

Company Registration No. 00049825
Charity No. 248330

**THE TRURO DIOCESAN BOARD OF FINANCE LIMITED
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

31 December 2024

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

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Trustees' Annual Report

For the year ended 31 December 2024

"For surely I know the plans I have for you, says the Lord, plans for your welfare and not for harm, to give you a future with hope"
Jeremiah 29.11

The trustees of The Truro Diocesan Board of Finance Limited (the TDBF), who are also the directors of the TDBF for the purposes of company law, continue to trust in the God of all grace, who calls us, and who is faithful. We trust in the plans that God has made for us, trusting that God gives all the gifts that we need, and praying for wisdom that we might use those gifts to God's purposes. God's church in Cornwall, the Isles of Scilly, and our two parishes in Devon, is richly blessed, and the work of the TDBF has supported parish churches, schools and worshipping communities towards fruitfulness and sustainability.

2024 saw a continuation of the implementation of strategic plans with the four key headlines in this report being:

- first, the trustees continue to be committed to **supporting strategic change** through the Diocesan Plan for Change and Renewal based on plans made locally in each deanery. Diocesan strategies and planning are focussed on this work;
- second, **direct support for parish ministry** continued, principally through the allocation of TDBF income and reserves, and through operational priorities;
- third, **income from investments, including the Glebe estate, remained strong overall**;
- finally, income **contributed by parishes to the Mission and Ministry Fund (MMF)** performed very well with a higher collection rate, increasing to 94% when compared to budget and including contributions relating to the previous years call.

This strategic approach continued under the leadership of Hugh Nelson as acting diocesan bishop. During the vacancy in see the trustees have continued to support the strategic approach outlined above. Bishop David Williams was announced as the new Bishop of Truro in December 2024, he became Bishop of Truro in March 2025 and will be welcomed to the diocese in May 2025.

During 2024 the top operational priorities of the TDBF have been:

- clergy recruitment – continuing to lower the "vacancy rate" and appointing a record number of clergy;
- safeguarding – implementing the recommendations of the independent INEQE safeguarding audit, including increasing the size and capacity of the safeguarding team;
- Change and Renewal – supporting deaneries and parishes in the implementation of deanery plans and the Diocesan Plan for Change and Renewal.

The national church remains a key partner for strategic funding, particularly for supporting change and renewal, and supporting parishes with high levels of economic deprivation.

Supporting strategic change

At a diocesan level, work to lead change and renewal is broadly in line with expectations at this point, but the large number of clergy moves in 2023 and 2024 has had two major impacts that can be seen in these accounts:

- property major works spend has been brought forward in order to carry out works on properties when they are vacant to try to minimise disruption to ministry; and
- there has sometimes been delay or interrupted work towards fruitfulness and sustainability at parish and deanery level.

Trustees authorised significant additional spending on property during 2024, in effect bringing forward expenditure on major works that would have followed in subsequent years. The work was prioritised to support the aim of reducing clergy vacancy rates, and did result in reprofiling the budget mid-year with a consequent additional spend of £1.25m against the original budget.

Work to grow and embed models of ministry that are fruitful and sustainable is taking place across the diocese and the TDBF are supporting that work. We know that this work is moving more quickly in some places than in others, and that in some places significant challenges remain. The approach of the trustees has been, and continues to be, support local plans through resources and project management capacity, to create a stable financial framework for parishes, and to seek national support for the work.

Direct support for parish ministry

The use of assets is in line with plans made in our Assets Strategy, and continues to be sustainable. At the end of 2024, and reported here, the balance sheet is stronger than projected at this point in the Assets Strategy, but given the wider uncertainty in the economy we are not proposing to draw more from reserves than in the agreed strategy at this time. We plan to review the Assets Strategy in year 5 of 10, with the work taking place in 2026 and 2027 in time for the 2028 budget.

The use of reserves to support mission and ministry is ahead of projections, largely as a result of the increased spend on property major works and we expect this to reduce naturally with fewer clergy moves.

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During 2024, along with some external funding, the use of reserves to enable a focus on supporting parish ministry included:

- pushing down on the MMF call to provide stability for parishes;
- an increase in the level of stipend above the national average; and
- resourcing of Church House based on deanery plans.

Within the Diocesan Plan for Change and Renewal, and with MMF collection rates remaining strong, the TDBF continued to allocate all of the Lowest Income Communities Funding to support parish ministry and mission.

Income from property and investments

The cooling or flat domestic property market in Cornwall pushed down yields for rental properties in the year and saw an end to the rapid sale-value inflation seen since 2020. However the value of the estate overall, and properties identified for sale in particular, continues to track close to or even above inflation. Income from completed property sales was below expectations in 2024, mainly because of fewer or delayed sales rather than lower sale values, but we expect this to correct in 2025 and 2026. Property sales continue to be part of the overall approach to maximise income to support ministry, to align the estate to our objectives, and in some cases to release capital to invest in the remaining estate.

The Glebe estate continued to show resilience. Whilst the yield on the largely agricultural estate remains relatively low, the overall performance on a total returns basis remains satisfactory.

MMF income

The budget for MMF contributions from parishes in 2024 was based on commitments described in deanery plans, as it has been for the last two years. The collection rate, when actual contributions are compared to the budget, increased from 91% to 94% in 2024. This continues to give trustees the confidence to make assets available to support deanery plans. The trustees are grateful to PCCs and parish leaders for their continuing commitment to the flourishing of God's church in Cornwall.

After five years of not passing on the full inflationary increase in costs to parishes through the MMF call we expect to see above inflation increases in the call from 2026, this has been referenced in the MMF consultation work recently completed.

The trustees present their annual report together with the audited financial statements for the year ended 31 December 2024.

This combined report satisfies the legal requirements for:

- a Directors' Report and Strategic Report of a charitable company; and
- a Trustees' Annual Report under the Charities Act 2011.

Legal Objects

The overall objects of the TDBF are to support and promote the work of the Church of England in the Diocese of Truro and to act as a good steward of the resources entrusted to it.

The principal objects set out in the TDBF's Articles of Association are:

- to promote and assist the work, objects and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Truro, and in particular to organise and provide funds in aid of the work of the Church including:
 - training for ministry;
 - maintenance and financial support and assistance of ministry;
 - provision of pensions for the clergy and for lay workers;
 - overseeing the various properties used by the wider church, including churches, church halls, clergy houses and other buildings;
 - providing religious education through Church of England schools and colleges as well as elsewhere; and
 - financing the diocesan and central organisation.

The TDBF has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;
- the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
- the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 2020;
- the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils (PCC) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

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Legal Objects (continued)

The strategic priorities of the TDBF are established by the trustees and Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Truro (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally.

Vision, Aims and Objectives

The Diocesan Plan for Change and Renewal describes three main themes or priorities emerging from deanery plans and shaping the work of the Board;

- significant changes in patterns of ministry;
- reversing the steep decline in the number of children and young people with whom we have significant engagement; and
- shifting resources towards ministry and mission in communities experiencing deprivation.

In addition to those three headline themes five other significant priorities are clear in deanery plans and hence in diocesan planning:

- achieving the national ambition for cutting carbon emissions to net zero by 2030;
- supporting parishes in their stewardship of buildings, particularly church buildings;
- a focus on how small churches are able to flourish;
- changes to governance and leadership arising from changing patterns of ministry and to support mission; and
- achieving a sustainable financial model for local churches in partnership with the TDBF and the national church.

Activities and achievements during the year

The overall strategic priorities for the TDBF in 2024 continued to work towards fruitfulness and sustainability at parish level. The focus was therefore in supporting parishes in implementing deanery plans, this is consolidated in the Diocesan Plan for Change and Renewal and progress towards implementing this in 2024 continued.

Key decisions taken by trustees during 2024 included:

- approving plans for clergy recruitment;
- concluding a trustee-led review of governance and receiving recommendations;
- receiving the independent INEQE safeguarding audit, accepting its recommendations, and approving the consequent Action Plan;
- approval of a People Plan to support the implementation of the Diocesan Plan for Change and Renewal;
- noting the failure to appoint to the Deans of Area roles and approving proposals for the appointment of Strategic Rural Deans with supporting House for Duty posts and other changes;
- approval for significant increases to the budget for major works in clergy housing, noting the very high number of clergy moves in 2024;
- approval of a consultation on a proposed new MMF formula shaped to support implementation of deanery plans; and
- approval of the 2025 budget.

During 2024 Clive Hogger became Archdeacon of Cornwall, and David Williams was announced as the new Bishop of Truro. Following triennial elections, we welcomed more than 40 new members to diocesan synod and 10 new members to the Bishops Diocesan Council.

Change and Renewal

During 2024 every deanery plan was reviewed with local implementation teams. Part of the work was to identify progress in a way that could be compared 'like for like' across the diocese and which allowed priorities to be agreed, as well as considering whether the plans continue to be 'fit for purpose'. The detailed work behind these summaries is giving the deanery teams their priorities for 2025.

Work started, and is continuing in 2025, on the Children, Young People and Families plan which has revealed the scale of the challenge and the limitations in our capacity to do the work. The intention is to use TDBF reserves to fund this work in line with the Assets Strategy, and to seek national funding support.

Resourcing ministry in communities experiencing deprivation is a priority for the trustees. During 2024 the national Lowest Income Communities Funding (LICF) was used in deaneries as budgeted and as per the deanery plans. Diocesan mission funding was however underspent when compared to budgets based on deanery plans. The failure to spend available mission funding reflected the challenges for leading change in some places and the difficulty of implementing ambitious plans in communities that are often

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Change and Renewal (continued)

hard-pressed. The impact of the LICF funding has been significant. Mission funding is intended to help grow ministry from a financially unsustainable position to sustainability, evidence for the effectiveness is part of the deanery plan review work.

Parishes are also able to apply for grants of up to £5,000 for missional projects. 18 grants were issued in 2024 totalling £33,168. Funded projects included a community larder, a generator for agricultural chaplaincy, wild church, a children's cinema club, training for deaf church, Easter prayer stations and equipment for a toddler group.

100% of recipients stated the grant funded project had a positive impact on the running of the church; 100% reported a positive impact on the mission in their areas; and 80% stated that it had increased visitor numbers.

In the Diocesan Plan we have committed to supporting churches with their buildings. The first step has been to secure £104,165 in funding from the national church to pay for a Church Building Support Officer to help churches maintain, repair and develop their buildings, with a focus on project development and fundraising. This officer has worked with 80 churches this year, liaising very closely with the DAC Secretary and committee.

A further £137,000 from the national church has meant that we can give grants up to £10,000 to churches for maintenance and repairs and the diocese supports this with small discretionary grants to help pay for professional fees. So far £41,000 in 9 grants has been released for items such as rainwater goods repair, bat mitigation and masonry repairs. 100% of churches receiving a grant said it will help to increase the number of visitors/worshippers to church and 80% stated that the works had a significant positive impact on mission and ministry.

A strategic plan for supporting parishes in their stewardship of church buildings will be progressed in 2025.

The work on small churches progressed during 2024 and is expected to be reported on in 2025.

Ordained, Licensed, and Commissioned Ministries

Providing and supporting clergy, particularly but not exclusively stipendiary clergy, is a core part of the work of the TDBF. The Board also supports the discernment, training and ongoing flourishing of Readers and many other commissioned lay leaders and ministers.

While the TDBF is responsible for funding of clergy stipend costs, the national clergy payroll is administered by the Archbishops' Council, a charity which the TDBF reimburses monthly for the costs of stipendiary clergy deployed in the diocese. Caring for the clergy, curates, readers, local worship leaders and local pastoral ministers in the diocese is a priority of the TDBF and ministry costs represent by far its largest financial commitment.

Altogether the diocese has, as at 31 December, the following people involved in authorised ministry. There was a lower rate of vacancies at the end of 2024 when compared to 2023:

| | <u>2024</u> | <u>2023</u> |
|--|-------------|-------------|
| Stipendiary incumbent status clergy | 48 | 39 |
| Self-supporting clergy | 15 | 18 |
| 'House for Duty' clergy | 3 | 3 |
| Stipendiary curates | 10 | 16 |
| Self-supporting curates | 6 | 6 |
| Readers | 91 | 91 |
| Clergy with Permission to Officiate (incl retired and non-retired) | 162 | 167 |
| Local Worship Leaders | 232 | 232 |
| Local Pastoral Ministers | 212 | 217 |

Deanery Plans describe approximately 60 stipendiary incumbent status roles. Truro is one of very few dioceses who managed to increase the number of clergy being paid a stipend during 2024 (from 55 to 58 including stipendiary curates) these numbers have continued to rise in 2025 and TDBF continues to prioritise this work. Pushing down the vacancy rate has been a significant achievement in the context of falling numbers of clergy available nationally.

Behind these numbers lies a year of unprecedented movements with more appointments made than in any recent years. We welcomed 20 clergy to new posts in the year, with ten internal moves and ten from outside the diocese, with five more appointments made but not in post until early 2025. Further increasing and sustaining the stipendiary clergy headcount will be challenging in 2025. We will continue to work to describe and promote patterns of ministry needed for fruitfulness and sustainability.

During 2024 (and in 2023) we identified strong and effective deanery leadership as a vital element in implementing plans for fruitfulness and sustainability. We attempted to implement approved plans for "Deans of Area", it proved impossible to recruit to these posts and the model was abandoned. New plans for "Strategic Rural Deans", closer to, but distinct from, the traditional rural

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Ordained, Licensed, and Commissioned Ministries (continued)

dean role were developed. We have recruited to seven of the twelve posts. Recruitment to the supporting "House for Duty" roles will begin in 2025.

Cut carbon, cherish creation, speak up!

Work continues to deliver the Diocesan strategy to Cut Carbon, Cherish Creation and Speak Up, with very significant reductions in emissions of carbon net zero, particularly from clergy housing.

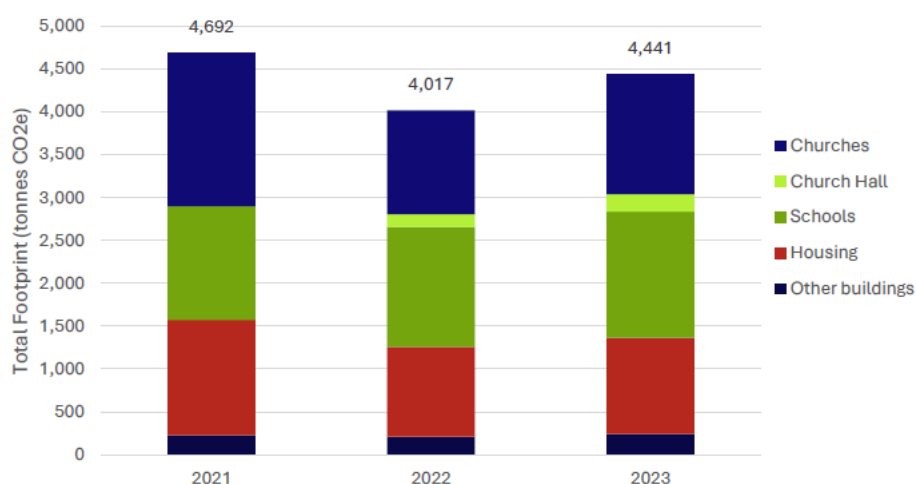
Significant progress has been made by the property management team with twenty one properties (from zero in 2021) with an 'A' rated EER (Energy Efficiency Rating) and a coherent plan and growing capacity for carrying this work forward. The cost of the work is rising faster than anticipated and is requiring a careful review of the budget to prioritise impact and supporting the deployment of clergy with minimal disruption.

£58,850 has been secured from the national church to give grants to churches for 'Quick Wins' to help churches cut carbon and energy bills. These grants compliment the work of the Cut Carbon Support Officer for churches, who supported 50 churches in 2024. 70 churches have received an energy audit (the top 20% highest emitting in the diocese), as have all 44 church schools.

There are 100 (up from 72) Creation Care Champions across the diocese. These are passionate and dedicated volunteers who are driving change locally, supported by the Creation Care Network established by the Diocesan Environment Officer. 84% (up 10%) of churches reported on their energy use via the Energy Footprint Tool, data which is being used to allocate grants and prioritise support. 80 churches are registered Eco Churches (up from 0 in 2022), with 3 now holding the coveted Gold award.

The challenge of Net Zero and climate justice can sometimes feel unsurmountable, but it is our missional imperative as a church to 'safeguard the integrity of creation' and we continue to seek to lead in this work and set an example for others to follow.

The national church now provides us with a summary of the carbon emissions for the diocese. As we are still collecting data for 2024 this data is to 2023:



Church House

During 2024 the TDBF team moved from Woodland Court (rented privately) to smaller accommodation rented from Truro Cathedral – the Old Cathedral School. The new home provides much closer physical proximity to key partners in the cathedral team, as well as a city centre location more easily accessed by public transport. The TDBF has continued to ask staff to work on a "hybrid" basis with most staff working from home most of the time, this has allowed us to reduce "desk-space" significantly with a consequent cost saving, and to recruit from a wider field of candidates.

The staffing of some of the Church House teams increased during 2024. The core safeguarding team was increased in response to recommendations made by the INEQE independent audit, the cost of this staffing increase falls to TDBF. The safeguarding team have seen very significant increases in the number of referrals received, and in the number of serious cases that they handle. Other staffing increases have been limited either to posts funded at least in part by the national church and where the post holder will directly support parish ministry as well as accessing other national funding, and posts funded by the TDBF but where the role is called for to implement priorities in deanery plans and the Diocesan Plan for Change and Renewal.

Trustees are alert to the challenge that comes from employing an average core lay staff of around 41 (37 in 2023) full time equivalent in a diocese of this size, and with stipendiary clergy numbers at around 60. A typical "head office" of that balance may be unsustainable, but trustees take the view that the statutory role and duties of the TDBF require a staff of that order. Staff are focussed on providing support for parishes in their vital work of change and renewal and roles are tightly aligned to those priorities.

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Church House (continued)

Where possible, opportunities to use national or third-party funding are taken to reduce the burden on parishes. Trustees benchmark the size and cost of the team against other small dioceses.

Public benefit

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

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

The trustees are aware of the Charity Commission's published guidance on the public benefit requirement in general and more particularly in the Advancement of Religion for the Public Benefit and have had regard to it in their administration of the TDBF.

Work with schools

The work of the Diocesan Board of Education (DBE) in 2024 has seen the implementation of both our strategic commitments which were set when our Diocesan Director of Education (DDE), Lee Moscato, took up post and also, refining some of our operational working procedures.

The work has focused on delivering on our aim which is, 'to be a significant partner in improving outcomes for all children in Cornwall and the Isles of Scilly.' The DBE works to this ambition by promoting and living out the Vision for Education of the Church of England and the wider vision for the diocese.

The last year has seen us focus wholly on delivering our strategic commitment which has the following five core threads aimed at enabling our schools, and all those in and around them, to flourish. Within the strategic plan, which will be reviewed in the summer of 2025, there is a focus on partnerships and how, through these, we can improve educational, societal and life affecting outcomes for all children in Cornwall and the Isles of Scilly:

- Powerful Partnerships – partnering with others to fulfil our commitment to improve outcomes and provision for pupils, adults and school communities;
- Joining the DoTS (Diocese of Truro Schools) – ensuring meaningful connections with and for the church schools in our diocese;
- Community, Care and Connectedness – to provide for the most vulnerable through the right people, in the right place with the right purpose to support the pastoral, well-being and spiritual needs of children, young people and their families;
- Worshipping Life of Schools and Communities – to ensure flourishing, school communities that are committed and equipped to develop the spiritual life of the school and the community; and
- Creation Care – to support schools in making a concerted effort to care for God's creation.

Within our work, there have been two significant areas we have focused on which deliver on two core threads but have overlap with others. One area has been on delivering the Flourishing Schools Programme. This sees us train strategic leaders in multi-academy trusts and schools who will partner with us through networking, training and resources to mutually deliver the DBE Measure. Leaders are identified and trained in governance, recruitment and induction, Religious Education (RE) and Collective Worship. These leaders support us in delivering our work and speak into the wider school improvement and support mechanisms in multi-academy trusts and schools. Already, we are seeing the fruit of this work through improved provision in these core areas in some schools and trusts and more robust procedures in place regarding governance and HR.

Another core area of work has been the delivery of the Flourish Network Pilot. This is part of a national pilot seeing our diocese selected as one of only 12 nationally and us having 3 of the 42 'worshipping communities' nationally here in our diocese. Our work in this area, partnering closely with colleagues in Ministry and Change & Renewal, saw us select three pilot locations, each with different contexts, links and ambition, to explore how our work under the national 'Growing Faith' umbrella might develop. The three sites have a core aim which is to bring home school and church together in a worshipping community driven by the school and the young people in it.

The three sites of the Flourish Pilot, in Camborne, Bodmin and St Austell, will not only inform the national work but also our own plans for growing a younger, more diverse and intergenerational church here in our diocese. The pilot is still in its early stages and we are looking forward to sharing more of this work in the coming months.

Creation Care is something we are proud of. The work of our Creation Care Schools Officer has seen over 500 pupils join workshops in churches across the diocese and over 20 schools start the accreditation process to be an 'Eco-School'. Similarly the work of our Cut Carbon Schools Officer has seen several multi-academy trusts begin to implement trust-wide plans to cut carbon which have been informed by audits completed in all of the 43 church schools in our diocese.

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Work with schools (continued)

Training for school colleagues and leaders continues in areas such as RE, school leadership, curriculum and Statutory Inspection of Anglican and Methodist Schools (SIAMS) preparation. Feedback from those in and around our schools informs our work and training and we are planning how to provide retreats for adults in our schools, regular online worship that school-based adults can join in with and how to continue to support them to see how their work is indeed a calling and how we sustain them in their ministry in our schools.

Operationally, linked to the overarching strategic commitments, we have supported schools and trusts through providing a Governance Handbook, a Recruitment and Induction Guide for Schools and a suite of resources to support the curriculum and estates management in schools under the Creation Care work. These resources provide clarity of expectation (both from us as a diocese but also national) as well as transparency, consistency and supportive frames to follow.

Looking ahead, we will be reviewing our Strategic Commitments this year, evaluating and writing our next operational plan and providing more support to schools through further guides and resources including a 'Worship in Schools' booklet and support in developing a language of spirituality in our schools.

Volunteers

At every level the church in Cornwall relies on people giving their time and gifts freely. Trustees believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church, particularly at times of crisis. Within this context, the TDBF trustees greatly value the considerable time given by all the synod, board and committee members across the diocese.

Financial Review

Financial performance

The Statement of Financial Activities (SoFA) for the year on page 21 shows total income of £7,099k (2023: £7,032k) and total expenditure of £11,414k (2023: £9,138k), resulting in net expenditure of £4,314k (2023: £2,106k).

The increase in income of £67k is made up of £71k higher parish contributions, £65k higher rental income and £195k higher investment income. This was in part offset by £92k less funding received from Archbishops' Council and £197k less realised gains on disposal of assets than in 2023.

The MMF contributions given by parishes to fund the ministry costs of the diocese remain the main source of income for the diocese. In 2024 this income increased by £71k to £2,935k (2023: £2,864k). The MMF collection rate improved to 94.00%, from 90.72% in the previous year, see note 3 on page 29.

Income from the Archbishops' Council represents the second largest source of income at £1,612k, nearly 55% of the amount received from parishes in the form of MMF. The breakdown of the different funding streams received can be seen in note 3.

Expenditure increased by £2,276k. This is mainly due to resourcing ministry costing £2,086k more in 2024 when compared to 2023, with support for ministry and mission costing £201k more and expenditure on education costing £78k less.

Within the resourcing ministry heading is the budget for property maintenance which was increased, and spent, in 2024, by £2,016k. The opportunity to carry out works (which include net zero works) while properties are empty continued. There was also an increased amount spent on clergy settlements in 2024, £70k, along with higher resettlement and recruitment costs due to the high level of clergy changes in 2024, £85k. These were offset by a lower spend on clergy stipends and pensions of £134k which was due to fewer clergy being in post over the 12 month period when compared to 2023.

The increase in support for ministry and mission spend is predominantly (£174k) due to the spend relating to the new funding received from the Archbishops' Council for works on parish buildings, this includes Quick Wins and Net Zero works. There is also an increase in the cost of the safeguarding team (£70k) that has additional capacity to implement the findings of the INEQE audit in early 2024 along with an increased spend on Mission Fund grants (£9k). These increases are partially offset by a reduction in the spend on Transforming Mission (£93k) which is to be expected as the projects near the end of the period for which they are funded by Strategic Development Funding and TDBF reserves.

The property market in Cornwall, according to Land Registry data, strengthened again in 2024 with values increasing by an average of 2.2%. However, the value of the properties on the balance sheet have increased in 2024 by £2.4m, which is more than 2.2%. This has come about because the value of the works being carried out on some of our properties is increasing their value. This information comes from valuations on properties received when the quinquennial inspections are carried out.

The value of investments held also increased in value in 2024 with an unrealised gain of £1.66m, being made up of £0.86m on glebe and £0.8m on listed and unlisted investments.

This net gain resulted in the total fund balances again increasing from £119,923k to £120,050k.

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Significant property transactions

In 2024 the TDBF sold one property, which was replaced with a more suitable property, for net proceeds of £428k. Two properties were purchased in the year, both being replacement properties, one for the one sold in the year and the other for a property being sold in 2025.

The TDBF policy continues to be:

- to replace unsuitable properties;
- to accommodate the changing geographical deployment of clergy within the diocese; and
- to realise development potential in some properties, thereby using resources more effectively for the ministry of the church.

Work on this strategy is continuing as the deanery plans are implemented as part of the Next Steps On the Way work.

Balance Sheet position

The net assets at the balance sheet date totalled £120,050k (2023: £119,923k). This includes 120 (2023: 121) properties totalling £64,784k (2023: £61,101k), which are mainly used to house the stipendiary clergy. The values of the properties range from £239k to £1.22m (2023: £234k to £1.2m). Much of the remainder of the assets shown in the balance sheet are held in restricted and endowment funds and cannot necessarily be used for the general purposes of the TDBF.

The trustees are satisfied that the TDBF has adequate resources to continue to operate as a going concern and have prepared the financial statements on that basis.

Reserves Policy

Free reserves

Taking into account the continuing level of change in housing, MMF contribution levels, projected operating results and our commitment to the diocesan strategy, the trustees' policy is to hold the following reserves:

| | General Fund £'000 | Designated Funds £'000 | Pastoral Account £'000 | Total £'000 |
|---|--------------------------|------------------------------|------------------------------|----------------|
| Working Capital | 520 | - | - | 520 |
| 'Cashflowing' for replacing parsonages | - | - | 1,500 | 1,500 |
| Provision for covering any unexpected deficit | 500 | - | - | 500 |
| Additional working capital for regular housing maintenance and repairs | - | - | 250 | 250 |
| Funding any future developments arising from decisions taken at the BDC | 100 | - | - | 100 |
| Loans to PCCs | 500 | - | - | 500 |
| Designated Funds | - | 12,860 | - | 12,860 |
| Diocesan Pastoral Account - Benefice Accounts | - | - | 4,000 | 4,000 |
| Total | 1,620 | 12,860 | 5,750 | 20,230 |

As at 31 December 2024 the amount of readily realisable assets in the General Fund required under the policy is £1,620k (2023: £1,620k), as per the table above. Actual free reserves as at 31 December 2024 amounted to £1,174k (2023: £2,553k) which is below the target amount and has come about as one Board property was purchased in 2024 before the property it is replacing is sold.

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the General Fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each fund, together with the intended use of the reserve, is set out in note 23 on page 46. At 31 December 2024 total designated reserves were £18,072k (2023: £15,455k).

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Reserves Policy (continued)

Restricted and endowment funds

As set out in note 23 the TDBF holds and administers a number of restricted and endowment funds. As at 31 December 2024 restricted funds totalled £8,999k (2023: £12,734k) and endowment funds totalled £91,805k (2023: £89,181k). None is available for the general purposes of the TDBF. At the end of the year, the amount of the Pastoral Account that must be ring-fenced pending proposed pastoral reorganisations amounted to £3,268k (2023: £4,033k).

Fundraising Activities

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

Investment policies

Under the Articles of Association, the TDBF has the power to make any investment which the Trustees see fit. The Investment Management Committee (the Committee) oversees the management of the TDBF's investment assets (apart from Glebe land and buildings which are the specific responsibility of the Glebe Committee). The Investment Policy and Principles Statement sets out a practical framework of guidelines and conditions within which the investments shall be administered and was last updated in January 2023. A revised policy is in the process of being drafted.

It is expected that an ethical approach is adopted at all times: broadly this encompasses the objectives of The Church of England's Ethical Investment Advisory Group, the Diocesan Environmental Policy and more recently the Church's objective of 'net zero' by 2030. The overriding objective is to support the mission of the Church in the diocese through a portfolio that aligns strongly with the diocesan and wider Church's Ethical, Social and Governance (ESG) values. The priorities are the maintenance of capital in real terms, together with a sustainable and growing level of distributions. The investments are to be managed on a total return basis. The TDBF is able to take a very long term view in investment terms, accepting volatility of capital in the short term. The resulting tolerance of risk and the ability to take the long view imply an acceptance of exposure to equities, the belief being that this asset class is likely to provide the best overall returns over the envisaged timescale, as well as to keep pace with inflation. Other asset classes are included to moderate risk and protect income flows.

The Committee continues to believe that it is prudent to rely on external fund managers (particularly CCLA) in order to obtain the appropriate degree of diversification and to ensure adherence to our ethical criteria. The Committee is very sensitive to the effect of charges on investment performance, as well as being aware that it lacks the resources to manage the investments itself. Use of specialist charity funds ensures that the appropriate level of expertise is employed at a reasonable cost. The Committee is permitted to consider all authorised managers and types of fund, subject to appropriate due diligence.

£1m of the CCLA CBF Global Equity Income Fund was sold in 2024 to realise cash to finance the increased property major works. All of the investments in renewables were sold in the year and the proceeds were reinvested equally in listed funds already held with Sarasin and Cazenove. In December 2024 all of the Sarasin Climate Active Endowment Fund was sold with the proceeds being immediately invested into a non fossil fuel Fund with Sarasin. No costs were charged for this transaction.

Investments are held in two of the CBF Church of England Funds, representing 63.9% of the total value of the TDBF's investments of £31,688k (excluding Glebe) at 31 December 2024. The remaining 36.1% are held in listed investments (see note 18 on page 41).

The Committee has adopted an Industry standard benchmark, the MSCI PIMFA Balanced Index for performance comparisons. The benchmark rose by 8.28% in capital terms in 2024 and the TDBF's combined portfolio (excluding glebe investments) rose by 2.53% in the same period. The main reason for this poorer performance was due to the renewable investments which were all sold towards the end of the year, partly because of this. The yield on the portfolio was 3.1%.

At present it is estimated that just about 13% of the portfolio is invested in renewable funds or projects. During 2022 a process started to try and calculate the carbon footprint of the TDBF portfolio and it proved quite challenging to obtain data. Some progress has been made in tracking progress towards net zero 2030 despite investments being outside the scope for the Church of England Net Zero 2030 agenda. It is estimated that in 2023 our carbon emissions from underlying scopes 1 and 2 emissions were 571 tCO₂e (2022: 629 tCO₂e). This is unaudited and is based on unaudited reporting by companies and funds that may be both erroneous and misinterpreted. There is also a small element of estimating where no data was available. It is hoped this reporting will improve for 2024 data. Some of the investments are in renewables and other activities helping to reduce others' carbon footprints but these savings have not been reported as offsetting the carbon footprint of our other investments.

The Committee continue to believe that the 'responsible', ESG aligned approach being adopted remains appropriate. The managers continue to focus on companies and sectors where there are good prospects for the medium to long term, whilst ensuring a dependable income flow in the short term, believing that a responsible approach by management to its business soon feeds through to profits and share prices. The Committee continue to believe the portfolio is well positioned.

The trustees consider these investment returns to be satisfactory and is comfortable with the asset allocation of the portfolio.

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Total Returns

On 28 March 2018, the TDBF, as the sole trustee of the Diocese of Truro Stipends Fund Capital Account (SCA), made a resolution under section 104A(2) of the Charities Act 2011 to adopt a total return on investment approach to the SCA permanent endowment fund. On 28 March 2018, the TDBF identified the value of the gifts of permanent endowment as at 31 December 1999, the earliest

date with reliable valuations. This set the baseline value of the gift component of the endowment to which any subsequent gifts of endowment are added. The difference between the total of endowment funds as at 28 March 2018 and the inflation-indexed baseline value of the gift component represented the opening balance of unapplied total return.

The power of total return permits the TDBF to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment. The power allows the TDBF to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure on stipends and other direct clergy costs. The TDBF decided to make a transfer from unapplied total return to unrestricted income funds in both 2023 and 2024. In making these decisions they took account of the investment climate, the return on investment for the year and the income needs of the charity.

In deciding on the amount to transfer to income funds, the trustees and the Bishop's Diocesan Council referred to an analysis prepared by Mike Sturgess, Chair of the TDBF until September 2024, as to the likely investment trends and the sustainability of the investment fund after considering various levels of transfer to income.

Grant making policy

The Memorandum of Association explicitly permits the TDBF to make grants in pursuance of its objects, and the nature of grants made in 2024 is indicated in note 11 on page 36.

The Funds for Mission panel consider grant applications up to £5,000.

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry and are paid to other charitable projects which appear to the TDBF to support the furtherance of its objects.

Principal risks and uncertainties

The trustees and the Bishop's Diocesan Council are responsible for the identification, mitigation and or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the trustees on a regular basis, with the responsibility for delivery of the mitigation strategies identified being delegated to the Finance, Assets and Risk (FAR) Committee and the Diocesan Secretary.

The risk managers meet quarterly to discuss the ongoing development of the process and each register is reviewed in detail by the FAR Committee annually on a rotating schedule.

The risk register identifies the following high risk areas where the residual likelihood of the risk occurring is 'likely or almost certain' and the residual impact of the events is considered 'major or critical'. These areas and the associated mitigation strategies are:

- Finance: MMF income insufficient to meet financial commitments.
 - monthly monitoring by Finance department;
 - regular detailed MMF management information communicated to deaneries and parishes;
 - proactive approach to those not making MMF contributions implemented and parishes are being contacted;
 - mechanism for agreeing cost of ministry;
 - On the Way process working with deaneries to enable fruitfulness and sustainability for parishes;
 - annual budgeting;
 - prudent reserves policy, which is reviewed annually;
 - Generous Giving Advisors help nurture and grow a culture of giving generously including promoting Parish Giving Scheme;
 - regular communications with the national team to understand national strategy and other dioceses challenges and experiences
- Ministry: lack of people within congregations willing/able to take on Parish Officer responsibilities (especially Parish Safeguarding Officers, Local Leaders, Treasurers and Churchwardens).
 - The ability of Church House staff to respond to enquiries and requests for support
 - Well resourced plans to promote vocations and volunteering
 - Training to be offered to Treasurers and other Parish Officers in both responsibility and the Christian Faith.
- Safeguarding: failure to safeguard, care and nurture children and vulnerable adults within our church community, due to lack of PCC capacity and/or resources.
 - implementation of national and local policies and practice guidance;
 - Parish Priest and Parish Safeguarding Officers have defined responsibilities for safeguarding;

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Principal risks and uncertainties (continued)

- Diocesan Safeguarding Team in place to provide support, guidance and training;
 - training strategy and annual training programme (including virtual training) in place that aligns with national guidance;
 - Diocesan Safeguarding trainer and network of volunteer trainers in place;
 - training information reported to the TDBF and Diocesan Safeguarding Advisory Panel (DSAP); and
 - training for senior leaders.
- Education: Madron Daniel school, complex case re academisation and transfer to MAT
 - complex case work allocated by Department of Education (DfE) to work with Local Authority (LA), diocese and Trust during transfer;
 - LA, diocese and DfE working through responsibilities of building works.
- Education: implications of the work/aims/approach/policy/reputation of the national church have an impact on our work locally within our diocese.
 - regular communication with schools regarding national messaging, practice, approach and strategy;
 - open door approach of the TDBF education team where questions can be asked;
 - relationships with the national team to ensure that we stay abreast of potential developments, issues etc
- Environment: competing diocesan priorities.
 - dedicated budget funded from Total Return;
 - strategy in place; and
 - the Diocesan Environment Board feeds into BDC and FAR to enable frequent consideration within wider context.
- Environment: aspirations limited by legislation or national policy.
 - Environment Action Plan approved at November 2023 Diocesan Synod; and
 - the Diocesan Environment Board monitors progress being made by each group to implement its part in the overall environment strategy and action plan.

St Paul's Church, Agar Road, is a redundant closed church in Truro city centre. Under the terms of the Mission and Pastoral Measure 2011 and other measures the TDBF has certain obligations and liabilities connected to the building and churchyard. The Church Commissioners have published a draft Scheme for the demolition of the building and the sale of the cleared site. TDBF are also currently negotiating with a neighbour regarding the reinstatement of a partially collapsed wall between the church and the neighbour's property. The TDBF may contribute to the costs of the reinstatement but at this time it is not clear that the TDBF have a legal obligation to do so, or what the quantum of any such contribution might be.

Structure and Governance

Summary Information about the Structure of the Church of England

The Diocese of Truro is part of the wider Church of England, and any description of the governance structure of the Truro Diocese and the TDBF must be set within the context of the structure of the Church of England itself.

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 42 in England.

Each diocese in England is divided into benefices, which comprises a number of parishes, although some parishes can be a benefice in their own right. Each benefice is overseen by a priest (usually called a vicar, rector or priest in charge). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish. Benefices are also grouped together into deaneries, with there being twelve deaneries in the Diocese of Truro.

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 two archbishops and 24 senior bishops sit in the House of Lords.

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

The National Church Institutions

The Archbishops' Council, Lambeth Palace, Bishopthorpe Palace, the Church Commissioners, the Church of England Pensions Board, National Society for Promoting Religious Education and The Church of England Central Services are called the National Church Institutions (NCIs).

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The National Church Institutions (continued)

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

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority, to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

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

The Diocese of Truro

The statutory governing body of the diocese is the Diocesan Synod. It consists of the House of Bishops, the House of Clergy and the House of Laity, with broadly equal numbers of clergy and lay people providing representation across the diocese. Its role is to:

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

The Diocese of Truro was created in 1877. It covers the whole of the ceremonial county of Cornwall, the Isles of Scilly, plus two parishes in Devon.

Archdeaconries, Deaneries, Benefices and Parishes

The whole of the diocese is divided into parishes which for administrative and governance purposes is generally the smallest pastoral area in the Church of England. Typically, each parish has one parish church. In total there are 211 parishes in the diocese.

The ecclesiastical parish is governed by a PCC, which is made up of the incumbent as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a charity, and all are currently 'excepted' from registration with the Charity Commission, apart from those PCCs with annual gross incomes exceeding £100,000 which are required to register under the provisions of the Charities Act 2011. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

A benefice is a parish or group of parishes served by an incumbent who typically receives a stipend and the benefit of free occupation in the parsonage house from the diocese for carrying out spiritual duties.

A deanery is a group of parishes over which a rural dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible. The Diocese of Truro has two archdeaconries, each with six deaneries, the archdeaconry of Cornwall in the west, and of Bodmin in the east of the diocese.

The diocese is then the principal pastoral and in turn financial and administrative resource of the Church of England, encompassing the two archdeaconries under the spiritual leadership of the Diocesan Bishop.

Deanery Synods

There are 12 deaneries in the diocese, each with its own Deanery Synod. Each Deanery Synod has two houses, laity and clergy, and the role of the synods is to:

- respond to requests from General Synod;
- give effect to the decisions made by the Diocesan Synod;
- consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod and, conversely, to pass matters from General Synod and Diocesan Synod to the parishes;
- raise with Diocesan Synod such matters as it considers appropriate;
- elect members of the deanery to the Diocesan Synod and of the diocese to General Synod;
- allocate the deanery MMF call between their parishes and report the allocation back to the Board; and
- develop a deanery plan for the mission of the Church in the deanery.

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Diocesan Governance

The diocese is governed by Act of Parliament and Order in Council made in 1876. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the diocese. Membership consists of 15 ex officio members, including the Bishops and Archdeacons, 45 clergy members elected by the houses of clergy in Deanery Synods, 46 lay persons elected by the houses of laity in Deanery Synods, up to five persons who may be co-opted by each of the House of Clergy and the House of Laity and up to five ordained and five lay persons who may be nominated by the Diocesan Bishop. The Diocesan Synod meets three times a year.

The Truro Diocesan Board of Finance Limited, was formed to manage the financial affairs and hold the assets of the diocese. It was incorporated on 23 October 1896 as a charitable company limited by guarantee (No. 00049825) and its governing documents are the Memorandum and Articles of Association. The TDBF is registered with the Charity Commission (No. 248330).

Every member of Diocesan Synod is a member of the TDBF, for company law purposes, and has a personal liability limited to £10 under their guarantee as company members in the event of its being wound up. The Bishop's Diocesan Council consists of the members of the Bishop's Council and Standing Committee who are also the trustees and directors of the TDBF under law.

Bishop's Diocesan Council

Diocesan Synod has delegated the following functions to the Bishop's Council and Standing Committee, via the Bishop's Diocesan Council:

- planning the business of Synod including the preparation of agendas and papers;
- initiation of proposals for action by the Diocesan Synod and provision of policy advice;
- transacting the business of the Diocesan Synod when not in session;
- management of the funds and property of the diocese;
- preparation of annual estimates of expenditure;
- advising on action needed to raise the income necessary to finance expenditure;
- oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod;
- advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it;
- appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod; and
- carrying out any other functions delegated by Diocesan Synod.

The TDBF has responsibility for the day-to-day financial management of the diocese.

Also within the responsibility of the Bishop's Diocesan Council are the following statutory committees of the TDBF:

- Parsonages Board, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses and houses owned by the TDBF;
- Glebe Committee, which is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocesan Stipends fund of the diocese;
- Diocesan Mission and Pastoral Committee, which is responsible for reviewing the arrangements for pastoral supervision and care in the diocese, including the deployment of clergy, and having regard for the worship, mission and community as central to the life and work of the Church of England; and
- Diocesan Board of Education (DBE), which is responsible, under the Diocesan Board of Education Measure 2020, for the promotion of education in the diocese, being education which is consistent with the faith and practice of the Church of England; the promotion of religious education and religious worship in schools in the diocese; and the promotion of church schools in the diocese and in particular to advise the governors of such schools and trustees of church educational endowments on any matter affecting church schools in the diocese.

The members of the Bishop's Diocesan Council and the basis of their membership is shown in the Administrative section on pages 15 and 16. Some senior officers have job titles incorporating the title 'Director', some of whom attend the Bishop's Diocesan Council, but they are not directors of the TDBF for the purposes of company law.

All elected members of the Bishop's Diocesan Council may serve for a maximum of six years before standing down for at least one year, but may stand for re-election thereafter.

The Bishop's Diocesan Council's responsibilities

The Bishop's Diocesan Council, as the body of trustees / directors, is responsible for preparing the Trustees' Annual Report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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The Bishop's Diocesan Council's responsibilities (continued)

Company law requires the Bishop's Diocesan Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the TDBF and of the incoming resources and application of resources, including the income and expenditure, of the TDBF for that period. In preparing these financial statements, the Bishop's Diocesan Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the TDBF will continue in operation.

The Bishop's Diocesan Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the TDBF and to enable it to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the TDBF and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Bishop's Diocesan Council is responsible for the maintenance and integrity of the corporate and financial information included in the Diocese of Truro's website.

Statement of disclosure to auditor

So far as each member of the Bishop's Diocesan Council is aware, there is no relevant audit information of which the TDBF's auditor is unaware, and each member of the Bishop's Diocesan Council has taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Finance, Assets and Risk Committee

The trustees of the TDBF have formed a committee consisting of the Chair of the Truro Diocesan Board of Finance, members of the BDC, and members co-opted on a skills basis, and has delegated to it such of its powers and responsibilities as it thinks necessary from time to time.

Trustee recruitment, selection, induction and training

Trustees are recruited through a mixture of ex-officio positions, elections and nominations.

All trustees receive an induction pack and the first meeting of each triennium is largely given over to induction briefings and discussions. Training opportunities are offered, around safeguarding and risk management. Further development resources are made available through the life of the triennium. There is also a focus on the process of safer recruitment ensuring that the organisation exercises safer recruitment at all levels across the board.

Delegation of day to day delivery

The Bishop's Diocesan Council and the Finance, Assets and Risk Committee rely upon the Diocesan Secretary and his colleagues for the delivery of the day to day activities of the TDBF. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the TDBF in accordance with the policies framed by the Trustees.

Remuneration of key management personnel

Emoluments of key management personnel are determined by the Remuneration Committee, under delegated authority from the Bishop's Diocesan Council. The Committee obtains reliable up-to date information about remuneration in other organisations of comparable scale and nature.

Funds held as Custodian Trustee

The TDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the TDBF does not control them, and they are segregated from the TDBF's own assets by means of a separate accounting system. Further details of financial trust assets, whose market value amounted to £5.7m at 31 December 2024 (2023: £5.6m), are available from the TDBF on request, and are summarised in note 29 on page 55. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the TDBF's solicitors, Veale Wasbrough Vizards LLP.

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Funds held on behalf of schools

The TDBF administers Devolved Formula Capital (DFC) grants for the diocese's church schools. At 31 December 2024, it held £256,966 (2023: £239,307) in designated bank accounts separate from those of the TDBF.

Related parties

General Synod, Church Commissioners and Archbishops' Council

The TDBF has to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners and are therefore not reflected in these financial statements.

Parochial Church Councils (PCCs)

The TDBF is required by Measure to be custodian trustee in relation to PCC property, but it has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the TDBF and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

The Cathedral

Truro Cathedral is the mother church of the diocese and legally is constituted as a separate charity. Copies of its trustees' report and financial statements may be obtained from The Cathedral Office, The Old Cathedral School, Cathedral Close, Truro, TR1 2FQ.

Connected charities

The trustees consider the following to be a connected charity:

The Cornwall Retired Clergy, Widows of the Clergy and their Dependants Fund – a registered charity which provides financial support to clergy or their dependents in particular financial need. Specifically, support may be provided to the spouse or the dependants of deceased clergy; to retired clergy or their dependants; or to the spouse or dependants of clergy from whom the spouse is separated or divorced.

Pensions

Stipendiary clergy are members of the Church of England Funded Pensions Scheme which provides defined retirement benefits and is non-contributory.

On 1 April 2024, the TDBF closed its Defined Benefits Scheme and the three lay staff who were in the scheme transferred across to the Pension Builder Scheme (previously known as the Defined Contributions Scheme (DCS)), part of the Church Workers Pension Fund. All new lay staff are eligible to join this scheme which is contributory and provides limited pension guarantees.

Further details about these schemes are contained in note 27 on page 52 to the financial statements.

Appointment of solicitors

A resolution to reappoint Veale Wasbrough Wizards LLP as solicitors to the TDBF will be proposed at the Annual General Meeting.

Appointment of auditors

A resolution to reappoint Francis Clark LLP as auditors to the TDBF will be proposed at the Annual General Meeting.

Administrative Information

Trustees

The Trustees of the Charity (for the purposes of charity law) and the directors of the Company (for the purposes of company law)) who served during the year and who were members at the date of this report were as follows:

Chairman (ex officio)

The Rt. Revd. H Nelson

Chairman of the Truro Diocesan Board of Finance (elected by the Members)

Mr M J Sturgess (resigned 13 September 2024)
Mr J M Day (appointed 14 September 2024)

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Administrative Information (continued)

Ex officio The Very Revd. S Robinson (The Dean)
The Ven. K A Betteridge (Archdeacon of Bodmin)
The Ven. C D Hogger (Archdeacon of Cornwall) (appointed 25 June 2024)

Elected by the relevant Houses of Diocesan Synod

Chair of the House of Clergy The Revd. C C McQuillen Wright (resigned 31 July 2024)
The Revd. P V Zaphiriou (appointed 1 August 2024 and resigned 5 March 2025)

Chair of the House of Laity Lay Canon Mr R J Perry (resigned 31 July 2024)
Mr R B Smith (appointed 1 August 2024)

Elected by Houses and Archdeaconry

Archdeaconry of Cornwall The Revd. J E Risbridger (appointed 21 October 2024)
The Revd. E M A Burke (appointed 21 October 2024)
Mr A P Hicks (resigned 31 July 2024)
Mr J A Stuart (appointed 21 October 2024)
Mr S A Taurins (appointed 21 October 2024)

Archdeaconry of Bodmin The Revd. P R Holley (resigned 31 July 2024)
The Revd. R J Terry
Mrs M C Macinnes (appointed 21 October 2024)

Bishop's Appointments

Mrs C E Irwin
Dr A G Thompson
The Revd. T Folland
Mrs A Corbett
Mrs K L Bond (appointed 21 October 2024)

Company Secretary The Revd. Canon S Cade

Registered Office The Old Cathedral School
Cathedral Close
Truro
TR1 2FQ

Telephone 01872-274351

Email address info@truro.anglican.org

Website www.trurodiocese.org.uk

Company registration number 00049825 (England and Wales)

Charity registration number 248330

Diocesan registrar Mr J Moule, Narrow Quay House, Narrow Quay, Bristol

Solicitors Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol

Auditors Francis Clark LLP, Sigma House, Oak View Close, Edginswell Park, Torquay, Devon

Bankers National Westminster Bank PLC, St Nicholas Street, Truro

Investment managers CCLA Investment Management Limited, Senator House, 85, Queen Victoria Street, London

Walker Crips Investment Management Limited, Old Change House, 128 Queen Victoria Street, London

Sarasin & Partners LLP, Juxon House, 100 St Pauls Churchyard, London

Cazenove Capital, 1 London Wall Place, London

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Trustees' Annual Report

For the year ended 31 December 2024

Administrative Information (continued)

Glebe estate manager Savills, Lemon Street, Truro

Property manager Savills, Lemon Street, Truro

Approval of this report

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by s.415A of the Companies Act 2006.

This report was approved by the trustees on 29 April 2025 and was signed on its behalf by:

The Revd. Canon S Cade
Company Secretary

The Old Cathedral School
Cathedral Close
Truro
TR1 2FQ

Mr J Day
Chairman of the Board

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRURO DIOCESAN BOARD OF FINANCE LIMITED (LIMITED BY GUARANTEE)

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Matters on which we are required to report by exception

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

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRURO DIOCESAN BOARD OF FINANCE LIMITED (LIMITED BY GUARANTEE)

Matters on which we are required to report by exception (continued)

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the charitable company and the sector in which it operates to identify the key laws and regulations affecting the Charity. The key laws and regulations we identified were Charity legislation, Safeguarding and Health and Safety Regulations and employment legislation. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, the Charities SORP and Church of England Measures.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries, we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Reviewed Board minutes.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were manipulation of financial performance and we determined that the principal risks were in relation to management bias in accounting estimates and judgements and the overstatement of revenue.

In response to the identified risk, as part of our audit work, we:

- Used data analytics to test journal entries for appropriateness.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.
- Performed cut off testing in respect of revenue.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRURO DIOCESAN BOARD OF FINANCE LIMITED (LIMITED BY GUARANTEE)

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements of not detecting a material statement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omission, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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

Use of our report

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

Sharon Austen (Senior Statutory Auditor)

PKF Francis Clark
Sigma House
Oak View Close
Edginswell Park
Torquay
Devon

29 April 2025

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Statement of Financial Activities

For the year ended 31 December 2024

| | Notes | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ | 2023 £ |
|--|-------|----------------------------|--------------------------|-----------------|-------------|-------------|
| Income and endowments from: | 3 | | | | | |
| Donations: | | | | | | |
| Parish contributions | | 2,934,729 | - | - | 2,934,729 | 2,863,661 |
| Archbishops' Council | | 997,536 | 614,098 | - | 1,611,634 | 1,704,080 |
| Other | | 106,433 | 97,564 | - | 203,997 | 167,275 |
| Charitable activities – statutory fees | | 213,067 | - | - | 213,067 | 220,442 |
| Other activities | 4 | - | 244,867 | - | 244,867 | 183,275 |
| Investments | 5 | 753,258 | 52,450 | 1,039,216 | 1,844,924 | 1,649,817 |
| Other | 6 | - | - | 46,093 | 46,093 | 242,978 |
| | | | | | | |
| Total | | 5,005,023 | 1,008,979 | 1,085,309 | 7,099,311 | 7,031,528 |
| | | | | | | |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 159,253 | - | 235,078 | 394,331 | 329,523 |
| Charitable activities | 8 | 10,061,628 | 957,753 | - | 11,019,381 | 8,808,057 |
| Other resources expended | | - | - | - | - | - |
| | | | | | | |
| Total | | 10,220,881 | 957,753 | 235,078 | 11,413,712 | 9,137,580 |
| | | | | | | |
| Net outgoing / incoming resources before realised gains | | (5,215,858) | 51,226 | 850,231 | (4,314,401) | (2,106,052) |
| | | | | | | |
| Net gains on investment assets | | 35,483 | 526,850 | 1,443,164 | 2,005,497 | 4,341,085 |
| | | | | | | |
| Net (outgoing) / incoming resources before transfers | | (5,180,375) | 578,076 | 2,293,395 | (2,308,904) | 2,235,033 |
| | | | | | | |
| Transfer between funds | 12 | 5,914,963 | (4,313,403) | (1,601,560) | - | - |
| | | | | | | |
| Net income / (outgoings) for the year | | 734,588 | (3,735,327) | 691,835 | (2,308,904) | 2,235,033 |
| | | | | | | |
| Unrealised gains on revaluation | 13 | 503,420 | - | 1,932,352 | 2,435,772 | 2,152,155 |
| | | | | | | |
| Net movement in funds | 14 | 1,238,008 | (3,735,327) | 2,624,187 | 126,868 | 4,387,188 |
| | | | | | | |
| Fund balances at 1 January 2024 | | 18,007,552 | 12,734,188 | 89,181,285 | 119,923,025 | 115,535,837 |
| | | | | | | |
| Fund balances at 31 December 2024 | | 19,245,560 | 8,998,861 | 91,805,472 | 120,049,893 | 119,923,025 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Income and Expenditure Account,

For the year ended 31 December 2024

| | 2024 £ | 2023 £ |
|---|---------------------|-------------|
| Total incoming resources | 6,014,002 | 5,846,615 |
| Resources expended | (11,178,634) | (8,966,389) |
| | <hr/> | <hr/> |
| Operating deficit for the year | (5,164,632) | (3,119,774) |
| Net gains on investments | 562,333 | 1,137,177 |
| | <hr/> | <hr/> |
| Net (expenditure) for the year | (4,602,299) | (1,982,597) |
| Other comprehensive income | | |
| Revaluation of fixed assets | 503,420 | (193,397) |
| Net assets transferred from endowments | 1,601,560 | 4,916,129 |
| | <hr/> | <hr/> |
| Total comprehensive (expenditure) / income | (2,497,319) | 2,740,135 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Balance Sheet at 31 December 2024

| | Notes | 2024 £ | 2023 £ |
|--|-------|-------------|-------------|
| Fixed assets | | | |
| Tangible assets | 17 | 64,784,246 | 61,101,166 |
| Investments | 18 | 52,963,439 | 51,935,723 |
| | | <hr/> | <hr/> |
| | | 117,747,685 | 113,036,889 |
| | | <hr/> | <hr/> |
| Current assets | | | |
| Debtors | 19 | 717,936 | 659,475 |
| Cash at bank and in hand | 20 | 2,809,592 | 7,281,025 |
| | | <hr/> | <hr/> |
| | | 3,527,528 | 7,940,500 |
| | | <hr/> | <hr/> |
| Creditors: amounts falling due within one year | | | |
| Other creditors | 21 | (1,225,320) | (1,054,364) |
| | | <hr/> | <hr/> |
| Net current assets | | 2,302,208 | 6,886,136 |
| | | <hr/> | <hr/> |
| Net assets | | 120,049,893 | 119,923,025 |
| | | <hr/> | <hr/> |
| Funds employed | | | |
| Unrestricted funds | | 19,245,560 | 18,007,552 |
| Restricted funds | | 8,998,861 | 12,734,188 |
| | | <hr/> | <hr/> |
| Total unrestricted and restricted funds | | 28,244,421 | 30,741,740 |
| | | <hr/> | <hr/> |
| Expendable endowment | | | |
| Parsonage Houses Fund | | 49,444,144 | 47,117,618 |
| | | <hr/> | <hr/> |
| Permanent endowments | | | |
| Stipends Fund Capital Account | | 42,361,328 | 42,063,667 |
| | | <hr/> | <hr/> |
| Total endowments | | 91,805,472 | 89,181,285 |
| | | <hr/> | <hr/> |
| Total funds employed | 23.4 | 120,049,893 | 119,923,025 |
| | | <hr/> | <hr/> |
| The revaluation reserve included in the above funds is: | 24 | 41,811,207 | 39,406,216 |
| | | <hr/> | <hr/> |

The cash flow statement on page 24 and the notes on pages 25 to 56 form part of these financial statements. These financial statements were approved by the Board of Trustees and authorised for issue on 29 April 2025 and signed on its behalf by:

Mr J Day
Chairman of the Board

Company Registration No. 00049825

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Cash Flow Statement

For the year ended 31 December 2024

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | £ | £ |
| Net cash outflow from operating activities (see below) | (6,066,502) | (2,954,711) |
| Cash flows from investing activities | | |
| Dividends, interest and rent from investments | 1,844,924 | 1,122,775 |
| Proceeds from the sale of: | | |
| Tangible fixed assets | 432,699 | 4,246,126 |
| Fixed asset investments | 7,675,567 | 630,935 |
| Purchase of: | | |
| Tangible fixed assets for the use of the Board of Finance | (1,660,335) | (69,881) |
| Fixed asset investments | (6,697,786) | (42,523) |
| Net cash provided by investing activities | 1,595,069 | 5,887,433 |
| Change in cash and cash equivalents in the reporting period | (4,471,433) | 2,932,722 |
| Cash and cash equivalents at 1 January 2024 | 7,281,025 | 4,348,303 |
| Cash and cash equivalents at 31 December 2024 | 2,809,592 | 7,281,025 |
| Reconciliation of net movements in funds to net cash flow from operating activities | | |
| Net movement in funds for the year ended 31 December 2024 | 126,868 | 4,387,188 |
| Adjustments for: | | |
| Depreciation charges | 26,421 | 10,705 |
| Dividends, interest and rent from investments | (1,844,924) | (1,122,776) |
| Profit on sale of functional assets | (46,093) | (242,948) |
| Gains on investments and revaluation of fixed assets | (4,441,269) | (6,493,240) |
| Decrease in loans to parishes | (19,000) | (72,000) |
| (Increase)/decrease in debtors | (39,461) | 438,447 |
| Increase in creditors | 170,956 | 139,943 |
| Net cash (used in) operating activities | (6,066,502) | (2,954,711) |
| Analysis of cash and cash equivalents | | |
| Cash in hand | 2,809,592 | 7,281,025 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

1. Constitution

The Truro Diocesan Board of Finance Limited is incorporated, in England and Wales (Company Registration Number 00049825), as limited by guarantee under the Companies Act 2006. The Registered Office is The Old Cathedral School, Cathedral Close, Truro, TR1 2FQ. In the event of winding up, up to the permitted maximum 114 members of the TDBF are liable to contribute a sum not exceeding £10 per member towards the debts and liabilities of the TDBF and the costs, charges and expenses of winding up. At the year end there were 80 members.

2. Principal accounting policies

The charity meets the definition of a Public Benefit Entity in accordance with FRS102.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties and investments (held as fixed assets), which are included at their market value at the balance sheet date.

The financial statements have been prepared in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities* (Second Edition, effective 1 January 2019, applicable accounting standards (FRS 102 *The Financial reporting Standard applicable in the UK and Republic of Ireland*) and the Companies Act 2006.

The financial statements have been prepared in UK sterling currency and rounded to the nearest £1.

Going Concern

The trustees assess whether the use of the going concern is appropriate i.e. whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the TDBF to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of the authorisation for issue of the financial statements and have concluded that the TDBF has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the TDBF's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The principal accounting policies and estimation techniques are as follows:

(a) Income

All income is included in the SoFA when the TDBF is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

Parish contributions are recognised as income in the year in respect of which it is received.

Rents receivable is recognised as income in the period with respect to which it relates.

Interest and dividends are recognised as income when receivable.

Grants received which are subject to pre-conditions for entitlement specified by the donor which have not yet been met at the year-end are included in creditors to be carried forward to the following year.

Parochial fees are recognised as income when receivable.

Donations other than grants are recognised when receivable.

Gains on disposal of fixed assets for the TDBF's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

(b) Expenditure

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

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

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

(b) Expenditure (continued)

Charitable expenditure is analysed between contributions to the Archbishops' Council and expenditure on resourcing mission and ministry in the parishes of the diocese.

Grants payable are charged to the SoFA in the year when the offer is conveyed to the recipient except those in cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the TDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled.

Grants offered subject to such conditions which have not yet been met at the year-end are included in a designated fund as a commitment, but not accrued as expenditure.

Support costs consist of management, administration and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated based on estimated usage of resources at Church House.

Employee benefits. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension contributions. The cost of providing pension and related benefits to the clergy and Board's lay staff is advised by The Church of England Pensions Board and is charged to the General Fund in the period in which the contributions become due for payment (for further details of the schemes in place see note 27).

Deficit funding for the pension schemes to which the TDBF participates is accrued at current value in creditors, separated between contributions falling due within one year and more than one year.

(c) Tangible fixed assets and depreciation

Freehold properties

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value in the financial statements. The TDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repairs of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. Annual impairment reviews are carried out to ensure that the carrying value is not less than the recoverable amount in accordance with FRS 102.

Investment properties

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

Parsonage houses

The TDBF has followed the requirements of FRS 102, in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The TDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Bishop's Diocesan Council therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value.

School properties

Aided schools are the subject either of Trusts for which the TDBF acts merely as trustee, or of the Secretary of State's Orders specifying the application of any sale proceeds to support other Church of England schools within the dioceses. Accordingly, school properties are not included in these financial statements.

The distribution of the proceeds from the sale of a redundant school may depend on an order of the Department for Education or on a scheme approved by the Charity Commission. Until approval for distribution has been granted, the sale proceeds are invested and held by the TDBF in trust. When approval for distribution is eventually granted, the TDBF's share of the proceeds is transferred to The Diocese of Truro Education Trusts which is accounted for as a restricted fund in these financial statements.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

(c) Tangible fixed assets and depreciation (continued)

Closed churches

Churches closed for public worship are not included in these financial statements because, in the opinion of the Bishop's Diocesan Council, they are of negligible value. If a situation arises whereby a church is likely to be an asset rather than a liability, then it will be brought into the financial statements at the appropriate time.

Other tangible fixed assets are capitalised at cost and depreciated at rates of between 20% and 33¹/₃% on a straight line basis.

Leasehold improvements are depreciated over the term of the lease.

(d) Fixed asset investments

Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the SoFA.

Listed investments are UK listed company shares and are valued at their quoted bid price.

Glebe comprises a portfolio of mainly agricultural property and is professionally revalued every 5 years to establish fair value. The last revaluation took place as at 31 December 2020. In the intervening years, the Bishop's Diocesan Council adjust the market value for additions and disposals and such professional advice that may be received if this is material.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments

Financial instruments are recognised in the TDBF's balance sheet when the TDBF becomes party to the contractual provisions of the instrument.

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured as the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Financial assets held at fair value comprise the listed and unlisted investments disclosed in note 18.

Concessionary loans

Concessionary loans are loans provided at below market rates and are recognised in the accounts at the amount due with the carrying value adjusted to reflect repayments made in subsequent periods.

(e) Other accounting policies

Leasing

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the lease term.

(f) Fund balances

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

Unrestricted funds are freely available for any purpose within the TDBF's objects. They include funds which have been set aside by the Bishop's Diocesan Council out of the General Fund for designated purposes.

Restricted funds are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

(f) Fund balances (continued)

Endowment funds are those held on trust as capital. In the case of the endowment funds administered by the TDBF, where there are discretionary powers to convert capital into income, these funds are classified as expendable endowments. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment. The Bishop's Diocesan Council has adopted a policy of Total Return in respect of the permanent endowment in line with section 5A of the Diocesan Stipends Funds Measure 1953.

Details of the major funds are given in note 23.

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

(g) Critical accounting estimates and judgements

In the application of the TDBF's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key estimates and assumptions made in these accounts are:

- Freehold properties are valued at the trustees' estimate which is based on cost/market valuation adjusted by a published index to reflect changes since the last valuation.
- Investment properties are valued at the trustees' estimate which is based on a market valuation completed by the property management company.
- The present value of the clergy and lay pension schemes defined benefit liabilities depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions in determining the net cost of income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of any pension liability.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

3. Donations

Parish contributions

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ |
|--|----------------------------|--------------------------|-----------------|---------------------|
| Current year call - asked of deaneries | 3,938,096 | - | - | 3,938,096 |
| Use of LICF, SDF and Mission Funding | (547,697) | - | - | (547,697) |
| Use of TDBF reserves | (268,149) | - | - | (268,149) |
| | | | | |
| Current year call - budgeted | 3,122,250 | - | - | 3,122,250 |
| Shortfall in contributions | (272,274) | - | - | (272,274) |
| | | | | |
| Receipts for previous year | 2,849,976 84,753 | - - | - - | 2,849,976 84,753 |
| | | | | |
| | 2,934,729 | - | - | 2,934,729 |

Current year MMF receipts represent 91.28% of the total budgeted call (2023: 89.29%) or, when receipts for previous years are included, 94.00% of the total budgeted call (2023: 90.72%).

Archbishops' Council

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ |
|---|----------------------------|--------------------------|-----------------|-----------|
| Lowest Income Communities Fund (LICF) | 947,927 | - | - | 947,927 |
| Contribution to registrar's retainer | 49,609 | - | - | 49,609 |
| Strategic Development Funding (SDF) – Falmouth | - | 37,210 | - | 37,210 |
| Strategic Development Funding (SDF) – Phase 2 | - | 215,821 | - | 215,821 |
| Resourcing Ministry Fund (RMF) | - | 7,260 | - | 7,260 |
| Generous Giving Funding | - | 48,749 | - | 48,749 |
| Strategic Capacity Funding (SCF) – Director of Change and Renewal | - | 46,920 | - | 46,920 |
| Strategic Ministry Funding (SMF) | - | 49,948 | - | 49,948 |
| Transition Funding | - | - | - | - |
| NZ Carbon Capacity Building Starter grant | - | 46,423 | - | 46,423 |
| PCR2 | - | - | - | - |
| Diocesan Investment Programme grant | - | 66,242 | - | 66,242 |
| FLOURISH | - | 10,262 | - | 10,262 |
| Buildings for Mission grant - CBSO | - | 37,185 | - | 37,185 |
| Buildings for Mission grant – MR & I | - | 41,343 | - | 41,343 |
| Net Zero Quick Wins grant | - | 6,735 | - | 6,735 |
| | | | | |
| | 997,536 | 614,098 | - | 1,611,634 |

Other donations

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ |
|--|----------------------------|--------------------------|-----------------|-----------|
| Benefact Trust (previously AllChurches Trust) | 78,260 | - | - | 78,260 |
| Boiler upgrade Scheme (BUS) | - | 45,000 | - | 45,000 |
| Contribution towards church schools: Department for Education | - | 49,262 | - | 49,262 |
| Donations from individuals | 2,284 | 3,302 | - | 5,586 |
| Other contributions | 25,533 | - | - | 25,533 |
| Feed in Tariff (FiT) | 356 | - | - | 356 |
| | | | | |
| | 106,433 | 97,564 | - | 203,997 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

3. Donations (continued)

Comparative analysis for 2023

Parish contributions

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
|--|----------------------------|--------------------------|-----------------|-----------|
| Current year call - asked of deaneries | 3,636,915 | - | - | 3,636,915 |
| Use of LICF, SDF and Mission Funding | (377,974) | - | - | (377,974) |
| Use of TDBF reserves | (102,450) | - | - | (102,450) |
| Current year call | 3,156,491 | - | - | 3,156,491 |
| Shortfall in contributions | (338,168) | - | - | (338,168) |
| Receipts for previous year | 2,818,323 | - | - | 2,818,323 |
| | 45,338 | - | - | 45,338 |
| | 2,863,661 | - | - | 2,863,661 |

Archbishops' Council

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
|---|----------------------------|--------------------------|-----------------|-----------|
| Lowest Income Communities Fund (LICF) | 916,315 | - | - | 916,315 |
| Contribution to registrar's retainer | 47,098 | - | - | 47,098 |
| Strategic Development Funding (SDF) – Falmouth | - | 162,917 | - | 162,917 |
| Strategic Development Funding (SDF) – Phase 2 | - | 219,188 | - | 219,188 |
| Resourcing Ministry Fund (RMF) | - | 41,135 | - | 41,135 |
| Generous Giving Funding | - | 45,800 | - | 45,800 |
| Strategic Capacity Funding (SCF) – Director of Change and Renewal | - | 45,600 | - | 45,600 |
| Strategic Ministry Funding (SMF) | - | 121,629 | - | 121,629 |
| Transition Funding | - | 47,937 | - | 47,937 |
| Archbishops mission grant | - | (5,191) | - | (5,191) |
| NZ Carbon Capacity Building Starter grant | - | 15,000 | - | 15,000 |
| PCR2 | - | 14,288 | - | 14,288 |
| Diocesan Investment Programme grant | - | 32,364 | - | 32,364 |
| FLOURISH | - | - | - | - |
| Buildings for Mission grant - CBSO | - | - | - | - |
| Buildings for Mission grant – MR & I | - | - | - | - |
| Net Zero Quick Wins grant | - | - | - | - |
| | 963,413 | 740,667 | - | 1,704,080 |

Other donations

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
|--|----------------------------|--------------------------|-----------------|-----------|
| Benefact Trust (previously AllChurches Trust) | 91,000 | - | - | 91,000 |
| Boiler upgrade Scheme (BUS) | - | 10,000 | - | 10,000 |
| Contribution towards church schools: Department for Education | - | 48,557 | - | 48,557 |
| Donations from individuals | 7,918 | 3,240 | - | 11,158 |
| Other contributions | 6,560 | - | - | 6,560 |
| Feed in Tariff (FIT) | - | - | - | - |
| | 105,478 | 61,797 | - | 167,275 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

4. Other activities

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ |
|-----------------------------|-------------------------|-----------------------|-----------------|-----------|
| Rents from Parsonage houses | - | 218,586 | - | 218,586 |
| Recoverable costs | - | 26,281 | - | 26,281 |
| | - | 244,867 | - | 244,867 |

Comparative analysis for 2023

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
|-----------------------------|-------------------------|-----------------------|-----------------|-----------|
| Rents from Parsonage houses | - | 154,261 | - | 154,261 |
| Recoverable costs | - | 29,014 | - | 29,014 |
| | - | 183,275 | - | 183,275 |

5. Investment income

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ |
|------------------------|-------------------------|-----------------------|-----------------|-----------|
| Dividends and interest | 654,849 | 16,004 | 649,635 | 1,320,488 |
| Rents: | | | | |
| Board properties | 98,409 | - | - | 98,409 |
| Glebe estate | - | - | 389,581 | 389,581 |
| Redundant schools | - | 36,446 | - | 36,446 |
| | 753,258 | 52,450 | 1,039,216 | 1,844,924 |

Comparative analysis for 2023

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
|------------------------|-------------------------|-----------------------|-----------------|-----------|
| Dividends and interest | 499,580 | 33,953 | 589,243 | 1,122,776 |
| Rents: | | | | |
| Board properties | 109,452 | - | - | 109,452 |
| Glebe estate | - | - | 381,143 | 381,143 |
| Redundant schools | - | 36,446 | - | 36,446 |
| | 609,032 | 70,399 | 970,386 | 1,649,817 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

6. Other incoming resources

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ |
|---|----------------------------|--------------------------|-----------------|---------------|
| Realised gains on disposal of assets for the TDBF's own use | - | - | 46,093 | 46,093 |
| | | | | |

Comparative analysis for 2023

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
|---|----------------------------|--------------------------|-----------------|----------------|
| Realised gains on disposal of assets for the TDBF's own use | 28,451 | - | 214,527 | 242,978 |
| | | | | |

7. Fund raising costs

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ |
|-----------------------|----------------------------|--------------------------|-----------------|----------------|
| Glebe: Outgoings | - | - | 179,926 | 179,926 |
| Management charges | - | - | 55,152 | 55,152 |
| Central support costs | 159,253 | - | - | 159,253 |
| | | | | |
| | 159,253 | - | 235,078 | 394,331 |
| | | | | |

Comparative analysis for 2023

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
|-----------------------|----------------------------|--------------------------|-----------------|----------------|
| Glebe: Outgoings | - | - | 115,560 | 115,560 |
| Management charges | - | - | 55,631 | 55,631 |
| Central support costs | 158,332 | - | - | 158,332 |
| | | | | |
| | 158,332 | - | 171,191 | 329,523 |
| | | | | |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

8. Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ |
|--|----------------------------|--------------------------|-----------------|------------------|
| Contributions to Archbishops' Council | | | | |
| Training for Ministry | 158,284 | - | - | 158,284 |
| National Church responsibilities | 94,500 | - | - | 94,500 |
| Grants and provisions | 16,280 | - | - | 16,280 |
| Mission Agency pension contributions | - | - | - | - |
| Retired clergy housing costs (CHARM) | 65,840 | - | - | 65,840 |
| | <hr/> 334,904 | <hr/> - | <hr/> - | <hr/> 334,904 |
| Resourcing Ministry | | | | |
| Parish ministry: | | | | |
| Stipends and national insurance | 1,899,694 | 49,948 | - | 1,949,642 |
| Pension contributions | 370,919 | - | - | 370,919 |
| Clergy salary | 46,078 | - | - | 46,078 |
| Clergy settlements | 134,252 | - | - | 134,252 |
| Home/parish mileage | 9,205 | - | - | 9,205 |
| Sundry clergy related costs | 30,192 | - | - | 30,192 |
| Housing costs | 4,011,079 | 45,000 | - | 4,056,079 |
| Property management charges | 194,050 | - | - | 194,050 |
| Resettlement and associated costs | 168,453 | - | - | 168,453 |
| Other payments (including training) | 303,357 | - | - | 303,357 |
| Central support costs | 223,253 | - | - | 223,253 |
| | <hr/> 7,390,532 | <hr/> 94,948 | <hr/> - | <hr/> 7,485,480 |
| Support for ministry and mission | | | | |
| Mission Fund grants | 678,763 | - | - | 678,763 |
| Diocesan support for ordinands in training | 133,147 | 4,092 | - | 137,239 |
| Training and development | 47,904 | - | - | 47,904 |
| DMPC functions | 117,509 | - | - | 117,509 |
| Specialist ministries | 38,746 | 5,494 | - | 44,240 |
| Safeguarding | 211,432 | - | - | 211,432 |
| Diocesan Advisory Committee | 38,834 | - | - | 38,834 |
| Chancellor's and Registrar's retainers | 60,383 | - | - | 60,383 |
| Faculty fees | 14,525 | - | - | 14,525 |
| Communications | 72,998 | - | - | 72,998 |
| Closed church expenditure | - | 24,657 | - | 24,657 |
| General Synod members' expenses | 7,653 | - | - | 7,653 |
| Central support costs | 510,505 | - | - | 510,505 |
| Lay staff cost of living payments | - | - | - | - |
| Generous Giving Advisors | - | 48,749 | - | 48,749 |
| Next Steps On the Way | 105,050 | 113,162 | - | 218,212 |
| Bad debt provision | - | - | - | - |
| Transforming Mission (TM) – Falmouth | 25,954 | 27,388 | - | 53,342 |
| Transforming Mission (TM) – Phase 2 | 136,545 | 232,191 | - | 368,736 |
| Children and young people incl FLOURISH | 2,671 | 10,262 | - | 12,933 |
| Net Zero building work | 35,486 | 138,150 | - | 173,636 |
| | <hr/> 2,238,105 | <hr/> 604,145 | <hr/> - | <hr/> 2,842,250 |
| Expenditure on Education | | | | |
| Support for church schools and parishes | 98,087 | 258,660 | - | 356,747 |
| | <hr/> 10,061,628 | <hr/> 957,753 | <hr/> - | <hr/> 11,019,381 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

8. Charitable activities (continued)

Comparative analysis for 2023

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
|--|----------------------------|--------------------------|-----------------|-----------|
| Contributions to Archbishops' Council | | | | |
| Training for Ministry | 157,529 | - | - | 157,529 |
| National Church responsibilities | 92,113 | - | - | 96,483 |
| Grants and provisions | 16,222 | - | - | 13,293 |
| Mission Agency pension contributions | 5,043 | - | - | 6,579 |
| Retired clergy housing costs (CHARM) | 62,399 | - | - | 59,422 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 333,306 | - | - | 333,306 |
| Resourcing Ministry | | | | |
| Parish ministry: | | | | |
| Stipends and national insurance | 1,874,952 | 121,629 | - | 1,996,581 |
| Pension contributions | 458,280 | - | - | 458,280 |
| Clergy salary | 38,984 | - | - | 38,984 |
| Clergy settlements | 63,900 | - | - | 63,900 |
| Home/parish mileage | 10,665 | - | - | 10,665 |
| Sundry clergy related costs | 36,398 | - | - | 36,398 |
| Housing costs | 1,776,987 | 263,165 | - | 2,040,152 |
| Property management charges | 153,294 | - | - | 153,294 |
| Resettlement and associated costs | 82,947 | - | - | 82,947 |
| Other payments (including training) | 298,336 | - | - | 298,336 |
| Central support costs | 219,546 | - | - | 219,546 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 5,014,289 | 384,794 | - | 5,399,083 |
| Support for ministry and mission | | | | |
| Mission Fund grants | 669,234 | - | - | 669,234 |
| Diocesan support for ordinands in training | 101,392 | 65,411 | - | 166,803 |
| Training and development | 48,598 | - | - | 48,598 |
| DMPC functions | 145,481 | - | - | 145,481 |
| Specialist ministries | 39,578 | 20,767 | - | 60,345 |
| Safeguarding | 141,284 | 14,288 | - | 155,572 |
| Diocesan Advisory Committee | 36,918 | - | - | 36,918 |
| Chancellor's and Registrar's retainers | 49,443 | - | - | 49,443 |
| Faculty fees | 14,970 | - | - | 14,970 |
| Communications | 66,408 | - | - | 66,408 |
| Closed church expenditure | - | 31,938 | - | 31,938 |
| General Synod members' expenses | 6,208 | - | - | 6,208 |
| Central support costs | 500,304 | - | - | 500,304 |
| Lay staff cost of living payments | 1,765 | - | - | 1,765 |
| Generous Giving Advisors | - | 45,800 | - | 45,800 |
| Next Steps On the Way | 50,221 | 125,901 | - | 176,122 |
| Bad debt provision | (20,000) | - | - | (20,000) |
| Transforming Mission (TM) – Falmouth | (20,331) | 170,243 | - | 149,912 |
| Transforming Mission (TM) – Phase 2 | 145,901 | 218,851 | - | 364,752 |
| Children and young people incl FLOURISH | - | - | - | - |
| Net Zero building work | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,947,374 | 693,199 | - | 2,640,573 |
| Expenditure on Education | | | | |
| Support for church schools and parishes | 57,208 | 377,887 | - | 435,095 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 7,352,177 | 1,455,880 | - | 8,808,057 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

9. Analysis of expenditure including allocation of support costs

| | Activities undertaken directly £ | Grant funding of activities £ | Support costs £ | Total costs 2024 £ |
|---------------------------------------|---|--|-----------------------|-----------------------------|
| Raising funds | 235,078 | - | 159,253 | 394,331 |
| Charitable activities: | | | | |
| Contributions to Archbishops' Council | - | 334,904 | - | 334,904 |
| Resourcing parish ministry | 7,134,928 | 127,299 | 223,253 | 7,485,480 |
| Support for ministry and mission | 1,594,737 | 737,008 | 510,505 | 2,842,250 |
| Education | 356,747 | - | - | 356,747 |
| | <u>9,321,490</u> | <u>1,199,211</u> | <u>893,011</u> | <u>11,413,712</u> |

Comparative analysis for 2023

| | Activities undertaken directly £ | Grant funding of activities £ | Support costs £ | Total costs 2023 £ |
|---------------------------------------|---|--|-----------------------|-----------------------------|
| Raising funds | 171,191 | - | 158,332 | 329,523 |
| Charitable activities: | | | | |
| Contributions to Archbishops' Council | - | 333,306 | - | 333,306 |
| Resourcing parish ministry | 5,104,322 | 75,215 | 219,546 | 5,399,083 |
| Support for ministry and mission | 1,496,735 | 643,534 | 500,304 | 2,640,573 |
| Education | 435,095 | - | - | 435,095 |
| | <u>7,207,343</u> | <u>1,052,055</u> | <u>878,182</u> | <u>9,137,580</u> |

10. Analysis of support costs

| | Unrestricted Funds General £ | Designated £ | Restricted Funds £ | Endowment Funds £ | Total 2024 £ |
|--------------------------|------------------------------------|-----------------|--------------------------|-------------------------|--------------------|
| Central administration | 868,491 | - | - | - | 868,491 |
| Governance: | | | | | |
| External audit | 24,520 | - | - | - | 24,520 |
| Registrar and Chancellor | 60,383 | - | - | - | 60,383 |
| Synodical costs | 7,653 | - | - | - | 7,653 |
| | <u>961,047</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>961,047</u> |

Comparative analysis for 2023

| | Unrestricted Funds General £ | Designated £ | Restricted Funds £ | Endowment Funds £ | Total 2023 £ |
|--------------------------|------------------------------------|-----------------|--------------------------|-------------------------|--------------------|
| Central administration | 852,382 | - | - | - | 852,382 |
| Governance: | | | | | |
| External audit | 25,800 | - | - | - | 25,800 |
| Registrar and Chancellor | 49,443 | - | - | - | 49,443 |
| Synodical costs | 6,208 | - | - | - | 6,208 |
| | <u>933,833</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>933,833</u> |

The Registrar, Chancellor and Synodical costs are not included in the support costs in note 9.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

11. Analysis of grants made

| | Number | Individuals £ | Institutions £ | 2024 £ | 2023 £ |
|--|--------|------------------|-------------------|------------------|------------------|
| From unrestricted funds for National Church responsibilities: | | | | | |
| Contributions to Archbishops' Council | 4 | - | 334,904 | 334,904 | 333,306 |
| From unrestricted funds: | | | | | |
| Resettlement and first incumbency grants | 30 | 85,258 | - | 85,258 | 42,610 |
| Doing Church Differently grants | - | - | - | - | - |
| Ordinands in training | 5 | 38,428 | - | 38,428 | 22,298 |
| Clergy for training | 14 | 3,510 | - | 3,510 | 4,607 |
| Mission initiatives in parishes | 32 | 103 | 678,660 | 678,763 | 633,534 |
| Clergy hardship grants | - | - | - | - | 5,700 |
| | 81 | 127,299 | 678,660 | 805,959 | 708,749 |
| From restricted funds for various purposes: | | | | | |
| Mission initiatives in parishes | 24 | - | 54,348 | 54,348 | - |
| Overseas mission work | 1 | - | 4,000 | 4,000 | 10,000 |
| Clergy hardship grants | - | - | - | - | - |
| | 25 | - | 58,348 | 58,348 | 10,000 |
| | 110 | 127,299 | 1,071,912 | 1,199,211 | 1,052,055 |
| Comparative analysis for 2023 | | | | | |
| | Number | Individuals £ | Institutions £ | 2023 £ | 2022 £ |
| From unrestricted funds for National Church responsibilities: | | | | | |
| Contributions to Archbishops' Council | 5 | - | 333,306 | 333,306 | 333,306 |
| From unrestricted funds: | | | | | |
| Resettlement and first incumbency grants | 16 | 42,610 | - | 42,610 | 45,886 |
| Doing Church Differently grants | - | - | - | - | 7,562 |
| Ordinands in training | 3 | 22,298 | - | 22,298 | 19,438 |
| Clergy for training | 14 | 4,607 | - | 4,607 | 5,069 |
| Mission initiatives in parishes | 102 | - | 633,534 | 633,534 | 203,874 |
| Clergy hardship grants | 7 | 5,700 | - | 5,700 | 6,650 |
| | 142 | 75,215 | 633,534 | 708,749 | 288,479 |
| From restricted funds for various purposes: | | | | | |
| Mission initiatives in parishes | - | - | - | - | 295,973 |
| Overseas mission work | 2 | - | 10,000 | 10,000 | 18,000 |
| Clergy hardship grants | - | - | - | - | 34,510 |
| | 2 | - | 10,000 | 10,000 | 348,123 |
| | 149 | 75,215 | 976,840 | 1,052,055 | 969,908 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

12. Transfer between funds

| | Unrestricted funds £ | Restricted funds £ | Endowments £ |
|--|----------------------------|--------------------------|--------------------|
| Property repairs | 3,965,322 | (3,965,322) | - |
| Payments to acquire property | - | (170,678) | 170,678 |
| Receipts from sale of property | - | 432,698 | (432,698) |
| Total Return spend | 1,949,641 | - | (1,949,641) |
| Transfer Parsonages to Board properties | - | - | - |
| Transfer Board properties to Parsonages | - | (610,101) | 610,101 |
| | <u>5,914,963</u> | <u>(4,313,403)</u> | <u>(1,601,560)</u> |

Comparative analysis for 2023

| | Unrestricted funds £ | Restricted funds £ | Endowments £ |
|--|----------------------------|--------------------------|--------------------|
| Property repairs | 1,638,626 | (1,638,626) | - |
| Payments to acquire property | - | (45,537) | 45,537 |
| Receipts from sale of property | - | 2,819,472 | (2,819,472) |
| Total Return spend | 799,194 | - | (799,194) |
| Transfer Parsonages to Board properties | 1,343,000 | - | (1,343,000) |
| Transfer Board properties to Parsonages | - | - | - |
| | <u>3,780,820</u> | <u>1,135,309</u> | <u>(4,916,129)</u> |

13. Other gains and losses on revaluation

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2024 £ |
|--------------------------------------|----------------------------|--------------------------|------------------|------------------|
| Revaluation of land and buildings | 503,420 | - | 1,932,352 | <u>2,435,772</u> |
| | <u>503,420</u> | <u>-</u> | <u>1,932,352</u> | |
| Comparative analysis for 2023 | | | | |
| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
| Revaluation of land and buildings | (193,397) | - | 2,345,552 | <u>2,152,155</u> |
| | <u>(193,397)</u> | <u>-</u> | <u>2,345,552</u> | |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

14. Net movement in funds

| | 2024 £ | 2023 £ |
|---|---------------|---------------|
| This is stated after charging: | | |
| Staff costs (note 15) | 1,658,334 | 1,598,307 |
| Auditor's remuneration - audit fee (excluding VAT) | 20,433 | 21,500 |
| - other services | 1,500 | 2,050 |
| Realised losses on disposals of tangible fixed assets | - | - |
| Operating leases - land and buildings | 60,752 | 60,992 |
| - other | 3,305 | 885 |
| Depreciation of tangible fixed assets | 26,421 | 10,705 |
| | <u>26,421</u> | <u>10,705</u> |

| | 2024 £ | 2023 £ |
|--|----------------|----------------|
| This is stated after crediting: | | |
| Realised gains on disposals of tangible fixed assets | 46,093 | 242,978 |
| Realised gains on disposals of investment fixed assets | 348,167 | 115,062 |
| | <u>348,167</u> | <u>115,062</u> |

15. Staff costs

Employee costs during the year were as follows:

| | 2024 £ | 2023 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,479,732 | 1,306,831 |
| Social security costs | 135,567 | 119,818 |
| Pension contributions | 43,035 | 171,658 |
| | <u>1,658,334</u> | <u>1,598,307</u> |

The TDBF took a pension holiday from 1 April 2024, amounting to £134,200 (2023 £0).

The average number of persons employed during the year:

| | 2024 | 2023 |
|---|-----------|-----------|
| Administration and financial management | 17 | 17 |
| Communications | 1 | 1 |
| Discipleship & Ministry, Stewardship | 16 | 12 |
| Safeguarding & inclusion | 4 | 3 |
| Education | 2 | 2 |
| Transforming Mission | 6 | 8 |
| Change & Renewal | 6 | 5 |
| | <u>52</u> | <u>48</u> |

The average number of persons employed during the year based on full time equivalents:

| | 2024 | 2023 |
|---|-------------|-------------|
| Administration and financial management | 15.2 | 14.6 |
| Communications | 0.9 | 1.2 |
| Discipleship & Ministry, Stewardship | 11.4 | 8.3 |
| Safeguarding & inclusion | 3.3 | 2.0 |
| Education | 1.8 | 2.3 |
| Transforming Mission | 3.9 | 4.7 |
| Change & Renewal | 4.1 | 3.7 |
| | <u>40.6</u> | <u>36.8</u> |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

15. Staff costs (continued)

Remuneration of higher paid employees were as follows:

| | 2024 £ | 2023 £ |
|-------------------|-----------|-----------|
| £60,001 - £70,000 | 2 | 1 |

Remuneration of key management personnel

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

| | |
|--|-------------|
| Diocesan Secretary and Company Secretary | Simon Cade |
| Director of Education | Lee Moscato |
| Director of Finance and Assets | Sophie Eddy |

For these 3 (2023: 3) employees remuneration and pensions amounted to £259,308 (2023: £242,567). Expenses were £6,242 (2023: £1,839).

Related party transaction

The son of a previous member of the key management personnel worked for the TDBF and earned £0 (2023: £1,850). The spouse of a trustee worked for the TDBF and earned £9,601 during the year (2023: £3,750).

Trustees' emoluments

No trustee received any remuneration for services as trustee. 12 trustees (2023: 7) received travelling and out of pocket expenses, totalling £12,224 (2023: £16,153) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as trustees.

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

| | Stipend | Housing |
|--------------------------------|---------|---------|
| The Rt. Revd. H Nelson | No | Yes |
| The Ven. K A Betteridge | Yes | Yes |
| The Ven. C D Hogger | Yes | Yes |
| The Revd. C C McQuillen-Wright | Yes | Yes |
| The Revd. T Folland | Yes | Yes |
| The Revd. P R Holley | Yes | Yes |
| The Revd. E M A Burke | Yes | Yes |

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

The TDBF paid an average of 60 (2023: 66) stipendiary clergy (including 2 Archdeacons) as office holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

| | 2024 £ | 2023 £ |
|----------------------------------|------------------|------------------|
| Stipends | 1,783,922 | 1,861,983 |
| National insurance contributions | 161,335 | 152,455 |
| Pension costs | 385,691 | 482,435 |
| Apprenticeship Levy | 8,274 | 8,472 |
| | 2,339,222 | 2,505,345 |

The stipends of the Diocesan Bishop and Suffragan Bishops were paid and funded by the Church Commissioners and are in the range £43,425 - £55,831 (2023 range £40,967 - £52,671). The annual rate of stipend, funded by the TDBF, paid to Archdeacons in 2024 was in the range £38,649 - £41,792 (2023 range £36,461 - £38,649) and other clergy who were Trustees were paid in the range £28,672 - £31,372 (2023 range £27,049 - £29,303).

The TDBF paid clergy settlements amounting to £134,252 (2023: £63,900).

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

16. Taxation

The TDBF is a registered charity and is not liable to UK corporation tax.

17. Tangible fixed assets

17.1 Freehold land and buildings

| | Board property £ | Parsonage houses £ | Total £ |
|----------------------------|------------------------|--------------------------|-------------------|
| <i>At valuation</i> | | | |
| At 1 January 2024 | 13,972,002 | 47,117,618 | 61,089,620 |
| Additions | 1,379,263 | 170,678 | 1,549,941 |
| Disposals | - | (386,605) | (386,605) |
| Revaluation adjustment | 503,420 | 1,932,352 | 2,435,772 |
| Transfer | (610,101) | 610,101 | - |
| | | | |
| At 31 December 2024 | 15,244,584 | 49,444,144 | 64,688,728 |

All of the properties in the balance sheet are freehold and are vested in the TDBF, except for benefice houses (parsonages) which are vested in the incumbent but still included as TDBF assets in accordance with the accounting policies. Land and buildings at 31 December 2024 are included at valuation. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

The corresponding historical cost figures are:

| | Board property £ | Parsonage houses £ | Total £ |
|----------------------------|------------------------|--------------------------|-------------------|
| <i>At cost</i> | | | |
| At 1 January 2024 | 9,235,001 | 12,448,403 | 21,683,404 |
| Additions | 1,379,263 | 170,678 | 1,549,941 |
| Disposals | - | (355,824) | (355,824) |
| Transfer | (610,101) | 610,101 | - |
| | | | |
| At 31 December 2024 | 10,004,163 | 12,873,358 | 22,877,521 |

17.2 Leasehold premises

| | £ |
|----------------------------|---------------|
| <i>At cost</i> | |
| At 1 January 2024 | 39,609 |
| Additions | 80,413 |
| Disposals | (28,218) |
| | |
| At 31 December 2024 | 91,804 |
| <i>Depreciation</i> | |
| At 1 January 2024 | 29,786 |
| Disposals | (28,218) |
| Charge for year | 19,071 |
| | |
| At 31 December 2024 | 20,639 |
| <i>Net book value</i> | |
| At 31 December 2024 | 71,165 |
| | |
| At 31 December 2023 | 9,823 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

17. Tangible fixed assets (continued)

17.3 Office equipment

| | £ |
|----------------------------|----------------|
| <i>At cost</i> | |
| At 1 January 2024 | 98,057 |
| Additions | 29,980 |
| | <hr/> |
| At 31 December 2024 | 128,037 |
| | <hr/> |
| <i>Depreciation</i> | |
| At 1 January 2024 | 96,334 |
| Charge for year | 7,350 |
| | <hr/> |
| At 31 December 2024 | 103,684 |
| | <hr/> |
| <i>Net book value</i> | |
| At 31 December 2024 | 24,353 |
| | <hr/> |
| At 31 December 2023 | 1,723 |
| | <hr/> |

17.4 Total tangible fixed assets

| | 2024 £ | 2023 £ |
|-----------------------------|-------------------|-------------------|
| <i>Net book value</i> | | |
| Freehold land and buildings | 64,688,728 | 61,089,620 |
| Leasehold premises | 71,165 | 9,823 |
| Office equipment | 24,353 | 1,723 |
| | <hr/> | <hr/> |
| | 64,784,246 | 61,101,166 |
| | <hr/> | <hr/> |

18. Fixed asset investments

| | Freehold investment property (Glebe and other) £ | Listed investments £ | Unlisted investments £ | Total £ |
|----------------------------|---|----------------------------|------------------------------|-------------------|
| <i>At valuation</i> | | | | |
| At 1 January 2024 | 20,390,000 | 11,085,101 | 20,460,622 | 51,935,723 |
| Additions | 26,319 | 6,671,467 | - | 6,697,786 |
| Disposals | - | (6,383,427) | (943,973) | (7,327,400) |
| Revaluation adjustment | 858,681 | 58,405 | 740,244 | 1,657,330 |
| Transfer | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2024 | 21,275,000 | 11,431,546 | 20,256,893 | 52,963,439 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Glebe property was professionally valued as at 31 December 2020 by Savills (UK) Limited, on a Fair Value – International Valuation Standards basis. Glebe property was vested in the TDBF in 1978 under the Endowments and Glebe Measure 1978. Further advice is considered in the intervening period and the valuation adjusted by the trustees accordingly.

Listed investments substantially comprise shares in funds managed by Sarasin and Cazenove. Unlisted investments comprise shares in funds managed by The CBF Church of England Funds.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

19. Debtors

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| <i>Amounts falling due within one year</i> | | |
| Trade debtors | 53,789 | 26,018 |
| Concessionary loans to parishes and others | 115,000 | 113,500 |
| Other debtors including prepayments and accrued income | 491,647 | 479,957 |
| | <hr/> | <hr/> |
| | 660,436 | 619,475 |
| <i>Amounts falling due after more than one year</i> | | |
| Concessionary loans to parishes and others | 57,500 | 40,000 |
| | <hr/> | <hr/> |
| | 717,936 | 659,475 |
| | <hr/> | <hr/> |

Concessionary interest free loans are made to parishes with no security. At the year-end there were amounts committed to but not drawn of £50,000 (2023: £110,000). The repayment terms of the loans range from 9 months to 6 years.

20. Cash at bank and in hand

| | 2024 £ | 2023 £ |
|---|-----------|-----------|
| The CBF Church of England Deposit Fund | 2,539,809 | 5,902,282 |
| COIF Charities Deposit Fund | 387,539 | 361,197 |
| Barclays Bank PLC | 2,884 | 31,039 |
| National Westminster Bank PLC | 607,388 | 1,528,025 |
| Savills Client Account | 84,553 | 284,816 |
| Cash in hand | 19 | 25 |
| | <hr/> | <hr/> |
| | 3,622,192 | 8,107,384 |
| Less: attributable to local trust funds | (812,600) | (826,359) |
| | <hr/> | <hr/> |
| | 2,809,592 | 7,281,025 |
| | <hr/> | <hr/> |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

21. Creditors: amounts falling due within one year

| | 2024 £ | 2023 £ |
|--|------------------|------------------|
| Trade creditors | 363,611 | 572,030 |
| Other creditors (including taxation and social security) | 221,011 | 67,936 |
| Accruals and deferred income (note 22) | 640,698 | 414,398 |
| | <u>1,225,320</u> | <u>1,054,364</u> |

22. Deferred income

| | 2024 £ | 2023 £ |
|--|----------------|----------------|
| Deferred income is included within: | | |
| Creditors due within one year | 293,598 | 206,460 |
| Deferred income as at 1 January 2024 | 206,460 | 253,281 |
| Released from previous years | (116,448) | (170,203) |
| Resources deferred in the year | 203,586 | 123,382 |
| Deferred income as at 31 December 2024 | <u>293,598</u> | <u>206,460</u> |

Included within deferred income of £293,598 (2023: £206,460) are the following balances: £72,977 (2023: £62,392) in respect of glebe deferred income, £88,798 (2023: £89,000) in respect of glebe service charges, £69,653 (2023: £16,172) received in advance of entitlement and £42,723 (2023: £23,143) received on behalf of schools.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

23. Funds employed

23.1 Summary of fund movements

At 31 December 2024:

| | Balance brought forward £ | Incoming resources £ | Resources expended £ | Gains and losses £ | Transfers £ | Balance carried forward £ |
|---|------------------------------------|----------------------------|----------------------------|--------------------------|--------------------|------------------------------------|
| Unrestricted funds | | | | | | |
| General Fund | 2,553,453 | 5,005,023 | (9,616,189) | 35,483 | 3,196,160 | 1,173,930 |
| <i>Designated funds:</i> | | | | | | |
| Board Houses Fund | 13,972,002 | - | - | 503,420 | 769,162 | 15,244,584 |
| Church House Fund | 341,959 | - | (69,186) | - | - | 272,773 |
| TM - Falmouth | 127,605 | - | (25,954) | - | - | 101,651 |
| TM – Phase 2 | 535,330 | - | (136,545) | - | - | 398,785 |
| Net Zero 2030 | - | - | - | - | - | - |
| Energy grants | - | - | - | - | - | - |
| Clergy hardship fund | - | - | - | - | - | - |
| Lay staff cost of living payments | - | - | - | - | - | - |
| Mission grants | 227,203 | - | (161,135) | - | 1,359,811 | 1,425,879 |
| Clergy Settlements | - | - | (134,252) | - | 134,252 | - |
| Next Steps on the Way | 250,000 | - | (74,949) | - | 167,215 | 342,266 |
| Children, young people and families | - | - | (2,671) | - | 288,363 | 285,692 |
| | <u>18,007,552</u> | <u>5,005,023</u> | <u>(10,220,881)</u> | <u>538,903</u> | <u>5,914,963</u> | <u>19,245,560</u> |
| Restricted funds | | | | | | |
| Pastoral Account | 11,998,009 | 244,867 | (24,657) | 513,619 | (4,313,403) | 8,418,435 |
| Diocesan Council for Mission & Unity | 32,807 | 3,302 | (5,494) | - | - | 30,615 |
| Education Trusts | 664,060 | 101,712 | (258,660) | 13,196 | - | 520,308 |
| Resourcing Ministry Fund (RMF) | (1,164) | 7,260 | (4,092) | - | - | 2,004 |
| SDF – TM Falmouth | 15,858 | 37,210 | (27,388) | - | - | 25,680 |
| SDF – Phase 2 | (133) | 215,821 | (232,191) | - | - | (16,503) |
| Strategic Ministry Fund | - | 49,948 | (49,948) | - | - | - |
| Generous Giving Fund | - | 48,749 | (48,749) | - | - | - |
| Transition Funding | - | - | - | - | - | - |
| SCF–Dir Change & Renewal | - | 46,920 | (46,920) | - | - | - |
| Archbishop mission grant | - | - | - | - | - | - |
| Bishop Phillpotts Library | 11,811 | - | - | - | - | 11,811 |
| Bishop Phillpotts Prize Fund | 6,476 | - | - | 35 | - | 6,511 |
| NZ Carbon Capacity Building Starter grant | 6,464 | 46,423 | (52,887) | - | - | - |
| Boiler Upgrade Scheme | - | 45,000 | (45,000) | - | - | - |
| Past Case Review 2 (PCR2) | - | - | - | - | - | - |
| Diocesan Investment | - | 66,242 | (66,242) | - | - | - |
| Programme (DIP) grant | - | - | - | - | - | - |
| FLOURISH | - | 10,262 | (10,262) | - | - | - |
| Buildings for Mission – CBSO | - | 37,185 | (37,185) | - | - | - |
| Buildings for Mission – MR & I | - | 41,343 | (41,343) | - | - | - |
| Net Zero Quick Wins grant | - | 6,735 | (6,735) | - | - | - |
| | <u>12,734,188</u> | <u>1,008,979</u> | <u>(957,753)</u> | <u>526,850</u> | <u>(4,313,403)</u> | <u>8,998,861</u> |
| Expendable endowment | | | | | | |
| Parsonage Houses Fund | 47,117,618 | 46,093 | - | 1,932,352 | 348,081 | 49,444,144 |
| Permanent endowment | | | | | | |
| Stipends Fund Capital Account | 42,063,667 | 1,039,216 | (235,078) | 1,443,164 | (1,949,641) | 42,361,328 |
| Total endowments | <u>89,181,285</u> | <u>1,085,309</u> | <u>(235,078)</u> | <u>3,375,516</u> | <u>(1,601,560)</u> | <u>91,805,472</u> |
| Total | <u>119,923,025</u> | <u>7,099,311</u> | <u>(11,413,712)</u> | <u>4,441,269</u> | <u>-</u> | <u>120,049,893</u> |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

23. Funds employed (continued)

23.2 Prior year comparative summary of fund movements

At 31 December 2023:

| | Balance brought forward £ | Incoming resources £ | Resources expended £ | Gains and losses £ | Transfers £ | Balance carried forward £ |
|---|------------------------------------|----------------------------|----------------------------|--------------------------|----------------|------------------------------------|
| Unrestricted funds | | | | | | |
| General Fund | 1,544,244 | 4,790,477 | (6,855,091) | 21,496 | 3,052,327 | 2,553,453 |
| <i>Designated funds:</i> | | | | | | |
| Board Houses Fund | 14,207,650 | - | 28,450 | (193,397) | (70,701) | 13,972,002 |
| Church House Fund | 435,631 | - | (93,672) | - | - | 341,959 |
| TM – Falmouth | 87,274 | - | 20,331 | - | 20,000 | 127,605 |
| TM – Phase 2 | 275,889 | - | (145,901) | - | 405,342 | 535,330 |
| Net Zero 2030 | 350,000 | - | - | - | (350,000) | - |
| Energy grants | 90,000 | - | (84,658) | - | (5,342) | - |
| Clergy hardship fund | - | - | (5,700) | - | 5,700 | - |
| Lay staff cost of living payments | - | - | (1,765) | - | 1,765 | - |
| Mission grants | 127,977 | - | (258,382) | - | 357,608 | 227,203 |
| Clergy Settlements | - | - | (63,900) | - | 63,900 | - |
| Next Steps on the Way | - | - | (50,221) | - | 300,221 | 250,000 |
| Children, young people and families | - | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 17,118,665 | 4,790,477 | (7,510,509) | (171,901) | 3,780,820 | 18,007,552 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Restricted funds | | | | | | |
| Pastoral Account | 9,909,726 | 183,275 | (285,103) | 1,054,802 | 1,135,309 | 11,998,009 |
| Diocesan Council for Mission & Unity | 39,611 | 3,240 | (10,044) | - | - | 32,807 |
| Education Trusts | 862,134 | 118,956 | (377,887) | 60,857 | - | 664,060 |
| Resourcing Ministry Fund (RMF) | 23,111 | 41,135 | (65,410) | - | - | (1,164) |
| SDF- TM Falmouth | 23,184 | 162,917 | (170,243) | - | - | 15,858 |
| SDF – Phase 2 | (470) | 219,188 | (218,851) | - | - | (133) |
| Strategic Ministry Fund | - | 121,629 | (121,629) | - | - | - |
| Generous Giving Fund | - | 45,800 | (45,800) | - | - | - |
| Transition Funding | - | 47,937 | (47,937) | - | - | - |
| SCF–Dir Change & Renewal | - | 45,600 | (45,600) | - | - | - |
| Archbishop mission grant | 6,889 | (5,191) | (1,698) | - | - | - |
| Bishop Phillpotts Library | 12,301 | - | (490) | - | - | 11,811 |
| Bishop Phillpotts Prize Fund | 6,454 | - | - | 22 | - | 6,476 |
| NZ Carbon Capacity Building Starter grant | - | 15,000 | (8,536) | - | - | 6,464 |
| Boiler Upgrade Scheme | - | 10,000 | (10,000) | - | - | - |
| Past Case Review 2 (PCR2) | - | 14,288 | (14,288) | - | - | - |
| Diocesan Investment Programme (DIP) grant | - | 32,364 | (32,364) | - | - | - |
| FLOURISH | - | - | - | - | - | - |
| Buildings for Mission – CBSO | - | - | - | - | - | - |
| Buildings for Mission – MR & I | - | - | - | - | - | - |
| Net Zero Quick Wins grant | - | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 10,882,940 | 1,056,138 | (1,455,880) | 1,115,681 | 1,135,309 | 12,734,188 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Expendable endowment | | | | | | |
| Parsonage Houses Fund | 48,674,473 | 214,527 | - | 2,345,552 | (4,116,934) | 47,117,618 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Permanent endowment | | | | | | |
| Stipends Fund Capital Account | 38,859,759 | 970,386 | (171,191) | 3,203,908 | (799,195) | 42,063,667 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total endowments | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 87,534,232 | 1,184,913 | (171,191) | 5,549,460 | (4,916,129) | 89,181,285 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 115,535,837 | 7,031,528 | (9,137,580) | 6,493,240 | - | 119,923,025 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

23. Funds employed (continued)

23.3 Purposes of funds

Unrestricted funds

The General Fund supports the day to day activities of the TDBF.

The Board Houses Fund is represented by the book value of board properties. Additions to and disposals from the Fund are financed by or credited to the General Fund respectively.

The following other funds have been set aside by the trustees for purposes which the trustees themselves have designated:

The Church House Fund was created to fund the aggregate charges payable under the terms of the non-cancellable lease agreement for the office premises at Church House, Threemilestone. During 2024 this lease terminated and a new lease was entered into at the Old Cathedral School, Truro. This fund will pay for the charges under this new lease.

The Transforming Mission Funds are for the TDBF's contributions to assist with financing the Transforming Mission project in Falmouth, Camborne, Truro, St Austell and Liskeard. There is a restricted fund for this work which is funded by the Archbishops' Council.

The Net Zero 2030 fund is paying for Net Zero works on the TDBF properties.

The Energy Grants is funding which was added to the funding received from the Archbishops' Council to increase the amount distributed to the parishes to assist with rising energy costs.

The Clergy Hardship Fund is funding which was added to the funding received from the Archbishops' Council to increase the amount distributed to the clergy to assist with rising energy costs.

The Lay staff cost of living payment fund is for payments which were made to lay staff to assist them with the cost of living crisis which included rising energy costs.

The mission grants fund is for mission initiatives included in the deanery plans. The balance at the end of the year is the amount that is yet to be paid across to deaneries, who are aware of this funding and must have plans approved before the funds can be claimed.

The clergy settlements fund is for the payments made to clergy as part of the deanery implementation process.

The Next Steps on the Way fund is the TDBF's contributions to assist with financing the Change and Renewal team. There is a restricted fund (DIP) for this work which is funded by the Archbishops' Council.

The Children, Young People and Families fund is funding this area of work included in the Diocesan Plan for Change and Renewal.

Restricted funds

The Pastoral Account mainly represents the proceeds of sale of redundant parsonage houses which may be applied for the extensive purposes permitted by section 94 of the Mission and Pastoral Measure 2011. £3.3m is ringfenced pending pastoral reorganisations.

The Truro Diocesan Council for Mission and Unity funds are managed by the World Church Committee (a sub committee of the TDBF) for the purposes of enabling the diocese to be a vibrant part of the world-wide church. Specifically, it actively promotes formal links with other dioceses, currently with the Diocese of Strangnas in Sweden. (The link with the Diocese of Mzimvubu in South Africa ceased in 2013 but, the diocese continues to support the feeding of orphans' and vulnerable children's programme in Mzimvubu).

The Diocese of Truro Education Trusts are governed by Schedule 36 of the Education Act 1996. The fund mainly represents the unspent sale proceeds of redundant Church of England school properties. The objects of the trusts are widely drawn to allow trust assets to be used for a variety of educational purposes.

Resourcing Ministerial Formation (RMF) (formerly Resourcing Ministerial Education (RME)) is a grant, received from the Archbishops' Council to fund some elements of the training of ordinands in the diocese.

The Strategic Development Fund TM Falmouth restricted fund is grant funding received from the Archbishops' Council to assist with financing the Transforming Mission project in Falmouth. There is an unrestricted fund which is funded by TDBF.

The Strategic Development Fund TM Phase 2 is grant funding received from the Archbishops' Council to assist with financing the Transforming Mission project in Camborne, Truro, St Austell and Liskeard. There is an unrestricted fund which is funded by TDBF.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

23. Funds employed (continued)

23.3 Purposes of funds (continued)

Restricted funds (continued)

The Strategic Ministry Fund is grant funding received from the Archbishops' Council to assist with financing curates.

The Generous Giving Fund is grant funding received from the Archbishops' Council to assist with financing Generous Giving Advisors.

The Transition Funding is grant funding received from the Archbishops' Council and is being used to resource the delivery of Next Steps On the Way.

The Strategic Capacity Fund – Director of Change & Renewal is grant funding received from the Archbishops' Council to assist in funding the new post which is leading the Next Steps On the Way delivery.

The Archbishop Mission Fund is grant funding received from the Archbishops' Council to fund activities held during the Archbishop of Canterbury's visit to the Diocese in 2023.

The Energy Cost Grant is grant funding received from the Archbishops' Council for distribution to parishes to assist with rising energy costs.

The Clergy Hardship Fund is grant funding received from the Archbishops' Council for distribution to clergy to assist with rising energy costs.

Bishop Phillpotts Library may be used to fund the resource of the library which is located at the Old Cathedral School in Truro.

Bishop Phillpotts' Prize Fund may be used to award school prizes in religious education.

The Net Zero (NZ) Carbon Capacity Building Starter grant is grant funding received from the Archbishops' Council and is being used to resource net zero work in our schools and church buildings.

The Boiler Upgrade Scheme is grant funding received from national government to assist with costs of upgrading boiler in our properties.

The PCR2 funding is additional grant funding received from the Archbishops' Council to assist with funding the costs associated with the PCR2 review which was carried out in 2020.

The Diocesan Investment Programme (DIP) grant is funding received from the Archbishops' Council to assist with financing the Change and Renewal team.

The FLOURISH grant is funding received from the Archbishops' Council to establish of a networks of 40 worshipping communities in schools and FE colleges across the UK.

The Buildings for Mission – Church Buildings Support Officer (CBSO) grant is funding received from the Archbishops' Council towards the costs of employing a CBSO to assist the parishes with work to their buildings.

The Buildings for Mission – Minor Repairs and Improvements (MR & I) grant is funding received from the Archbishops' Council to distribute as small grants to parishes for urgent and necessary repair or improvement projects on their church buildings.

The Net Zero Quick Wins grant is funding received from the Archbishops' Council to help fund small scale decarbonisation projects in the parishes.

Endowment funds

The Parsonage Houses Fund is represented by the book value of parsonage houses and team vicarages. Additions to and disposals from the Fund are financed by or credited to the Pastoral Account respectively.

The Stipends Fund Capital Account is mainly represented by the book value of Glebe property and other investment assets. The fund generates income for the payment of stipends and can only be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Miscellaneous Provisions Measure 1992. Following Charity Commission approval of a total return approach to investments, the Trustees may transfer to income all or part of the unapplied total return. An analysis of the fund is given overleaf.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

23. Funds employed (continued)

23.3 Purposes of funds (continued)

Endowment funds (continued)

Stipends Fund Capital Account analysis:

| | Trust for Investment £ | Unapplied Total Return £ | Total Endowment £ |
|--|------------------------------|--------------------------------|-------------------------|
| At 1 January 2023 | 10,098,893 | 28,760,866 | 38,859,759 |
| Movements in the year: | | | |
| Investment return: dividends and interest | - | 970,386 | 970,386 |
| Investment return: unrealised gains / (losses) | - | 3,203,908 | 3,203,908 |
| Investment return: fund raising costs | - | (171,191) | (171,191) |
| Transfer from Stipends Fund Capital Account to designated fund | - | (799,195) | (799,195) |
| Indexation on base value of investment | 396,969 | (396,969) | - |
| Net movements in 2023 | 396,969 | 2,806,939 | 3,203,908 |
| At 1 January 2024 | 10,495,862 | 31,567,805 | 42,063,667 |
| Movements in the year: | | | |
| Investment return: dividends and interest | - | 1,039,216 | 1,039,216 |
| Investment return: unrealised gains / (losses) | - | 1,443,164 | 1,443,164 |
| Investment return: fund raising costs | - | (235,078) | (235,078) |
| Transfer from Stipends Fund Capital Account to designated fund | - | (1,949,641) | (1,949,641) |
| Indexation on base value of investment | 269,939 | (269,939) | - |
| Net movements in 2024 | 269,939 | 27,722 | 297,661 |
| At 31 December 2024 | | | |
| Gift component of the permanent endowment | 5,763,991 | - | 5,763,991 |
| Accumulated inflation since original gift | 5,001,810 | - | 5,001,810 |
| Unapplied total return | - | 31,595,527 | 31,595,527 |
| | 10,765,801 | 31,595,527 | 42,361,328 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

23. Funds employed (continued)

23.4 Analysis of net assets between funds

At 31 December 2024:

| | Tangible fixed assets £ | Investments £ | Net current assets/ (liabilities) £ | Provisions / long term liabilities £ | Total £ |
|---|----------------------------------|------------------|--|---|-------------|
| Unrestricted funds | | | | | |
| General Fund | 95,518 | 850,090 | 228,322 | - | 1,173,930 |
| <i>Designated funds:</i> | | | | | |
| Board Houses Fund | 15,244,584 | - | - | - | 15,244,584 |
| Church House Fund | - | - | 272,773 | - | 272,773 |
| TM – Falmouth | - | - | 101,651 | - | 101,651 |
| TM – Phase 2 | - | - | 398,785 | - | 398,785 |
| Net Zero 2030 | - | - | - | - | - |
| Energy grants | - | - | - | - | - |
| Clergy hardship fund | - | - | - | - | - |
| Lay staff cost of living payments | - | - | - | - | - |
| Mission grants | - | - | 1,425,879 | - | 1,425,879 |
| Clergy settlements | - | - | - | - | - |
| Next Steps on the Way | - | - | 342,266 | - | 342,266 |
| Children, young people and families | - | - | 285,692 | - | 285,692 |
| | 15,340,102 | 850,090 | 3,055,368 | - | 19,245,560 |
| Restricted funds | | | | | |
| Pastoral Account | - | 9,778,245 | (1,359,810) | - | 8,418,435 |
| Diocesan Council for Mission & Unity | - | - | 30,615 | - | 30,615 |
| Education Trusts | - | 589,740 | (69,432) | - | 520,308 |
| Resourcing Ministry Fund (RMF) | - | - | 2,004 | - | 2,004 |
| Strategic Development Fund – TMF | - | - | 25,680 | - | 25,680 |
| Strategic Development Fund – Phase 2 | - | - | (16,503) | - | (16,503) |
| Strategic Ministry Fund | - | - | - | - | - |
| Generous Giving Fund | - | - | - | - | - |
| Transition Funding | - | - | - | - | - |
| SCF–Dir Change & Renewal | - | - | - | - | - |
| Archbishop mission grant | - | - | - | - | - |
| Bishop Phillpotts Library | - | - | 11,811 | - | 11,811 |
| Bishop Phillpotts' Prize Fund | - | 908 | 5,603 | - | 6,511 |
| NZ Carbon Capacity Building Starter grant | - | - | - | - | - |
| Boiler Upgrade Scheme | - | - | - | - | - |
| PCR2 | - | - | - | - | - |
| Diocesan Investment Programme (DIP) grant | - | - | - | - | - |
| FLOURISH | - | - | - | - | - |
| Buildings for Mission – CBSO | - | - | - | - | - |
| Buildings for Mission – MR & I | - | - | - | - | - |
| Net Zero Quick Wins grant | - | - | - | - | - |
| | - | 10,368,893 | (1,370,032) | - | 8,998,861 |
| Expendable endowment | | | | | |
| Parsonage Houses Fund | 49,444,144 | - | - | - | 49,444,144 |
| Permanent endowment | | | | | |
| Stipends Fund Capital Account | - | 41,744,456 | 616,872 | - | 42,361,328 |
| Total endowments | 49,444,144 | 41,744,456 | 616,872 | - | 91,805,472 |
| Total | 64,784,246 | 52,963,439 | 2,302,208 | - | 120,049,893 |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

23. Funds employed (continued)

23.5 Prior year comparative summary of fund movements

At 31 December 2023:

| | Tangible fixed assets £ | Investments £ | Net current assets/ (liabilities) £ | Provisions / long term liabilities £ | Total £ |
|--|----------------------------------|-------------------|--|---|--------------------|
| Unrestricted funds | | | | | |
| General Fund | 11,546 | 814,608 | 1,727,299 | - | 2,553,453 |
| <i>Designated funds:</i> | | | | | |
| Board Houses Fund | 13,972,002 | - | - | - | 13,972,002 |
| Church House Fund | - | - | 341,959 | - | 341,959 |
| TM - Falmouth | - | - | 127,605 | - | 127,605 |
| TM – Phase 2 | - | - | 535,330 | - | 535,330 |
| Net Zero 2030 | - | - | - | - | - |
| Energy grants | - | - | - | - | - |
| Clergy hardship fund | - | - | - | - | - |
| Lay staff cost of living payments | - | - | - | - | - |
| Mission grants | - | - | 227,203 | - | 227,203 |
| Clergy settlements | - | - | - | - | - |
| Next Steps on the Way | - | - | 250,000 | - | 250,000 |
| Children, young people and families | - | - | - | - | - |
| | <u>13,983,548</u> | <u>814,608</u> | <u>3,209,396</u> | <u>-</u> | <u>18,007,552</u> |
| Restricted funds | | | | | |
| Pastoral Account | - | 10,264,626 | 1,733,383 | - | 11,998,009 |
| Diocesan Council for Mission & Unity | - | - | 32,807 | - | 32,807 |
| Education Trusts | - | 1,011,964 | (347,904) | - | 664,060 |
| Resourcing Ministry Fund (RMF) | - | - | (1,164) | - | (1,164) |
| Strategic Development Fund – TMF | - | - | 15,858 | - | 15,858 |
| Strategic Development Fund – Phase 2 | - | - | (133) | - | (133) |
| Strategic Ministry Fund | - | - | - | - | - |
| Generous Giving Fund | - | - | - | - | - |
| Transition Funding | - | - | - | - | - |
| SCF–Dir Change & Renewal | - | - | - | - | - |
| Archbishop mission grant | - | - | - | - | - |
| Bishop Phillpotts Library | - | - | - | - | - |
| Bishop Phillpotts' Prize Fund | - | - | 11,811 | - | 11,811 |
| NZ Carbon Capacity Building Starter grant | - | 873 | 5,603 | - | 6,476 |
| Boiler Upgrade Scheme | - | - | 6,464 | - | 6,464 |
| PCR2 | - | - | - | - | - |
| Diocesan Investment Programme (DIP) grant | - | - | - | - | - |
| FLOURISH | - | - | - | - | - |
| Buildings for Mission – CBSO | - | - | - | - | - |
| Buildings for Mission – MR & I | - | - | - | - | - |
| Net Zero Quick Wins grant | - | - | - | - | - |
| | <u>-</u> | <u>11,277,463</u> | <u>1,456,725</u> | <u>-</u> | <u>12,734,188</u> |
| Expendable endowment | | | | | |
| Parsonage Houses Fund | 47,117,618 | - | - | - | 47,117,618 |
| Permanent endowment | | | | | |
| Stipends Fund Capital Account | - | 39,843,652 | 2,220,015 | - | 42,063,667 |
| Total endowments | <u>47,117,618</u> | <u>39,843,652</u> | <u>2,220,015</u> | <u>-</u> | <u>89,181,285</u> |
| Total | <u>61,101,166</u> | <u>51,935,723</u> | <u>6,886,136</u> | <u>-</u> | <u>119,923,025</u> |

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

24. Revaluation reserve

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which tangible fixed assets and investments exceed their historical cost.

| | Balance brought forward £ | Realised on transfers £ | Unrealised surplus in year £ | Realised on disposals £ | Balance carried forward £ |
|-------------------------------|------------------------------------|----------------------------------|---------------------------------------|-------------------------------|------------------------------------|
| Board Houses Fund | 4,737,001 | - | 503,420 | - | 5,240,421 |
| Parsonage Houses Fund | 34,669,215 | - | 1,932,352 | (30,781) | 36,570,786 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 39,406,216 | - | 2,435,772 | (30,781) | 41,811,207 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Comparative analysis for 2023 | | | | | |
| | Balance brought forward £ | Realised on transfers £ | Unrealised surplus in year £ | Realised on disposals £ | Balance carried forward £ |
| Board Houses Fund | 4,591,508 | 984,625 | (193,397) | (645,735) | 4,737,001 |
| Parsonage Houses Fund | 35,316,469 | (984,625) | 2,345,552 | (2,008,181) | 34,669,215 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 39,907,977 | - | 2,152,155 | (2,653,916) | 39,406,216 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

25. Capital commitments

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| <i>Capital expenditure</i> | | |
| Expenditure contracted for but not provided for: Church Schools (through Private Finance Initiative funding): Contract due to expire in 2031 | 40,715 | 46,188 |
| Repairs to properties | 163,146 | 45,809 |
| | <hr/> | <hr/> |
| | 203,861 | 91,997 |
| | <hr/> | <hr/> |

Private Finance Initiative (PFI) payments are due in half-yearly instalments. The payments cover the TDBF's (through the Diocese of Truro Education Trusts) share of the building costs, the costs of financing the scheme and a small share of ongoing maintenance costs. The amounts shown are the total costs over the period of the scheme.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

26. Operating leases

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

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Land and buildings | | |
| Within one year of the balance sheet date | 31,200 | 64,280 |
| In the second to fifth years inclusive of the balance sheet date | 83,200 | 109,937 |
| Beyond 5 years of the Balance Sheet date | - | - |
| | <hr/> | <hr/> |
| | 114,400 | 174,217 |
| | <hr/> | <hr/> |
| Other operating leases | | |
| Within one year of the balance sheet date | 4,063 | 885 |
| In the second to fifth years inclusive of the balance sheet date | 8,932 | 221 |
| | <hr/> | <hr/> |
| | 12,995 | 1,016 |
| | <hr/> | <hr/> |

27. Pensions

Clergy

The TDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. The 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, which were £385,691 in 2024 (2023: £482,435), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £0 (2023 £0).

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

- an average discount rate of 2.7% per annum;
- Retail Price Index inflation of 3.6% per annum (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; and
- 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% per annum and an allowance for 2020 data of 0% (ie 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 |
| 31 December 2024 | Nil |

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

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

27. Pensions (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 2023 and 31 December 2024 is nil. The movement in the Balance Sheet liability over 2023 and over 2024 is set out in the table below:

| | 2024 £ | 2023 £ |
|---|-----------|-----------|
| Balance sheet liability at 1 January | - | - |
| Deficit contribution paid | - | - |
| Interest cost (recognised in SoFA) | - | - |
| Remaining change to the Balance Sheet liability* (recognised in SoFA) | - | - |
| | <hr/> | <hr/> |
| Balance Sheet liability at 31 December | - | - |
| | <hr/> | <hr/> |

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

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

Lay

The TDBF participates in the Church Workers Pension Fund (CWPF) which has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme (DBS)

The TDBF participates in the DBS section of the CWPF for lay staff, which is now closed to future accrual. The scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers. The DBS section of the CWPF provides benefits for lay staff based on final pensionable salaries.

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. 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 the DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2024: £7,078, 2023: £26,166), plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £7,078 for 2024 (2023: £26,166).

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

The next valuation is due as at 31 December 2025.

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

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

27. Pensions (continued)

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

The movement in the provision is set out below:

| | 2024 £ | 2023 £ |
|---|-----------|-----------|
| Balance sheet liability at 1 January | - | - |
| Deficit contribution paid | - | - |
| Interest cost (recognised in SoFA) | - | - |
| Remaining change to the Balance Sheet liability* (recognised in SoFA) | - | - |
| | <hr/> | <hr/> |
| Balance Sheet liability at 31 December | - | - |
| | <hr/> | <hr/> |

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

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 2024 | December 2023 | December 2022 |
|---------------|---------------|---------------|---------------|
| Discount rate | N/A | N/A | 0.00% |

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.

Following consultation with the three employees for whom the TDBF were still contributing into the DBS scheme, it was decided to close the TDBF section of the DBS scheme from 31 March 2024. The employees moved into the Pension Builder Scheme, see below.

Pension Builder Scheme (PBS)

For employees who commenced employment after 1 February 2010, the TDBF participates in the PBS section of the CWPf for lay staff. The scheme is administered by the Church of England Pensions Board which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The PBS of the CWPf is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefits schemes. The TDBF does not have any members in the Pension Builder 2014 scheme.

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the PBS's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2024: £35,957, 2023: £145,492). The TDBF took a pension holiday from 1 April 2024, amounting to £134,200 (2023 £0).

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

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

The next valuation is due as at 31 December 2025.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

27. Pensions (continued)

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

28. Transactions with Trustees

The trustees derive no financial benefit for their services as trustees other than the re-imbursement of their out-of-pocket expenses. In 2024, 12 trustees were paid £12,224 (2023: 7 trustees £16,153).

The TDBF enters into transactions, on a regular basis, with other autonomous organisations within the Church of England e.g. parishes (including the Cathedral), the Archbishops' Council and the Church Commissioners. From time to time, certain trustees may serve on committees of other bodies, or on the General Synod. It is not considered appropriate to report the detail of such transactions since no individual or group of individuals so serving has any significant influence over any material transactions.

29. Funds held on behalf of others

The TDBF is custodian trustee for the following investment assets held on behalf of Parochial Church Councils in accordance with the Parochial Church Councils (Powers) Measure 1956.

| | 2024 £ | 2023 £ |
|-----------------------------|-----------|-----------|
| At valuation: | | |
| Freehold land and buildings | 205,200 | 205,200 |
| Other investments | 5,507,614 | 5,409,794 |
| | <hr/> | <hr/> |
| | 5,712,814 | 5,614,994 |
| | <hr/> | <hr/> |
| At cost: | | |
| Freehold land and buildings | 6,200 | 6,200 |
| Other investments | 2,580,903 | 2,582,902 |
| | <hr/> | <hr/> |
| | 2,587,103 | 2,589,102 |
| | <hr/> | <hr/> |

The TDBF also acts as custodian trustee in relation to PCC property. These assets are held separately to those of the TDBF.

The TDBF also administers Devolved Formula Capital (DFC) grants (DFC grants provide the diocese's church schools with direct funding to invest in their buildings, grounds and ICT equipment). Consequently, for those individual schools which have appointed the TDBF as their agent, the TDBF receives their DFC grants direct from the Department for Education and defrays qualifying expenditure according to their instructions. At 31 December 2024, the TDBF held £256,966 (2023: £239,307 in designated bank accounts separate from those of the TDBF).

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

30. Prior year comparative SoFA

| | Unrestricted funds £ | Restricted funds £ | Endowments £ | 2023 £ |
|---|----------------------------|--------------------------|-------------------|--------------------|
| Income and endowments from: | | | | |
| Donations: | | | | |
| Parish contributions | 2,863,661 | - | - | 2,863,661 |
| Archbishops' Council | 963,413 | 740,667 | - | 1,704,080 |
| Other | 105,478 | 61,797 | - | 167,275 |
| Charitable activities – statutory fees etc | 220,442 | - | - | 220,442 |
| Other activities | - | 183,275 | - | 183,275 |
| Investments | 609,032 | 70,399 | 970,386 | 1,649,817 |
| Other | 28,451 | - | 214,527 | 242,978 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 4,790,477 | 1,056,138 | 1,184,913 | 7,031,528 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditure on: | | | | |
| Raising funds | 158,332 | - | 171,191 | 329,523 |
| Charitable activities | 7,352,177 | 1,455,880 | - | 8,808,057 |
| Other resources expended | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 7,510,509 | 1,455,880 | 171,191 | 9,137,580 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net incoming resources before realised gains | (2,720,032) | (399,742) | 1,013,722 | (2,106,052) |
| Net gains on investment assets | 21,496 | 1,115,681 | 3,203,908 | 4,341,085 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net incoming resources before transfers | (2,698,536) | 715,939 | 4,217,630 | 2,235,033 |
| Transfer between funds | 3,780,820 | 1,135,309 | (4,916,129) | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net income for the year | 1,082,284 | 1,851,248 | (698,499) | 2,235,033 |
| Unrealised gains on revaluation | (193,397) | - | 2,345,552 | 2,152,155 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net movement in funds | 888,887 | 1,851,248 | 1,647,053 | 4,387,188 |
| Fund balances at 1 January 2023 | 17,118,665 | 10,882,940 | 87,534,232 | 115,535,837 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balances at 31 December 2023 | 18,007,552 | 12,734,188 | 89,181,285 | 119,923,025 |
| | <hr/> | <hr/> | <hr/> | <hr/> |