investment gains and losses	9	1,204	440	(1,908)	(66)	(330)	,177
Realised gains on disposal of investment property and listed investments	14	958	141	149	–	1,248	707
Unrealised gains (losses) on investment property and listed investments	14	1,192	557	75	–	1,824	(2,551)
Net income (expenditure) before transfers and taxation		3,354	1,138	(1,684)	(66)	2,742	333
Total Return transfer	15	(2,452)	–	2,452	–	–	–
Net income for the year after Total Return transfer		902	1,138	768	(66)	2,742	333
Other transfers between funds	21	1,048	(87)	87	(1,048)	–	–
Corporation tax credit (charge)	12	–	–	–	118	118	(102)
Net income (expenditure) for the year		1,950	1,051	855	(996)	2,860	231
Other recognised gains and losses:							
Actuarial gains	30	–	–	–	–	–	174
Net movement in funds		1,950	1,051	855	(996)	2,860	405
Fund balances brought forward at 1 January 2023		159,580	14,074	23,962	5,423	203,039	202,634
Fund balances carried forward at 31 December 2023		161,530	15,125	24,817	4,427	205,899	203,039

All of the group's activities derived from continuing operations during the above financial period.

Comparative consolidated statement of financial activities Year to 31 December 2022 **DRAFT**

	Notes	Endow-ment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Non-charitable trading funds £'000	Total 2022 £'000
Income and endowments from:						
Donations and legacies	*1*	*–*	*193*	*13,230*	*–*	*13,423*
Investments	*2*	*1,439*	*311*	*542*	*–*	*2,292*
Trading activities	*26*	*–*	*–*	*–*	*2,926*	*2,926*
Charitable activities	*3*	*–*	*3,432*	*707*	*–*	*4,139*
Other sources	*4*	*1,072*	*–*	*–*	*–*	*1,072*
Total income		*2,511*	*3,936*	*14,479*	*2,926*	*23,852*
Expenditure on:						
Raising funds	*5*					
Charitable activities		*288*	*170*	*51*	*1,669*	*2,178*
Promotion of the work of the Church of England in the Diocese of St Albans	*6*	*–*	*3,573*	*15,924*	*–*	*19,497*
Total expenditure		*288*	*3,743*	*15,975*	*1,669*	*21,675*
Net income (expenditure) before investment gains and losses	*9*	*2,223*	*193*	*(1,496)*	*1,257*	*2,177*
Realised gains on disposal of investment property and listed investments		*846*	*(91)*	*(48)*	*–*	*707*
Unrealised gains on investment property and listed investments		*(1,057)*	*(1,081)*	*(413)*	*–*	*(2,551)*
Net income before transfers and taxation		*2,012*	*(979)*	*(1,957)*	*1,257*	*333*
Total Return transfer	15	(2,262)	–	2,262	–	–
Net income (expenditure) for the year after Total Return transfer		**(250)**	**(979)**	**305**	**1,257**	**333**
Other transfers between funds	*21*	*2,747*	*(275)*	*(1,754)*	*(718)*	*–*
Corporation tax credit (charge)	*12*	*–*	*–*	*–*	*(102)*	*(102)*
Net income (expenditure) for the year		*2,497*	*(1,254)*	*(1,449)*	*437*	*231*
Other recognised gains and losses:						
Actuarial gains	*30*	*174*	*–*	*–*	*–*	*174*
Net movement in funds		*2,671*	*(1,254)*	*(1,449)*	*437*	*405*
Fund balances brought forward at 1 January 2022		*156,908*	*15,329*	*25,411*	*4,986*	*202,634*
Fund balances carried forward at 31 December 2022		*159,579*	*14,075*	*23,962*	*5,423*	*203,039*

All of the group's activities derived from continuing operations during the above financial period.

Consolidated balance sheet 31 December 2023

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	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Non-charitable trading funds £'000	Total 2023 £'000	Total 2022 £'000
Fixed assets							
Tangible assets	13	**78,174**	**–**	**12,490**	**–**	**90,664**	90,035
Investments	14	**70,150**	**12,660**	**6,379**	**–**	**89,189**	87,644
		148,324	**12,660**	**18,869**	**–**	**179,853**	177,679
Current assets							
Stock: land under development	16	**–**	**–**	**–**	**11,831**	**11,831**	12,078
Debtors – due within one year	17	**199**	**198**	**651**	**355**	**1,403**	3,654
Debtors – due after one year	17	**–**	**–**	**307**	**699**	**1,006**	283
Short term deposits		**4,296**	**1,161**	**5,078**	**404**	**10,939**	8,609
Cash at bank and in hand		**–**	**11**	**2,438**	**985**	**3,434**	2,372
		4,495	**1,370**	**8,474**	**14,274**	**28,613**	26,996
Creditors: amounts falling due within one year	18	**(1)**	**(636)**	**(636)**	**(115)**	**(1,388)**	(1,079)
Net current assets		**4,494**	**734**	**7,838**	**14,159**	**27,225**	25,917
Total assets less current liabilities before eliminating inter-fund balances		**152,818**	**13,394**	**26,707**	**14,159**	**207,078**	203,596
Inter-fund balances		**8,712**	**1,731**	**(1,477)**	**(8,966)**	**–**	–
Total assets less current liabilities		**161,530**	**15,125**	**25,230**	**5,193**	**207,078**	203,596
Creditors: amounts falling due after one year	19	**–**	**–**	**(413)**	**(766)**	**(1,179)**	(557)
Provisions for liabilities	20	**–**	**–**	**–**	**–**	**–**	**–**
Total net assets		**161,530**	**15,125**	**24,817**	**4,427**	**205,899**	203,039
Represented by:							
The funds of the group							
Endowment funds	22	**161,530**	**–**	**–**	**–**	**161,530**	159,579
Restricted funds	23	**–**	**15,125**	**–**	**–**	**15,125**	14,075
Unrestricted funds	24	**–**	**–**	**24,817**	**–**	**24,817**	23,962
Non-charitable trading funds	24	**–**	**–**	**–**	**4,427**	**4,427**	5,423
		161,530	**15,125**	**24,817**	**4,427**	**205,899**	203,039

Approved by the members of the Board and signed on their behalf by:

Tim Coulson
Chairman

Approved on:
The St Albans Diocesan Board of Finance
Company Registration Number 00145227 (England and Wales)

Comparative consolidated balance sheet 31 December 2022 **DRAFT**

	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Non-charitable trading funds £'000	Total 2022 £'000
Fixed assets						
Tangible assets	13	77,578	–	12,457	–	90,035
Investments	14	69,359	12,042	6,243	–	87,644
		146,937	12,042	18,700	–	177,679
Current assets						
Stock: land under development	16	–	–	–	12,078	12,078
Debtors – due within one year	17	48	67	796	2,743	3,654
Debtors – due after one year	17	–	–	283	–	283
Short term deposits		2,640	1,060	4,904	5	8,609
Cash at bank and in hand		–	–	2,369	3	2,372
		2,688	1,127	8,352	14,829	26,996
***Creditors**: amounts falling due within one year*	18	–	(232)	(640)	(207)	(1,079)
Net current assets		2,688	895	7,712	14,622	25,917
Total assets less current liabilities before eliminating inter-fund balances		149,625	12,937	26,412	14,622	203,596
Inter-fund balances		9,954	1,138	(2,122)	(8,970)	–
Total assets less current liabilities		159,579	14,075	24,290	5,652	203,596
***Creditors:** amounts falling due after one year*	19	–	–	(328)	(229)	(557)
Provisions for liabilities	20	–	–	–	–	–
Total net assets		159,579	14,075	23,962	5,423	203,039
Represented by:						
The funds of the group						
Endowment funds	22	159,579	–	–	–	159,579
Restricted funds	23	–	14,075	–	–	14,075
Unrestricted funds	24	–	–	23,962	–	23,962
Non-charitable trading funds	24	–	–	–	5,423	5,423
		159,579	14,075	23,962	5,423	203,039

	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2023 £'000	Total 2022 £'000
Fixed assets						
Tangible assets	13	**78,174**	**–**	**12,490**	**90,664**	90,035
Investments	14	**77,850**	**12,660**	**6,379**	**96,889**	95,344
		156,024	**12,660**	**18,869**	**187,553**	185,379
Current assets						
Debtors – due within one year	17	**1,621**	**198**	**651**	**2,470**	2,343
Debtors – due after one year	17	**–**	**–**	**307**	**307**	283
Short term deposits		**4,296**	**1,161**	**5,078**	**10,535**	8,604
Cash at bank and in hand		**–**	**11**	**2,438**	**2,449**	2,369
		5,917	**1,370**	**8,474**	**15,761**	13,599
Creditors: amounts falling due within one year	18	**(1)**	**(636)**	**(636)**	**(1,273)**	(872)
Net current assets		**5,916**	**734**	**7,838**	**14,488**	12,727
Total assets less current liabilities before eliminating inter-fund balances		**161,940**	**13,394**	**26,707**	**202,041**	198,106
Inter-fund balances		**(410)**	**1,731**	**(1,321)**	**–**	–
Total assets less current liabilities		**161,530**	**15,125**	**25,386**	**202,041**	198,106
Creditors: amounts falling due after one year	19	**–**	**–**	**(413)**	**(413)**	(328)
Provisions for liabilities	20	**–**	**–**	**–**	**–**	**–**
Total net assets		**161,530**	**15,125**	**24,973**	**201,628**	197,778
Represented by:						
The funds of the charity						
Endowment funds	22	**161,530**	**–**	**–**	**161,530**	159,579
Restricted funds	23	**–**	**15,125**	**–**	**15,125**	14,075
Unrestricted funds	24	**–**	**–**	**24,973**	**24,973**	24,124
		161,530	**15,125**	**24,973**	**201,628**	197,778

Approved by the members of the Board and signed on their behalf by:

Chairman

Approved on:

The St Albans Diocesan Board of Finance
Company Registration Number 00145227 (England and Wales)

	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2022 £'000
Fixed assets					
Tangible assets	13	77,578	–	12,457	90,035
Investments	14	77,059	12,042	6,243	95,344
		154,637	12,042	18,700	185,379
Current assets					
Debtors – due within one year	17	1,480	67	796	2,343
Debtors – due after one year	17	–	–	283	283
Short term deposits		2,640	1,060	4,904	8,604
Cash at bank and in hand		–	–	2,369	2,369
		4,120	1,127	8,352	13,599
Creditors: amounts falling due within one year	18	–	(232)	(640)	(872)
Net current assets		4,120	895	7,712	12,727
Total assets less current liabilities before eliminating inter-fund balances		158,757	12,937	26,412	198,106
Inter-fund balances		822	1,138	(1,960)	–
Total assets less current liabilities		159,579	14,075	24,452	198,106
Creditors: amounts falling due after one year	19	–	–	(328)	(328)
Provisions for liabilities	20	–	–	–	–
Total net assets		159,579	14,075	24,124	197,778
Represented by:					
The funds of the charity					
Endowment funds	22	159,579	–	–	159,579
Restricted funds	23	–	14,075	–	14,075
Unrestricted funds	24	–	–	24,124	24,124
		159,579	14,075	24,124	197,778

Summary consolidated income and expenditure account Year to 31 December 2023 **DRAFT**

This summary consolidated income and expenditure account relates to income funds only (i.e. excluding movements on endowment funds) and has been prepared to comply with the Companies Act 2006.

	2023 £'000	2022 £'000
Total income of continuing operations	**21,178**	21,679
Total expenditure of continuing operations	**(22,712)**	(21,725)
Net (expenditure) income for the year before transfers, investment gains and losses and taxation	**(1,534)**	(46)
Total return transfer	**2,452**	2,262
Other transfers to endowment funds	**(1,048)**	(2,747)
Net income (expenditure) before investment gains and losses and taxation	**(130)**	(531)
Investment gains (losses)	**922**	(1,633)
Taxation credit (charge)	**118**	(102)
Net income (expenditure) income for the year as defined by the Companies Act 2006	**910**	(2,266)

Total income as defined by the Companies Act 2006 comprises £17,323k (2022 – £17,405k) for unrestricted and non-charitable trading funds and £3,855k (2022 – £3,936k) for restricted funds. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analyses of expenditure are provided in the statement of financial activities and related notes.

Net expenditure before investment gains and taxation for the year of £130k (2022 – £531k) comprises net expenditure of £483k (2022 - £449k) on unrestricted and non-charitable trading funds and net income of £353k (2022 – £82k income) on restricted funds.

The summary consolidated income and expenditure account is derived from the consolidated statement of financial activities on page 38 which, together with the notes to the financial statements provides full information on the movements during the year on all funds of the group.

Consolidated statement of cash flows Year to 31 December 2023 **DRAFT**

	Notes	**2023** **£**	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	**(549)**	(2,934)
Cash flows from investing activities:			
Dividends, interest and rent from investments		**3,117**	2,292
Proceeds from the disposal of tangible fixed assets		**–**	1,927
Purchase of tangible fixed assets		**(687)**	(645)
Proceeds from the disposal of investments		**33,720**	3,944
Purchase of investments		**(32,193)**	(8,069)
Taxation paid		**–**	(246)
(Increase) decrease in cash deposits		**(3,013)**	4,026
Net cash provided by investing activities		**944**	3,229
Cash flows from financing activities:			
Repayment of borrowing		**(3)**	–
Net cash used in financing activities		**(3)**	–
Change in cash and cash equivalents in the year		**392**	295
Cash and cash equivalents at 1 January 2023	B	**3,042**	2,747
Cash and cash equivalents at 31 December 2023	B	**3,434**	3,042

Notes to the statement of cash flows for the year to 31 December 2023.

A Reconciliation of net income to net cash flow used in operating activities

	2023 **£**	2022 £
Net income (as per the statement of financial activities)	**2,742**	333
Adjustments for:		
Depreciation charge	**58**	66
(Gains) losses on investments	**(3,072)**	1,844
Dividends, interest and rent from investments	**(3,117)**	(2,292)
Surplus on disposal of tangible fixed assets	**–**	(1,072)
Decrease (increase) in stocks	**247**	(543)
Decrease (increase) in debtors	**1,528**	(129)
Increase (decrease) in creditors	**1,065**	(894)
Pension adjustment	**–**	(247)
Net cash used in operating activities	**(549)**	(2,934)

B Analysis of cash and cash equivalents

	2023 **£**	2022 £
Cash at bank and in hand	**3,434**	2,372
Cash held by investment managers	**–**	670
Total cash and cash equivalents	**3,434**	3,042

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2023 with comparative information provided for the year to 31 December 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006, except where the special nature of the St Albans Diocesan Board of Finance's operations has required adaptation of the formats as allowed by section 396(5).

The charity constitutes a public benefit entity as defined by FRS102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Basis of consolidation

The financial statements consolidate, on a line by line basis, the results of the charity and its wholly owned subsidiary company, St Albans Diocesan Property Company Limited, made up to the balance sheet date.

In accordance with the provision of paragraph 24.7 of the SORP, a statement of financial activities for the charity alone has not been prepared. The charity had total income for the year of £20,412k (2022 – £21,472k), total expenditure of £20,682k (2022 – £20,344k) and investment gains of £3,072k (2022 losses – £1,844k), resulting in net income of £2,802k (2022 expenditure – £716k).

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the Board and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the valuation of investment properties;
- the useful economic life of tangible fixed assets;
- the valuation of stock of land under development; and
- The estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Going concern

The members of the Board have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The members of the Board have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

Going concern (continued)

For the charity, the effects of the past two years impact its activities both directly and indirectly. The slow return of people to their local church has resulted in a restriction of income for those parishes which rely on giving through 'the plate' or income from lettings of church property, and therefore on their ability to pay the parish share. The charity itself faces a loss of income from its properties as well as its listed investments as well as uncertainty over the current and future value of its assets which have already suffered significant volatility.

Steps have been taken, and will continue, to reduce expenditure. The high percentage of the Diocesan budget expended on clergy stipends and housing means that significant savings take time to implement. The Board has prepared and reviewed a five-year forecast which provides us with a finance strategy that underpins the Diocesan missional strategy, whilst allowing us to control costs. Nevertheless financial recovery will take some time.

The members of the Board have concluded that despite these challenges, there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The members of the Board are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations and legacies, including Parish Share income, income from listed and property (glebe) investments, income directly related to charitable activities (including grants) and the surplus on disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Grants receivable on confirmation by the charity that specified performance criteria have been met are accounted for only once such criteria have been satisfied.

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Income (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from each sale of land under long term land development contracts is recognised on completion. Costs of each sale are apportioned based on the proportion of the land area sold.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

a. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.

b. The charitable activities comprise expenditure on the charity's primary charitable purposes as described in the members' report i.e. promoting the work of the Church in the Diocese of St Albans including payments of grants. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

School major repair and capital projects

The charity receives contributions from governors of Church schools in the Diocese in connection with major repair and capital projects to Church schools and also Government grants in connection with the same. Under the School Condition Allocation (SCA) funding scheme, monies are received and then allocated or spent. Projects are agreed by the Diocese, under the statutory and non-statutory guidance provided by the Department for Education (DfE). Because the Diocese has some limited discretion over the application of funds, it is our view that all income and expenditure under the SCA should be included in these accounts. Monies received have to be spent within a two-year time period or returned to the DfE.

Tangible fixed assets

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Freehold land and buildings owned as at 31 December 2013 comprising parsonage houses and corporate residential properties are included in the financial statements at a valuation determined by the members of the Board as at 31 December 2013. The valuation, deemed to approximate to the value based on an existing use basis, was based on an insurance value determined by Rumball Sedgwick, Chartered Surveyors, as part of their quinquennial review. Other freehold land and buildings are included in the financial statements at cost, or where cost is not known, at a valuation determined prior to 31 December 1999 by members of the Board. All of the above valuations have been deemed to be cost under the transitional provisions of FRS102. All other tangible fixed assets are included in the financial statements at cost.

Parsonage houses being buildings designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and conditions are reviewed annually by the members of the Board, who are satisfied that their residual value is not materially less than their book value.

Other freehold buildings which are used as private residential properties are not depreciated. The value and condition of the properties is reviewed annually to ensure that their residual value is not materially less than their book value.

Computer equipment is written off over a period of between three and six years and office equipment over a period of ten years, based on cost, in order to write the cost of each asset off over its estimated useful life.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted in the Members' Report attached to these financial statements, one of the main forms of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Glebe property comprising agricultural land, retail property and residential property held for investment is included in the financial statements at a valuation based on rental yield. The valuation has been determined by the members after consultation with their professional property advisers. In the case of a small number of residential properties subject to long leases, rental yield comprises ground rent only and the resultant valuation reflects this.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stock: land under development

Stock is stated at the lower of cost and net realisable value. The cost of stock includes the initial cost of the land, preliminary costs incurred prior to the commencement of construction and borrowing costs.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the members of the Board. Certain unrestricted funds have been set aside and designated for specific purposes by the Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The endowment funds comprise assets which normally must be held as capital but, where permitted, may be applied towards meeting certain charitable aims. The income therefrom may be used either in accordance with the terms of the endowment, if stipulated, or for general purposes. The application of total return in 2023 does not change this and all transfers to unrestricted funds as a result of total return are in accordance with the terms of the endowment funds.

The non-charitable trading funds represent the retained profit arising on the charity's trading subsidiary.

Financial instruments

Apart from fixed asset investments held at fair value, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Pension costs

All members of staff and clergy are eligible to belong to a defined benefits pension scheme administered by the Church of England Pensions Board. The charity is unable to identify its share of the underlying assets and liabilities of the schemes on a reasonable and consistent basis. Therefore in accordance with FRS102, it has accounted for its normal contributions as if the schemes were defined contribution schemes. Normal contributions are charged to the statement of financial activities when payable. The present value of the expected deficit recovery contributions are recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Custodian funds

Funds held by the charity on behalf of parishes, church schools and other entities and over which the charity has no power to make management decisions are classified as custodian funds and are not included in the financial statements. Instead, the funds held are disclosed by way of a note to the financial statements.

1 Income from donations and legacies

	Restricted funds £'000	Unrestricted funds £'000	Total 2023 £'000
Parish Share	–	13,072	13,072
Specific parochial donations	–	5	5
General donations and legacies	7	30	37
2023 total funds	**7**	**13,107**	**13,114**

	Restricted funds £'000	*Unrestricted funds £'000*	*Total 2022 £'000*
Parish Share	*–*	*13,197*	*13,197*
Specific parochial donations	*–*	*5*	*5*
General donations and legacies	*193*	*28*	*221*
2021 total funds	*193*	*13,230*	*13,423*

In addition to the above, the Diocesan Board of Finance received as trustees contributions of £674k (2022 – £383k) from the governors of Church schools in the Diocese in connection with major repair and capital projects (see note 3 below).

2 Income from investments

	Endowment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Non-Charitable Trading income £'000	Total 2023 £'000
Income from listed investments and interest receivable	1,086	389	528	21	2,024
Glebe income	460	–	–	–	460
Income from miscellaneous rents and lettings	–	28	605	–	633
2023 total funds	**1,546**	**417**	**1,133**	**21**	**3,117**

	Endowment Funds £'000	*Restricted funds £'000*	*Un-restricted funds £'000*	*Total 2022 £'000*
Income from listed investments and interest receivable	*989*	*290*	*144*	*1,423*
Glebe income	*450*	*–*	*–*	*450*
Income from miscellaneous rents and lettings	*–*	*21*	*398*	*419*
2022 total funds	*1,439*	*311*	*542*	*2,292*

3 Income from charitable activities

	Restricted funds £'000	Un-restricted funds £'000	Total 2023 £'000
Grants receivable	**337**	**281**	**618**
Fees and chaplaincy income	**–**	**663**	**663**
Trading income	**–**	**8**	**8**
Schools' Service Level Agreements and Project levies	**124**	**–**	**124**
Grant funding for Schools Building Projects	**2,250**	**–**	**2,250**
Other income from courses and conferences	**60**	**–**	**60**
Grant from Church Commissioners' Strategic Development Fund	**178**	**–**	**178**
National Church allocations	**482**	**–**	**482**
2023 total funds	**3,431**	**952**	**4,383**

	Restricted funds £'000	*Unrestricted funds £'000*	*Total 2022 £'000*
Grants receivable	*287*	*222*	*509*
Fees and chaplaincy income	*–*	*485*	*485*
Schools' Service Level Agreements and Project levies	*82*	*–*	*82*
Grant funding for Schools Building Projects	*2,257*	*–*	*2,257*
Other income from courses and conferences	*33*	*–*	*33*
Grant from Church Commissioners' Strategic Development Fund	*316*	*–*	*316*
National Church allocations	*457*	*–*	*457*
2022 total funds	*3,432*	*707*	*4,139*

Grants receivable for the year which exceeded £100,000 from a single organisation were as follows:

	2023 £'000	2022 £'000
Benefact Trust	**165**	126
City Churches Fund (Trust for London)	**156**	165
Hockerill Foundation	**105**	100
Church Commissioners' Strategic Development Fund	**240**	285

4 Income from other sources

In 2023, sales of small items of assets raised a surplus of £2k (In 2022 – three parsonage house sales raised £1,072k).

5 Expenditure on raising funds

	Endowment funds £'000	**Restricted funds £'000**	**Unrestricted funds £'000**	**Non-charitable trading funds £'000**	**Total 2023 £'000**
Schools' Service Level Agreements	**–**	**46**	**–**	**–**	**46**
Schools' Courses	**–**	**20**	**–**	**–**	**20**
School Capital Projects	**–**	**38**	**–**	**–**	**38**
Investment management costs	**92**	**27**	**26**	**–**	**145**
Trading expenditure (note 26)	**–**	**–**	**–**	**2,196**	**2,196**
Glebe expenditure	**251**	**–**	**–**	**–**	**251**
2023 total funds	**343**	**131**	**26**	**2,196**	**2,696**

	Endowment funds £'000	*Restricted funds £'000*	*Unrestricted funds £'000*	*Non-charitable trading funds £'000*	*Total 2022 £'000*
Schools' Service Level Agreements	*–*	*61*	*–*	*–*	*61*
Schools' Courses	*–*	*39*	*–*	*–*	*39*
School Capital Projects	*–*	*25*	*–*	*–*	*25*
Investment management costs	*132*	*45*	*51*	*–*	*228*
Trading expenditure (note 26)	*–*	*–*	*–*	*1,669*	*1,669*
Glebe expenditure	*156*	*–*	*–*	*–*	*156*
2022 total funds	*288*	*170*	*51*	*1,669*	*2,178*

6 Expenditure on the promotion of the work of the Church of England in the Diocese of St Albans

	Year ended 31 December 2023			Year ended 31 December 2022		
	Restricted funds £'000	**Unrestricted funds £'000**	**Total 2023 £'000**	Restricted funds £'000	Unrestricted funds £'000	Total 2022 £'000
Parochial clergy stipends and related costs						
. Stipends	**–**	**6,175**	**6,175**	–	6,198	6,198
. Pension contributions	**–**	**1,507**	**1,507**	–	1,814	1,814
. National insurance	**–**	**509**	**509**	–	563	563
. Removal and resettlement	**–**	**299**	**299**	–	328	328
. Other clergy costs	**–**	**431**	**431**	–	324	324
	–	**8,921**	**8,921**	–	9,227	9,227
Clergy housing costs						
. Parsonages (direct expenditure)	**–**	**3,614**	**3,614**	–	2,639	2,639
. Allocation of support costs	**–**	**560**	**560**	–	487	487
Sub-total	**–**	**4,174**	**4,174**	–	3,126	3,126
. Board of Finance properties (direct expenditure)	**–**	**301**	**301**	–	220	220
	–	**4,475**	**4,475**	–	3,346	3,346
Ministry						
. Direct expenditure*	**283**	**1,394**	**1,677**	392	1,199	1,591
. Allocation of support costs	**–**	**637**	**637**	–	554	554
	283	**2,031**	**2,314**	392	1,753	2,145
Education						
. Schools Condition Allocation grants (note 23)	**2,092**	**–**	**2,092**	2,388	–	2,388
. Direct expenditure	**433**	**–**	**433**	351	(8)	343
. Allocation of support costs	**–**	**367**	**367**	–	319	319
	2,525	**367**	**2,892**	2,739	311	3,050
Mission						
. Direct expenditure**	**64**	**441**	**505**	53	720	773
. Allocation of support cost	**–**	**367**	**367**	–	319	319
	64	**808**	**872**	53	1,039	1,092
Grants payable (note 7)	**412**	**473**	**885**	389	248	637
Total funds	**3,284**	**17,075**	**20,359**	3,573	15,924	19,497

* This figure includes the costs of supporting ordinands in training amounting to £861k (2022 – £792k).

** Unrestricted fund expenditure in respect to mission includes £241k (2022 - £285k) that has been funded by the Strategic Development Funding receivable from the Church Commissioners. Such funding has been credited to restricted funds. A transfer from restricted funds to unrestricted funds has been made at 31 December 2023 to reflect the utilisation of the monies for the purposes intended (note 21).

7 Grants payable

The Diocese makes grants to institutions in accordance with its grant making policy set out in the members' report. A detailed list of those institutions receiving grants may be obtained on request from the Diocesan Secretary.

	Year ended 31 December 2023			Year ended 31 December 2022		
	Restricted funds £'000	**Unrestricted funds £'000**	**Total 2022 £'000**	Restricted funds £'000	Unrestricted funds £'000	Total 2021 £'000
Church Schools						
Other grants to schools	**15**	**–**	**15**	–		
Parishes						
To assist with repairs or rebuilding costs	**167**	**8**	**175**	241	–	241
Pastoral Aid Support Grants to assist in meeting Parish Share contributions	**–**	**183**	**183**	–	123	123
Mission Initiatives	**–**	**204**	**204**	18	115	133
Energy grants	**–**	**10**	**10**			
External charities						
For humanitarian relief mission and evangelism	**63**	**66**	**129**	27	–	27
Clergy and clergy widows						
Ordinands' support	**98**	**1**	**99**	60	–	60
Discretionary grants for the relief of financial hardship	**69**	**1**	**70**	43	10	53
Total funds	**412**	**473**	**885**	389	248	637

8 Support costs

	Unrestricted funds	
	Total 2023 £'000	Total 2022 £'000
Support staff costs	**822**	767
Support office costs	**516**	330
Governance costs	**187**	183
General Synod Requirement	**406**	399
	1,931	1,679
Reallocated to charitable activities as follows:		
Clergy housing	**560**	487
Ministry	**637**	554
Education	**367**	319
Mission	**367**	319
	1,931	1,679

9 Net income (expenditure) before investment gains and losses

This is stated after charging:

	Total 2023 £'000	Total 2022 £'000
Staff costs (note 10)	**2,304**	2,427
Auditor's remuneration:		
. Statutory audit services	**28**	26
Depreciation	**59**	66

10 Staff costs and employees

	Total 2023 £'000	Total 2022 £'000
Staff costs during the year were as follows:		
Wages and salaries	**1,890**	1,827
Social security costs	**187**	187
Other pension costs	**227**	413
	2,304	2,427

	Total 2023 £'000	Total 2022 £'000
Staff costs per function were as follows:		
Direct promotion of the work of the Church of England in the Diocese of St Albans	**1,261**	1,744
Other support staff	**1,043**	683
	2,304	2,427

The average number of employees and office holders, analysed by function, was:

	2023 Full-time	2023 Part-time	2022 Full-time	2022 Part-time
Direct promotion of the work of the Church of England in the Diocese of St Albans	**17**	**26**	21	22
Other support staff	**11**	**5**	10	5
	28	**31**	31	27

The 31 (2022 – 27) part-time posts are equivalent to 18 full-time posts (2022 – 17).

10 Staff costs and employees (continued)

The number of employees who earned over £60,000 (excluding employer's pension contributions) during the year was as follows:

	2023	2022
£60,001 - £70,000	**5**	1
£80,001 - £90,000	**3**	2

Employer contributions are also paid into a pension scheme in respect of the employees who earned over £60,000.

Key management personnel remuneration (including employer's pension and national insurance contributions) totalled £877k in the year to 31 December 2023 (2022 – £709k) including stipends and related employer's pension and national insurance contributions in respect to Board members of £227k (2022 – £298k).

11 Board members' remuneration

During the year no member of the Board had any beneficial interest in any contract with the group or the charity (2022 – none). During the year several members of the Board, who are also clergy within the Diocese, received stipends from the charity in connection with their religious and pastoral duties within the Diocese. These stipends totalled £174k (2022 – £226k) including pension contributions of £40k (2022 – £72k) to the Clergy scheme and other employer costs. However, no member of the Board received any remuneration in connection with their duties as members of the Board during the year (2022 – none). Less than £1k was incurred in travel expenses in the performance of their duties as Board members (2022 – none).

Five clergy members benefited from clergy housing provided by the Board (2022 – seven members).

The Board's insurance policy includes cover for Trustee Indemnity.

12 Taxation

The St Albans Diocesan Board of Finance is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The charity's subsidiary company pays corporation tax on its taxable profits if sufficient funds are available, the subsidiary company may make a charitable donation to its parent charity which will reduce the corporation tax payable.

13 Tangible fixed assets

Group and Charity 2023	Parsonage houses £'000	Other freehold land and buildings £'000	Office equipment £'000	Total £'000
Cost or deemed cost				
At 1 January 2023	**75,795**	**14,473**	**187**	**90,455**
Additions	**596**	**–**	**91**	**687**
Disposals	**–**	**–**	**–**	**–**
At 31 December 2023	**76,391**	**14,473**	**278**	**91,142**
Depreciation				
At 1 January 2023	**–**	**360**	**60**	**420**
Charge for year	**–**	**22**	**36**	**58**
Disposals	**–**	**–**	**–**	**–**
At 31 December 2023	**–**	**382**	**96**	**478**
Net book values				
At 31 December 2023	**76,391**	**14,091**	**182**	**90,664**
A 31 December 2022	75,795	14,113	127	90,035

Parsonage houses and corporate residential properties owned as at 31 December 2013 have been included in tangible fixed assets at a valuation at that date. The valuation attributable to each house as at that date is that deemed by members of the Board of Finance to have approximated to the value calculated on the basis of existing use. In calculating this valuation, reference was made to insurance value, as determined by Rumball Sedgwick, Chartered Surveyors, as part of their quinquennial review. The historical cost of the parsonage houses is not known as many of these assets have been given or transferred to the Diocese over a period of many years. These valuations are now regarded as the deemed cost of the properties under the transitional provisions of FRS102.

Parsonage houses and corporate residential properties acquired since 1 January 2014 have been included within tangible fixed assets at their cost. The book value of other freehold land and buildings is based on cost, or where cost is not available, at a members' valuation made in prior accounting periods. Other fixed assets are stated at cost.

The Board has opted to adopt a policy of not revaluing its tangible fixed assets as permitted on the implementation of FRS102. It is likely that the open market values of the group's and the charity's other freehold land and buildings are materially greater than their book values. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of members, is not justified in terms of the benefit to the users of the financial statements.

Four of the freehold buildings, costing £1,783k were bought using money from Glebe receipts and so are part of the Glebe fund. If they are sold in the future, the proceeds will be retained within the Glebe Fund.

In accordance with FRS102, to the extent that property is financed by Church Commissioners' equity loans for sector ministry, it is excluded from both tangible fixed assets and the related creditors in the balance sheet.

14 Investments

Group	**Endowment funds £'000**	**Restricted funds £'000**	**Unrestricted funds £'000**	**Total 2023 £'000**	Total 2022 £'000
Glebe property	**29,645**	**–**	**–**	**29,645**	30,922
Listed investments and cash	**40,505**	**12,660**	**6,379**	**59,544**	56,722
	70,150	**12,660**	**6,379**	**89,189**	87,644

Group	*Endowment funds £'000*	*Restricted funds £'000*	*Unrestricted funds £'000*	*Total 2022 £'000*
Glebe property	*30,922*	*–*	*–*	*30,922*
Listed investments and cash	*38,437*	*12,042*	*6,243*	*56,722*
	69,359	*12,042*	*6,243*	*87,644*

Charity	**Endowment funds £'000**	**Restricted funds £'000**	**Unrestricted funds £'000**	**Total 2023 £'000**	Total 2022 £'000
Glebe property	**29,645**	**–**	**–**	**29,645**	30,922
Listed investments and cash	**40,505**	**12,660**	**6,379**	**59,544**	56,722
Investment in subsidiary undertaking	**7,700**	**–**	**–**	**7,700**	7,700
	77,850	**12,660**	**6,379**	**96,889**	95,344

Charity	*Endowment funds £'000*	*Restricted funds £'000*	*Unrestricted funds £'000*	*Total 2022 £'000*
Glebe property	*30,922*	*–*	*–*	*30,922*
Listed investments and cash	*38,437*	*12,042*	*6,243*	*56,722*
Investment in subsidiary undertaking	*7,700*	*–*	*–*	*7,700*
	77,059	*12,042*	*6,243*	*95,344*

Movements in the group's and charity's investments during 2023, excluding those in subsidiary companies, were as follows:

	Glebe property £'000	**Listed investments £'000**	**Total £'000**
Market value at 1 January 2023	**30,922**	**56,722**	**87,644**
Additions at cost	**16**	**32,177**	**32,193**
Disposals at book value (proceeds: £33,720k; net gains: £1,248k)	**(680)**	**(31,792)**	**(32,472)**
Net unrealised investment gains (losses)	**(613)**	**2,437**	**1,824**
Market value at 31 December 2023	**29,645**	**59,544**	**89,189**
Cash awaiting investment	**–**	**–**	**–**
	29,645	**59,544**	**89,189**

The cost at 31 December 2023 of listed investments was £54,364k (2022 – £49,481k).

14 Investments (continued)

Glebe property

Glebe property is included in the financial statements at a valuation based on rental yield. The valuation has been calculated by the Board based on information provided by the charity's managing land agents. The historical cost of the Glebe properties is not known. Many of the properties have been owned for a significant number of years and, in many cases, the properties were given or transferred to the Diocese for no consideration.

Glebe property held at 31 December 2023 comprised the following:

	Group		**Charity**	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Agricultural land	**24,723**	25,450	**24,723**	25,450
Residential property	**4,922**	5,472	**4,922**	5,472
	29,645	30,922	**29,645**	30,922

Listed investments

Listed investments comprise units in funds held by Schroder and Company Limited, by the Central Board of Finance of the Church of England (CBF) which are professionally managed on behalf of the CBF by CCLA Investment Management Limited, together with a holding in M&G Charifund, a common investment fund managed by M&G Securities Limited.

At 31 December 2023, the investment portfolio for both the group and charity included the following holdings which represented a material proportion of the total value of the fixed asset investment portfolio at that date:

	2023		2022	
	Percentage of portfolio %	**Market value £'000**	Percentage of portfolio %	Market value £'000
CCLA CBF Investment Fund - Income units	**51.4**	**30,592**	39.2	21,956
Sarasin Climate Active Endowment Fund Class A Income	**23.2**	**13,797**	–	–
Baillie Gifford Responsible Global Equity Income Fund B Accumulated	**17.5**	**10,397**	–	–
Schroeder Global Sustainable Growth	**–**	**–**	7.4	4,152
Schroeder Fidelity Global Dividend Fund	**–**	**–**	6.1	3,443
Schroeder Vanguard S&P 500 UCITS ETF	**–**	**–**	5.4	3,009

All listed investments are held within the United Kingdom.

14 Investments (continued)

Investment in subsidiary company

St Albans Diocesan Property Company Limited

During 2014, the charity established a wholly owned subsidiary company, St Albans Diocesan Property Company Limited, investing £1.7 million in the purchase of the subsidiary company's called up share capital of 1,700,000 ordinary shares. During 2022, a £6 million loan from the charity to its subsidiary company was converted to equity shares, bringing the total holding to 7,700,000 ordinary shares. Further details of the subsidiary and its trading results for the year to 31 December 2023 and financial position as at that date are given in note 26 to these financial statements.

St Albans Diocesan Property Company (Chesham) Limited

Following the year end, the charity established a further wholly owned subsidiary company, St Albans Diocesan Property Company (Chesham) Limited, further details of this investment are included within Note 32 to these financial statements.

15 Application of total return accounting to Investments

The investment power of total return permits the St Albans Diocesan Board of Finance to invest across all permanent endowment investments to maximise total return and apply an appropriate portion of the unapplied total return each year. These are the endowment funds for Diocesan Stipends, Glebe and Parsonage Benefice Funds.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the individual fund. 3.5% of the value of investments, i.e., £2,452k in total (£2,262 in 2022), was transferred to general funds such that it is set against the cost of stipendiary ministry in the year, as determined by the Diocesan Stipends Fund (Amendment) Measure 2016.

From 1 January 2022 the St Albans Diocesan Board of Finance adopted a total return approach to investments with regard to the above investment portfolios. The Board adopted and agreed a base-line asset value at 31 December 2017, indexed using CPI, and a distribution policy of 3.5% based on a five year rolling average of capital values, to be reviewed every three years.

The initial value for implementing total return for investment was determined at 31 December 2017 as £57,238k. This was the amount held in permanent endowment investments and cash deposits at that date. The unapplied total return calculated as at the 1 January 2022 and valued at £18,811k as the increase above inflation in the value of these investments since the initial valuation, subsequent to the application of CPI and adjusted for amounts invested in curates' houses.

The movements in the value of the unapplied total return, during the two years that total return has been applied, are set out in the following tables:

15 Application of total return accounting to Glebe Investments (continued)

	Trust for investment £'000	Unapplied total return £'000	**Total £'000**
At 1 January 2023			
. Base value of the permanent endowment	67,174	–	**67,174**
. Unapplied total return	–	11,817	**11,817**
Total	67,174	11,817	**78,991**
Movements during the year:			
. Investment returns: dividends received	–	1,546	**1,546**
. Investment return: realised and unrealised losses	–	2,150	**2,150**
. Investment management fees	–	(92)	**(92)**
. Glebe property expenses	–	(246)	**(246)**
. Unapplied total return allocated to income in the year	–	(2,452)	**(2,452)**
. Charitable donation from property company	–	1,047	**1,047**
. Add indexation of base level of endowment	2,640	(2,640)	**–**
Net movements in the year	2,640	(687)	**1,953**
As at 31 December 2023			
Base value of the permanent endowment	69,814	–	**69,814**
Unapplied total return	–	11,130	**11,130**
Valuation as at 31 December 2023	69,814	10,807	**80,944**

	Trust for investment £'000	Unapplied total return £'000	**Total £'000**
At 1 January 2022			
. Base value of the permanent endowment	61,255	–	**61,255**
. Unapplied total return	–	18,111	**18,111**
Total	61,255	18,811	**80,066**
Movements during the year:			
. Investment returns: dividends received	–	1.647	**1,647**
. Investment return: realised and unrealised losses	–	(211)	**(211)**
. Investment management fees	–	(132)	**(132)**
. Glebe property expenses	–	(156)	**(156)**
. Unapplied total return allocated to income in the year	–	(2,262)	**(2,262)**
. Transfer to Glebe Fund: Curates Houses	(471)	–	**(471)**
. Charitable donation from property company	–	510	**510**
. Add indexation of base level of endowment	6,390	(6,390)	**–**
Net movements in the year	5,919	(6,994)	**(1,075)**
As at 31 December 2022			
Base value of the permanent endowment	67,174	–	**67,174**
Unapplied total return	–	11,817	**11,817**
Valuation as at 31 December 2022	67,714	11,817	**78,991**

16 Stock: land under development

Group	2023 £'000	2022 £'000
At 1 January 2023	**12,078**	11,535
Development costs	**1,261**	2,091
Borrowing costs	**30**	20
Disposals	**(1,538)**	(1,568)
At 31 December 2023	**11,831**	12,078

Land under development relates to a parcel of land that is being developed by the charity's wholly owned trading subsidiary, St Albans Diocesan Property Company Limited. On 20 December 2017 St Albans Diocesan Property Company Limited signed a Collaboration and Equalisation Agreement with the owners and co-developers of adjacent land to its own near Houghton Regis. This agreement is pursuant to an existing Collaboration and Equalisation Agreement in place ("Heads of Agreement") with the same owners. The new agreement sets out detailed terms and conditions of the financial and operational obligations of each member to the Houghton Regis Consortium which will manage the development and sales of land owned by each member of the Consortium. During the seven years to 31 December 2022, professional, feasibility and borrowing costs have been incurred and have been treated as additions to the value of the land under development. The first major sale of land was made in February 2019 with further sales in each of the following years to date. The profits on these sales have been included in the group financial statements in the year appropriate to the transactions.

17 Debtors

	Group		Charity	
Due within one year	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Amounts due from Parochial Church Councils				
. Building loans	**–**	3	**–**	3
. Parochial contributions (note (a) below)	**63**	177	**64**	177
	63	180	**64**	180
Church Commissioners – Pastoral Account (note (b) below)	**1**	1	**1**	1
Investment income receivable	**280**	75	**280**	75
Staff loans	**5**	5	**5**	5
Due from subsidiary company (note (c) below)	**–**	–	**1,422**	1,432
Amount due in respect to sale of land	**356**	2,743	**–**	–
Sundry debtors and prepayments	**698**	650	**698**	650
	1,403	3,654	**2,470**	2,343

	Group		Charity	
Due after one year	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Amounts due from Parochial Church Councils:				
. Building loans	**–**	60	**–**	60
. Equity loans to finance the purchase of curates' houses (note (d) below)	**300**	211	**300**	211
. Other loans	**7**	12	**7**	12
Other debtors	**699**	–	**–**	–
	1,006	283	**307**	283

Notes

(a) The debtor for parochial contributions represents monies in respect of parish share for 2023 received subsequent to the year-end but prior to 12 January 2024 (2022 - 13 January 2023).

(b) Amount due from the Church Commissioners represents proceeds from the sale of a redundant church.

(c) In 2022 and 2023, the amount due from the subsidiary company includes accrued interest on the loan to the company (note 26).

(d) Equity loans enable Parochial Church Councils to purchase curates' houses. They are repayable only on the future disposal of the relevant property.

18 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Church School buildings and maintenance	**523**	241	**523**	241
Grants committed	**4**	4	**4**	4
Corporation tax payable	**81**	199	**–**	–
Sundry creditors and accruals	**780**	635	**746**	627
	1,388	1,079	**1,273**	872

Church schools buildings and maintenance represents receipts held and allocated to a project but not yet spent.

19 Creditors: amounts falling due after more than one year

	Group		Charity	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Amounts due to the Central Board of Finance in respect of parish property loans	**–**	3	**–**	3
Amounts due to the Church Commissioners				
. Variable deposit rate and equity loans for the purchase of curates' houses	**413**	325	**413**	325
Amount due to consortium development partners	**766**	229	**–**	–
	1,179	557	**413**	328

The Church Commissioners' loans have no fixed date of repayment. The equity loans bore interest at between 7.19% and 8.2% during the year.

20 Provisions for liabilities

Group and Charity	**2023 £'000**	2022 £'000
Clergy pension scheme deficit contribution liability	**–**	–

Following finalisation of the 31 December 2021 valuation, the Clergy Pension Scheme was fully funded, no agreed deficit recovery payments are required from 1 January 2023 onwards, and the balance sheet liability as at both 31 December 2023 and 31 December 2022 is nil. Note 31 contains further details.

21 Other transfers between funds

The inter-fund transfers during the year were as follows:

Group and charity	**Endowment funds £'000**	**Restricted funds £'000**	**Common fund £'000**	**Other unrestricted £'000**	**Non-charitable trading funds £'000**
Net release of Designated Funds	**–**	**–**	**(3)**	**3**	**–**
Undesignation of designated funds	**–**	**–**	**510**	**(510)**	**–**
Grants from Church Commissioners' Strategic Development Fund transferred to meet mission expenditure		**(87)**	**87**		**–**
Charitable donation from subsidiary company to parent charity	**1,048**	**–**	**–**	**–**	**(1,048)**
	1,048	**(87)**	**594**	**(507)**	**(1,048)**

The inter-fund transfers during the previous year were as follows:

Group and charity	*Endowment funds £'000*	*Restricted funds £'000*	*Common fund £'000*	*Other unrestricted £'000*	*Non-charitable trading funds £'000*
Net release of Designated Funds	*–*	*–*	*124*	*(124)*	*–*
Net reduction in Clergy pension scheme deficit	*247*	*–*	*(247)*	*–*	*–*
Grants from Church Commissioners' Strategic Development Fund transferred to meet mission expenditure	*–*	*(285)*	*285*	*–*	*–*
Transfers from operational reserves to cover 2021 deficit	*–*	*–*	*413*	*(413)*	*–*
Transfer of SADPC interest to designated fund	*–*	*–*	*(119)*	*119*	*–*
Common fund transfer to School work	*–*	*10*	*(10)*	*–*	*–*
Transfer of Curate Houses to Glebe	*1,782*	*–*	*–*	*(1,782)*	*–*
Transfer of interest payable on loan to subsidiary company	*208*	*–*	*–*	*–*	*(208)*
Charitable donation from subsidiary company to parent charity	*510*	*–*	*–*	*–*	*(510)*
	2,747	*(275)*	*446*	*(2,200)*	*(718)*

22 Endowment funds

The capital funds of the group and the charity are endowed assets which normally must be held as capital but, where permitted, may be applied towards meeting certain charitable aims.

Group and charity	**At 1 January 2023 £'000**	**Income and Expenditure £'000**	**Gains, losses and transfers £'000**	**At 31 December 2023 £'000**
Endowment funds				
. Stipends Capital Fund	**23,690**	**433**	**(170)**	**23,953**
. Pension reserve	**–**	**–**	**–**	**–**
	23,690	**433**	**(170)**	**23,953**
. Parsonage Houses Fund	**76,917**	**(4)**	**–**	**76,913**
. Parsonage Benefice Fund	**2,076**	**67**	**25**	**2,168**
. Glebe Fund	**56,896**	**707**	**893**	**58,496**
	159,579	**1,203**	**748**	**161,530**

Group and charity	*At 1 January 2022 £'000*	*Income and Expenditure £'000*	*Gains, losses and transfers £'000*	*At 31 December 2022 £'000*
Endowment funds				
. Stipends Capital Fund	*25,394*	*574*	*(2,278)*	*23,690*
. Pension reserve	*(421)*	*–*	*421*	*–*
	24,973	*574*	*(1,857)*	*23,690*
. Parsonage Houses Fund	*75,845*	*1,072*	*–*	*76,917*
. Parsonage Benefice Fund	*2,334*	*36*	*(294)*	*2,076*
. Glebe Fund	*53,756*	*541*	*2,599*	*56,896*
	156,908	*2,223*	*448*	*159,579*

The endowment funds were established as follows:

- **Parsonage Houses Fund and Parsonage Benefice Fund**
  The Parsonage Houses Fund represents the net book value of properties used as parsonage houses less the value of temporary finance from the Stipends Capital Fund for the replacement of parsonage houses where the sale of existing houses is pending. The Parsonage Benefice Fund represents net proceeds from disposals of parsonage houses or parsonage land which are not the subject of a Pastoral Reorganisation. Under the Parsonage Measure 1938 (as amended by the Church Property Measure 2018), these funds are required to be held by the Board on behalf of the benefice concerned. The first call on these funds is to make improvements to the current parsonage house. Once these requirements are met, the remaining funds can be transferred to the Diocesan Stipends or Diocesan Pastoral Account after serving due notice on the Parochial Church Council and Patron.

22 Endowment funds (continued)

- **Parsonage Houses Fund and Parsonage Benefice Fund** (continued)
  The parsonage house belongs to the benefice (not to the Parochial Church Council nor the DBF) and the ownership is vested in the "incumbent for the time being". During a period of vacancy in the benefice, the Diocesan Bishop has powers to sell in accordance with the provisions of the Church Property Measure 2018. The statutory provisions relating to repairs to parsonage houses are contained in the Repair of Benefice Buildings Measure 1972. The Measure puts a statutory obligation upon the Diocesan Parsonage Board (or DBF Property Committee) to repair and insure benefice houses, thereby relieving the incumbent of this responsibility.

- **Glebe Fund**
  The Glebe Fund represents the value of the Glebe Property plus net current assets of £2,470k (2022 – £4,980k). The use of the fund is restricted under the Endowments and Glebe Measure 1976, which transferred ownership of all Glebe land and property from the benefice to the Diocesan Board of Finance to be held by the Board exclusively for the benefit of the Diocesan Stipends Fund (see below). All income and expenditure derived from this fund is included within the Glebe Fund. Transfers to the Common Fund are made following the adoption of a total return policy.

- **Stipends Capital Fund**

  This fund represents net proceeds from the disposal of Glebe land subsequently invested to be held as part of the Stipends Capital Fund. Income from the fund must be applied towards the payment of stipends. The provision for the Clergy pension scheme deficit recovery payments forms part of this fund.

  The fund balance is represented by listed investments, cash on deposit and loans to provide temporary finance to the Parsonage Houses Fund for the replacement of parsonage houses where the sale of existing houses in pending, less the provision for the deficit in the Clergy pension scheme.

23 Restricted funds

The income funds of the group and the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

Group and charity	**At 1 January 2023 £'000**	**Income £'000**	**Expenditure £'000**	**Gains, losses and transfers £'000**	**At 31 December 2023 £'000**
Consolidated Fund for Statutory Education	9,073	2,804	(2,673)	374	**9,578**
Church Commissioners' Strategic Development Fund	—	179	—	(87)	**92**
Committee for Social Responsibility funds	727	24	(2)	59	**808**
Creed Fund	102	4	—	7	**113**
Trust for London (CCFS)	777	173	(146)	—	**804**
Bishop's Harvest Appeal	43	6	(37)	—	**12**
Church Repairs Fund	308	16	—	32	**356**
Parker Fund	695	30	(24)	63	**764**
Archdeacons' Discretionary	651	24	(23)	45	**697**
Yapp Fund	774	22	0	62	**858**
Historic Buildings Fund	(99)	8	(18)	—	**(109)**
Church Building Support Officer	—	—	(2)	—	**(2)**
Ordinands' Training Fund	252	325	(288)	—	**289**
Grimthorpe Fund	220	3	(10)	14	**227**
Disability Task Group	—	142	(70)	—	**72**
Church Commissioners' Net Carbon Zero	—	15	—	—	**15**
The Alban Way	—	4	(63)	—	**(59)**
SMMIB	—	—	(1)	—	**(1)**
Other restricted funds	551	76	(58)	42	**611**
	14,074	**3,855**	**(3,415)**	**611**	**15,125**

23 Restricted funds (continued)

Group and charity	*At 1 January 2022 £'000*	*Income £'000*	*Expenditure £'000*	*Gains, losses and transfers £'000*	*At 31 December 2022 £'000*
Consolidated Fund for Statutory Education	*9,994*	*2,688*	*(2,909)*	*(700)*	*9,073*
Church Commissioners' Strategic Development Fund	*–*	*316*	*(31)*	*(285)*	*–*
Committee for Social Responsibility funds	*770*	*20*	*(2)*	*(61)*	*727*
Creed Fund	*109*	*3*	*–*	*(10)*	*102*
Trust for London (CCFS)	*805*	*169*	*(198)*	*1*	*777*
Bishop's Harvest Appeal	*13*	*41*	*(13)*	*2*	*43*
Church Repairs Fund	*411*	*11*	*(69)*	*(45)*	*308*
Ukraine Appeal	*–*	*32*	*(14)*	*–*	*18*
Parker Fund	*787*	*–*	*–*	*(92)*	*695*
Archdeacons' Discretionary	*610*	*133*	*(27)*	*(65)*	*651*
Yapp Fund	*842*	*20*	*–*	*(88)*	*774*
Historic Buildings Fund	*(100)*	*23*	*(21)*	*(1)*	*(99)*
Ordinands' Training Fund	*309*	*457*	*(392)*	*(122)*	*252*
Grimthorpe Fund	*240*	*7*	*(4)*	*(23)*	*220*
Other restricted funds	*539*	*16*	*(63)*	*42*	*534*
	15,329	*3,936*	*(3,743)*	*(1,447)*	*14,075*

The Consolidated Fund for Statutory Education is legally restricted by the trusts set out in Section 17 of the Education Act 1993. Its uses include:

(i) Purchase, erection, maintenance and improvement of any school or teacher's house in the relevant area;

(ii) Provision of advice, guidance and resources for the management of schools in the area;

(iii) Inspection of relevant schools in the area.

23 Restricted funds (continued)

Movements on the Consolidated Fund for Statutory Education during the year can be summarised as follows:

Group and Charity	2023 £'000	2022 £'000
Income		
Investment income	**242**	196
Grants received	**105**	100
Rental income from school properties	**25**	26
Service Level Agreement income	**87**	79
School Courses	**61**	30
Grant funding from SCA	**2,250**	2,208
School Building Projects levy	**34**	49
Total income	**2,804**	2,688
Expenditure		
Education	**(2,673)**	(2,909)
Net (expenditure)/income before investment gains and transfers	**131**	(221)
Investment gains (losses) and transfers	**374**	(700)
Net (expenditure)/income	**505**	(921)

The fund is represented by the following net assets:

	2023 £'000	2022 £'000
Investments	**8,856**	8,563
Debtors	**221**	66
Short term deposits	**12**	77
Creditors: amounts falling due within one year	**(200)**	(148)
Inter fund balances	**689**	515
Total net assets	**9,578**	9,073

The SCA (Schools Condition Allocation) system, which commenced in April 2020 requires the charity to reflect grants received and spent as income and expenditure within the accounts. The grant funding received is included in the SOFA along with the related expenditure. The unspent balance is included as part of the surplus for the CFSE at the year-end. The grants received have to be spent within two years of receipt or returned to the DfE. The cycle is longer than our accounting period, so the transactions in a year will show as a surplus or deficit according to the timings of all the individual projects. This means that across several years, the position will be break-even, whilst any individual year will show a surplus or deficit depending on the phasing of the projects.

23 Restricted funds (continued)

The specific purposes for which the other restricted funds are to be applied are as follows:

Fund	Application/purpose
Church Commissioners Strategic Development Fund	Grant funding received from Church Commissioners co-funding the Reaching New People project
Consolidated Fund for Statutory Education	Application of net sales proceeds of closed church schools under section 17 of the Education Act 1993.
Committee for Social Responsibility Funds	Formerly held under the charity registered number 291355, grants are awarded by the Committee for Social Responsibility, which is a sub-committee of the Board for Mission and Ministry
Creed Fund	Evangelism and mission at the discretion of the Bishop
Trust for London (CCFS)	For the support of parishes in the Metropolitan Police area. Monies are applied to support specific qualifying projects where expenditure occurs irregularly.
Bishop's Harvest Appeal	Monies raised as part of the Bishop's annual appeal
Church Repairs Fund	Monies for the repair of churches within the Diocese
Parker Fund	Assistance to clergy as directed by the Bishop
Archdeacons' Discretionary	Assistance to clergy as directed by the Archdeacons
Yapp Fund	Towards the Common Fund of the Board, to support the payment of stipends
Historic Buildings Fund	This is a jointly funded project with Historic England to build the capacity of local communities to conserve and develop the use of their church buildings. Grants are received once a year, whilst expenditure supported by those grants occurs evenly throughout the year.
Ordinands' Training Fund	This fund receives block grants from the Archbishops' Council Ministry Division intended to meet the tuition costs for Ordinands at accredited Training institutions. Grants are received termly, to meet termly payments throughout the year.
Grimthorpe Fund	Monies applied for the repair of churches within the Archdeaconries of Hertford and St Albans.
Other restricted funds	Sundry specific purposes

24 Unrestricted funds

The unrestricted income funds of the group and the charity, including designated funds which have been set aside by the Board for specific purposes, are as follows:

	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 December 2023 £'000
Common Fund	**2,825**	**14,980**	**(16,199)**	**3,045**	**4,651**
Other unrestricted funds					
. Tangible fixed assets fund	**11,540**	**–**	**–**	**–**	**11,540**
. Property ring-fenced fund	**6,229**	**165**	**(561)**	**211**	**6,044**
. Special Designations	**2,777**	**2**	**(315)**	**(493)**	**1,971**
.. Operational Reserve	**1,074**	**1**	**(92)**	**(713)**	**270**
.. Mission	**322**	**–**	**(215)**	**220**	**327**
.. Other	**1,381**	**1**	**(8)**	**–**	**1,374**
. Pastoral Account	**753**	**46**	**(32)**	**–**	**767**
	21,299	**213**	**(907)**	**(283)**	**20,322**
Unrestricted funds	**24,124**	**15,193**	**(17,107)**	**2,763**	**24,973**
Elimination of Intra group profit	**(162)**	**–**	**6**	**–**	**(156)**
	23,962	**15,193**	**(17,101)**	**2,763**	**24,817**
Non-charitable trading	**5,423**	**2,130**	**(2,078)**	**(1,048)**	**4,427**
	29,385	**17,323**	**(19,179)**	**1,715**	**29,244**

	At 1 January 2022 £'000	*Income £'000*	*Expenditure £'000*	*Gains, losses and transfers £'000*	*At 31 December 2022 £'000*
Common Fund	*1,602*	*14,411*	*(15,896)*	*2,708*	*2,825*
Other unrestricted funds					
. Tangible fixed assets fund	*13,323*	*–*	*–*	*(1,783)*	*11,540*
. Property ring-fenced fund	*6,945*	*–*	*–*	*(716)*	*6,229*
. Special Designations	*2,978*	*41*	*(80)*	*(162)*	*2,777*
.. Operational Reserve	*1,320*	*–*	*6*	*(252)*	*1,074*
.. Mission	*390*	*4*	*(72)*	*–*	*322*
.. Other	*1,268*	*37*	*(14)*	*90*	*1,381*
. Pastoral Account	*731*	*27*	*(5)*	*–*	*753*
	23,977	*68*	*(85)*	*(2,662)*	*21,298*
Unrestricted funds	*25,579*	*14,479*	*(15,981)*	*47*	*24,124*
Elimination of Intra group profit	*(168)*	*–*	*6*	*–*	*(162)*
Non-charitable trading	*4,986*	*2,926*	*(1,771)*	*(718)*	*5,423*
	30,397	*17,405*	*(17,746)*	*(671)*	*29,385*

24 Unrestricted funds (continued)

Common Fund reconciliation	**2023**		2022	
	£'000	**£'000**	£'000	£'000
Total income in year		**14,980**		14,411
Total expenditure in year		**(16,199)**		(15,896)
(Deficit)/surplus for the year before transfers		**(1,219)**		(1,485)
Total Return (see note 15)				
Investment income received from Endowment funds in year	**1,546**		1,647	
Additional income due to adoption of total return	**907**		615	
		2,452		
				2,262
Other adjustments (transfers between funds see note 21)				
Transfer from designated funds to cover previous year deficit	**510**		413	
Clergy and staff pension deficit contributions paid in the year	**–**		(247)	
Transfer of interest from subsidiary property company	**–**		(119)	
Net grant transfers	**83**		275	
Net releases of designated funds	**–**		124	
		593		446
Net movement on Common Fund		**1,826**		1,223
Balance at 1 January 2023		**2,825**		1,602
Balance at 31 December 2023		**4,651**		2,825

- **Common Fund**
  The Common Fund is used to fund the budget of the St Albans Diocesan Board of Finance as agreed by the Diocesan Synod. Its primary source of income is the amounts collected from Parochial Church Councils via the Parish Shares Scheme. The Common Fund provides the liquidity needed to operate effectively and the ability to finance short-term deficits. The aim is for the fund to be represented, in part, by a minimum cash balance sufficient to meet stipend and lay staff salary payments as they fall due. The need for such working capital is taken into account when setting the annual budget. Excess monies may be distributed to parishes via the budgetary process, but conversely any prior year deficits sustained on the common fund may be recouped via the same process. The policy itself, and the levels of resources required, are reviewed annually.

- **Tangible Fixed Assets Fund**
  This fund represents those assets held by the Board for carrying out its general activities. Reserves are needed to provide the St Albans Diocesan Board of Finance with the assets needed to carry out its objectives including statutory requirements, administration of funds and housing of non-beneficed clergy.

24 Unrestricted funds (continued)

- **Property Ring-fenced fund**
  This was set up using the residual fuds due to the DBF following the sale of parsonage houses and initially transferred to the Pastoral Account (see Note 22). It is a designated fund and so the DBF can use the income generated and assets held according to need. However it is primarily intended to relieve pressure on the costs for maintaining and improving parsonage houses.

- **Special Designated Funds**
  These are funds which the Board has set aside for specific sundry purposes falling within the normal activities of the Diocese.

- **Pastoral Account**
  The Diocesan Pastoral Account is held by the Board for the purposes defined in Sections 93 and 94 of the Mission and Pastoral Measure 2011. Its uses include:

  (i) Expenses incurred relating to the purposes of the measure;
  (ii) Grants and loans for parsonage and church provision, restoration, improvement or repair;
  (iii) Transfers to the Diocesan Stipends Fund;
  (iv) Other purposes as defined in the Measure.

25 Unrealised gains

The total unrealised gains as at 31 December 2023 constitutes a revaluation reserve and are as follows:

	2022 **£'000**	2022 £'000
Unrealised gains on listed investments at 31 December 2023	**8,181**	6,571
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2023	**6,571**	12,718
Less: in respect to disposals in the year	**(828)**	(392)
Net (losses) gains arising on revaluation arising in the year	**2,438**	(5,755)
Total unrealised gains at 31 December 2023	**8,181**	6,571

26 St Albans Diocesan Property Company Limited

On 18 February 2014, St Albans Diocesan Property Company Limited was established as a 100% owned subsidiary of the St Albans Diocesan Board of Finance. Its current directors are Mr C G Bird, Mr A C Brown, The Ven D Middlebrook, Mr J W Butler and Mr C B Gage who are also members and directors of the Board of Finance and, Mr E M Wood, The Hon H T Holland-Hibbert and Mr J B Watkiss who are independent directors.

St Albans Diocesan Property Company Limited is part of a VAT Group registration with the St Albans Diocesan Board of Finance.

On 10 April 2014, the St Albans Diocesan Board of Finance transferred a parcel of its land with planning potential to St Albans Diocesan Property Company Limited. The land was classified initially as investment land as it was not known whether satisfactory planning permission for development would be obtained. Such permission was granted in July 2015 at which point the land was reclassified as stock of land under development.

26 St Albans Diocesan Property Company Limited (continued)

The company has signed an agreement with the owners and co-developers of adjacent land to its own near Houghton Regis and a consortium has been formed to manage the development and sales of land. Since 2019 the consortium has completed a number of significant sales of land. All sales proceeds and associated costs are included in the financial statements of the company and these consolidated financial statements. Tax has been calculated on the profits and is included in the financial statements.

A summary of the company's statement of income and retained earnings for the year and balance sheet at 31 December 2023 is given below. Review of the terms of underlying agreements for development works within the property company identified previously unrecognised liabilities which were present at 1 January 2022. This has resulted in restatement of comparative information within the subsidiary financial statements however since the amount is immaterial to the overall group, the corresponding amount of £408,000 has been recognised as an in year adjustment within these financial statements. Audited financial statements will be filed with the Registrar of Companies. The company's registered office is Holywell Lodge, 41 Holywell Hill, St Albans, Herts, AL1 1HE.

	2023 £'000	2022 £'000
Income and expenditure		
Turnover	**2,109**	**2,926**
Cost of sales	**(2,149)**	**(1,618)**
Operating costs	**(47)**	**(51)**
Interest received	**21**	**–**
Interest payable	–	**(208)**
Taxation	**118**	**(102)**
Profit for the year	**52**	**947**
Impact of restatement of prior period comparatives at subsidiary level on reserves carried forward	408	–
(Loss) profit for the year	**460**	**947**

	2023 £'000	2022 £'000
Balance sheet		
Current assets	**14,430**	**14,991**
Creditors: amounts falling due within one year	**(1,696)**	**(1,639)**
Creditors: amounts falling due after one year	**(607)**	**(229)**
Total net assets	**12,127**	**13,123**

	2023 £'000	2022 £'000
Capital and reserves		
Called up share capital	**7,700**	**7,700**
Profit and loss account	**4,427**	**5,423**
Total shareholder's funds – equity interests	**12,127**	**13,123**

27 Custodian funds

As at 31 December 2023 the St Albans Diocesan Board of Finance held funds on behalf of parishes, church schools and general trust funds within the Diocese with a market value of approximately £38.5m (2022 – £36.2m) as Custodian Trustee. As explained under principal accounting policies, these assets are not included in these financial statements. The funds are held predominantly as units in common investment funds held by the Central Board of Finance (CBF) of the Church of England and are professionally managed on behalf of the CBF by CCLA Investment Management Limited. At all times, funds held by the charity as Custodian Trustee are segregated clearly from those belonging to the charity itself.

28 Liability of company members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, company members are required to contribute an amount not exceeding £1.

29 Related party transactions

Hockerill Education Foundation – registered charity number 311018

Three (2022 - Three) members of the Board are trustees of the Hockerill Educational Foundation. In 2023 the St Albans Diocesan Board of Finance received educational grants from the Foundation totalling £105k (2022 – £100k) and £118k (2022 – £130k) was spent during the year.

Youthscape – registered charity number 1081754

One Director (2022 – one) is a trustee of the Youthscape. In 2023 the St Albans Diocesan Board of Finance made payments to Youthscape totalling £31k (2022 – £24k), for grants for work with young people in the Diocese.

City Church Fund – registered charity number 205629-2

One Director (2022 – one) is a trustee of the City Church Fund. In 2023 the St Albans Diocesan Board of Finance received grants from City Church Fund totalling £156k (2022 – £165k), for work with young people in the Diocese.

University of Bedford Enterprises Limited (UBEL) – registered company number 02460429

One Director (2022 – one) is a governor of the University of Bedford, which wholly owns UBEL. In 2023 the St Alban Diocesan Board of Finance made payments to UBEL totalling £20k (2022 – £9k), for use of premises for synod.

Cathedral and Abbey Church of St Albans – registered charity number 1207312

One Director (2022 – one) is a key member of the Cathedral. In 2023 the St Alban Diocesan Board of Finance made payments to the Cathedral totalling £30k (2022 – £8k), for grants and general educative purposes and received £8k (2022 - £0k) for rental income from properties.

Associated committees

Details of all associated committees can be found in the Diocesan Directory available at the registered office.

Donations from Board members

No donations were received from Board members in the year (2022 – none).

Other than those transactions stated above there were no other related party transactions during the year (2022 – none).

30 Connected entities

The St Albans Diocesan Board of Education (DBE) was a Board of the St Albans Diocesan Synod up until 1 January 2022. The Board worked closely with the Diocesan Board of Finance to seamlessly transition to a new constitutional form following the enactment of the DBE Measure 2021. After the resolution had been passed by Diocesan Synod in October 2021 the Archbishops' Council Certificate was received, confirming the Scheme which prepared the way for the institution of the Diocesan Board of Education as a statutory committee of the Diocesan Board of Finance from January 2022. Key policies were reviewed and a three-year strategic plan approved which will cover the whole of the next triennium.

Whilst it has certain functions and responsibilities imposed by statute (the Diocesan Boards of Education Measure 1991 (as amended 2006)) and reports directly to the Diocesan Synod, it has no legal personality separate from the DBF. A key function of the DBE is to assist in the promotion of education in the Diocese, such education being consistent with the faith and practice of the Church of England. It promotes or assists also in the promotion of religious education and religious worship in schools in the Diocese.

Following the enactment of The Academies Act 2010, the DBE established The Diocese of St Albans Educational Trust, a company limited by guarantee (Company Registration No. 08223185 (England and Wales)) to assist Church of England Academy Trusts in the Diocese as they seek to provide a high quality education for pupils and students in their schools. This company is a member of each of the Academy Trusts formed in the Diocese since 1 September 2012. Five of the seven directors of the company are appointed from the DBE with two non-DBE appointments.

In response to the Education and Adoption Bill 2015, the Diocese of St Albans Multi Academy Trust was incorporated on 27 October 2016 as a company limited by guarantee (Company Registration No. 10449374). The five members of the Multi Academy Trust are appointed by The Diocese of St Albans Educational Trust. These members are responsible for appointing the seven directors of the Multi Academy Trust who have responsibility for its day to day management. The Multi Academy Trust has been established to provide for schools within the Diocese requiring rapid improvement having been placed in Special Measures and subject to a directive Academy Order, good or outstanding schools where no natural cluster of local Church of England provision exists, and new schools within new housing provision where the Diocese is the identified sponsor.

During the year, there have continued to be a limited number of transactions between the Multi Academy Trust and the DBF in respect of a recharge of staff salaries by the DBF. The amounts involved are not material to these financial statements.

31 Pension commitments

Lay workers scheme

St Albans DBF participates in the Defined Benefits Scheme (DBS) section of the Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes 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. a deferred annuity section known as Pension Builder Classic, and,
    b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections 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 (2023: £0, 2022: £11,200).

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

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

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

31 Pension commitments (continued)

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2023 - £1,509k; 2022 - £2,189k), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £247k).

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

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

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

31 Pension commitments (continued)

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

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

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

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

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

	2023 £'000	2022 £'000
Balance sheet liability at 1 January	–	421
Deficit contribution paid	–	(247)
Interest cost (recognised in SOFA)	–	–
Remaining change to the balance sheet liability* (recognised in SOFA)	–	(174)
Balance sheet liability at 31 December	**–**	–

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

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

31 Pension commitments (continued)

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

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

Other schemes

No other contributions were made to any other pension schemes in the year (2022 - none made to the Teacher's Pension Scheme and the Hertfordshire County Council pension scheme).

32 Subsequent events

On 22 March 2024 the charity established a further wholly owned subsidiary company, St Albans Diocesan Property Company (Chesham) Limited, investing £1,000 in the purchase of the subsidiary company's called up share capital of 1,000 ordinary shares. A £3 million loan has been provided from the charity to St Albans Diocesan Property Company (Chesham) Limited.

Board members	
Chairman	T J Coulson
Vice Chairman	A Brown OBE
Other Members	The Bishop of St Albans The Archdeacon of St Albans The Archdeacon of Bedford The Archdeacon of Hertford The Reverend Dr G R Cappleman C Bell C G Bird The Reverend C E Bunce M E Butcher J W Butler N K Challis D C Clark B Crawford Dr D W Dallinger The Reverend K David P E Easterbrook Dr M Eaton K Ebbage T Fleming C B Gage M J Gates The Reverend J Hookway P R Lindley E D Roberts K Smith Dr R L V Southern M P Taylor The Reverend A J Thomas
Secretary to the Board	D J White
Registered office	Holywell Lodge 41 Holywell Hill St Albans Hertfordshire AL1 1HE
Telephone	01727 854532
Company registration no.	00145227 (England and Wales)
Charity registration no.	248887

The governance structure of the charity is more fully discussed on pages 27 to 28.

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc Blenheim Gate 22/24 Upper Marlborough Road St Albans Herts BX3 2BB
Diocesan Registrar and Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
Legal Advisers	Debenhams Ottaway Solicitors Ivy House 107 St Peter's Street St Albans Herts AL1 3EW

Investment managers – listed investments	Schroder & Company Limited trading as Cazenove Capital Management 12 Moorgate London EC2R 6DA
	CCLA Investment Management Limited 1 Angel Lane London EC4R 3AB
	Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN
	Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU
Diocesan Surveyor	Rumball Sedgwick Chartered Surveyors, Valuers and Estate Agents 58 St Peter's Street St Albans Herts AL1 3HG
Glebe property agents	Bidwells Bidwell House Trumpington Road Cambridge CB2 9LD