

# **Canterbury Diocesan Board of Finance**

## **Trustees' Report and Financial Statements**

31 December 2023

Company Limited by Guarantee  
Registration Number  
00145650 (England and Wales)

Charity Registration Number  
249972

## Contents

### Reports

Reference and administrative information	1 - 2
Trustees' report (incorporating strategic report)	3 - 14
Independent auditor's report	15 - 19

### Financial statements

Consolidated statement of financial activities	20
Consolidated summary income and expenditure account	21
Balance sheets	22
Consolidated statement of cash flows	23 - 24
Principal accounting policies	25 - 30
Notes to the financial statements	31 - 50

### Appendices

Comparative consolidated statement of financial activities	51
Comparative notes to the financial statements	52 - 54

## Reference and administrative information

### Trustees

*Ex-Officio Trustees* The Archbishop of Canterbury, The Most Revd and Rt Hon Justin Welby  
The Bishop of Dover, The Rt Revd Rose Hudson-Wilkin  
Peter Wyllie, Chair  
The Very Reverend David Monteith, Dean of Canterbury Cathedral  
(appointed 17 December 2022)  
The Venerable Stephen Taylor  
The Archdeacon of Ashford, The Venerable Darren Miller  
The Archdeacon of Canterbury, The Venerable Dr William Adam  
The Archdeacon of Maidstone, The Venerable Andrew Sewell  
Revd Andrew Bawtree (appointed 11 March 2023)  
Revd Canon Miranda Ford  
Fiona Higgs  
Dr John Moss  
The Revd Carol Smith (resigned 11 March 2023)

*Elected Trustees* Graham Codling  
The Revd Gareth Dickinson  
The Revd Canon Estella Last  
Lt Col (Retd) Canon John Morrison  
The Revd Canon Dr Jeremy Worthen

**Diocesan Secretary** The Venerable Stephen Taylor (retired 5 April 2024)

Mr Iain Blythe (Appointed 1 April 2024)

**Registered address** Diocesan House  
Lady Wootton's Green  
Canterbury  
Kent  
CT1 1NQ

**Company Registration No.** 00145650 (England and Wales)

**Charity Registration No.** 249972

**Auditors** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** Lloyds Bank plc  
49 High Street  
Canterbury  
Kent  
CT1 2SE

## Reference and administrative information

**Solicitors** Mowl Ltd  
Trafalgar House  
Gordon Road  
Whitfield  
Dover  
Kent  
CT16 3PN

**Investment Managers** CCLA Investment Management Ltd  
1 Angel Lane  
London  
EC2R 3AB

## **Trustees' report (incorporating the strategic report) Year ended 31 December 2023**

The Trustees present their annual report (incorporating the strategic report for Companies Act purposes) together with the audited financial statements for the year ended 31 December 2023.

The report has been prepared in accordance with Part 8 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 principal accounting policies set out on pages 25 to 30 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, 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 (FRS 102).

### **SUMMARY INFORMATION ABOUT THE STRUCTURE OF THE CHURCH OF ENGLAND**

The Church of England is organised as two provinces each led by an archbishop - Canterbury for the southern province and York for the northern. Each province comprises dioceses, of which there are 41 in England. Each diocese is divided into deaneries and each deanery into parishes; and each parish is overseen by a parish priest (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the "cure of souls" in their parish.

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

The Church of England is episcopally-led; it is led by the Archbishops of Canterbury and York and there are a further 106 bishops including Diocesan Bishops and Suffragan Bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of Acts of Parliament. The members of General Synod belong to one of three groups or houses: The House of Bishops, The House of Clergy and the House of Laity, and General Synod meets in London or York at least twice annually to consider matters for the broader good of the Church.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Canterbury Diocesan Board of Finance (CDBF, the charity or the Board) was incorporated as a company on 29 December 1916 to manage the financial affairs of the diocese and to hold its assets. Every member of Diocesan Synod is a member of CDBF for company law purposes, and similarly Archbishop's Council comprises the Trustees. The Board is a company limited by guarantee and as such has no share capital. The Board is a registered charity and its Trustees are the same people who serve as the Board of Directors for company law purposes. The Board together with its subsidiary entities comprises the 'group'.

The principal object of the charity and the group is to promote and assist the work of the Church of England for the advancement of the Christian faith in the Diocese of Canterbury.

#### **Method of appointment or election of Trustees**

The management of the charity and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Policies adopted for the induction and training of Trustees**

At the first meeting of the triennium, the triennium for the Trustees being the period January 2022 to December 2024, time is set aside for the induction and training of new Trustees and further training is provided where necessary during the triennium to ensure that all Trustees are kept fully informed of their responsibilities. Diocesan officers are always on hand to advise Trustees on supplementary issues.

### **Trustees' remuneration**

The Trustees do not receive remuneration for their roles as trustees of the charity. The clergy members of the Board, as office holders within the diocese, receive housing and stipends as part of their clergy role.

### **Organisational structure and decision making**

The Board, as Archbishop's Council, is responsible for working with the Bishop of Dover to shape the diocesan strategy and to monitor the outworking of that strategy. It sets overall objectives and priorities. The outworking of those objectives and strategies for the Diocese of Canterbury is conducted through two overarching frameworks. The frameworks (see below under policies and objectives) meet frequently to plan their own priorities and make appropriate decisions in support of the overriding strategies and objectives of the Diocese of Canterbury. In April 2023 the Communities and Partnerships Framework ceased to exist and its activities were taken over by other frameworks and Together Kent, which was renamed The Social Justice Network on 14 April 2023. The principal officers manage the day-to-day administration in conjunction with Archbishop's Council and respective frameworks as appropriate. The remaining staff assist in administration.

### **Related party relationships**

CDBF makes contributions to the national Archbishops' Council towards the running costs of the National Church. The stipends of all parish priests are paid initially by the Church Commissioners and these are reimbursed by CDBF. The stipend of the Bishop of Dover together with the stipend of the Chaplain, the salaries of the Bishop's office staff and the Archdeacon of Maidstone's stipend are borne by the Church Commissioners. The stipend of the Archdeacon of Canterbury is borne by the Dean and Chapter of Canterbury Cathedral and is not included in these financial statements. The Board considers that the following are subsidiary companies or connected charities:

#### Subsidiary Companies:

- ◆ Canterbury Diocesan Enterprises Limited (CDEL)
- ◆ Diocesan Architectural Service Limited (DASL)
- ◆ Ethos School Improvement Limited (ESIL)
- ◆ The Social Justice Network (SJV) (formerly Together Kent)

#### Connected Charities:

- ◆ The Diocese of Canterbury Academies Company Limited (DCACL)

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Risk management**

The Trustees have assessed the major risks to which the charity and the group are exposed, in particular those related to the operations and finances of the charity and the group and are satisfied that appropriate systems and procedures are in place to mitigate exposure to the major risks. The Trustees, through the Finance and Assets Committee, undertook a comprehensive review of the strategic, business and operational risks throughout 2023.

The key risks facing the Board of Finance are:

◆ Non-payment of full Parish Share.

The Trustees continue to pay careful attention to the Parish Share Scheme which determines the allocation of contributions needed from each parish to maintain the general fund. The Trustees also monitor, on a regular basis, the collection rate of contributions received from individual parishes, with a view to identifying at an early stage those parishes which are likely to have difficulties in meeting their Parish Share. Where potential issues are identified the finance team work with the Archdeacons and Deanery Treasurers to mitigate and minimise any risks identified.

◆ A failure to take appropriate safeguarding precautions and implement suitable policies to protect all those who come within the care of our churches.

CDBF takes extremely seriously the need for strong safeguarding procedures and controls. The Trustees are ultimately responsible for overseeing the implementation and review of policies and procedures for safeguarding children and vulnerable adults throughout the diocese; and for developing and maintaining good practice in relation to the safety and welfare of children, young people and vulnerable adults. There is in place a structure with an Independent Safeguarding Chair and policies that ensure full rigor when addressing safeguarding issues. The lessons learned from historic sexual abuse cases continue to reform the way the Church of England, and the CDBF do things. All Church officers, Trustees, staff and volunteers are trained in diocesan safeguarding policy and best practice and the Diocesan Safeguarding Advisors are available to give advice.

There are clear procedures in place for reporting all safeguarding concerns.

◆ IT and systems failures.

The Trustees are aware of the threat posed by those with malicious intent and cyber-security is taken very seriously. The Trustees are aware also of the need to ensure the strongest possible defences against attack including the upgrading of software and hardware. To strengthen our defences against attack, via malicious emails and phishing attacks, staff are trained to follow best practice and to be alert to malicious emails and other potential IT risks. We have an ICT board which keeps cyber security and related issues under review.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Risk management (continued)

- ◆ The charity's key assets comprise properties and listed investments. Cash flow issues may arise because of the timing of capital transactions and poor investment performance may lead to losses being incurred.

Property maintenance is of key importance, ensuring that the buildings are maintained to a high standard and that preventative action is taken before matters become real problems. The charity has a highly skilled Property Team with many years of experience looking after residential, office and historic buildings. The timing of property transactions is planned carefully to ensure that they do not give rise to adverse cash flow issues.

The value of the charity's listed investments is dependent on movements in the UK and world stock markets. The charity's financial position, therefore, is exposed to the risk attached to such investments. To control against this risk, the charity's investments are managed by reputable investment managers who adhere to the investment policy agreed by the Trustees. Representatives of the charity meet with the investment managers on a regular basis to monitor performance and to discuss the charity's investment strategy generally to ensure it remains appropriate – both now and into the future.

## OBJECTIVES AND ACTIVITIES

### Policies and objectives

In planning the activities of the charity for the year, the Trustees have considered the guidance on public benefit issued by the Charity Commission. In common with the Church of England, the diocese strives to ensure that in every local community there is a worshipping, welcoming and serving congregation, working with Christians of other traditions and people of goodwill, witnessing to the transforming power of the love of God as seen in Jesus. Our strategic document approved by Synod in 2021 is called Towards a Flourishing and Sustainable Future with 'Changed Lives→Changing Lives' as its strap line.

It contains the following vision statement for our diocese:

By God's grace we want to be a people who are...

- ...confident & creative disciples of Jesus Christ
  - ...rooted in scripture and drenched in prayer
  - ...living gratefully, giving generously, caring for creation & sharing the gospel
  - ...growing in number & expectations of God and ourselves
  - ...motivated by justice & open to the Spirit & ready for adventure!
- Therefore we will<sup>1</sup> ...

<sup>1</sup> Therefore we will... is a recognition that words without actions are empty. It is a commitment to taking real steps now to make this vision a reality soon. We encourage all parishes to consider this vision carefully for themselves, to explore together what actions they will commit to take and what their local 'Therefore we will...' will look like.

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Policies and objectives** (continued)

The 2021 “Towards a Flourishing and Sustainable Future” document created a Blueprint for our strategic themes. In July 2023 Diocesan Synod adopted Three Bold Outcomes for 2030, which are aligned to the six national bold outcomes. They provide an overall direction of travel and are used to assess business cases for investment.

- Every parish, benefice and deanery showing signs of revitalisation.
- Doubling the number of children and young disciples.
- 200 new Christian communities.

There is a Strategic Programme Board that meets regularly to oversee progress with our strategy and this reports to Archbishop's Council and is where investment decision are taken. Frameworks and deaneries are the key agents of delivery and change. Diocesan Synod receives regular progress reports.

In addition to the Board of Education there were three frameworks within the diocesan organisation which supported deaneries and parishes in their mission.

- ◆ Mission and Ministry
- ◆ Communities & Partnerships
- ◆ Children and Young People

In 2023 the Communities and Partnerships Framework ceased to exist with their activities taken over by the two remaining frameworks and The Social Justice Network (formerly Together Kent).

Towards the end of 2022 the Church Commissioners announced significant funding for the next three triennia (2023 to 2031) for bold long-term investment in the ministry and mission of the Church of England. CDBF intends to apply for significant funding from this source to enable us to achieve our strategic objectives.

### **Grant making policies**

Contributions to Archbishops' Council to fund National Church responsibilities are treated as grant funding.

SCA (School Conditional Allocation) grant funding is recognised as income in the Statement of Financial Activities along with the related committed expenditure.

CDBF, through its Mission Resources Group, allocates the Church Commissioners Lowest Income Communities (LInC) funding award (£835k) to the neediest parishes in accordance with the LInC criteria.

Heating and hardship grants were awarded in 2023 based on need. We also make a modest grant towards the Deaneries to support their administration.

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Raising funds**

The charity raises funds through Parish Share and on occasion receives other donations and voluntary income. It aims to achieve best practice in the way in which it communicates with parishes, donors and other supporters. It takes care both in the tone of its communications and the accuracy of its data to minimise the pressures on parishioners, parochial church councils, donors and supporters. It applies best practice to protect their data and never sells data, it 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.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Key financial performance indicators**

Current year Parish Share receipts represent 89.7% of the total apportioned (2022 – 93.2%) or, when deferred receipts for previous years are included, 90.0% (2022 – 94.2%). This shortfall of 10.0% (2022 – 5.8%) represents £819k (2022 - £444k) in cash terms. Our aspiration is always to collect 100% of Parish Share.

### **Review of activities**

The diocese continues to strive to resource effective mission, ministry and growth throughout its parishes. Working with Deanery Plans, many parishes and deaneries are capturing the vision for new approaches and new forms of Church which is transforming growth and spiritual development. Wherever possible, archdeacons and diocesan officers work closely with deaneries to re-energise the mission and ministry of every parish with three bold outcomes under consideration: 1) to double the number of young people in our churches across the diocese, 2) to create 200 new Christian Communities and 3) to revitalise every parish and benefice. The details of how this will be achieved have begun to be described in the 16 Deanery Plans where we hope to be gauge more accurately what kind of support is needed and where there are examples of good ideas working.

We had an average of 113 paid clergy in 2023 and 122 active voluntary Readers at the end of 2023. Our Canterbury Diet provides a rolling programme for all our clergy with Leadership, Mission and Pastoral Care being the three main elements.

In 2023 we have continued to provide timely and responsive safeguarding support and advice to clergy and their teams across the diocese which includes 24/7 out of hours support for the diocese and cathedral which negates the need for the diocese to commission an external agency to provide this. This helps to provide a responsive and preventative safeguarding intervention. We also conducted over 1,195 DBS (Disclosure and Barring Service) checks, which contributes towards keeping our children and vulnerable people safe in our churches.

We held our Annual Safeguarding Conference in partnership with Rochester Diocese which saw 220 delegates further moving the culture in the diocese of being one that is as safe as it can be with an emphasis on prevention. As a service we have adapted our ways of working, making full use of the technology available to us so that we are nimble in our approach and responsiveness which has included the introduction of regular Networking Meetings for our Parish Safeguarding Officers over zoom.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Review of activities** (continued)

Our Missional Learning Communities and Deanery Action Learning sets continue to bring together groups of Christians from churches across the diocese looking to change the culture and lay foundations for growth.

We continue to support our communities through a wide range of partnerships with other organisations including our work with Refugees which this year have seen a significant influx of families from Ukraine. Individuals' homes and diocesan accommodation have been used under the Government 'Homes for Ukraine' initiative and we have an additional paid Ukraine speaker to help us respond to this need.

We provide online prayer resources for individuals and parishes bringing together a prayer diary and seasonal prayers, readings and reflections.

The face of ministry is changing as ordained clergy help equip and enable the ministry of everyone to ensure the Church is a Monday to Saturday Church, as well as a Sunday Church and is sustainable into the future. The impact of Coronavirus (Covid-19) has provided further impetus to reimagine ministry.

### **Covid-19**

Covid-19 had a global impact in 2020 and 2021 but although still present in 2023 its direct impact was less in 2023.

### **Income generation**

The diocese received 83% of its recurring unrestricted income (excluding the £87k gains on property disposals) from Parish Share, which is a voluntary payment from parishes. The 2020 review of the Parish Share methodology recommended no change to the current calculation methodology. However, to simplify the methodology and provide a "level playing field" complexities such as limiting increases or decreases to a certain percentage and providing discounts for early payment were removed in 2023.

The Church Commissioners allocate lowest income community funding grants (LInC grants) to the poorest dioceses and Canterbury received a grant of £834,917 in 2023 (2022 £846,636). The diocese received an allocation from Benefact Trust of £112,875 in 2023 (2022 - £129,000) which supports our diocesan strategic projects.

### **Investment policy and performance**

CDBF seeks to invest its funds for the best possible financial return consistent with its risk appetite and need for diversification. The investment objective for long term funds is to generate a minimum return of 5% in excess of inflation, as measured by the UK Consumer Prices Index. The investment objective for short-term and medium-term reserves is to preserve the real value of capital, minimise risk and obtain the best available return within these risk constraints.

CDBF has adopted an ethical investment policy which follows the ethical investment advice given by the Church of England Ethical Investment Advisory Group (EIAG) to the National Investing Bodies (NIBs): the Church Commissioners for England, the Church of England Pensions Board and the CBF Church of England Funds (managed by CCLA).

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Investment policy and performance** (continued)

An improvement in investment markets in 2023 resulted in an increase in the value of our listed investments of £311k compared with a decrease of £846k in 2022. This has resulted in the value of our listed investments increasing to £6.4m.

The listed investments are held in two funds at CCLA. The performance of the CBF Church of England Investment Fund on a total return basis was 12.57% for the year against the comparator benchmark of -13.28%. The performance of the CBF Church of England Property on a total return basis was -1.19% against the comparator benchmark of -2.38%.

The portfolios are reviewed with CCLA Investment Management Limited every year. Investments held by the Board have been acquired in accordance with powers available to the Trustees under the Memorandum and Articles of Association.

## **FINANCIAL REVIEW**

### **Introduction**

Archbishop's Council continues to work diligently to secure the financial position of the diocese whilst at the same time promoting effective mission, ministry and community throughout the area. The Church of England exists to promote the Gospel of Christ in every community and the diocese sees that the furtherance of that aspiration is the only way to secure the future of the Anglican Church in this diocese.

The Board's subsidiary company, Canterbury Diocesan Enterprises Limited (CDEL), is responsible for adopting a strategic approach to all property assets and maximising the value of any disposal proceeds. This company continues to work on several key projects and advises on property aspects of pastoral reorganisation and it continues to deliver vital resources to help the work of CDBF.

The total funds of the diocese include the value of all benefice parsonages within the parishes and these were valued at £54.6m in 2023 (2022 - £70.9m). CDBF is engaged on a rolling five-year process of revaluations of these properties. These properties are included in endowment funds recognising that they remain benefice property, although should they cease to be used as ministry houses then ownership is usually transferred to CDBF unrestricted funds. A total of 27 freehold properties have been classified incorrectly as benefit houses previously and were transferred to freehold property at property deemed cost based on the earliest valuation available. Three Ministry properties were identified as benefice properties and transferred from freehold property at revaluated market value.

### **Results for the year**

Total income for the year amounted to £11.2m, a decrease of £2m compared with 2022. The main reason for this was the gain on disposal of £1.5m in 2022 was not replicated in 2023. Parish Share was higher than 2022 due to the increased budget set for 2023 but overall grants were £337k lower.

Other sources of income consist of other grant income, investment income, property rental income, parochial fees for weddings and funerals and the income for work done for third parties by the charity's subsidiary companies. Such income remains very important and is an essential contributor in keeping Parish Share requirements lower than they might otherwise be.

## FINANCIAL REVIEW (continued)

### Results for the year (Continued)

Expenditure increased to £11.8m compared to £11.6m in 2022. Unrestricted expenditure increased by £340k but restricted expenditure decreased by £126k.

Net income before investment (losses) gains decreased by £2,206k resulting in £618k loss for the year. Losses on benefice property transfers and gains on investments totalling £2,934k resulted in net income of £2,316k before transfers. There was a £330k transfer from Glebe to tangible fixed assets. This was offset by £4,016 loss on revaluation of tangible fixed assets and the combined result of these movements was a decrease in net assets/reserves of £1.7m from £102m to £100.3m.

Under FRS 102 the Board is required to account for any future agreed deficit contributions in the clergy and laity pension fund schemes. These provisions are £nil (2022 – £1m) for the national clergy scheme and £nil (2022 – £1m) for the staff scheme. Deficit contributions ceased at 31 December 2022 as both pension fund schemes were in surplus at that date.

### Financial position

The consolidated balance sheet showed total funds at 31 December 2023 of £100.3m (2022 – £102,0m) comprising:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
General funds (including non-charitable trading funds)	<b>5,311</b>	5,394
Designated funds	<b>29,365</b>	16,159
Restricted funds	<b>2,219</b>	2,318
Endowment funds	<b>63,425</b>	78,149
	<b>100,320</b>	102,020

The above figures include endowment funds of £63.4m (2022 – £78.1m), the principal part of this being the benefice properties amounting to £54.6m (2022 – £70.9m). Where income arises from these funds, it may be used for general purposes of the charity and therefore is credited to unrestricted funds. The endowment fund balances must normally be held as 'capital' but, where permitted, may be applied towards meeting certain charitable aims.

Also included in total funds are restricted funds totalling £2.2m (2022 – £2.3m). 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 20 to the financial statements together with an analysis of movements in the year.

Funds totalling £29.4m (2022 – £16.2m) have been designated by the Trustees for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 20 to the financial statements. The Trustees are aware that most of the designated funds are represented by ministry housing. General funds (including non-charitable trading funds of £112k) total £5,311k (2022 – £5,394k).

## **FINANCIAL REVIEW** (continued)

### **Reserves policy**

The Board's policy is to hold general reserves to ensure ongoing financial stability should there be an unplanned fall in income and to take into account the timing of income. In 2023 this would require general reserves of between £1.4m and £1.7m. At the end of 2023 the Board's general reserves, were £5.3m (2022-£5.4m). The general reserves exceed those specified in the reserves policy due to exceptional property disposals 2022 and revaluations in 2023. Free reserves (i.e. excluding tangible fixed assets) were £2.7m at the year end. Given the challenges CDBF may face in the future it is considered that this level of reserves is reasonable and will enable CDBF to further its strategic objective of growing the Kingdom.

### **Going concern**

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

The Trustees have concluded that 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 Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. This is because the charity has sufficient cash. In addition, the charity also holds investments which can be realised in the short term to meet liabilities should a shortfall in income arise. In addition, the charity has designated reserves of £29.4m, including £27.9m designated for ministry housing. If necessary, some properties could be undesignated and sold to meet any cash flow shortfall should this be necessary in the medium term.

For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements and have concluded that 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.

### **Pay policy for senior staff**

Senior Clergy are paid according to stipend scales set by the national church. The stipends for the Bishop of Dover and the Archdeacon of Maidstone (in lieu of the unused Bishop of Maidstone post) are borne by the Church Commissioners. The stipend of the Archdeacon of Canterbury is borne principally by Canterbury Cathedral. The stipend of the Archdeacon of Ashford is borne by CDBF.

CDBF uses a system of job evaluation to grade staff appropriately. Salaries usually increase each year to reflect changes in costs of living, where affordable, at levels set by the Senior Management Team. The HR Committee formally agrees the appropriate cost of living uplifts in the light of these variables. Individual Salary reviews are set by the HR Committee where required who consider salary recommendations by Departmental Directors. As well as the job evaluation framework the HR Committee considers the local market in terms of benchmarking salaries to ensure staff are paid a fair wage for fair work and as such salaries may move with the market throughout the year. All changes to senior staff are set independently from the Senior Management Team by the HR Committee.

## **FINANCIAL REVIEW (continued)**

### **Pay policy for senior staff (continued)**

Key management personnel are defined as the Trustees together with those employees listed in note 13 to the attached financial statements.

## **PLANS FOR THE FUTURE**

### **Future developments**

The Archbishop's Council will continue to use the strategy document "Towards a Flourishing and Sustainable Future" with the strapline 'Changed Lives→Changing Lives' to develop the deaneries local expressions of mission action planning through a themed template which will create a deanery plan in each deanery. The Council will look to access funds made available to our diocese to support our churches to grow and these deanery plans will be vital in linking local need with this wider resource. We have a Strategic Programme Board that oversees progress on each strand and as funding streams emerge project boards or their equivalent will be established. We are exploring the ways different churches might be led in the future with 'less paid - well trained leaders, lay and ordained' being an ambition. This mixed ecology of leadership from selection, through training to deployment is gradually being applied.

## **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Board acts as Custodian Trustee in respect of trusts administered on behalf of managing trustees, which includes incumbents, churchwardens, Parochial Church Councils and other organisations of the diocese.

In 2000 the Board arranged for the Central Board of Finance to take over the administration of investments held on behalf of parishes, except for Endowment Funds. The Board is still administering investments with a book value of £2.6m (2022 – £3.1m). The assets of these funds are held separately from those of the Board.

## **TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of Canterbury Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgments and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements

**TRUSTEES' RESPONSIBILITIES STATEMENT** (continued)

- ◆ on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- ◆ so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- ◆ the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

**AUDITOR**

Buzzacott LLP was reappointed as statutory auditor on 13 July 2022 and has indicated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

This report, incorporating the Strategic Report, was approved by the Trustees on 1 June 2024 and signed on their behalf by:

Anthony Richter

Trustee

## **Independent Auditor's Report to the Members of Canterbury Diocesan Board of Finance**

### **Opinion**

We have audited the financial statements of Canterbury Diocesan Board of Finance (the 'charitable parent company') and of Canterbury Diocesan Board of Finance and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated summary income and expenditure account, the consolidated and charitable parent company balance sheets, the consolidated statement of cash flows, the principal accounting policies, the notes to the financial statements and the appendices. 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 parent company as at 31 December 2022 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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 Trustees' report, which is also a 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
- ◆ the Trustees' report, which is also a directors' report for the purposes of company law and includes the strategic 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 parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the charitable parent 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.

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 through discussions with Trustees and management, and from our commercial 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, including the Charities Act 2011; the Companies Act 2006; Church Assembly and General Synod Measures; and safeguarding regulations;
- ◆ 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.

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

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

- ◆ making enquiries of management and representatives of 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;
- ◆ tested journal entries to identify unusual financial transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;
- ◆ performed substantive testing on expenditure; and
- ◆ investigated the rationale behind significant or unusual financial transactions.

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;
- ◆ enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing correspondence with HMRC.

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 Trustees 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.

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](http://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  
EC

**Consolidated statement of financial activities** Year to 31 December 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
<b>Income and endowments from:</b>						
Donations and grants	1	7,307	1,543	—	8,850	9,562
Charitable activities	2	1,108	664	—	1,772	1,699
Other trading activities	3	92	—	—	92	139
Investments and interest	4	382	—	37	419	252
Other sources	5	85	—	—	85	1,530
<b>Total income and endowments</b>		<b>8,974</b>	<b>2,207</b>	<b>37</b>	<b>11,218</b>	<b>13,182</b>
<b>Expenditure on:</b>						
Raising funds	6	205	—	—	205	213
Charitable activities	8	9,211	2,374	46	11,631	11,381
<b>Total expenditure</b>	10	<b>9,416</b>	<b>2,374</b>	<b>46</b>	<b>11,836</b>	<b>11,594</b>
<b>Net (expenditure) income before investment gains (losses)</b>						
		<b>(442)</b>	<b>(167)</b>	<b>(9)</b>	<b>(618)</b>	1,588
Net gains (losses) on investments	16	137	68	2,729	2,934	(1,001)
<b>Net (expenditure) income before transfers</b>						
		<b>(305)</b>	<b>(99)</b>	<b>2,720</b>	<b>2,316</b>	587
Transfers between funds	20	13,427	—	(13,427)	—	—
<b>Net income (expenditure) for the year</b>	11	<b>13,122</b>	<b>(99)</b>	<b>(10,707)</b>	<b>2,316</b>	587
<b>Other recognised gains and losses:</b>						
Gains on revaluation of pension fund liabilities	22	—	—	—	—	136
(Losses) gains on revaluations of tangible fixed assets	15	—	—	(4,016)	(4,016)	1,820
<b>Net movement in funds</b>		<b>13,122</b>	<b>(99)</b>	<b>(14,723)</b>	<b>(1,700)</b>	2,543
<b>Reconciliation of funds</b>						
Total funds brought forward		21,553	2,318	78,149	102,020	99,477
<b>Total funds carried forward</b>		<b>34,675</b>	<b>2,219</b>	<b>63,426</b>	<b>100,320</b>	102,020

All activities relate to continuing operations in both the above financial years.

The unrestricted fund column above comprises both general funds and designated funds. Details of the analysis between these funds can be found in note 20 to these financial statements. At 31 December 2023, general and non-charitable trading funds were £5,133k (2022 – £5,394k) whilst designated funds (many of which represent ministry housing) amounted to £29.4m (2022 – £16.2m)

## Consolidated summary income and expenditure account Year to 31 December 2023

	Note	2023 £'000	2022 £'000
Income		11,218	13,168
Less: Expenditure		(11,836)	(11,575)
<b>Net (Expenditure) income for the year before transfers and investment gains and losses</b>		<b>(618)</b>	1,593
Net gains (losses) on investments		144	(310)
Transfers from endowment funds	20	13,427	—
<b>Net income for financial year</b>		<b>12,953</b>	1,283

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

**Balance Sheets** 31 December 2023

	Notes	<b>Group 2023 £'000</b>	Group 2022 £'000	<b>Charity 2023 £'000</b>	Charity 2022 £'000
<b>Fixed assets</b>					
Tangible fixed assets	15	<b>85,087</b>	88,094	<b>85,087</b>	88,094
Investments	16	<b>10,624</b>	8,019	<b>10,625</b>	8,020
		<b>95,711</b>	96,113	<b>95,712</b>	96,114
<b>Current assets</b>					
Debtors	17	<b>1,287</b>	1,571	<b>1,302</b>	1,555
Cash at bank and in hand		<b>7,019</b>	7,870	<b>6,723</b>	7,590
		<b>8,306</b>	9,441	<b>8,025</b>	9,145
<b>Creditors: amounts falling due within one year</b>	18	<b>(2,919)</b>	(2,756)	<b>(2,877)</b>	(2,714)
<b>Net current assets</b>		<b>5,387</b>	6,685	<b>5,148</b>	6,431
<b>Total assets less current liabilities</b>		<b>101,098</b>	102,798	<b>101,860</b>	102,545
<b>Creditors: amounts falling due after more than one year</b>	19	<b>(778)</b>	(778)	<b>(778)</b>	(778)
<b>Net assets</b>		<b>100,320</b>	102,020	<b>100,082</b>	101,767
<b>Funds</b>					
Endowment funds	20	<b>63,425</b>	78,149	<b>63,425</b>	78,149
Restricted funds	20	<b>2,219</b>	2,318	<b>2,106</b>	2,199
Unrestricted funds					
. Designated funds	20	<b>29,365</b>	16,159	<b>29,365</b>	16,159
. General funds	20	<b>5,199</b>	5,282	<b>5,186</b>	5,260
. Non-charitable trading funds	20	<b>112</b>	112	<b>—</b>	—
<b>Total funds</b>		<b>100,320</b>	102,020	<b>100,082</b>	101,767

The financial statements were approved by the Trustees on 1 June 2024 and signed on their behalf by:

Anthony Richter

Trustee

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

	Note	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	A	(680)	(130)
<b>Cash flows from investing activities</b>			
Investment income and interest received		419	268
Proceeds from the sale of tangible fixed assets		85	5,015
Purchase of tangible fixed assets		(676)	(62)
Proceeds from sale of investments		—	—
<b>Net cash provided by investment activities</b>		<b>(172)</b>	<b>5,221</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		—	(1,971)
Cash inflows from new borrowing		—	—
<b>Net cash provided by financing activities</b>		<b>0</b>	<b>(1,971)</b>
Change in cash and cash equivalents in the year		(852)	3,120
Cash and cash equivalents brought forward		7,871	4,750
<b>Cash and cash equivalents carried forward</b>	B	<b>7,019</b>	<b>7,870</b>

**A. Reconciliation of net income for the year to net cash (used in) generated by operating activities**

	2023 £'000	2022 £'000
Net income for the year (as per the statement of financial activities)	1,019	587
<b>Adjustment for:</b>		
Depreciation charges	(11)	33
Losses (gains) on investments	(1,414)	1,001
Investment income and interest receivable	(419)	(268)
Gains on fixed asset property disposals	(85)	(1,530)
Pensions adjustment	-	(203)
(Increase) decrease in debtors	98	(361)
Increase (decrease) in creditors excluding loans and pensions	132	611
<b>Net cash used in operating activities</b>	<b>(680)</b>	<b>(130)</b>

**B. Analysis of cash and cash equivalents**

	2023 £'000	2022 £'000
Cash at bank and in hand	7,019	7,870

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

**C. Net debt**

	2023 £'000	Cash flows £'000	<b>2023 £'000</b>
<b>Cash and cash equivalents</b>	7,871	3,120	<b>7,871</b>
<b>Borrowings</b>			
Debt due within one year	(145)	208	<b>(145)</b>
Debt due after one year	(778)	1,763	<b>(778)</b>
	<u>(923)</u>	<u>1,971</u>	<b><u>(923)</u></b>
<b>Total</b>	<u>6,948</u>	<u>5,091</u>	<b><u>6,948</u></b>

## **Principal accounting policies** Year ended 31 December 2023

### **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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been drawn up in accordance with the requirements of the Companies Act 2006 except where the special nature of the Canterbury 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 FRS 102.

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

### **Basis of consolidation**

The financial statements consolidate the accounts of Canterbury Diocesan Board of Finance and all its subsidiary undertakings ('subsidiaries').

The charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account. Gross income of the charity of £14,104k (2022 – £12,126k) and surplus of £1,027k (2022- £454k) has been dealt within the accounts of the charity.

### **Company status**

The charity is a company limited by guarantee, Company Registration Number 00145650 (England and Wales). Every member of Diocesan Synod is a member of CDBF for company law purposes. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member of the charity. The company's address and other reference information is shown on pages 1 and 2.

### **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 Trustees. Certain unrestricted funds have been set aside and designated for specific purposes by the Trustees.

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

**Fund structure** (continued)

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 donors' wishes, if stipulated, or for general purposes.

The non-charitable trading funds represent the accumulated gains and losses arising on the charity's trading subsidiaries.

**Critical accounting estimates and areas of judgement**

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

- ◆ the useful economic life and residual values of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ the valuation of investment property and benefice properties;
- ◆ the underlying assumptions in the actuarial valuations of the defined benefit schemes and the recoverability of debtors and any provision for bad or doubtful debts; and

The Trustees consider valuation of benefice properties and pensions liabilities to be the areas of judgement and estimation that have a significant effect on the financial statements. Further details of these judgements are given in notes 15 and 22 respectively.

**Going concern**

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

The Trustees have concluded that 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 Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. This is because the charity has sufficient cash. In addition, the charity also holds investments which can be realised in the short term to meet liabilities should a shortfall in income arise. In addition, the charity has designated reserves of £29.4m, including £27.9m designated for ministry housing. If necessary, some properties could be undesignated and sold to meet any cash flow shortfall should this be necessary in the medium term.

For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements and have concluded that 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.

### **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, including Parish Share income, income from listed investments, interest receivable, income directly related to charitable activities (including grants), income from trading activities, the surplus on disposal of tangible fixed assets, rental income and miscellaneous income.

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. If 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 FRS 102 volunteer time is not recognised.

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.

Income is deferred only when the charity must 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.

Investment income is recognised once the dividend or similar income has been declared and notification has been received of the amount due.

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 charitable activities comprises parochial fees received for occasional offices including baptisms, weddings and funerals and School Condition Allocation grant funding.

Income from other trading activities includes the income received from third parties by the charity's trading subsidiaries. Such income is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Gains or losses on the disposal of property assets are calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. They are accounted for once legal completion of the disposal has taken place.

### **Expenditure**

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

- a) Expenditure on raising funds comprises the expenditure of trading subsidiary companies.
- b) Expenditure on charitable activities which comprises expenditure on the charity's primary charitable purposes as described in the Trustees' report i.e. promoting and assisting the work of the Church of England for the advancement of the Christian faith in the Diocese of Canterbury. 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, 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 committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

### **Property, plant and equipment**

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Laptop and desktop computers costing under £1,000 are also capitalised.

Freehold property consists of buildings designed as, and used wholly or mainly for, private residential accommodation and other freehold buildings such as Diocesan offices. Freehold property is not depreciated as their value and conditions are reviewed annually by the Trustees, who are satisfied that their residual value is not materially less than their book value.

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

### **Benefice property**

CDBF has followed the requirements of FRS 102 in its accounting treatment for benefice houses. FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. CDBF is formally responsible for the maintenance and repair of benefice houses and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. Therefore, the Trustees consider the most suitable accounting policy to be to capitalise such properties as expendable endowment assets and to carry them at their estimated market value. Approximately one-fifth of the properties are valued each year and those properties not revalued in the year are revalued by reference to appropriate property indices. The valuation based on estimated market value assumes good title but there are some properties which have restrictive covenants for ecclesiastical purposes which may reduce the estimated market value.

## **Principal accounting policies** Year ended 31 December 2023

### **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 bid price.

Glebe property mainly consists of agricultural land and is included in the financial statements at a valuation based on income yield with provision being made for any impairment deemed necessary. The valuation is determined based on revaluation every 5 years by an external surveyor. Some glebe properties have development potential but due to the uncertainties in the planning process these are not revalued unless planning permission has been granted and a willing purchaser exists.

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 after 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.

### **Operating leases**

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

### **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.

### **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.

### **Financial instruments**

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

## **Principal accounting policies** Year ended 31 December 2023

### **Pensions**

The charity operates four pension schemes as more fully described in note 22:

- i) A defined benefits scheme for clergy – the Church of England Funded Pensions Scheme
- ii) A defined benefits scheme for certain diocesan staff now closed to new staff – the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund
- iii) A defined benefits scheme for diocesan staff – the Church of England Pension Builder Classic Scheme, part of the Church Workers Pension Fund
- iv) A defined contribution pension scheme for diocesan staff not included in the above schemes

The pension costs charged as expenditure represent CDBF's contributions payable in respect of the accounting period, in accordance with FRS 102.

### **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.

### **School major repair and capital projects**

The SCA (School Condition Allocation) grant funding received is recognised in the statement of financial activities along with the related expenditure.

**1. Income from: Donations and grants**

	Unrestricted funds £'000	Restricted funds £'000	<b>2023</b> <b>£'000</b>	2022 £'000
Parish Share	7,257	—	<b>7,257</b>	7,155
Archbishops' Council	—	1,257	<b>1,257</b>	1,998
Benefact Trust	—	113	<b>113</b>	129
Other donations and grants	50	173	<b>223</b>	280
<b>Total funds</b>	<b>7,307</b>	<b>1,543</b>	<b>8,850</b>	<b>9,187</b>

Grants from Archbishops' Council in 2022 included £375k to provide support to the diocese during the Coronavirus pandemic.

**2. Income from: Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	<b>2023</b> <b>£'000</b>	2022 £'000
Parochial fees for occasional offices (see (a) below)	361	—	<b>361</b>	422
Rental income	747	50	<b>797</b>	666
Department for Education capital grants (see (b) below)	—	614	<b>614</b>	611
<b>Total funds</b>	<b>1,108</b>	<b>664</b>	<b>1,772</b>	<b>1,699</b>

(a) Occasional offices include weddings and funerals.

(b) The charity assists voluntary aided schools with school building projects and the provision of IT equipment. SCA grant funding is included as income in the SOFA along with the related expenditure.

**3. Income from: Other trading activities**

	Unrestricted funds	
	<b>2023</b> <b>£'000</b>	2022 £'000
Income generated by subsidiary trading companies	—	78
Other trading income	<b>92</b>	61
<b>Total funds</b>	<b>92</b>	<b>139</b>

Income from subsidiary trading companies represents work done by Canterbury Diocesan Enterprises Limited and Ethos School Improvement Limited for third parties outside of the group. Work done by Canterbury Diocesan Enterprises Limited for CDBF of £209k (2022 - £253k), work done by Canterbury Diocesan Board of Finance for Ethos School Improvement Limited of £27k (2022 - nil) and work done for The Social Justice Network of £2k (2022 - £2k) has been eliminated on consolidation.

**4. Income from: Investments and interest**

	Unrestricted funds £'000	Endowment funds £'000	2023 £'000	2022 £'000
Investment income	207	37	244	222
Bank and other interest receivable	175	—	175	30
<b>Total funds</b>	<b>382</b>	<b>37</b>	<b>419</b>	<b>252</b>

**5. Income from: Other sources**

	Unrestricted funds	
	2023 £'000	2022 £'000
Gains on disposal of fixed assets	85	1,530
<b>Total funds</b>	<b>85</b>	<b>1,530</b>

The gains on property disposals relate to the disposal of properties deemed surplus to requirements and other gains less abortive development costs written off.

**6. Expenditure on: Raising funds**

Expenditure on raising funds comprises the expenditure of subsidiary trading companies.

**7. Analysis of grant funding activities**

Included within expenditure on charitable activities (note 8) are the following grants:

	Number	2023 £'000	Number	2022 £'000
<b>From unrestricted funds for National Church responsibilities</b>				
Contributions to Archbishops' Council	—	535	—	522
<b>From restricted funds</b>				
Education grants for school building projects	11	860	115	587
Ministry grants	36	835	362	847
Heating and hardship grants	—	—	125	367
<b>From unrestricted funds</b>				
Deanery grants	6	12	115	22
Parish and Ignite project grants		7		—
		<b>2,249</b>		<b>2,345</b>

The provision of diocesan grants, using the Archbishops' Council funding allocation, continues to see the diocese giving financial assistance to parishes to leverage their mission. In 2023, £835k (2022 – £847k) was spent in targeting parishes which can most benefit from grant funding for mission and ministry. In 2022 a further £367k from the Archbishops' Council to provide heating and hardship grants, no funds were received in 2023 for this.

**8. Expenditure on: Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total funds 2023 £'000</b>	Total funds 2022 £'000
<b>Contributions to Archbishops' Council:</b>					
Training for ministry	235	—	—	<b>235</b>	235
National church responsibilities	138	—	—	<b>138</b>	153
Grants and provisions	24	—	—	<b>24</b>	19
Mission agency pension costs	8	—	—	<b>8</b>	10
Retired clergy housing costs	93	—	—	<b>93</b>	81
Pooling of ordinands' maintenance grants	37	—	—	<b>37</b>	24
	<b>535</b>	<b>—</b>	<b>—</b>	<b>535</b>	<b>522</b>
<b>Resourcing Ministry and Mission:</b>					
<b>Parish Ministry and Social Justice</b>					
Stipends	2,899	—	—	<b>2,899</b>	3,088
National Insurance	226	—	—	<b>226</b>	250
Pension contributions	712	—	—	<b>712</b>	915
Housing costs	1,706	—	—	<b>1,706</b>	1,269
Apprenticeship levy	13	—	—	<b>13</b>	14
Removal and resettlement costs	98	—	—	<b>98</b>	73
Other expenses	132	96	46	<b>274</b>	212
Lay and ordinand training	162	126	—	<b>288</b>	221
Mission development grants	19	835	—	<b>854</b>	869
Heating and hardship grants	—	---	—	<b>---</b>	367
Other grants	—	20	—	<b>20</b>	—
Together Kent donations	8	--	----	<b>8</b>	-----
Social justice	5	101	—	<b>106</b>	104
	<b>5,980</b>	<b>1,178</b>	<b>46</b>	<b>7,204</b>	<b>7,382</b>
<b>Senior Clergy</b>					
Stipends, NI and Pensions	47	—	—	<b>47</b>	59
Housing cost allocation	38	—	—	<b>38</b>	31
	<b>85</b>	<b>—</b>	<b>—</b>	<b>85</b>	<b>90</b>
<b>Strategic Investment Projects</b> (see below)	<b>172</b>	<b>336</b>	<b>—</b>	<b>508</b>	<b>395</b>
<b>Support costs</b> (see note 9)	<b>2,112</b>	<b>—</b>	<b>—</b>	<b>2,112</b>	<b>2,088</b>
<b>Total expenditure on resourcing Ministry and Mission</b>	<b>8,884</b>	<b>1,514</b>	<b>46</b>	<b>10,444</b>	<b>9,955</b>
<b>Expenditure on education:</b>					
Support for church schools and young people	327	—	—	<b>327</b>	317
School building grants (see note 2)	—	860	—	<b>860</b>	587
<b>Total funds</b>	<b>9,211</b>	<b>2,374</b>	<b>46</b>	<b>11,631</b>	<b>11,381</b>

The 2023 expenditure is analysed by fund in the appendix. Restricted expenditure on Strategic Investment Projects comprises expenditure on projects to enable the Diocesan Strategy of 'Changed Lives→ Changing Lives'.

**9. Analysis of support costs**

	Unrestricted funds	
	2023 £'000	2022 £'000
<b>Administration</b>		
Salaries	1,278	1,250
National Insurance	121	127
Pensions	279	205
Administration, office and other indirect costs	309	375
<b>Governance</b>		
External audit	31	33
Diocesan Synod and Archbishop's Council	3	7
National Synod	3	7
Registrar	63	59
Statutory accounts preparation	10	10
Strategic management	15	15
<b>Total support costs</b>	<b>2,112</b>	<b>2,088</b>

**10. Analysis of total expenditure**

	Activities directly undertaken £'000	Grant funding of activities £'000	Support costs £'000	2023 Total funds £'000	2022 Total funds £'000
Raising funds	205	—	—	205	213
Charitable activities					
. Contributions to Archbishops' Council	—	535	—	535	522
. Resourcing Ministry and Mission	6,942	854	2,112	9,908	9,588
. Heating and hardship grants	—	—	—	—	367
. Education	328	860	—	1,187	904
	7,475	2,249	2,112	11,836	11,594

The 2023 expenditure is analysed by activity in the appendix.

**11. Net income (expenditure) for the year**

This is stated after charging:

	2023 £'000	2022 £'000
Depreciation of tangible fixed assets owned by the charitable group	33	33
Operating lease rentals	20	25

**12. Auditor's remuneration**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Audit of the charity's annual accounts and those of subsidiary trading companies:		
Current year	<b>31</b>	33
Taxation services to the group	<b>5</b>	4

**13. Stipends and staff costs**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Wages, salaries and stipends	<b>4,657</b>	4,843
Social security costs	<b>391</b>	425
Other pension costs	<b>1,051</b>	1,195
	<b>6,099</b>	6,463
Defined benefit scheme operating cost	<b>1</b>	6
Apprenticeship levy	<b>13</b>	14
	<b>6,113</b>	6,483

The average number of persons employed by the group during the year was as follows:

	<b>2023</b>	2022
	<b>No.</b>	No.
Clergy, Curates and Senior Staff	<b>113</b>	127
Diocesan House (including strategic projects)	<b>57</b>	60
	<b>170</b>	187

The number of employees with remuneration in excess of £60,000 (including taxable benefits but excluding employer pension and national insurance contributions) was:

	<b>2023</b>	2022
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>1</b>	1
In the band £70,001 - £80,000	<b>3</b>	1

Employer pension scheme costs under employment contracts in respect of the above higher paid employees were £34,535 (2022 – £20,704).

**13. Stipends and staff costs** (continued)

***Remuneration of key management personnel***

Key management personnel are deemed to be the Trustees and those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the diocese. During 2023 and 2022 the key management personnel were the Trustees and the following:

Diocesan Secretary and Company Secretary

Director of Communications

Director of Communities and Partnerships

Director of Education

Director of Finance

Director of HR

Director of Mission and Ministry

Director of Ordinands

Director of Property

Remuneration including taxable benefits and employer national insurance and pension contributions for these 9 positions amounted to £527,258 (2022 – £612,638).

**14. Trustees' remuneration**

No Trustees received any remuneration in connection with their duties as trustees during the year (2022 – none). During the year several Trustees, who are also clergy within the diocese, received stipends from, and/or were provided with housing by, the charity in connection with their religious and pastoral duties within the diocese.

The following table gives details of the Trustees who were in receipt of a stipend (including pension), part stipend (including pension) and/or housing provided by CDBF during part or all of the year, either directly or via a spouse.

	Stipend	Housing
The Bishop of Dover	No	Yes
The Archdeacon of Ashford	Yes	Yes
The Archdeacon of Canterbury	Yes	No
The Archdeacon of Maidstone	No	Yes
The Venerable Stephen Taylor	No	Yes
The Revd Gareth Dickinson	Yes	No
The Revd Estella Last	Yes	No
The Revd Canon Dr Jeremy Worthen	Yes	No
The Revd Andrew Bawtree	Yes	No

Four trustees (2022 – four) received reimbursement of expenses of £12,512 (2022 – £12,854) in respect of General Synod duties, duties as archdeacon and other duties as trustees.

## 15. Tangible fixed assets

Group and charity	Freehold property £'000	Office equipment £'000	Benefice property £'000	Total £'000
<b>Cost or valuation</b>				
At 1 January 2023	18,043	312	70,889	<b>89,244</b>
Additions	330	—	—	<b>330</b>
Transfers	13,097	—	(13,097)	<b>0</b>
Exceptional gain/loss on benefice transfer	(1,153)	—	—	<b>(1,153)</b>
At 1 January 2023 as restated	<u>30,317</u>	<u>312</u>	<u>57,792</u>	<u><b>88,421</b></u>
Additions	676	24	—	<b>700</b>
Transfers	367	—	(367)	<b>0</b>
Disposals	—	(33)	—	<b>(33)</b>
Revaluation	—	—	(2,863)	<b>(2,863)</b>
At 31 December 2023	<u>31,360</u>	<u>303</u>	<u>54,562</u>	<u><b>86,225</b></u>
<b>Depreciation</b>				
At 1 January 2023	876	273	—	<b>1,149</b>
Charge for the year	—	22	—	<b>22</b>
Disposals	—	(33)	—	<b>(33)</b>
At 31 December 2023	<u>876</u>	<u>262</u>	<u>—</u>	<u><b>1,138</b></u>
<b>Net book values</b>				
At 31 December 2023	<u><b>30,484</b></u>	<u><b>41</b></u>	<u><b>54,562</b></u>	<u><b>85,087</b></u>
At 31 December 2022	<u>17,166</u>	<u>39</u>	<u>70,889</u>	<u>88,094</u>

Benefice houses are revalued on a five-year cycle by a member of the charity's property team who holds a Chartered Surveyor qualification. Approximately one-fifth of the properties are valued each year and those properties not revalued in the year are however revalued by reference to appropriate property indices. The valuation based on estimated market value assumes good title but there are some properties which have restrictive covenants for ecclesiastical purposes which may reduce the estimated market value.

Following a detailed review of the ownership and categorisation of properties, a number have been found to have been categorised incorrectly historically. A total of 27 freehold properties had been reclassified incorrectly as benefice houses and have been transferred to freehold property at a deemed cost based on the earliest valuation available. Three ministry properties were identified as benefice properties and transferred from freehold property. A further property previously classified as an investment property has been classified as a ministry property. The net effect of the reclassifications is to decrease the reserves by £1,152k. As this is not material, this amount has been included as part of the 2023 investment gains and losses.

All other tangible fixed assets are included in the financial statements at cost.

**16. Fixed asset investments**

Group	Glebe property £'000	Listed investments £'000	Total £'000
<b>Market value</b>			
At 1 January 2023	1,638	6,381	<b>8,019</b>
Transfer to tangible fixed assets (see note 15)	(330)	—	<b>(330)</b>
At 1 January 2023 restated	<b>1,308</b>	<b>6,381</b>	<b>7,689</b>
Net investment gains/ (losses)	2,518	416	<b>2,934</b>
At 31 December 2023	<b>3,826</b>	<b>6,797</b>	<b>10,624</b>
<b>Historical cost</b>			
	—	3,826	<b>3,826</b>

In 1978, when the Endowment and Glebe Measure 1976 came into effect, the ownership of all glebe land was transferred from the incumbents of benefices to the Diocesan Board of Finance at nil cost. The Glebe properties were revalued by an independent surveyor using market based evidence for similar properties sold in the local area.

Charity	Glebe property £'000	Investment in subsidiaries £'000	Listed investments £'000	Total £'000
<b>Cost or valuation</b>				
At 1 January 2023	1,638	127	6,381	<b>8,147</b>
Transfers	(330)	—	—	<b>(330)</b>
Net investment gains/(losses)	2,518	—	416	<b>2,934</b>
At 31 December 2023	3,826	127	6,797	<b>10,751</b>
<b>Impairment</b>				
At 1 January 2023 and 31 December 2023	—	126	—	<b>126</b>
<b>Net book values</b>				
At 31 December 2023	<b>3,826</b>	<b>1</b>	<b>6,797</b>	<b>10,625</b>
At 31 December 2022	1,638	1	6,381	8,020

All the fixed asset investments are held in the UK. The listed investments are held in Church of England Central Board of Finance funds managed by CCLA Investment Management Limited.

Further details of subsidiaries are provided in note 24.

At 31 December 2023, the listed investments included the following holdings deemed material in the context of the entire portfolio of listed investments.

Holding	Value £'000	% of portfolio
Property fund	<b>1,263</b>	18.6
Investment fund	<b>5,505</b>	81.0

**17. Debtors**

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Parish Share due	130	101	130	101
Amounts owed by subsidiaries	—	—	38	36
Other debtors	427	468	442	420
Prepayments	246	553	244	550
Accrued income	449	449	448	448
	<b>1,252</b>	<b>1,571</b>	<b>1,302</b>	<b>1,555</b>

**18. Creditors: amounts falling due within one year**

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Other loans	145	145	145	145
Amounts owed to subsidiaries	—	—	10	9
Expense creditors	383	273	380	283
Other taxation and social security	58	58	58	58
Other creditors	2,189	2,014	2,171	2,014
Accruals and deferred income	144	266	113	205
	<b>2,919</b>	<b>2,756</b>	<b>2,877</b>	<b>2,714</b>

Other loans comprise Value Linked Loans of £145,000 (2022 – £145,000) for the purchase of special needs housing (purchased on behalf of the Church Commissioners). These loans are only repayable in the event of a sale of any of the properties and interest is charged on these loans at a variable rate.

**19. Creditors: amounts falling due after more than one year**

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank loan (see note 18)	—	—	—	—
Other loans	778	778	778	778
Pension scheme liabilities	—	—	—	—
	<b>778</b>	<b>778</b>	<b>778</b>	<b>778</b>

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Repayable other than by instalments	778	778	778	778

The other loans consist of three (2022 – three) interest only mortgages which are secured on freehold properties. All the loans are repayable within 20 years. Interest on the loans is charged at 1.50% above base rate.

20. Statement of funds

	Brought forward at 1 January 2023 £'000	Income £'000	Expenditure £'000	Transfers in (out) £'000	(Losses) gains £'000	Carried forward at 31 December 2023 £'000
<b>Endowment funds</b>						
Ministry Trust Fund	2,099	—	—	—	122	2,221
Clergy Training Fund	580	—	—	—	43	623
Tait Mission Fund	220	—	—	—	18	238
Benefice Properties Fund	71,263	—	—	(13,097)	(4,016)	54,150
Board of Education General Fund	1,372	37	—	—	28	1,437
Stipends Capital Fund (Glebe land)	2,615	—	(46)	(330)	2,517	4,756
	<u>78,149</u>	<u>37</u>	<u>(46)</u>	<u>(13,427)</u>	<u>(1,288)</u>	<u>63,425</u>
<b>Restricted funds</b>						
Clergy and Spouses Retirement Fund	754	—	(1)	—	68	821
Benefact Trust	160	113	31	—	—	304
Lower Income Communities Fund	—	835	(835)	—	—	—
Resourcing Ministerial Education	97	120	(111)	—	—	106
Strategic investment Projects	---	301	(367)	—	—	(66)
School Buildings Fund (see note 2)	329	630	(876)	—	—	83
Education Funds	194	18	—	—	—	212
Other Funds (including Strategy)	469	190	(202)	—	—	457
Diocesan Pastoral Account Fund	315	0	(13)	—	—	302
	<u>2,318</u>	<u>2,207</u>	<u>(2,374)</u>	<u>—</u>	<u>68</u>	<u>2,219</u>
<b>Designated funds</b>						
Ministry Housing	14,809	—	—	13,097	—	27,906
Spirituality Fund	239	7	—	—	11	257
Witney Fund	1,088	34	(19)	—	76	1,179
Training Fund	23	—	—	—	—	23
	<u>16,159</u>	<u>41</u>	<u>(19)</u>	<u>13,097</u>	<u>87</u>	<u>29,365</u>
<b>General funds</b>						
General	5,282	8,650	(9,113)	330	50	5,199
<b>Total unrestricted funds</b>	<u>21,441</u>	<u>8,691</u>	<u>(9,132)</u>	<u>13,427</u>	<u>137</u>	<u>34,564</u>
<b>Total Charity funds (including The Social Justice Network - formerly Together Kent)</b>	101,908	10,935	(11,552)	—	(1,083)	100,208
Non-charitable trading funds	112	283	(283)	—	—	112
<b>Total Group funds</b>	<u>102,020</u>	<u>11,218</u>	<u>(11,835)</u>	<u>—</u>	<u>(1,083)</u>	<u>100,320</u>

**20. Statement of funds (continued)**

<b>Summary: Group funds 2023</b>	Brought forward at 1 January 2023 £'000	Income £'000	Expenditure £'000	Transfers in (out) £'000	(Losses) gains £'000	<b>Carried forward at 31 December 2023 £'000</b>
Designated funds	16,159	41	(19)	13,097	87	<b>29,365</b>
General funds (and non-charitable trading funds)	5,394	8,933	(9,396)	330	50	<b>5,311</b>
Unrestricted funds	21,553	8,974	(9,415)	13,427	137	<b>34,676</b>
Endowment funds	78,149	37	(46)	(13,427)	(1,288)	<b>63,425</b>
Restricted funds	2,318	2,191	(2,358)	—	68	<b>2,219</b>
<b>Total funds</b>	<b>102,020</b>	<b>11,202</b>	<b>(11,819)</b>	<b>—</b>	<b>(1,083)</b>	<b>100,320</b>

**Designated Funds**

- i) Ministry Housing - This fund consists of Ministry Housing properties.
- ii) Spirituality Fund - The fund represents the sale proceeds of St Gabriel's Retreat House for financing a part time Diocesan Spirituality Adviser and making grants to assist Parishes and individuals to take retreats.
- iii) Witney Fund - This fund consists of a legacy from the Estate of the Late Dr Raymond Witney. The Board resolved that the capital of the fund should be retained intact and the income be used to assist in the promotion of the Christian faith in the diocese.
- iv) Training Fund - The purpose of this fund is to provide grants to clergy to supplement their training needs as appropriate. This fund receives unused Continuing Ministerial Education contributions and the income arising from the Cobbe Holiday Trust Fund (with the approval of the Charity Commission).

**General Funds**

General funds consist of the accumulated surpluses, less deficits, on unrestricted funds, excluding designated fund movements.

**Non-charitable trading funds**

These funds consist of the unrestricted funds of the trading subsidiaries.

**Endowment Funds**

*Permanent Endowment Funds*

The endowment funds, whereby the capital may not be expended and the income may be applied as specified are as follows:

- i) Ministry Trust Fund - Income to be applied for stipends. The fund comprises the Standen Bequest, the Spooner Bequest, the A T Wiggins Bequest, the Parsonage Repair Fund, and the Dame Stancombe-Wills Fund.
- ii) Clergy Training Fund - Income to be applied for clergy training. The fund comprises the Candidates for the Ministry Fund, the Holt Fund and the Knight Trust Fund.
- iii) Tait Mission Fund - Income to be applied for the expenses of the Tait Missioner.

**20. Statement of funds** (continued)

***Endowment Funds*** (continued)

*Expendable Endowment Funds*

- i) Benefice Properties Fund - The fund consists of resources restricted to provision of benefice houses which are vested for the time being in the incumbents of the benefices concerned. The CDBF is obliged to maintain them and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese. Sale proceeds of benefice houses surplus to requirements may be transferred into the diocesan pastoral account fund or other funds following specific agreement of the Church Commissioners. During the year £367K (2022 – £nil) was transferred from the Benefice Properties Fund to the Ministry Housing Fund following schemes approved by the Church Commissioners.
- ii) Board of Education General Fund - The proceeds of sale of redundant properties are held on a separate endowment fund under s554 of the Education Act. The capital of funds awaiting Orders from the Secretary of State are not available for use until such time as they are included in a charitable order or scheme which may require funds to be disposed of to other parties in part or in full. Other proceeds of sale of redundant properties are held until the completion of replacement schools. In these cases the proceeds of sale may be used to offset expenses relating to the new school projects.
- iii) Stipends Capital Fund – This fund has been created from the diocesan stipend fund capital account assets held on behalf of the diocese by the Church Commissioners under the Endowment and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisations. Income of the fund is automatically applied to stipends but, at the request of the Bishop, and with the concurrence of the Board, the capital of the fund can be applied for the purchase maintenance and improvement of glebe property and benefice houses

***Restricted Funds***

Restricted funds comprise of:

- i) Clergy and Spouses Retirement Fund - The following restricted funds specify that both capital and income must be applied for retired clergy and spouses:
  - ◆ C S Thomas
  - ◆ Mrs A W Mannell Bequest
  - ◆ R & M Pratt
  - ◆ Dorothy Mowl Will Trust
- ii) Benefact Trust - These funds, which are intended to be recurring but are expected to decline over time, must be used for projects of regional or national significance and may be spread over up to three years.
- iii) Lower Income Communities Fund – The fund consists of income from Archbishops' Council to make provision for the cure of souls in parishes where such assistance is most required.

**20. Statement of funds** (continued)

**Restricted Funds** (continued)

- iv) Heating and Hardship Fund - The fund consists of income from Archbishops' Council to provide support for those in need.
- v) Resourcing Ministerial Education – The fund consists of income from Archbishops' Council to support ordinand training.
- vi) School Buildings Fund – This fund consists of funding received from the DfE under the School Condition Allocation (see note 2).
- vii) Education Funds – This fund consists of monies from the sale of a closed school. These funds are likely to be subject to an order under s554 of the Education Act and will then be transferred to the Board of Education expendable endowment fund.
- viii) Other Funds (including strategy) – These funds consist of various funds for projects including the Diocesan Strategy.
- ix) Diocesan Pastoral Account Fund - The purposes for which this fund may be used are laid down in Section 94 of the Pastoral Measure 2011 and comprise:
  - ◆ grants and loans for parsonage and church provision, restoration, improvement or repair;
  - ◆ costs of disposing of or maintaining houses and churches vested in the Board or Commissioners by the Measure;
  - ◆ transfers to Stipends Capital Fund of capital or income;
  - ◆ other purposes of the Diocese or any benefice or parish.

The fund receives the sale proceeds of churches and parsonages, which have become redundant under pastoral reorganisation when it is specified that they should be paid into this fund. The fund includes monies set aside by the Pastoral Committee for mission and development in parishes.

The analysis of the movements in funds for 2022 is included in the appendix.

**21. Analysis of net assets between funds**

An analysis of the group net assets between funds at 31 December 2023 is given below:

<b>Group 2023</b>	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total funds 2023 £'000</b>
Tangible fixed assets	2,721	27,804	—	54,562	<b>85,087</b>
Fixed asset investments	381	1,693	900	7,650	<b>10,624</b>
Current assets	3,842	1,235	2,015	1,214	<b>8,306</b>
Creditors due within one year	(1,117)	(1,105)	(696)	-1	<b>(2,919)</b>
Creditors due in more than one year	(516)	(262)	—	—	<b>(778)</b>
Total funds	5,311	29,365	2,219	63,425	<b>100,320</b>

General funds include non-charitable trading funds of £112k (2022 – £112k). The 2022 analysis of net assets by fund is included in the appendix.

## 22. Pension commitments

### **Clergy**

Canterbury 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 scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to 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, 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: £127k).

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 from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

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

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

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

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.

**22. Pension commitments** (continued)

**Clergy** (continued)

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023	2022
Balance sheet liability at 1 January	0	216,000
Deficit contribution paid	0	(127,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	(89,000)
Balance sheet liability at 31 December	0	0

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

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

**Staff**

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

CWPF has two sections:

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

**Defined Benefits Scheme**

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

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

**Pension commitments** (continued)

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

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

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

A valuation of DBS is carried out once every three years. The most recently finalised valuation was carried out as at 31 December 2022. In this valuation, the DBS showed a surplus of £73.6m. The next actuarial valuation is due at 31 December 2025.

The movement in the provision is set out below:

	2023	2022
Balance sheet liability at 1 January	0	122,000
Deficit contribution paid	0	-75,000
Interest cost (recognised in SoFA)	0	1,000
Remaining change to the balance sheet liability*(recognised in SoFA)	0	-48,000
Balance sheet liability at 31 December	0	0

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

**Notes to the financial statements** Year to 31 December 2023

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

	December 2023	December 2022	December 2021
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Discount rate	N/A	0.00%	1.30%
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The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

**22. Operating lease commitments**

At 31 December 2023 the total of the group's and charity's future minimum lease payments under non-cancellable operating leases was:

Group and Charity	Land and buildings £'000	Equipment £'000	2023 £'000	Land and buildings £'000	Equipment £'000	2022 £'000
<b>Amounts payable:</b>						
Within 1 year	18	6	24	18	6	24
Between 2 and 5 years	0	4	4	9	13	22
<b>Total</b>	<b>18</b>	<b>10</b>	<b>28</b>	<b>27</b>	<b>19</b>	<b>46</b>

**24. Principal subsidiaries, joint ventures and connected charities**

**a. Principal subsidiaries**

Details of the principal subsidiaries are provided below:

Company name	Registration number	Country	Percentage Shareholding	Principal Activity
Canterbury Diocesan Enterprises Limited	6673588	England & Wales	100%	Property management
Diocesan Architectural Services Limited	2790278	England & Wales	100%	Architectural services Dormant from May 2018
Ethos School Improvement Limited	7945168	England & Wales	100%	Provision of services to schools

**Notes to the financial statements** Year to 31 December 2023

The Social Justice Network (formerly Together Kent) (a company limited by guarantee)	8763875	England & Wales	100%	Building partnerships to work with marginalised communities
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Financial information for each of the subsidiaries is as follows:

<b>Diocesan Architectural Services Limited</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Assets and funds	<b>1</b>	<b>1</b>
<b>Canterbury Diocesan Enterprises Limited</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Income	<b>209</b>	253
Expenditure	<b>(176)</b>	(193)
Profit (loss)	<b>33</b>	(60)
Assets	<b>58</b>	40
Liabilities	<b>(17)</b>	(16)
Funds	<b>41</b>	24
<b>Ethos School Improvement Limited</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Income	<b>74</b>	85
Expenditure	<b>(45)</b>	(43)
Profit (loss)	<b>29</b>	42
Assets	<b>153</b>	175
Liabilities	<b>(87)</b>	(87)
Funds	<b>66</b>	88
<b>The Social Justice Network</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Income	<b>182</b>	170
Expenditure	<b>(190)</b>	(136)
Profit (loss)	<b>(8)</b>	34
Assets	<b>152</b>	155
Liabilities	<b>(20)</b>	(12)
Funds	<b>132</b>	143

**b. Connected entities**

**Notes to the financial statements** Year to 31 December 2023

<b>Company name</b>	<b>Registration number</b>	<b>Country</b>	<b>Principal Activity</b>
The Diocese of Canterbury Academies Company Limited	7793458	England & Wales	Educational activities

**25. Custodian Trustee**

The charity acts as Custodian Trustee in respect of various funds. These assets are held separately from those of the charity and are not included in the balance sheets on page 22. The summary of the funds as at 31 December is as follows:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Trust funds</b>		
Represented by:		
Fixed assets		
. Listed investments (at cost)	<b>1,174</b>	1,792
Current assets		
. Central Board of Finance Deposit Fund	<b>1,389</b>	1,339
<b>Total</b>	<b>2,563</b>	3,131
<b>Market value of investments at 31 December</b>		
Listed investments	<b>6,005</b>	5,367

**26. Related party transactions**

Other than the relationships and transactions disclosed in notes 13 and 14, there are no other related party transactions requiring disclosure (2022 – none).

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

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2022 £'000
<b>Income and endowments from:</b>					
Donations and grants:					
Archbishops' Council	1	375	—	—	375
Other donations and grants	1	7,193	1,994	—	9,187
Charitable activities	2	1,072	627	—	1,699
Other trading activities	3	139	—	—	139
Investments and interest	4	238	—	14	252
Other sources	5	1,530	—	—	1,530
<b>Total income and endowments</b>		<b>10,547</b>	<b>2,621</b>	<b>14</b>	<b>13,182</b>
<b>Expenditure on:</b>					
Raising funds	6	213	—	—	213
Charitable activities	8	8,862	2,500	19	11,381
<b>Total expenditure</b>	10	<b>9,075</b>	<b>2,500</b>	<b>19</b>	<b>11,594</b>
<b>Net (expenditure) income before investment gains</b>					
		1,472	121	(5)	1,588
Net (losses) gains on investments	16	(211)	(99)	(691)	(1,001)
<b>Net income (expenditure) for the year</b>	11	<b>1,261</b>	<b>22</b>	<b>(696)</b>	<b>587</b>
<b>Other recognised gains and losses:</b>					
Gains on revaluation of pension fund liabilities	22	47	—	89	136
Gains on revaluations of tangible fixed assets	15	—	—	1,820	1,820
<b>Net movement in funds</b>		<b>1,308</b>	<b>22</b>	<b>1,213</b>	<b>2,543</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		20,245	2,296	76,936	99,477
<b>Total funds carried forward</b>		<b>21,553</b>	<b>2,318</b>	<b>78,149</b>	<b>102,020</b>

**1. Income from: Other donations and grants**

	Unrestricted funds £'000	Restricted funds £'000	2022 £'000
Parish Share	7,155	—	7,155
Archbishops' Council	—	1,623	1,623
Benefact Trust (formerly Allchurches Trust)	—	129	129
Together Kent (see below)	---	---	---
Other donations and grants	38	242	280
<b>Total funds</b>	<b>7,193</b>	<b>1,994</b>	<b>9,187</b>

**2. Income from: Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	2022 £'000
Parochial fees for occasional offices	422	—	422
Rental income	650	16	666
Department for Education capital grants	—	611	611
<b>Total funds</b>	<b>1,072</b>	<b>627</b>	<b>1,699</b>

**4. Income from: Investments and interest**

	Unrestricted funds £'000	Endowment funds £'000	2022 £'000
Investment income	208	14	222
Bank and other interest receivable	30	—	30
<b>Total funds</b>	<b>238</b>	<b>14</b>	<b>252</b>

**8. Expenditure on: Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2022 £'000
<b>Contributions to Archbishops' Council:</b>				
Training for ministry	235	—	—	235
National church responsibilities	153	—	—	153
Grants and provisions	19	—	—	19
Mission agency pension costs	10	—	—	10
Retired clergy housing costs	81	—	—	81
Pooling of ordinands' maintenance grants	24	—	—	24
	522	—	—	522
<b>Resourcing Ministry and Mission:</b>				
<b>Parish Ministry</b>				
Stipends	3,088	—	—	3,088
National Insurance	250	—	—	250
Pension contributions	915	—	—	915
Housing costs	1,269	—	—	1,269
Apprenticeship levy	14	—	—	14
Removal and resettlement costs	73	—	—	73
Other expenses	87	106	19	212
Lay and ordinand training	104	117	—	221
Mission development grants	22	847	—	869
Heating and hardship grants	---	367	—	367
Social Justice	3	101	—	104
	5,825	1,538	19	7,382
<b>Senior Clergy</b>				
Stipends, NI and Pensions	59	—	—	59
Housing cost allocation	31	—	—	31
	90	—	—	90
<b>Strategic Investment Projects</b>				
	20	375	—	395
<b>Support costs</b> (note 9)				
	2,088	—	—	2,088
<b>Total expenditure on resourcing Ministry and Mission</b>				
	8,023	1,913	19	9,955
<b>Expenditure on education:</b>				
Support for church schools and young people	317	—	---	317
School building grants (see note 2)	—	587	—	587
<b>Total funds</b>	8,862	2,500	19	11,381

### 10. Analysis of total expenditure

	Activities directly undertaken £'000	Grant funding of activities £'000	Support costs £'000	2022 Total Funds £'000
Raising funds	213	—	—	213
Charitable activities				
. Contributions to Archbishops' Council	—	522	—	522
. Resourcing Ministry and Mission	6,631	869	2,088	9,588
-Heating and hardship grants	---	367	---	367
. Education	317	587	—	904
	7,161	2,345	2,088	11,594

### 20. Statement of funds

	Brought forward at 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfers in (out) £'000	(Losses) gains £'000	Carried forward at 31 December 2022 £'000
<b>Endowment funds</b>						
Ministry Trust Fund	2,380	—	—	—	(281)	2,099
Clergy Training Fund	659	—	—	—	(79)	580
Tait Mission Fund	247	—	—	—	(27)	220
Benefice Properties Fund	69,354	—	—	---	1,909	71,263
Board of Education General Fund	1,413	14	---	—	(55)	1,372
Stipends Capital Fund	2,883	—	(19)	—	(249)	2,615
	76,936	14	(19)	---	1,218	78,149
<b>Restricted funds</b>						
Clergy and Spouses Retirement Fund	854	—	(1)	—	(99)	754
Benefact (formerly Allchurches Trust)	129	129	(98)	—	—	160
Lower Income Communities Fund	—	847	(847)	—	—	—
Heating and hardship Fund	--	367	(367)	—	—	---
Resourcing Ministerial Education	81	133	(117)	—	—	97
School Buildings Fund (see note 2)	305	611	(587)	—	—	329
Education Funds	178	16	—	—	—	194
Other Funds	439	500	(470)	—	—	469
Diocesan Pastoral Account Fund	310	18	(13)	—	—	315
	2,296	2,621	(2,500)	—	(99)	2,318
<b>Designated funds</b>						
Ministry Housing	15,158	—	—	(349)	—	14,809
Spirituality Fund	258	7	---	—	(26)	239
Witney Fund	1,212	34	(21)	—	(137)	1,088
Training Fund	23	—	—	—	—	23
	16,651	41	(21)	(349)	(163)	16,159
<b>General funds</b>						
General	3,584	10,167	(8,817)	349	(1)	5,282
<b>Total unrestricted funds</b>	20,235	10,208	(8,838)	---	(164)	21,441
<b>Total Charity funds (including Together Kent)</b>	99,467	12,843	(11,357)	—	955	101,908
Non-charitable trading funds	10	339	(237)	—	—	112
<b>Total Group funds</b>	99,477	13,182	(11,594)	—	955	102,020

**20. Statement of funds** (continued)

<b>Summary: Group funds 2022</b>	Brought forward at 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfers in (out) £'000	Gains £'000	Carried forward at 31 December 2022 £'000
Designated funds	16,651	41	(21)	(349)	(163)	<b>16,159</b>
General funds (and non-charitable trading funds)	3,594	10,506	(9,054)	349	(1)	<b>5,394</b>
Unrestricted funds	20,245	10,547	(9,075)	---	(164)	<b>21,553</b>
Endowment funds	76,936	14	(19)	---	1,218	<b>78,149</b>
Restricted funds	2,296	2,821	(2,500)	---	(99)	<b>2,318</b>
<b>Total funds</b>	<b>99,477</b>	<b>13,182</b>	<b>(11,594)</b>	<b>---</b>	<b>955</b>	<b>102,020</b>

**21. Analysis of net assets between funds**

An analysis of the group net assets between funds at 31 December 2022 is given below:

<b>Group 2022</b>	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total funds 2022 £'000</b>
Tangible fixed assets	2,396	14,809	—	70,889	<b>88,094</b>
Fixed asset investments	360	1,571	831	5,257	<b>8,019</b>
Current assets	3,895	1,368	2,175	2,003	<b>9,441</b>
Creditors due within one year	(741)	(1,327)	(688)	—	<b>(2,756)</b>
Creditors due in more than one year	(516)	(262)	—	—	<b>(778)</b>
<b>Total funds</b>	<b>5,394</b>	<b>16,159</b>	<b>2,318</b>	<b>78,149</b>	<b>102,020</b>

General funds include non-charitable trading funds of £112k.