The Church of England Pensions Board

Annual Report

Year ended 31 December 2024

Registered charity no. 236627

Contents

Introduction from the Chair and Chief Executive

The Church of England Pensions Board provides retirement services to those who work or minister for the Church of England.

As described in the following pages, the Board continues to invest prudently and responsibly on behalf of scheme members and beneficiaries. Good investment performance over several years, coupled with improved market conditions, cost reduction and faithful contributions from employers, means that all of the pension schemes are well funded. A good funding position offers protection for members and employers against risks in uncertain times.

A good funding position also presents new opportunities. For example, in 2024 the Board was able to grant discretionary increases to clergy pensioners in the context of higher inflation, and in early 2025, the Board was able to implement a further reduction in the contribution rate for clergy pensions, in the knowledge that the 2024 valuation will show a strong funding position.

We were also able to lock-in investment gains through a £160m 'buy-in' transaction to fully insure benefits in the Church Workers defined benefit scheme. We were particularly pleased that this transaction represented our first application of the Sustainability Charter for pension insurance deals – launched by the Board, insurers and other funds in 2023 – meaning that investment principles important to our members are reflected in the transaction.

Among many highlights in our responsible investment work, the Board chairs the Global Investor Commission on Mining 2030, established to develop a vision for a responsible mining sector. The Commission produced its first major report in 2024, setting out the scale of the challenge as well as the opportunity for a different model of responsible mining to meet global demand. As part of this work, representatives of the Board met with the President of the Democratic Republic of Congo and served on the UN Secretary General's Advisory Panel on Critical Energy Transition Minerals.

Across the Board we continue to experience headwinds of increased demand for housing and other services, coupled with increased costs leading to pressure on budgets and staff. In 2024, 77 households moved into a Church retirement property. At the end of the year, we refinanced a £50m debt facility on better terms, and we are grateful for additional grant funding from the Archbishops' Council and Church Commissioners to meet unprecedented demand.

We are thankful to all the staff and Trustees of the Board for their contribution and would like to particularly pay tribute to the Revd Hugh Lee and Richard Hubbard, who retired as Trustees at the end of the year, and remember with fondness two colleagues who died in February 2024: the Rt Revd Alan Wilson (Housing Committee member) and Nigel Stokes (a member of the housing team).

Throughout its existence the Board has adapted its services to meet the changing needs of the Church and those it serves. Over the winter of 2023-24, we initiated a conversation process about how the Church might best support and enable greater choice for future cohorts of retiring clergy, particularly in relation to housing. We were delighted by the response, both in terms of the numbers of responses and the overwhelmingly positive reception these ideas received. These ideas have been developed through 2024 so that the required investment can be considered through the Church's triennium funding process.

Within pensions, we welcomed the motion at the February 2024 General Synod seeking to improve clergy stipends and pensions. While these are ultimately decisions for Synod, we are pleased to be supporting that review. We also welcomed the Government's consultation on multi-employer Collective Defined Contribution schemes. If the regulations can be structured appropriately, this could be an exciting pensions proposition for many in the UK, perhaps including those employed in the Church family.

As we write, we are looking ahead not just to the unfolding of 2025, but also to plans to mark the Board's centenary in 2026. We look forward to continuing to support members and the mission and ministry of the Church well in the years to come.

Clive Mather Chair	John Ball Chief Executive Officer

Report of the Trustees for the year ended 31 December 2024

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Finance Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" ("the SORP").

Structure and history

The Church of England Pensions Board ("the Board") was established in 1926 by the Church Assembly (now the General Synod) by the Clergy Pensions Measure 1926, to serve as the pensions authority for the Church of England and to administer a comprehensive pension scheme for clergy. Prior to 1926 there was no proper pension system for clergy.

The Board was given powers in 1948 to provide housing for retired clergy and their widows and dependants, and in subsequent years also became trustee of various charitable funds and trusts to provide for the relief of poverty of retired clergy and their widows and dependants. In 1964 the Board became a registered charity. Since then, the funds and trusts have been amalgamated and now exist as a single restricted fund: the 'General Purposes Fund'; and one linked charity for which the Board is corporate Trustee: the 'Clergy Retirement Housing Trust'.

In its current form, the Board is a body corporate, a registered charity, and is governed by the Church of England Pensions Measure 2018 – the main operative provisions of which came into force on 1 March 2019 consolidating and replacing prior legislation. The structure of the Board was amended in 2021 by the Legislative Reform (Church of England Pensions) Order 2021. During the period covered by these accounts it was the corporate Trustee of three pension schemes:

- The Church of England Funded Pensions Scheme ("CEFPS", commonly called 'the clergy scheme')
- The Church Workers Pension Fund ("CWPF")
- The Church Administrators Pension Fund ("CAPF")

The financial statements of the three pension schemes listed above are not included in this report but are separately available.

The Board administers two other pension schemes, for which it is not a Trustee: the Church of England Pensions Scheme (for clergy service prior to 1 January 1998); and the Church Commissioners Superannuation Scheme (for staff service prior to 1 January 2000). The financial affairs of these schemes can be found in the Church Commissioners' accounts. They have no impact on the financial position of the pension schemes of which the Board is Trustee.

Public Benefit

The purposes of the Board are the provision of retirement services set by the Church of England for those who have served or worked for the Church. This is carried out primarily through the provision of retirement housing and through the administration of pensions.

In accordance with the requirements of s17(5) of the Charities Act 2011, in exercising their responsibilities the Board has had regard to the Charity Commission's published advice on public benefit, especially that contained in its supplementary guidance *"The Advancement of Religion for the Public Benefit"*.

Nationally, the Church, through its network of more than 12,000 parishes, 16,000 churches and 20,000 ordained and lay ministers seeks to build social capital and provide spiritual care for all those who might wish to engage with matters of faith in a Christian context. The local churches are a focus for community activity, and through resources available at their disposal, provide activities that support community development and social cohesion. These can include projects which support children, families, and the elderly.

Retired clergy and their dependants often play a role in these projects, and retired clergy provide valuable auxiliary ministry in parishes across the Church of England. Through the provision of comprehensive pension schemes, retirement accommodation and, where applicable, direct grants to supplement their income, the Board assists clergy in retirement to continue to play a full role in the community.

Objectives

The Board's charitable objectives are first, to provide the best possible support and care, within available resources, to those who have retired from stipendiary and lay ministry within the Church of England, and to their dependants, through the provision of retirement and supported housing, and through advice services, and discretionary grants for those most in need. Second, the Board's objective is to meet its responsibilities as Trustee and administrator for the various pension schemes, as laid out in its governing documents (see Structure and History section).

The strategic objectives of the Board are to:

1. Manage the pension schemes efficiently and effectively.
2. Offer charitable and housing services that our customers and funders value.
3. Invest for the long term to deliver on our pension promises, be a leader in ethical and responsible investment, acting in members' interests, and reflect the Church of England's ethos and mission.
4. Understand our customers to deliver excellent customer service.
5. Model good governance and stewardship.
6. Be a great place to work, where people are valued, engaged and performing well.

In December 2019 the Board agreed three strategic priorities to guide its work and the implementation of its objectives. These are:

1. **Simplification**

2. **Self-sufficiency**, so that the Board can be less reliant on financial support from the wider Church in the long-term

3. Engaging in **great conversations** with those the Board serves and the companies in which it invests

These priorities together form the Board's 'Centenary Vision'.

Retirement is a significant life event and particularly so for the Church of England clergy who have lived most of their working lives in tied accommodation, and for whom retirement also entails the stress of moving to a new house and new community. The Board aims to work with clergy to assist them in this significant life transition and encourages early conversations about their pension and retirement housing options.

In 2025, the Board will continue to provide existing services within the resources available. We continue to shape and refine the services that are offered to ensure that they are sustainable in the future. Over the winter of 2023-24, the Board led a conversation with the Church about new ways to support future cohorts of retiring clergy, particularly with their housing needs. The feedback from this exercise is being used to inform the Archbishops' Council and Church Commissioners in their consideration of spending plans for the 2026-28 triennium.

The charitable activities are financed by grants, gifts, legacies, and investment income. All donations are placed in the General Purposes Fund unless otherwise specified. We are very grateful to those who have given donations and left legacies over the past year.

Charitable activities of the Board

Around one in six clergy retiring from the stipendiary ministry seek the Board's assistance with retirement accommodation, whether in the Board's properties or through advice and signposting to other providers.

Around 2,400 individuals – primarily retired clergy and their spouses or partners – receive housing direct assistance from the Board. The majority of these customers are residents in the Board's rental and community living (previously called 'supported housing') properties. The Board also operates a small shared ownership scheme, and mortgage schemes, which are closed to new applicants. Although the expression is used less now, these services continue to be referred as CHARM (Church's Housing Assistance for Retired Ministry).

Housing

The Church of England Pensions Board's retirement housing provision is designed to assist retiring clergy leaving tied accommodation and who have not been able to make their own provision for somewhere to live in retirement. The provision of housing is a discretionary facility, with the Board specifying various parameters relating to the size and type of property available. These parameters are regularly reviewed.

Information on the housing offers, eligibility and access to the various options is available on the Church of England website at www.churchofengland.org/housing.

The Board also supports retirees and their households through a Welfare Advice Service which enables us to sign-post individuals to other charities and agencies through which they can access the different types of support available to them, including helping individuals to navigate the state benefit system. The Board operates a modest discretionary grant scheme to assist those on the lowest incomes.

Rental Property

The rental option is the Board's core service, with 1,168 properties let across England and Wales as at the end of 2024 (2023: 1,164). Applicants can choose from a portfolio of available properties across the country up to five years before they intend to retire and "reserve" it for their retirement.

The Board ensures that all properties are in a good state of repair. It uses stock condition surveys to plan and carry out maintenance.

Tenants who moved into their properties after 1 April 2015 pay a "target rent" based on a social housing model; tenants who already lived in a property prior to this date pay a rent which was based on their (joint) income, which is being slowly transitioned to a target rent.

The scheme is subsidised by the wider Church of England through Vote 5 of the Archbishops' Council's budget. The total grant for 2024 was £6.1m (2023: £5.8m). Additionally, and in the context of high inflation and rising interest rates, the Archbishops' Council agreed to grant a further £9m for 2023 and £19.7m for 2024-25 to assist the Board in meeting its costs and accommodate higher demand, which has been recognised in 2024 and is payable in two instalments in 2024 and 2025. This support enables the Board to continue to offer retirement properties substantially below market rents. The Trustees remain grateful for the financial support from the wider Church towards this work.

Community Living

The Board operates seven Community Living residential retirement communities. Each setting offers residents their own self-contained flats (comprising a living room, bedroom, bathroom and a small kitchenette) within a residential community. Each setting also offers communal dining facilities, meeting spaces, a library, a chapel, laundry facilities and shared garden space.

Community Living is offered to retired clergy and their spouses / partners who wish to live as independently as possible in a Christian community. Community Living residents include retired clergy individuals, couples and surviving spouses who wish to live in a close community without the need to manage their own property. Typically, Community Living residents will have come to the setting later into their retirement; however, Community Living also welcomes those at the outset of their retirement. The Community Living settings are also open to certain categories of retired lay worker and retired clergy who ministered for other denominations.

The Board charges for the accommodation using a rent and service charge system and operates a subsidy arrangement to assist those of its residents who are unable to pay for those support charges which are not eligible for state assistance.

The total cost of running community living including central overheads, is largely met by the income the Board receives through rent and service charges. The shortfall – including costs relating to the former nursing home closed in 2017 – is met from grants, voluntary donations and investment income received by the General Purposes Fund. In 2024 legacies and miscellaneous donations amounted to £0.2m (2023: £0.1m).[1]

Mortgage and Shared Ownership Schemes

The Board has previously assisted clergy in purchasing retirement properties through a mortgage scheme, which closed to new applicants in 2008, and a shared ownership scheme which ran from 2008 to 2022. The Board continues to support customers who have housing through these arrangements.

In relation to mortgages, a fixed-interest mortgage option was in operation until 31 December 1982. Mortgagors had the option to pay interest on the amount loaned during the life of the loan and then on redemption repay the nominal amount of the loan or pay one-half of the interest due during the life of the loan and on redemption repay the nominal amount of the loan together with the unpaid interest. Two loans were outstanding at the end of the year, both of which the mortgagor is paying one-half of the interest due.

A value-linked mortgage option closed on 31 March 2008. Mortgagors pay an interest-only element on the advanced sum, with the rate of interest being subject to an annual uplift in line with increases in Church pensions. When the property is sold or the mortgage redeemed, the sale proceeds are divided between the mortgagor and the Board in the same proportions as when the loan was advanced. At the end of the year mortgage loans were outstanding on 368 properties (317 from the Charity and 51 from the subsidiary company CEPB Mortgages Ltd) (2023: 413 properties (360 from the Charity and 53 from the subsidiary company CEPB Mortgages Ltd)).

Through the shared ownership scheme, the household took at least a 25% equity share, with the Board contributing up to £150,000. The household pays a rent on the unowned share, and a service charge which reflects the cost of maintaining and insuring the property. Additional shares of the property can be bought by the customer, and the Board will gladly assist those who seek to buy outright ownership, refinance the Board’s share, or switch to a full repairing

[1] See note 4 for further details of the difference between charitable income from rent and service charges, and charitable expenditure incurred.

and insuring lease. The number of shared ownership properties at the end of 2024 was 84 (2023: 88). Following a review, the Board closed the shared ownership scheme to new applicants in 2022. This was primarily because the shared ownership marketplace has developed significantly since 2008, such that there are now sufficient products on the market which offer comparable or better value options for those looking for this type of arrangement.

Signposting to alternative housing options

The Board supports existing residents and those approaching retirement in exploring alternative housing options with other providers.

The Board continues to assist retiring clergy seeking home ownership or shared ownership through signposting to providers and financial advice services. In 2024 we further developed our services to support retiring clergy explore the widest possible options for their retirement housing, increasing the choice available beyond our own offer and leading to 26 households securing options with other providers, where that best met their retirement plan.

Alternative rental options include housing associations and a range of Christian charities who offer rental, supported housing or residential care.

Through information and signposting, the Board also supports residents and their families seeking a care home or extra care facility as the next stage in their retirement.

Administration of pensions

During the period covered by this report, the Church of England Pensions Board was the Trustee of three pension funds – the Church of England Funded Pension Scheme, the Church Workers Pension Fund, and the Church Administrators Pension Fund.

The administration of pensions for the clergy is one of the charitable objects of the Board; this is carried out at no cost to the charitable funds since the administration costs are charged to the relevant pension fund.

In total, the pensions for more than 44,000 people, across about 700 employers are administered by the Board. Separate reports and accounts are issued for each of the pension schemes.

Review of 2024 activities

Housing

The Board helps clergy who have lived in tied accommodation for much of their ministry with finding a retirement home that suits their circumstances.

In 2024, the Board welcomed 77 new clergy households into Church retirement properties, and also supported a further 26 households in securing options with other providers, where that best met their retirement plan. This included 10 households who, through information and signposting from our team, were able buy their own retirement home and did not need a rental solution.

The housing team received 74 more applications for help from future retirees, and the team is now helping more than 200 clergy households in planning their future moves. A big focus has therefore been on securing enough properties to meet demand. In 2024, 49 properties were purchased for our portfolio – mainly new-build properties which are more energy efficient and cheaper to heat and run.

Investment in the Community Living sites in 2024 included a complete renewal of the heating system at Capel Court and new residents' kitchens at Stuart Court. The biggest project for 2025 is new windows for Dulverton Hall (which overlooks the sea and takes the force of storms). There was a significant reduction in the number of vacant flats in Community Living during 2024, marking a recovery following the pandemic period when it was not possible to conduct the usual round of open days which help with interest in this form of retirement living.

With the support of the Church's Net Zero Programme, the Board carried out retrofit surveys to understand the steps needed to decarbonise our properties and to inform future maintenance and improvement plans.

In 2025, the Board appointed OCS as its new principal maintenance contractor to carry out day-to-day repairs to Church retirement homes. The tender process was brought forward following notification from Sanctuary that it did not wish to extend its contract as principal maintenance contractor. The Board is grateful to Sanctuary for its assistance over several years, and particularly for the support with emergency repairs provided through the pandemic. The procurement process to select a new contractor was a major area of work for the property team (assisted by Turner & Townsend as procurement consultants) over 2024. The involvement of the Board's resident panel throughout the process was particularly welcomed and helpful. The Board decided to defer planned stock condition surveys on the rental portfolio pending appointment of a new maintenance contractor.

The Housing Committee continues to oversee and review aspects of service delivery. For instance, in improving the support to incoming residents with aids and adaptations to their homes, building on improvements already made to the process for existing tenants.

Over the winter of 2023-24 the Board engaged with the Church on our ideas about how it might enable choice for future retirees about their housing plans. With more than 850 responses from individuals, dioceses, networks and others, this feedback has now shaped an investment case for discussions about future national Church funding priorities. Subject to Church funding, the Board hopes to be able to bring many of the new choices that we had proposed to life, alongside the continued offer of quality Church retirement housing.

With around 1 in 6 clergy requiring help with retirement housing in a normal year, the service remains an important part of the overall clergy covenant and package. Indeed, survey data suggest that the proportion requiring assistance may increase over the next three to five years.

The Board also recognises that plans, needs and circumstances change over time. Through the Welfare Advice and Housing Support service, the Board is able to assist residents whose housing situation has changed. Specific assistance was provided to 282 households, including helping them to review entitlements to state benefits.

Administration of Pensions

All the defined benefit pension schemes are in good shape and continue to be fully funded, which means that the assets held by the schemes at least cover the pensions already earned and promised to members. The good funding position has been made possible through sustained investment performance, cost reduction, favourable market conditions and the continuing support of employers. This offered new opportunities to the Board this year.

In April 2024, the Trustees were pleased to be able to increase clergy pensions by 6.7% – an inflation-matching increase going beyond the guaranteed increases set by the Scheme rules. The Board were also able to facilitate a further reduction to the contribution rate for the Church of England Funded Pension Scheme (CEFPS) to 25% of pensionable stipends, down from nearly 40% (including deficit payments) a few years ago.

For the Church Workers Pensions Fund (CWPF), the strong funding position offered the option to secure all benefits earned in the CWPF Defined Benefit Scheme through an insurance transaction (known as a 'buy in') with Aviva. This was the third such policy entered into by the Board since 2014. It means that all members in that section of the fund have added protection for their pension benefits. This transaction also represented the Board's first application of the Bulk Annuities Sustainability Charter – launched by the Board, insurers and other funds in 2023.

The Pension Builder sections of the CWPF continue to grow, with a further increase in the number of Church employers choosing these schemes to provide good, responsibly invested pensions to their employees.

The deficit recovery plan for the Church Administrators Pension Fund (CAPF) completed in December 2023, and the fund is in good shape.

The funding position of the pension schemes is summarised as follows:

	Church of England Funded Pension Scheme £m	Church Workers Pension Fund £m	Church Administrators Pension Fund £m	Total £m
Total net assets available for benefits	2,615	608	146	3,369

The table below provides summary information for the most recent concluded actuarial valuation of each pension scheme at the date indicated. The CEFPS valuation as at 31 December 2024 will be undertaken during 2025 and concluded by 31 March 2026.

	Church of England Funded Pension Scheme £m	Church Workers Pension Fund £m	Church Administrators Pension Fund £m
Date of Valuation	31 Dec 2021	31 Dec 2022	31 Dec 2022
Total Technical Provisions	(2,160)	(483)	(104)
Total net assets available for benefits	2,720	600	102
Total pension scheme surplus (deficit)	560	117	(2)

The Board continues to monitor pensions administration performance closely. In a busy year, the administration team consistently achieved or exceeded the internal Service Level Agreement target level of 95%. Retiree satisfaction was consistently scored above 8 out of 10, with feedback reviewed by management, and over 80% of members responding to a survey in 2024 stated they were satisfied or very satisfied with the service received. Members particularly complimented the helpfulness of staff on the helplines and the ease of using PensionsOnline.

The use of PensionsOnline, introduced in 2021, continues to grow. It was used almost 11,000 times in 2024 by members to update their pension records and to support their retirement planning, including through self-generating retirement quotes and now extended to transfer values for certain schemes, reducing wait times for members and work volumes for the administration team, allowing them to focus on members who need more help.

Additionally in 2024, the Board piloted a new version of the site for employers and, c.150 employers were invited to sign up. Further developments are planned for both sites next year. Meanwhile, in the background, the Board is working with other National Church Institutions to automate payments which will speed up and simplify payments to members.

In 2025, the Board will undertake the statutory valuation of the CEFPS as at 31 December 2024. The early signs are encouraging, as a result of which the Board has agreed to reduce the contribution rate from 25% of pensionable stipends to 22% from April 2025. This is a prudent move which presents no risk to members' benefits, and also had the effect of mitigating the unplanned impact of higher employer National Insurance Contributions on Responsible Bodies, thereby assisting the Covenant. In February 2024, the General Synod of the Church of England voted for a review of benefit levels for clergy pensions as part of a wider review of stipends and other conditions of Office. The Board welcomes this review and is working with the Archbishops' Council and Church Commissioners to develop specific proposals for Synod's consideration in 2025.

The Board continues to monitor and engage with the regulatory environment, and welcomed the Government's publication of draft regulations to enable a new type of pension for multi-employer funds – Collective Defined Contribution. The Board responded to the consultation with practical suggestions to make these regulations more workable and looks forward to engaging further with the Government and the Pensions Regulator. These provisions may, in time, allow the Board to offer a new type of pension to employees of church bodies, simplifying lay pension arrangements for the Church and offering members better and fairer pensions.

The Board's Approach to Investment and Stewardship

The Board invests sustainably and responsibly on behalf of members to pay pension promises across the long term. As good stewards of the funds, and guided by Church teaching, the Board engages with the companies in which it invests. The Board also works with other investors to drive change on key issues that matter most to our members.

The duty to be a good steward of the funds entrusted to the Board underpins the approach to responsible investment. Stewardship is about ensuring members' funds are invested sustainably and for the long term. As pension benefits earned today may not be drawn for 60-80 years, responsible stewardship involves managing systemic risks to how investments will perform over decades and affords the Board, through ownership, the opportunity to have real-world impacts. Moreover, this matters to pension scheme members, with over 89% of respondents to a member survey in 2024 stating that they expect the Board to act as a leader in this space, acting in members' interests.

Investment stewardship for the Long Term

With the Board's youngest members likely to be still drawing their pensions into the next century, the Board takes seriously its responsibility to steward the funds entrusted to us for the long term.

Long-term stewardship requires consideration of systemic risks which are too big for any one actor to address – but which have real-world, long-lasting impacts. A key feature of the work is therefore building partnerships with other pension funds and investors. The Board also works with policymakers, industry and regulators, using our voice as the Church of England's Pension Fund to drive action on climate change, responsible mining, biodiversity and other issues.

The Board is guided in its approach to responsible investment by advice from the Church's Ethical Investment Advisory Group (EIAG). Informed by the EIAG's work, the Board develops policies on investment and engagement, including exclusions on certain areas of investments such as tobacco, gambling and high-rate lending. The Board is unique in offering pension schemes which fully comply with a Church of England ethical investment approach.

Climate change and biodiversity

The Board has a strong record in convening and leading investor interventions to address the climate emergency. It co-founded the Transition Pathway Initiative (TPI), an independent tool to help investors assess companies' readiness for climate transition, and applied a similar method to sovereign (government) bonds through the Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) initiative. In 2024, ASCOR released its first assessment, tracking national climate action across 70 sovereign nations. Collectively this group of countries account for more than 85% of global greenhouse gas (GHG) emissions and 90% of global GDP. This analysis will help shape the Board's ongoing engagement in this area.

The Board also co-chairs the Paris Aligned Asset Owners Initiative, which supports asset owners to align their funds to net zero by 2050, if not before, using the Net Zero Investment Framework. Engagement work includes challenging companies to align their corporate lobbying activities to their stated climate commitments. As a result of the Board's efforts, further companies disclosed details about their political lobbying practices. Through the Emerging Markets Just Transition Initiative, supported by 12 UK pension funds which collectively manage $400bn in assets, we are highlighting the importance of emerging investment markets in the transition to the low-carbon economy.

Mining and extractive industries

The mining industry is critical to the net zero transition, as it produces the minerals needed for green technologies, such as electric car batteries and wind turbines as well as the materials needed in everyday life. The Board established the Global Investor Commission on Mining 2030 to catalyse a global response from investors with US$14trn assets under management and growing, and to develop a bold agenda to deliver a reformed environmentally and socially responsible mining sector by 2030.

Mining activities and critical resources all too often overlap with conflicts and human rights violations in communities around the world. As the *Church of England's* Pensions Board, the Board has been working with colleagues across the Anglican Communion to define what investors can do to support peacebuilding in five such locations. Following visits to the Democratic Republic of the Congo and Mozambique, in October 2024, representatives from the Board were privileged to join the consecration, led by the Most Reverend Thabo Makgoba, Archbishop of Cape Town, of a new Global Centre for Peacebuilding and Reconciliation. This new centre, headquartered in South Africa, will help shape the investor and wider Anglican Church response to conflict, and to supporting peace.

Active ownership

The Board, working with other asset owners, launched the Fair Reward Framework. Launched in September, it now covers nearly two-thirds of the FTSE100 companies, enabling more transparency of corporate reward practices. This helps shareholders have more informed discussions on issues of fair pay and executive remuneration, particularly at company AGMs.

The Board continues to represent our members by exercising votes at the AGMs of the companies in which the funds are invested. Last year the Board voted in 99.8% of shareholder ballots, voting against company management recommendations 18.4% of the time where these did not align with the Board's policies, including on executive pay. These votes can be extremely effective in voicing dissent or signalling approval for improvements, leading to further engagement opportunities to encourage change to corporate practices and standards.

The Board continues to report in detail on its responsible investment activities through the Annual Stewardship Report and Task Force on Climate Related Financial Disclosures (TCFD) reporting, and maintained its signatory status under the UK Stewardship Code under the auspices of the Financial Reporting Council.

Investment performance in 2024

The year started facing the tail of an inflationary spike which, in addition to having a real impact on individuals' costs of living, led to higher interest rates and revaluations of interest-rate sensitive assets. Markets consistently over-estimated the rate at which interest rates would ease for much of the year and global equity markets have been dominated by the fortunes of a small number of US tech stocks. The huge wave of elections across the globe in 2024 added to uncertainty and it is deeply sad to note that there are more active global conflict zones now than at any other time since the Second World War. Since the end of the year, global markets have seen considerable volatility in response to changes in trade policies.

Against this backdrop, the Board has heavily focused on managing risks to the good funding positions of our pension schemes. The Board also continues to ensure that the funds under its care are invested responsibly and prudently on behalf of members.

The total return across the fund was 9.4% for the year (on return-seeking assets excluding gilts held to match the income required to pay pensions in payment). The portfolio of developed and emerging market equity returned 18.8%. Although exposure to property assets (where the market continues to perform poorly) has been reduced, the Board continues to believe it is important to operate a diversified portfolio, particularly given risks such as equity concentration, and the portfolio of diversified growth investments in property and private equity returned 3.6%. The Board was pleased to see a return of 8.4% from the diversified income pool, which covers investments in infrastructure, private debt, emerging market bonds and high-yield debt.

During the year the Board appointed new managers for emerging market equities and high-yield debt, in both cases selecting managers which could offer good performance and strong responsible investment credentials. The Common Investment Fund has returned 8.1% p.a. on average, over the last two decades.

Following a competitive selection process in the second half of 2024, the Board appointed Willis Towers Watson (WTW) as its investment consultant with effect from 1 January 2025. The Board remains grateful to Mercer for its assistance over many years, and Mercer continues to provide investment advice for the Defined Contribution funds.

Financial Review

Total income for 2024 was £63.7m (2023: £43.6m). Income from charitable activities of £13.6m (2023: £10.2m) relates to the recovery of administrative costs in respect of the pension schemes administered by the Board. The remainder £50.0m (2023: £33.4m) relates to the Board's housing activities, of which £15.9m (2023: £14.9m) derives from rents, service charges and mortgage payments.

In addition to the income received through provision of its services, the Board relies upon voluntary income sources to sustain its charitable housing activities. Income from grants, donations and legacies was £26.2m (2023: £15.1m). This includes support from the wider Church of England, partly through Vote 5 of the Archbishops' Council's budget, under which a grant of £6.1m (2023: £5.8m) was made towards the provision of retirement housing. In addition to the £9m grant received in 2023, the Archbishops' Council and Church Commissioners also agreed a grant of £19.7m payable in two instalments in 2024 and 2025 to assist the Board in meeting higher demand for retirement housing and meet the higher costs resulting from inflation and higher interest rates, while maintaining rents well below market levels for residents. This grant is recognised in full in the Statement of Financial Activities, with the 2025 portion shown as a debtor on the Balance Sheet.

Total income from donations and legacies in 2024 was £0.2m (2023: £0.1m) for which the Board is extremely grateful.

The Board also received investment income of £3.1m (2023: £1.8m), and gains arising from the sale of rental & shared ownership properties of £4.9m (46 rental and 4 shared ownership) (2023: £1.6m, 15 rental and 1 shared ownership). £991k of investment income was a result of joint venture in ChECS which registered a net surplus in 2024 from its new subsidiary, the Parish Giving Scheme (PGS), following ChECS becoming sole member of PGS on 1 January 2024. The Board continues to develop the portfolio through the sale of unsuitable properties as they become vacant, using the proceeds of sale, along with external borrowing, to fund the purchase of new properties.

Total expenditure for 2024 totalled £41.2m (2023: £38.5m), with expenditure on charitable activities totalling £41.1m (2023: £38.4m). The largest component of expenditure was on rental properties of £16.6m (2023: £17.9m), with the decrease reflecting the fact less repairs & maintenance costs were required for rental properties due to less of an impact from weather and other environment factors in 2024. Expenditure on Community Living was £7.0m (2023: £6.5m).

Charitable expenditure also includes the cost of administering the pension schemes which was £13.6m (2023: £10.1m) – this is a figure which varies year to year in large part due to the level of work on statutory valuations within the year.

Total funds stood at £151.9m at the end of the year (2023: 128.1m).

The value of fixed assets increased in the year to £310.1m (2023: £300.7m), largely reflecting additional purchases for the rental portfolio, plus an increase in the value of charitable investments.

The Pension Funds of which the Board is Trustee and Administrator are wholly separate from and not included in the financial statements of the charity.

External financing

The Board has supported the long-term financing of the CHARM scheme through the issue of two listed bonds, as well as making use of a Revolving Credit Facility.

In 2015 the Board, via its subsidiary CHARM Finance plc, issued a £100m Bond, of which £70m was drawn down immediately. This gave the Board access to long-term finance to purchase additional retirement properties to secure the future of clergy housing in retirement. The Board used part of the proceeds to repay existing short term borrowings and to acquire the economic interest in 196 CHARM rental properties which had been financed by the Church Commissioners and had previously been subject to significant restrictions. Under the terms of the refinancing agreement, the Board is obliged to pay to the Commissioners any capital uplifts arising from the sale of any of these properties within a 10 year period expiring in mid-2025.

In 2018, the Board issued a £50m fixed rate bond, of which £30m was drawn down immediately and was predominantly used to repay existing borrowings.

In 2019, the Board agreed a variation to its £50m Revolving Credit Facility, extending this arrangement to 2025. During 2024 the Board engaged with the market to refinance the Revolving Credit Facility and contracted with NatWest for a new £50m facility. As at the end of 2024 the total amount drawn under the RCF was £27.8m, being £23.8m under the Natwest facility, and £4m under the Santander facility.

The Board's borrowing as at the end of the year is summarised in the following table

	Size of facility	Amount drawn as at 31.12.24	Applicable interest rate as at 31.12.24
Loans from the Church Commissioners	N/A	£40.4m	8.1%
Revolving Credit Facility (June 2025)	£4m (reduced from £50m in December 2024)	£4m	Cumulative RPI swap (0% floor, 5% cap)
New Revolving Credit Facility	£50m	£23.8m	SONIA + 1.1%
2015 Bond	£100m (£30m retained)	£70m	3.126% indexed by CPI (0% floor, 4% cap)
2018 Bond	£50m (£20m retained)	£30m	3.509% fixed interest

The Board retains Newbridge Associates as a corporate finance adviser to support its external financing activities.

Charity Investments

The charity holds investments of £42.2m (2023: £40.9m), which generated income of £2.1m in the year (2023: £1.8m).

During 2024 the majority of investments were held with Brewin Dolphin, the Charities Property Fund (CPF, managed by Savills) and the Property Income Trust for Charities (PITCH, managed by

Swiss Life Asset Managers). The CPF and PITCH funds invest wholly in UK property, principally industrial, office and retail property. They are structured as charity common investment funds, which allow investing charities to benefit from their statutory exemption from stamp duty on UK investments. The charity also holds £0.8m (2023: £0.8m) in investment properties, covering a portfolio of 6 (2023: 6) properties.

The amounts invested at the end of 2024 by the Board across the three funds are shown in the table below, along with the return generated by each investment for the Board over the year. At times, the Board's returns may differ from the funds' own returns, because of investment or disinvestment during the year, which will affect its returns.

The Board's Investment Committee monitors the performance of the charitable investments and undertook a review of the strategy and investment policy statement during 2024 in the light of changing economic conditions and business needs. The Investment Committee remained satisfied with the appropriateness and performance of the investments.

	Value at end 2024 £m	Allocation %	2024 Return for the Board %
Savills Charities Property Fund	19.2	46	5.5
Brewin Dolphin	14.8	35	11.5
Swiss Life Property Income Trust for Charities	7.4	17	5.0
Investment Properties	0.8	2	8.0
Total	42.2	100	7.4

The charity also holds £0.9m (2023: £0.9m) in short-term cash deposits with the CBF Deposit Fund (CBFDF, managed by CCLA Management Ltd.)

Further information about the two charity property funds in which the Board is invested is provided below.

	Fund returns net of fees			Yield	Net fund size
	2024	2021-2024	2019-2024	End 2024	End 2024
	%	% pa	% pa	%	£m
Savills Charities Property Fund	5.5	0.3	3.3	4.8	987
Swiss Life Property Income Trust for Charities	5.0	-3.2	1.9	5.9	546

Risk Management

The Church of England Pensions Board's risk management process supports management by facilitating the identification and assessment of significant risks to the achievement of objectives. There is a clearly defined Risk Management Policy which outlines the roles and responsibilities of Trustees, management, and staff.

The Trustee Board reviews the strategic risk register and risk management arrangements frequently and at least annually. This includes consideration of risk as part of the business planning and budgeting cycle. The Board is supported by the Audit and Risk Committee, which regularly reviews the risk registers and the adequacy of arrangements in place to manage the risks. The strategic risk register was comprehensively reviewed and recast during 2023, and the new structure has been used through 2024.

The Board has considered its appetite for different types of risk and seeks assurance that additional actions are planned where residual risk is assessed to exceed the stated appetite. The Board recognises that fulfilment of certain Pension Trustee and charitable duties requires a measure of risk taking – for example to deliver investment returns for members – and seeks to ensure that such activities are undertaken within an appropriate control environment. The Board recognises that risks rarely materialise in isolation and is alert to the potential for multiple risks to materialise at the same time. It further recognises that horizon-scanning – however good – will never be perfect. It considers that the best mitigation is to have in place strong governance, a high quality executive management team and a culture in which risk is regularly discussed in an open and forward-looking way, supported by independent input and assurance activity.

Individual departments and identified risk owners are responsible for the identification, assessment, and review of risks in their area of responsibility. Risks are prioritised using an agreed scoring methodology, with a score applied both before and after any mitigating action. The risk management process is facilitated and monitored by the Risk and Assurance function. The management of key risks are subject to independent review and assurance through the internal audit process, which reports to the Audit and Risk Committee.

Principal Risks

The principal risks, which Trustees consider most significant, are shown in the following table together with a summary (not exhaustive) of key management actions.

Risk	Key Management Actions include
Failure or under-performance of a critical supplier	• Contract management, monitoring and two-way feedback • Cyclical supplier reviews and retendering where appropriate • Appropriate Investment Management Agreements • Input into ChECS (shared services) business planning • CofE finance transformation programme
The Board's housing offer becomes unsustainable for financial or regulatory reasons	• Budgeting, forecasting, financial modelling, covenant monitoring, horizon scanning • Engagement with key church stakeholders on funding requirements and the changing policy environment • Retained professional advice • Diversified delivery strategy • Demand monitoring and surveying • Net Zero feasibility programme

Risk	Key Management Actions include
Data loss, systems failure, cyber incident or fraud.	• NCIs' Cyber resilience and Technology strategy, including Cyber Essentials Plus certification • NCIs' processes and programmes relating to counter-fraud, data security and GDPR, financial controls, etc.
Failure to manage change well: high profile issue arising from a Board decision, action or inaction	• Good planning, governance and communication processes • Trustee training • Consultative approaches • Complaints handling processes
Insufficient capacity to manage multiple simultaneous risks or external events	• Business planning and risk management processes • Management oversight • Business continuity plans
Regulatory change	• Horizon scanning, professional advice, and stakeholder engagement • Responsible investment programme
Failure to understand and respond to the paradigm shifts caused by climate change	• Climate change integrated into investment decision making, with independent climate scenario analysis • Climate action plan and resulting actions • Consideration of physical risks and net zero in asset planning decisions
Risk relating to responsible investment activity or inactivity	• Annual stewardship report accounting for work done and commitments • TCFD reporting and Stewardship Code submissions
Key person risk (Trustees and staff)	• Board diversity and skills monitoring • NCI people programme
Strategic plans do not deliver	• Rhythm of strategic and business planning and review supported by professional advisers • Engagement with key stakeholders
Pensions scheme covenant(s) materially weakened leading to funding strain	• Covenant monitoring and integrated risk management and liaison with employers • Liaison with Archbishops' Council on wider Church financial issues, including drawing on the Diocesan Finance Review • Horizon scanning and ad-hoc simulation or scenario planning
Failure to comply with Landlord regulatory responsibilities	• Landlord responsibilities identified and compliance monitoring to the Housing Committee • Retained third party support for community living • Dedicated compliance management roles • Regular review meetings with key contractors • Safeguarding training programme • Whistleblowing policy and training
Investments and scheme funding	• Retained professional advice • Reviews of investment strategies and risks for each scheme, including hedging strategies • Valuations processes and annual actuarial reviews and updates • Monitoring processes

In addition, the Church of England Shared Services (ChECS) charity, which provides various shared services to the National Church Institutions including the Pensions Board, maintains its own strategic risk register. The Board receives information on this and is able to input to the consideration of ChECS risks via its nominees to the ChECS Board. The principal risks identified by ChECS with relevance for the Pensions Board include:

- Operational resilience and performance
- Cyber and business continuity
- People and key person risk
- The pan-NCI finance transformation programme

In assessing the strategic risks in 2024, the Board considered wider environmental factors, including, but not limited to:

- The changing macroeconomic and geopolitical landscape including, for example, noting that the outlook for interest rates over the next decade is likely to be different to the previous decade.
- The implications of a period of high inflation on members and beneficiaries, as well as the Board's own operations and the covenants of sponsoring employers.
- Legacy effects of the global Covid-19 pandemic, including the impact on the property care programme and the risks to diocesan income which is an essential part of the covenant supporting pension schemes.
- Growing evidence of the impacts of climate change and the risks associated with critical mineral resources, including proximity conflict zones.
- The unknown implications of Artificial Intelligence.

The Board considers these factors and others as part of its integrated risk management for the pension schemes and in its charitable activities.

Going Concern

The Board meets the cost of property purchases, fit outs and other working capital requirements through its external borrowing, comprising a bank facility and two listed bond issues. The Board prepares annual budgets and regular re-forecasts, along with a three-year financial plan to ensure that it can meet its spending commitments as they fall due, and fulfil the terms and conditions associated with external borrowing. In addition, the Board has also prepared a long-term financial model to assist in considering financial viability over a longer period than that for which formal budgets and forecasts are prepared.

The Board has considered the key risks and uncertainties which impact upon immediate liquidity and longer-term solvency. These include the level of anticipated demand for its services, the resilience of voluntary income streams and changes in economic conditions. It has modelled the impact of changes in these factors over time and has considered whether it has adequate reserves and appropriate contingency plans to deal with a range of potential adverse scenarios.

The higher interest rate environment since late 2022, while generally beneficial for the pension schemes, presented challenges for the housing activities given the sensitivity of debt obligations to interest rates and inflation. The Board received additional grant support from the Archbishops' Council and the Church Commissioners covering the period 2023 to 2025. To assist the Board in meeting the high level of demand from retiring clergy, as well as introducing new services under the banner of *Enabling Choice*, the Board has been provisionally awarded £95.7m for the 2026-2028 triennium.

Having due regard to the above, the Trustees have reasonable expectation that the Board has adequate resources to meet its spending commitments as they fall due, including the servicing and repayment of debt and compliance with loan covenants for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and accounts continues to be adopted.

Approach to Taxation

In conducting its tax affairs, the Board will:

- ensure that it conducts them not only in accordance with the letter but also the spirit of the law;
- not behave in a manner that could be considered aggressive or abusive;
- endeavour to obtain all reliefs available to it as a charity;
- ensure that all tax filings are compliant with the law and that tax payments are made in a timely manner;
- engage in dialogue with His Majesty's Revenue & Customs ("HMRC") on a regular basis to ensure that any matters where the tax treatment is uncertain or difficult are raised and discussed at an early opportunity;
- maintain suitable processes and controls to ensure that the risk of non-compliance with filing and disclosure requirements is minimised; and
- ensure appropriate compliance with any non-UK tax regimes in relation to filing and payment obligations by paying the right amount of tax in the right place at the right time and disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

Reserves

Unrestricted funds

The unrestricted funds represent expenditure incurred by the Board on salaries and working expenses subsequently recovered from the pension funds administered by the Board. The Board has no net assets in its own right as a body corporate and, consequently, no unrestricted reserves are retained.

Restricted funds

Restricted income funds are to be spent or applied within a reasonable period from their receipt to further one or more, but not all of the charity's charitable purposes.

The largest restricted fund administered by the Board is the General Purposes Fund ("GPF") at £137.2m (2023: £114.5m), which exists to provide for the relief of poverty among, and housing for retired clergy and church workers and their spouses/former spouses/dependants etc. This fund is considered to be restricted since the provisions for use of its resources are narrower than the statutory objects of the Board, which include the administration of pensions.

Within the GPF, the Board has earmarked funds of £15.5m (2023: £5.7m) for the provision of future property maintenance costs. The designation of this fund merely expresses the current intentions of the Trustees and has no legal effect. Legally, the funds are available for spending on any of the objects of the GPF.

The Clergy Retirement Housing Trust ("CRHT") is a registered charity and is a linked charity of the Board (Charity No. 236627-2). The CRHT may use its property as residences for qualified persons under the provisions of the Clergy Pensions Measure 1961 or any succeeding legislation. As a linked charity, it is accounted for as a separate restricted fund, which together with some smaller trusts is valued at £14.7m (2023: £13.6m).

Reserves policy

Reserves are held to ensure that the Board can continue to deliver services to its beneficiaries and to meet its obligations and covenants in respect of debt financing in the event of a sustained reduction in voluntary income or some other adverse scenario. The Board considers annually the level of reserves that should be maintained and takes account of the requirements of the Charities SORP and the guidance issued by the Charity Commission (Charities and reserves CC19).

Whilst it is unusual for a charity to hold reserves entirely within restricted funds, in practice the breadth of the restriction placed on the General Purposes Fund means that the Trustees have a reasonable expectation that they could meet all necessary charitable expenditure of the Board from this fund, excluding the administration of pensions, the cost of which is fully recoverable from the Pension Schemes.

For the purposes of defining an appropriate reserves policy, the Board therefore considers 'free reserves' to be the net assets of the General Purposes Fund after excluding:

- the value of tangible fixed assets net of secured borrowings, i.e. CHARM properties (most of which are debt financed);
- other fixed assets held for charitable purposes, which cannot be quickly realised;
- the amount earmarked for property maintenance;
- and after making provision for the pension liability.

The Board holds free reserves in the region of £30m - £35m, allowing it to generate annual investment income of around £1.5m whilst taking an investment approach which aims to preserve capital value. This level of reserve is regarded appropriate to give considerable cover in the case of a one-off significant financial stress event.

Plans for the future

The Pensions Board has been providing retirement services to the Church of England for almost a century. These services have changed markedly over the years and will continue to develop as customer and stakeholder needs evolve.

The Board's core work will continue to be serving its 44,000 pension scheme members and beneficiaries and 2,400 housing residents. This includes managing health and safety, regulatory compliance and performance monitoring, plus working with partner employers and responsible bodies across the Church of England.

The strategic priorities adopted by the Board in December 2019 continue to guide our strategic agenda. These priorities – simplification, engaging in great conversations, and seeking to become more self-sufficient over the long term – resonate strongly with the emerging vision for the Church of England and are manifest in various parts of our plan.

At the end of 2023, the Board commenced a conversation with the wider Church about how the Church might best assist future cohorts of retiring clergy with their housing needs. The Board set out a series of ideas about ways in which the Church could assist its clergy with better and earlier retirement planning; assisting with the challenges inherent for those in tied accommodation seeking to access the property market for those who might wish to do so in ministry; promoting a wider range of choices and options at retirement including other housing providers and later-life home ownership opportunities; and maintaining an estate of quality church retirement homes. The core concept sitting behind these ideas is that of enabling greater choice for clergy. As described above, the feedback from this process was very positive, giving the Board confidence to present specific proposals for funding consideration (from 2026) by the Archbishops' Council and Church Commissioners.

The Board also continues to monitor developments in pensions legislation and regulation. The Board is particularly interested in the possibilities that may be offered by proposed regulations to permit multi-employer Collective Defined Contribution schemes, which potentially offer better alternatives to those in traditional DC arrangements.

In addition to these strategic themes and core service delivery, other specific activities in our Delivery Plan for 2025 include the following:

1. Conducting the statutory valuation of the CEFPS and supporting the Church to consider whether it wishes to improve benefits for future service.
2. Completing the new automated payment system for pensions, and the development of the employer portal for pensions administration.
3. Working with investors and colleagues across the Anglican Communion to support the Global Centre for Peacebuilding and Reconciliation.
4. On-boarding WTW as the Board's new investment adviser, and working with them to review investments and identify further improvement opportunities.
5. Mobilising the new maintenance contract with OCS.
6. Complete the stock condition survey programme on the Board's properties.

7. Building deeper partnerships with alternative housing providers to offer greater choice to retirees.
8. Holding elections for Member Nominated Trustees to represent the CWPF and CAPF.
9. Consolidate and refresh the Board's web pages.
10. Continue to equip and support the Board's staff to deliver and improve services.

Structure, governance and management

Governance

The twelve Trustees/members of the Board represent a balance of skills and expertise and are drawn from a wide range of constituencies.

- The Chair is an appointment of the Archbishops with the approval of Synod.
- There are four member nominated Trustees (elected by the members of the pension schemes): two are from the clergy schemes and one each from the CWPF and CAPF.
- One Trustee is elected by the CAPF and/or CWPF employers
- One appointed by the Archbishops following consultation with the Commissioners and dioceses, as a proxy for the clergy 'employers'.
- Two Trustees are determined following an open process and appropriate consultation with i) the Chairs of the CofE Appointments Committee and the General Synod's House of Laity; ii) Chair of the CofE Appointments Committee and the Prolocutors of the Convocations of Canterbury and York. These are formally appointees of the Archbishops following the requisite consultations.
- The remaining three Trustees are formally appointees of the Archbishops for their skills and expertise following an open process.

The Board decides on the frequency of its meetings, which is typically five a year. For Board meetings a quorum is present when four Trustees are in attendance, including at least one person elected by the members of the pension schemes administered by the Board.

New Trustees receive an induction into the work and practices of the organisation. All have access to an online database which includes outlines of their responsibilities, copies of the Rules and other documentation for each pension scheme, policies relating to the provision and operation of retirement housing assistance, and a library of past Board and committee papers.

Trustees have completed either fully or partially the Pensions Regulator's Trustee Toolkit, or an equivalent qualification, and regular training sessions are provided at Board meetings on a range of subject areas. In 2024 Trustee training topics included updates on legal and regulatory developments; cyber security; the content and implications of the Renters' Rights Bill; the Pensions Regulator's new General Code of Practice; and the Pensions Regulator's new Defined Benefit Funding Code. Individual Trustees and executives also participated in industry training events and conferences through the year.

The Board has committees to oversee the following areas: Audit and Risk, Housing, Investment, and Pensions. The Board has delegated authority to make decisions concerning these areas within its terms of reference and to make recommendations to the full Pension Board on other matters.

The Board has also delegated some of the day-to-day management and operation of the Schemes' affairs to professional organisations as set out on page 32.

The Board completed an externally facilitated Board Effectiveness Review in 2022. This was a thoroughly positive report, identifying numerous examples of best practice. The most significant recommendation was to introduce a new Board portal to provide Trustees with secure access to papers and other documentation relevant to their roles, and this was implemented in 2023.

The Board was saddened to learn of the death of Bishop Alan Wilson in February 2024. Bishop Alan had been a member of the Board for several years up to 2021, and remained on our Housing Committee until his death. He was a much a much valued member of the Board and the Committee and brought great insight into the Board's work.

Independent Auditors

During the year, there have not been any non-audit services performed by the external auditors Crowe U.K. LLP

Ethical Investment Advice

The Board manages the Secretariat to the Ethical Investment Advisory Group ("EIAG") on behalf of the Church of England's national investing bodies – the Church Commissioners, the Church of England Pensions Board and the CBF Church of England funds managed by CCLA Investment Management Ltd. The work of the EIAG informs the Board's investment activities and policies.

The Charity Code of Governance

The Church of England Pensions Board takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. When launched in 2017, the Charity Code of Governance was accompanied with a recommendation that charities review their level of application and to explain any aspects of the code they were not applying. In its review the Board carried out a detailed examination of each element of the code:

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board effectiveness
- Equality, diversity and inclusion
- Openness and accountability

The Board's review found it applied the code with a few exceptions, mainly arising from the Governing documentation, which as a statutory corporation, is itself primary legislation. The main area of difference was related to the limitation of Trustee terms. On 1 July 2021, a Legislative Reform Order came into effect amending the Pensions Measure 2018. This included reducing Trustees' terms from six years to five and provides that no Trustee may serve more than ten years. This provision differs slightly from the recommendation in the Code of nine years because of the overriding need to provide a measure of continuity through triennial pension scheme valuation cycles.

The externally facilitated Board Effectiveness Review in 2022 validated the Board's self-assessment against the Charity Governance Code.

In recent years, the Board has further enhanced its compliance with the Code. These have included extending the gathering of feedback from customers, consideration of extending the aspects of diversity monitoring, and through a thorough review of the Board's charitable services.

Trustee Diversity

The Board monitors its diversity profile annually and considers what action, where necessary, should be taken to address imbalances. As at 31 December 2024:

- 42% of Trustees identified as women (58% from 1 January 2025, following elections)
- 67% of Trustees identified as being members of the Church of England

The figures for ethnicity, disability and LGBT+ have not been set out as they are small in the context of a small board, and their disclosure may identify individual Trustees.

The average age of the Trustees fell in the bracket 55-64 years old.

Trustees

The Board has members elected and appointed by various means, which are described below. It delegates some of its business and decision making to sub-committees.

Board members (1 January 2024 to 10 July 2025)

Appointed with the approval of the General Synod, by the Archbishops of Canterbury and York
Clive Mather (Chair)

Appointed by the Archbishops of Canterbury and York
Roger Boulton
Emma Osborne
Ian Wilson

Appointed by the Archbishops of Canterbury and York after consultation with the Chairs of the Church of England Appointments Committee and the General Synod's House of Laity
Tony King

Appointed by the Archbishops of Canterbury and York after consultation with the Chair of the Church of England Appointments Committee and the Prolocutors of the Convocations of Canterbury and York
The Revd Caroline Titley

Elected by the members of the Church Workers Pensions Fund
Canon Michaela Southworth

Elected by the members of the clergy pension schemes
The Revd Hugh Lee (to 31 Dec 2024)
The Revd Canon Eleanor Robertshaw
The Revd Trudie Wigley (from 1 Jan 2025)

Appointed by the Archbishops of Canterbury and York after consultation with the Church Commissioners and the representatives of the dioceses
Nikesh Patel

Elected by the members of the Church Administrators Pensions Fund
Maggie Rodger

Elected by the Employers in the Church Workers Pensions Fund and the Church Administrators Pensions Fund
Richard Hubbard (to 31 Dec 2024)
Vicky Paramour (from 1 Jan 2025)

Committee Members (1 January 2024 – 10 July 2025)

Audit and Risk Committee Maggie Rodger (Chair) Ebele Akojie* (from 13 March 2025) Helen Ashley Taylor* (to 31 Dec 2024) Caron Bradshaw OBE* (to 31 Dec 2024) Wendy Davis* (from 13 March 2025) Tony King Canon Susan Pope* Ian Wilson	*Pensions Committee* Richard Hubbard (Chair) (to 31 Dec 2024) Vicky Paramour (Chair from 1 Jan 2025) The Revd Hugh Lee (to 31 Dec 2024) Maggie Rodger Canon Michaela Southworth Ian Wilson
Housing Committee The Revd Caroline Titley (Chair) Lloyd Cochrane (from 5 June 2024) Jonathan Gregory* The Rt Revd Anne Hollinghurst* (from 5 June 2024) Tony King Tom Paul* The Revd Canon Eleanor Robertshaw The Rt Revd Alan Wilson* (to Feb 2024)	*Investment Committee* Roger Boulton (Chair) Hannah Gore-Randall* Emma Osborne Nikesh Patel Chris Rule* Padmesh Shukla* The Revd Trudie Wigley (from 1 Jan 2025)

*Indicates members of committee who kindly give of their time and experience to the committee but are not Trustees of the Pensions Board.

Attendance by Trustees at meeting of the Board and its Committee

The table below sets out the attendance of Trustees at meetings of the Board and its Committee during 2024. Where a member served for part of the year, the number of meetings that they could have attended is shown in brackets.

Trustee	**Board (5)**	**Audit and Risk (3)**	**Housing (4)**	**Investment (4)**	**Pensions (4)**
Clive Mather	5		4	3	4
Roger Boulton	5			4	
Richard Hubbard	4				3
Tony King	4	3	4		
The Revd Hugh Lee	5				3
Canon Emma Osborne	4			4	
Nikesh Patel	1			4	
The Revd Canon Eleanor Robertshaw	4		3		
Maggie Rodger	5	3			4
Michaela Southworth	4				4
The Revd Caroline Titley	5		4		
Ian Wilson	4	2			2

Reference and administrative information

Charity Number	236627
Principal office	Church House 29 Great Smith Street London SW1P 3PS
Chief Executive	John Ball MA(Oxon), MSc
Actuary	Aaron Punwani, Lane Clark and Peacock LLP
Independent Auditor	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Bankers	Lloyds Bank, 25 Gresham St, London, EC2V 7HN
Corporate financial advisor	Newbridge Advisors LLP, 2 Puddle Dock, London, EC4V 3DB
Investment Advisers	Mercer Ltd, Tower Place West, 50 Lower Thames St, London, EC3R 5BU Willis Towers Watson, 51 Lime St, London, EC3M 7DQ
Charity Investment Managers	Brewin Dolphin, 12 Smithfield St, London, EC1A 9LA Savills Investment Management Ltd, 33 Margaret St, London, W1G 0JD Swiss Life Asset Managers UK Limited, 55 Wells St, London, W1T 3PT CCLA Investment Management Ltd, One Angel Lane, London, EC4R 3AB

Enquiries should be addressed to

Post Church of England Pensions Board, PO Box 2026, Pershore, WR10 9BW
Email cepbfeedback@churchofengland.org
Phone 020 7898 1890

Management

The day-to-day management of the Board's activities is delegated to the Executive Team, which is led by the Chief Executive.

Staff Remuneration and Executive Pay

Other than staff employed to work in the community living schemes, all staff in the Pensions Board, and those working for Church of England Central Services who provide support functions to the Board, are covered by a unified pay policy that operates across all the National Church Institutions. This includes those staff who have a contract of employment with the Pensions Board. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value which is based on a comprehensive job evaluation scheme, with staff being placed in one of eight 'bands'. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review. The NCIs use a range of appropriate external data tools and internal dedicated resource to advise on market rates.

Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January each year.

Certain senior roles, including that of the Chief Executives, sit outside the banding system, as the skill set required to fulfil the role is not readily measured within the NCIs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider market place, typically comparing to the charity and public sector market, and is overseen by the Remuneration Committee comprising senior Trustees from each of the main NCIs. In general, these staff can expect the same percentage annual uplift for cost of living as other staff. Salaries in the Board's investment function are set according to relevant industry benchmarks.

The highest paid member of staff was in the investment team. The annual salary for the highest paid member of staff was £267,000 (2023: £226,000), 11 (2023: 9) times the salary earned by the lowest paid member of staff and 5 (2022: 3.9) times the median salary.

In common with the other National Church Institutions, the Pensions Board continues to be accredited with the Living Wage Foundation.

Staff are typically eligible to join the Church Administrators Pension Fund or the Church Workers Pension Fund. Pension scheme membership is offered on a non-contributory basis.

Approval

The Trustees Report was approved by the Trustees on 10 July 2025 and signed on its behalf by

Clive Mather
Chair

Statement of Trustees' responsibilities in relation to the financial statements

The Trustees are 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).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor’s report to the Church of England Pensions Board

Opinion

We have audited the financial statements of The Church of England Pensions Board (the ”Parent Charity”) and its subsidiaries (the ”Group”) for the year ended 31 December 2024, which comprise:

- the consolidated Statement of Financial Activities for the year ended 31 December 2024;
- the consolidated and Parent Charity only Balance Sheets at 31 December 2024;
- the consolidated Cash Flow Statement for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Charity’s affairs as at 31 December 2024 and of the Group’s income and expenditure for the year then ended;
- the Group and Parent Charity financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards; and
- the financial statements have been prepared in accordance with the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Our evaluation of the Trustees’ assessment of the entity’s ability to continue to adopt the going concern basis of accounting included reviewing the detailed paper prepared by management setting out their assessment of the Group and Parent Charity's ability to continue as a going concern. The assessment covers the period to 31 December 2026.

We have discussed this with the Parent Charity's management in order to fully understand their assessment including the associated systems and controls and the underlying assumptions applied.

In addition to this we have:

- reviewed the period used by Trustees to assess the ability of the Parent Charity and the Group to continue as a going concern;
- checked the integrity and arithmetic accuracy of budgets and forecasts prepared by management covering the period of the going concern assessment;
- discussed the Group's cash flow forecast with management, challenging key assumptions;
- obtained an understanding of the budgeting and forecasting process followed by management for the Parent Charity and the Group, including performing a retrospective review comparing the Group's actual performance in the year to 31 December 2024 against the original budget to understand whether an indication of management bias exists;
- reviewed and assessed the Group's forecast compliance with debt covenants which the directors have used in their going concern assessment; and
- considered the appropriateness of disclosure made in respect of going concern and ensuring it is consistent with our knowledge of the business and the forecasting exercise.

We have no further observations arising from that evaluation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Charity'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.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £3.26m, based on 1% of the Group's total assets (2023: £3.07m, based on 1% of the Group's total assets) due to it being an asset driven entity.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Our performance materiality was set at 70% of the financial statement's materiality, amounting to £2.3m (2023: £2.1m, set at 70% of the financial statement's materiality).

Where considered appropriate, performance materiality may be reduced to a lower level, such as for related party transactions.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £163k (2023: £154k). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of controls, including assessing whether there was evidence of bias by the Trustees that may have represented a risk of material misstatement.

The Group comprises three components, being the Parent Charity and its principal subsidiaries CEPB Mortgages Limited and CHARM Finance plc. Audit procedures were performed on the entire financial information of each component. The work performed on the components (excluding the Parent Charity) was completed to component performance materiality levels between £97k and £1m (2023: £102k and £1m).

The main Group and its principal subsidiaries are accounted for from one central location, the Group's registered office. The audits of the Parent Charity and subsidiaries were performed by the Group audit team in the UK. The consolidation was also subject to audit procedures performed by the Group audit team in the UK.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Going concern	Our observations on going concern are included in the "Conclusions related to going concern" section of this report.

We considered the risk that the long-term going concern assessment was not appropriate. Refer to Note 1 (d)	
Fixed asset impairment assessment The Group holds significant levels of property assets with a total of £221.6m held at 31 December 2024. These properties are classed as tangible fixed assets. The properties are held at cost with a policy not to depreciate. Each year-end, management perform a impairment review which considers whether any properties within the portfolio should be impaired. This review utilises a range of valuation sources and applies a significant element of management judgment. We considered the risk that the impairment review was inappropriate and the financial statements materially misstated. Refer to Note 12	We reviewed management's overall impairment assessment including assessment against appropriate indicators. We assessed the associated systems and controls, and performed our own audit work on the process, agreeing items to supporting evidence where possible including verification of the house price indices used within the impairment model to third party documentation. In addition to this, for a sample of individual properties we compared the property's carrying value to the sale value of any similar properties in the same area. Following this work, we have determined that it is appropriate that no impairment charge is recognised in relation to the Board's properties held at 31 December 2024.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

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

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.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of the trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 34 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and the Parent Charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Parent Charity and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Parent Charity's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Parent Charity and the Group for fraud. The laws and regulations we considered in this context for the UK operations were UK tax legislation, employment legislation, health and safety legislation and General Data Protection Regulations (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of revenue, the assumptions applied in the use of judgements and estimates and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, analytical review and substantive testing of income, scrutiny and challenge of management's impairment assessment ensuring policies are appropriate under the relevant accounting standards and applicable law, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as

with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.
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.

Other matters which we are required to address

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London
Date: 11th July 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated statement of financial activities of the Church of England Pensions Board for the year ended 31 December 2024

	Note	2024 Unrestricted funds	2024 Restricted funds	2024 Total	2023 Unrestricted funds	2023 Restricted funds	2023 Total
		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Grants, donations and legacies	2	-	26,185	**26,185**	-	15,100	**15,100**
Investment income	3	-	2,145	**2,145**	-	1,814	**1,814**
Investment income – Income from partnerships	3	-	991	**991**	-	-	-
Charitable activities	4	13,634	15,853	**29,487**	10,170	14,888	**25,058**
Other income: gain on sale of fixed assets		-	4,865	**4,865**	-	1,634	**1,634**
Total income		13,634	50,039	**63,673**	10,170	33,436	**43,606**
Expenditure on:							
Charitable activities	4	(13,634)	(27,511)	**(41,145)**	(10,170)	(28,218)	**(38,388)**
Raising funds	5	-	(83)	**(83)**	-	(79)	**(79)**
Total expenditure		(13,634)	(27,594)	**(41,228)**	(10,170)	(28,297)	**(38,467)**
Total income less expenditure before gain on investments		-	22,445	**22,445**	-	5,139	**5,139**
Net gain / (loss) on investments	9	-	1,353	**1,353**	-	(755)	**(755)**
Net (expenditure) / income		-	23,798	**23,798**	-	4,384	**4,384**
Other recognised gains and (losses)							
Other gain : adjustment to pension provision	8	-	-	-	-	161	**161**
Total other gains		-	-	-	-	161	**161**
Net movement in funds		-	23,798	**23,798**	-	4,545	**4,545**
RECONCILIATION OF FUNDS							
Total funds brought forward at 1 January		-	128,108	**128,108**	-	123,563	**123,563**
Net movement in funds in year		-	23,798	**23,798**	-	4,545	**4,545**
Total funds carried forward at 31 December	16	-	151,906	**151,906**	-	128,108	**128,108**

The income, expenditure and other recognised gains and losses all relate to continuing operations, none of which have been acquired during the year.

The notes on pages 46 to 66 form part of these financial statements.

Note – all figures within the consolidated statement of financial activities are the same as for the charity-only statement of financial activities.

Consolidated balance sheet of the Church of England Pensions Board as at 31 December 2024

	Note	2024			2023		
		Consolidated			Consolidated		
		£'000 Funded by CC*	£'000 Funded by CEPB**	£'000 Total	£'000 Funded by CC*	£'000 Funded by CEPB**	£'000 Total
FIXED ASSETS							
Investment assets	9	-	42,164	**42,164**	-	40,864	**40,864**
Programme related investments	10	20,704	1,557	**22,261**	23,067	641	**23,708**
Tangible assets - Community Living and IT	11	-	24,144	**24,144**	-	23,315	**23,315**
Tangible assets – Retirement Housing	12	19,668	201,882	**221,550**	21,520	191,255	**212,775**
Total fixed assets		40,372	269,747	**310,119**	44,587	256,075	**300,662**
CURRENT ASSETS							
Debtors	13	-	11,894	**11,894**	-	4,934	**4,934**
Short term deposits		-	911	**911**	-	851	**851**
Cash at bank and in hand		-	3,047	**3,047**	-	871	**871**
Total current assets		-	15,852	**15,852**	-	6,656	**6,656**
CURRENT LIABILITIES							
Creditors: amounts falling due within one year	14	-	(6,220)	**(6,220)**	-	(8,312)	**(8,312)**
Loans repayable on sale of fixed assets	14	(40,372)	(513)	**(40,885)**	(44,587)	(665)	**(45,252)**
Total current liabilities		(40,372)	(6,733)	**(47,105)**	(44,587)	(8,977)	**(53,564)**
Net current (liabilities)/assets		(40,372)	9,119	**(31,253)**	(44,587)	(2,321)	**(46,908)**
Total assets less current liabilities		-	278,866	**278,866**	-	253,754	**253,754**
NON-CURRENT LIABILITIES	14	-	(126,960)	(126,960)	-	(125,646)	**(125,646)**
Net assets excluding pension provision		-	151,906	**151,906**	-	128,108	**128,108**
Pension deficit provision	8	-	-	**-**	-	-	**-**
NET ASSETS		-	151,906	**151,906**	-	128,108	**128,108**
FUNDS OF THE CHARITY							
Total unrestricted funds	16	-	-	**-**	-	-	**-**
Restricted funds (excl. pension reserve)	16	-	151,906	**151,906**	-	128,108	**128,108**
Pension reserve	16	-	-	**-**	-	-	**-**
Total restricted funds	16	-	151,906	**151,906**	-	128,108	**128,108**
TOTAL CHARITY FUNDS CARRIED FORWARD AT 31 DECEMBER		**-**	151,906	**151,906**	**-**	128,108	**128,108**

*Funded by the Church Commissioners
**Funded by the Church of England Pensions Board
(See Note 12 for more details)
The notes on pages 46 to 66 form part of these financial statements.

These financial statements were approved by the Trustees on 10th July 2025 and signed on their behalf by:

Clive Mather
Chair

Charity only balance sheet of the Church of England Pensions Board as at 31 December 2024

	Note	2024			2023		
		£'000 Funded by CC*	£'000 Funded by CEPB**	£'000 **Total**	£'000 Funded by CC*	£'000 Funded by CEPB**	£'000 **Total**
FIXED ASSETS							
Investment assets	9	-	42,177	**42,177**	-	40,877	**40,877**
Programme related investments	10	16,254	1,150	**17,404**	18,386	236	**18,622**
Tangible assets - Community Living and IT	11	-	24,144	**24,144**	-	23,315	**23,315**
Tangible assets – Retirement Housing	12	19,668	201,882	**221,550**	21,520	191,255	**212,775**
Total fixed assets		35,922	269,353	**305,275**	39,906	255,683	**295,589**
CURRENT ASSETS							
Debtors	13	4,450	12,340	**16,790**	4,681	4,252	**8,933**
Short term deposits		-	911	**911**	-	851	**851**
Cash at bank and in hand		-	2,993	**2,993**	-	807	**807**
Total current assets		4,450	16,244	**20,694**	4,681	5,910	**10,591**
CURRENT LIABILITIES							
Creditors: amounts falling due within one year	14	-	(6,218)	**(6,218)**	-	(7,174)	**(7,174)**
Loans repayable on sale of fixed assets	14	(40,372)	(513)	**(40,885)**	(44,587)	(665)	**(45,252)**
Total current liabilities		**(40,372)**	**(6,731)**	**(47,103)**	**(44,587)**	**(7,839)**	**(52,426)**
Net current (liabilities)/assets		**(35,922)**	**9,513**	**(26,409)**	**(39,906)**	**(1,929)**	**(41,835)**
Total assets less current liabilities		-	278,866	**278,866**	-	253,754	**253,754**
NON-CURRENT LIABILITIES	14	-	(126,960)	**(126,960)**	-	(125,646)	**(125,646)**
Net assets excluding pension provision		-	151,906	**151,906**	-	128,108	**128,108**
Pension deficit provision	8	-	-	-	-	-	-
NET ASSETS		-	151,906	**151,906**	-	**128,108**	**128,108**
FUNDS OF THE CHARITY							
Total unrestricted funds	15	-	-	-	-	-	-
Restricted funds (excl. pension reserve)	15	-	151,906	**151,906**	-	128,108	**128,108**
Pension reserve	15	-	-	-	-	-	-
Total restricted funds	15	-	151,906	**151,906**	-	128,108	**128,108**
TOTAL CHARITY FUNDS CARRIED FORWARD AT 31 DECEMBER		-	151,906	**151,906**	**-**	128,108	**128,108**

*Funded by the Church Commissioners
**Funded by the Church of England Pensions Board

The notes on pages 46 to 66 form part of these financial statements.

Consolidated cash flow statement of the Church of England Pensions Board for the year ended 31 December 2024

Cash flow from operating activities:	Note	**2024** £'000	**2023** £'000
Net movement in funds (as per the statement of financial activities)		23,798	4,545
Adjustments for:			
Depreciation and impairment – Community Living and IT systems	11	1,180	1,113
Amortisation – Santander & Natwest arrangement fee	4	38	38
Amortisation – CHARM Finance PLC bond set-up costs	4	28	27
Losses / (gains) on investments	9	(1,353)	755
Investment – arrangement fees	9	53	60
Dividends, interest and rents from investments	3	(2,074)	(1,750)
Gain from partnerships	3	(991)	-
Gains on disposal of tangible assets – Retirement Housing		(4,865)	(1,634)
Movement in pension liability	8	-	(320)
Movement in debtors	13	(6,960)	(2,597)
Movement in creditors: amounts due within less than one year	14	(2,092)	2,186
Net cash (used in) / generated by operating activities		6,762	2,423
Cash flow from investing activities:			
Cash flows from investing activities:			
Dividends, interest and rents from investments	3	2,074	1,750
Proceeds from sale/redemption of mortgage properties	10	2,438	1,926
Proceeds from the sale of tangible assets – retirement housing properties	12	10,533	6,517
Purchase of tangible assets – retirement housing properties	12	(14,445)	(8,792)
Purchase of tangible assets – Community Living and IT systems	11	(2,009)	(270)
Net cash generated from / (used in) investing activities		(1,409)	1,131
Cash flows from financing activities:			
Repayment of loans from Church Commissioners	14	(4,215)	(4,051)
Repayment of dioceses' share of rental properties	14	(152)	(10)
Additional funding from Natwest	14	1,500	(700)
Natwest funding arrangement fee		(250)	-
Net cash generated by / (used in) financing activities		(3,117)	(4,761)
Change in cash and cash equivalents in the year		2,236	(1,207)
Cash and cash equivalents at the beginning of the year		1,722	2,929
Cash and cash equivalents at the end of the year		3,958	1,722

Cash and cash equivalents and net debt comprise the following balances:

	At 1 January £'000	**Cash Flows** £'000	**At 31 December** £'000
Cash at bank and in hand	871	2,176	3,047
Short term deposits	851	60	911
Total cash and cash equivalents	1,722	2,236	3,958
Bond financing	(100,000)	-	(100,000)
Loan from Santander & NatWest	(26,300)	(1,500)	(27,800)
Total net debt	(124,578)	736	(123,842)

The notes on pages 46 to 66 form part of these financial statements.

Notes to the financial statements of the Church of England Pensions Board for the year ended 31 December 2024

1. Accounting policies

a) Legal Status

The Church of England Pensions Board ("the Board") is a body corporate established in 1926 but now governed by the Church of England Pensions Measure 2018. It is a registered charity in England and Wales (Charity No. 236627) and is regulated by the Charity Commission.

The Charity's address is: 29 Great Smith Street, London, SW1P 3PS.

b) Basis of preparation

The consolidated and charity-only financial statements have been prepared in accordance with:

- Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102");
- Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("the SORP"); and
- the Charities Act 2011.

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Board meets the definition of a Public Benefit Entity ("PBE") as set out in FRS 100, and therefore applies the PBE prefixed paragraphs in FRS 102.

The financial statements have been prepared on the historical cost basis (except for the revaluation of investments and where cost is deemed to be the revaluation amount at date of transition) and on the accruals basis.

The financial statements contain the financial information for the Church of England Pensions Board which is structured as follows:

- Unrestricted Funds - representing expenditure incurred by the Board on salaries and working expenses subsequently recovered in full from the pension funds administered by the Board.
- Restricted Funds - these funds have narrower purposes than that of the Board.

A summary of the accounting policies, which have been applied consistently across the Group, is set out below.

c) Basis of consolidation

The consolidated statement of financial activities ("SOFA") and the balance sheet include the financial information of the Board and its subsidiary undertakings (CEPB Mortgages and CHARM Finance plc). The subsidiaries have been consolidated on a line by line basis. Intra-group balances and transactions are eliminated on consolidation.

The Board has chosen not to present its non-consolidated statement of financial activities separately as the numbers are the same as for the consolidated equivalent. The Board has also taken advantage of the exemption conferred by FRS 102 Section 1 not to prepare a charity-only cash flow statement.

The Board, together with the Archbishops' Council and the Church Commissioners are equal partners in Church of England Central Services (ChECS), a joint venture. This jointly controlled entity is included in the Board's consolidated financial statements using the equity method. The Board's share of profits or losses from ChECS is included in the SOFA and its share of net assets is included in the balance sheet.

d) Going concern

The Board meets the cost of property purchases, fit-outs and other working capital requirements through its external borrowing, comprising a bank facility and two listed bond issues. The Board prepares annual budgets and regular re-forecasts, along with a three-year financial plan in order to ensure that it can meet its spending commitments as they fall due, and fulfil the terms and conditions associated with external borrowing. In addition, the Board has also prepared a long-term business plan to consider financial viability over a longer period than that for which formal budgets and forecasts are prepared.

The Board has considered the key risks and uncertainties which impact upon immediate liquidity and longer term solvency. These include the level of anticipated demand for its services, the resilience of voluntary income streams and changes in economic conditions. It has modelled the impact of changes in these factors over time and has considered whether it has adequate reserves and appropriate contingency plans to deal with a range of potential adverse scenarios.

The Board has considered the continuing financial impact of inflation, demand and interest rates on its operations and its future obligations and commitments.

Having due regard to the above, the Trustees have reasonable expectation that the Board has adequate resources to meet its spending commitments as they fall due, including the servicing and repayment of debt and compliance with loan covenants for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and accounts continues to be adopted.

e) Income

All income is recognised once the Board has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

i) Grants, donations and legacies

Donations are accounted for when received. Grants are recognised when the Board is entitled to receive them and revenue recognition criteria of entitlement, probability and measurement have been met. Gift Aid receivable is included in income when there is a valid declaration from the donor.

Notes to the financial statements of the Church of England Pensions Board for the year ended 31 December 2024

1. Accounting policies (continued)

Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted, where sufficient information has been received and are recognised on an estimated basis as follows: cash elements are recognised at monetary value, with property and other assets, including investments, valued at probate or net realisable value. Values are reviewed and, if material, adjusted up to the point of financial statement approval.

In the case of donated properties, these are valued at market value and recognised within Donations.

ii) Investment income

Income from investments is recognised on an accruals basis.

iii) Income from charitable activities

Income from charitable activities represents rent from rental properties, rent and service charge from shared ownership properties, income from mortgaged properties and fees and service charges from Community Living schemes, which are all recognised on the accruals basis.

iv) Other income

Other income is recognised when the Board is entitled to receive it and revenue recognition criteria of entitlement, probability and measurement have been met.

f) Expenditure

All expenditure is accounted for on the accruals basis. Expenditure and liabilities are recognised when a legal or constructive obligation exists as outlined in Section 7 of FRS 102. The SOFA has been presented on an activity basis. Costs have been distinguished between charitable activities and those incurred to raise funds.

i) Charitable activities

Direct costs and grants are allocated directly to activities. Grants payable are recognised when the grant is formally approved by the Board and has been communicated to the recipient.

ii) Support costs

Costs include shared service costs (finance, IT, HR, legal, internal audit), department running costs and governance costs. They are allocated across the charitable activities and raising funds as detailed in notes 4 and 5. Governance costs relate to the general running of the Board, which include costs associated with the strategic, as opposed to day-to-day, management of the Board's activities, and compliance with constitutional and statutory requirements.

g) Pensions

Staff pensions are described in note 8. Defined benefit schemes are considered to be multi-employer schemes as described in FRS 102 paragraph 28.11 and consequently are accounted for as if they were defined contribution schemes, where employer contributions payable in the year are charged to expenditure.

Where schemes have deficit recovery contribution plans in place, FRS 102 paragraph 28.11A requires the present value of these agreed payments to be recognised as a liability. Amounts paid during the year are charged against this liability.

h) Fixed assets

Rental properties, shared ownership properties and Community Living properties generate income from the furtherance of the charity's objects. As such, they are not considered to be investment properties but are classed as tangible fixed assets held at cost.

Where fixed assets were purchased with significant restrictions as a result of agreements with the funder such that the Board has a right of use of the asset for the lifetime of a beneficiary of the charity but the risks and rewards relating to capital value accrue entirely to the lender, these assets are shown in a separate category. Proceeds on eventual sale of these properties are not accounted for by the Board as they are received as agent for the lender and are used to settle the corresponding liability.

i) Rental properties

Properties are held at original cost or for properties received as gifts, the notional cost equivalent to the market value. Funding arrangements are explained in note 12.

Costs relating to the repair and maintenance of properties are charged to the SOFA in the year incurred.

A depreciation rate of 0% is applied on long leasehold or freehold properties due to the long life and the high residual value of properties which would result in immaterial depreciation for each asset and in aggregate.

An impairment review is carried out annually and where materially different from historic cost, the properties are carried at recoverable amount (being the higher of fair value less costs to sell and value in use).

ii) Shared ownership properties

These properties are purchased by the Board and the resident buys a 90-year lease for a share in the property (at least 25%) and pays a rent and a service charge on the proportion of the property that they do not own. Residents can purchase further shares in their property if their financial circumstances change, and the equity interests are adjusted accordingly.

The Board holds each property at its equity percentage of the original cost, subject to an impairment review. An impairment review is carried out annually and where materially different from historic cost, the Board's proportion of each property is carried at recoverable amount (being the higher of fair value less costs to sell and value in use).

Notes to the financial statements of the Church of England Pensions Board for the year ended 31 December 2024

1. Accounting policies (continued)

A depreciation rate of 0% is applied on long leasehold or freehold properties due to the long life and the high residual value of properties which would result in immaterial depreciation for each asset and in aggregate.

iii) Community Living properties

The properties and their associated land are held at deemed cost. Freehold land is not depreciated. The buildings are depreciated.

Fixtures, fittings, plant and equipment are held at original cost to the Board less depreciation.

Depreciation is charged on the following basis:

Tangible asset	***Basis***	***Rate***
Freehold buildings	Straight line	2.5% per annum
Fixtures, fittings, plant and equipment	Straight line	5-50 years following the NHF guidelines for all assets acquired after 2017

iv) Programme Related Investments – Mortgage properties

Mortgaged properties were purchased by the Board under a scheme that closed to new business in 2008. These mortgages operate as value linked loans which are classified as concessionary loans in accordance with FRS102. The Board's equity interest in a property is the amount loaned to the resident (up to 95% of the property value) and the resident's equity interest is the amount funded directly by the resident. If a resident pays off part of their loan, the equity interests are adjusted accordingly.

On the sale of a property, the Board and the resident receive proceeds in the same proportion as their equity interests.

The Board accounts for each property at its equity percentage of original cost, subject to an impairment review. An impairment review is carried out annually and where materially different from historic cost, the Board's proportion of each property is carried at recoverable amount (being the higher of fair value less costs to sell and value in use).

v) Programme related investments – ChECS

Programme related investments are recognised at their initial cost, less any impairments.

vi) Investment properties

Investment properties are held at fair value. Valuations are carried out every year in accordance with the Appraisals & Valuation Manual issued by the Royal Institute of Chartered Surveyors. No depreciation is charged.

vii) IT systems

IT systems are held at original cost to the Board less depreciation charged on a straight-line basis over 5 years. Systems are capitalised while under construction until implementation and at that stage depreciation commences.

viii) Gains (or losses) from sale of fixed assets

Gains (or losses) resulting from the sale of fixed assets are recognised in income (or expenditure). Gains or losses resulting from the sale and revaluation of investment assets are recognised in the SOFA in a separate section before net income/expenditure.

i) Loans

The Board applies the measurements provisions of FRS 102 paragraphs PBE34.90-92 to all its concessionary loans. Loans from the Church Commissioners are measured at the amount received from the Commissioners. See notes 12 and 13 for more information.

The loan from Santander is a basic financial instrument and measured at transaction price (less transactions costs). Subsequently, it is measured at amortised cost using the effective interest method. Arrangement fees are deducted from the transaction price and are amortised over 15 years (July 2010 to July 2025).

The loan from NatWest is a basic financial instrument and measured at transaction price (less transactions costs). Subsequently, it is measured at amortised cost using the effective interest method. Arrangement fees are deducted from the transaction price and are amortised over 15 years (Dec 2024 to Dec 2039).

The loan from CHARM Finance PLC to the Charity is a basic financial instrument and is measured at transaction price (less transactions costs). Subsequently, it is measured at amortised cost using the effective interest method. Arrangement fees are deducted from the transaction price and are amortised over the length of the facility.

The Bond liabilities relate to the corporate bonds issued by CHARM Finance PLC, and are basic financial instruments measured initially at the proceeds of issue less transaction costs directly attributable to the issue of the Bonds. After initial recognition the liabilities are measured at amortised cost using the effective interest method with transaction costs being amortised over the length of the facility.

j) Financial instruments

The Board has chosen to adopt sections 11 & 12 of FRS 102 in respect of financial instruments which are not public benefit entity concessionary loans.

Basic financial instruments

Listed and unlisted investments are initially measured at fair value. Such assets are subsequently held at fair value at each balance sheet date. The changes in fair value are recognised in the SOFA. The fair value of listed investments is determined using bid price in accordance with the practice of the appropriate stock exchange. Unlisted investments are valued by reference to latest dealing prices, valuations from reliable sources or net asset values.

Notes to the financial statements of the Church of England Pensions Board for the year ended 31 December 2024

1. Accounting policies (continued)

k) Subsidiary undertakings

Investment in the Board's subsidiary companies are held at cost less accumulated impairment losses.

l) Taxation

As a registered charity, the Board is exempt from taxation on its income and gains falling within Part 11 of the Corporation Taxation Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to charitable purposes.

The Board, in common with many other charities, is unable to recover the majority of Value Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included in the underlying cost to which it relates.

m) Related parties

The Church of England comprises a large number of legally independent bodies in its parishes, cathedrals and dioceses as well as at national level. These bodies are not related to the Board as defined in the Charities SORP or chapter 33 of FRS 102: Related parties disclosures. Transactions and balances with these bodies are accounted for in the same way as other transactions and, where material, are separately identified in the notes to the financial statements. The Church of England Pensions Board is related to ChECS, as it is a partner in this joint venture. Details are given in Note 18.

n) Funds

In line with the SORP, the Board segregates its funds between those that are restricted and those that are unrestricted.

Unrestricted funds are funds received by the Board that are available for use at the discretion of the Board in pursuing the general charitable objectives of the charity.

Restricted funds are funds received by the Board for particular purposes and are to be used in accordance with those purposes. An analysis of restricted funds is provided in note 16.

o) Significant judgements and estimates

The Board's key judgements, which have a significant effect on the amounts recognised in the financial statements, are described in the accounting policies and are summarised below:

• Carrying value of tangible assets – judgements in respect of the depreciation policies and impairment considerations undertaken for the assets of the Charity. Further details are disclosed in notes 9 to 12.

The Board's key estimates, which have a significant effect on the amounts recognised in the financial statements, are described in the accounting policies and are summarised below:

• Residuary legacies - estimation required for residuary legacies receivable once probate has been granted.
• Pension deficit provision - estimations surrounding the methodology used in the calculation of the Charity's defined benefit pension deficit provision. Further details are disclosed in note 8.
• Support costs – estimation surrounding the methodology used in the apportionment of support costs between the restricted and unrestricted funds.
• Investment properties – estimation surrounding the valuation methodology used in determining the fair value of these properties.

2. Income from grants, donations and legacies

	Note	2024 £'000	2023 £'000
Grants from:			
The Archbishops' Council	4	25,952	14,932
Other grants		23	23
Total grants		25,975	14,955
Donations		36	62
Legacies		174	83
Total income from grants, donations and legacies		**26,185**	**15,100**

The Archbishops' Council makes grants from money provided by the dioceses under the General Synod Vote 5, towards the costs of the Retirement Housing schemes. All income from grants, donations and legacies was attributable to restricted funds.

3. Investment income

	Note	2024	2023
		£'000	**£'000**
Dividends		2,074	1,750
Rental income from investment properties		11	11
Interest on cash		60	53
Income from partnerships	10	991	-
Total income from investments		**3,136**	**1,814**

All income from investments of £3,136,000 (2023: £1,814,000) was attributable to restricted funds.

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

4. Charitable activities

	Notes	Rental properties	Shared ownership	Mortgage properties	Community Living	Other charitable activities	Total restricted funds	Unrestricted Pension Schemes	2024 Total	2023 Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from charitable activities:										
Rent received		8,684	545	-	1,719	-	**10,948**	-	**10,948**	**9,993**
Service charge received		-	99	-	2,847	-	**2,946**	-	**2,946**	**2,885**
Income from mortgage properties		-	-	1,959	-	-	**1,959**	-	**1,959**	**2,010**
Support costs recharge		-	-	-	-	-	**-**	13,634	**13,634**	**10,170**
Total income from charitable activities		8,684	644	1,959	4,566	-	**15,853**	13,634	**29,487**	**25,058**
Expenditure on charitable activities:										
Financing costs (interest and commitment fee)		6,286	461	1,901	-	-	**8,648**	-	**8,648**	**9,082**
Grant making		-	-	-	-	79	**79**	-	**79**	**88**
Property costs (repairs, insurance and other costs)		7,873	19	198	111	-	**8,201**	-	**8,201**	**9,204**
Support costs	6	2,348	783	522	1,565	-	**5,218**	13,634	**18,852**	**15,068**
Amortisation of arrangement fees		66	-	-	-	-	**66**	-	**66**	**62**
Service charge costs		-	19	-	3,126	-	**3,145**	-	**3,145**	**2,950**
Nursing care costs (former residents)		-	-	-	97	-	**97**	-	**97**	**131**
Community Living and other direct costs		-	-	-	877	-	**877**	-	**877**	**849**
Depreciation and impairment charges	11	-	-	-	1,180	-	**1,180**	-	**1,180**	**1,113**
Total expenditure on charitable activities		**16,573**	**1,282**	**2,621**	**6,956**	**79**	**27,511**	13,634	**41,145**	**38,547**
Unwinding of pension deficit on charitable activities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(159)**
Total expenditure including pension deficit movement in year		**16,573**	**1,282**	**2,621**	**6,956**	**79**	**27,511**	**13,634**	**41,145**	**38,388**

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

4. Charitable activities (continued)

For comparative purposes, details of 2023 charitable income and expenditure are set out below:

	Notes	Rental properties	Shared ownership	Mortgage properties	Community Living	Other charitable activities	Total restricted funds	Unrestricted funds Pension Schemes	2023 Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from charitable activities:									
Rent received		7,873	531	-	1,589	-	**9,993**	**-**	**9,993**
Service charge received		-	91	-	2,794	-	**2,885**	**-**	**2,885**
Income from mortgage properties		-	-	2,010	-	-	**2,010**	**-**	**2,010**
Support costs recharge		-	-	-	-	-	**-**	10,170	**10,170**
Total income from charitable activities		**7,873**	**622**	**2,010**	**4,383**	-	**14,888**	**10,170**	**25,058**
Expenditure on charitable activities:									
Financing costs (interest and commitment fee)		6,691	451	1,940	-	-	**9,082**	**-**	**9,082**
Grant making		-	-	-	-	88	**88**	**-**	**88**
Property costs (repairs, insurance and other costs)		8,964	44	101	95	-	**9,204**	**-**	**9,204**
Support costs	6	2,204	735	490	1,469	-	**4,898**	10,170	**15,068**
Amortisation of arrangement fees		62	-	-	-	-	**62**	**-**	**62**
Service charge costs		-	47	-	2,903	-	**2,950**	**-**	**2,950**
Nursing care costs (former residents)		-	-	-	131	-	**131**	**-**	**131**
Community Living and other direct costs		-	-	-	849	-	**849**	**-**	**849**
Depreciation and impairment charges	10	-	-	-	1,113	-	**1,113**	**-**	**1,113**
Total expenditure on charitable activities		**17,921**	**1,277**	**2,531**	**6,560**	**88**	**28,377**	**10,170**	**38,547**
Unwinding of pension deficit on charitable activities		**(71)**	**(24)**	**(16)**	**(48)**	-	**(159)**	-	**(159)**
Total expenditure including pension deficit movement in year		**17,850**	**1,253**	**2,515**	**6,512**	**88**	**28,218**	**10,170**	**38,388**

The deficit on charitable activities is funded through a combination of specific and general voluntary income, investment income, and realised gains on disposal of investments and property. In the year ended 31 December 2024 grants of £25,952,100 were received from the Archbishops' Council towards the Retirement Housing schemes (2023: £14,932,000). In addition, the Board's broader charitable activities were funded through voluntary income of £234,000 (2023: £169,000), Investment income of £3,136,000 (2023: £1,814,000) and gains on disposal of property of £4,865,000 (2023: £1,629,000).

Income & Expenditure from charitable activities:

Rental Properties

The Archbishops' Council, from money provided by the dioceses under the General Synod Vote 5 and distributions it receives from the Church Commissioners, makes grants towards the costs of the rental scheme.

Rent from tenancies starting after 1 April 2015 are target rents based on the value of the property and are subsidised so that they are more affordable than market rents. Rent from tenancies before this are based on the occupant's ability to pay. Residents pay for moving costs, furnishings and white goods, contents insurance and on-going utility and council tax costs. The Board pays for repairs and on-going maintenance of the properties.

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

4. Charitable activities (continued)

There are a small number of properties that are let on the open market at market rents during short periods when a property is not occupied by residents eligible for the rental scheme. At 31 December 2024 there were 17 (2023: 13) such tenancies.

All tenancies fall into the definition of operating leases as set out in FRS 102 section 20 and clarified in the Housing SORP 2014 paragraph 10.3 (which though the Board does not apply, it does look to this guidance for clarification where the Charities SORP and FRS 102 are silent on particular issues). All tenancies are cancellable, either on death or notice of the resident and are not assignable.

Shared Ownership
Residents pay rent based on the Board's share of the ownership of the property and the cost of buildings insurance.

For some properties bought before 1 April 2014, residents also pay a service charge towards the repairs and maintenance of properties. For properties bought after 1 April 2014, or where residents have opted, the responsibility for repairs and maintenance lies with the resident.

Mortgage Properties
The mortgage scheme offered value linked loans to retired clergy and closed to new business in 2008. Mortgagees pay an interest-only amount on the capital advanced.

A small number of loans pre-dating the 1983 CHARM mortgage scheme remain, where a fixed amount of interest is paid based on the capital advanced. At 31 December 2024, the number of such loans in place was 2 (2023: 2).

Community Living
Some residents in the schemes receive subsidies from the Board's charitable funds. The cost of running the schemes is not met fully by rent and service charge fees. The nursing home closed in March 2017 however the Board continues to subsidise the nursing care of former residents of the nursing home. The operating deficit is met from the Board's charitable funds.

Other charitable activities
Grants are payable to augment the income of those retired clergy and clergy widow(er)s whose income falls below a certain standard, which is reviewed annually.

5. Raising funds

	2024	2023
	£'000	£'000
Investment management costs (direct costs)	83	79
Total cost of raising funds	**83**	**79**

6. Support costs
Support costs include department running costs and governance costs, plus charges for using shared services operated by ChECS. They are included in charitable expenditure (note 4) and are apportioned to the various charitable activities to which they relate.

	Restricted funds					Unrestricted funds	Total
	Rental properties	Shared ownership	Mortgage properties	Community Living	Total	Pension schemes	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing department	1,428	476	317	952	**3,173**	-	**3,173**
Executive and Secretariat	197	66	44	131	**438**	532	**970**
Governance costs	83	28	18	56	**185**	245	**430**
Pensions department	-	-	-	-	**-**	7,702	**7,702**
Investments department	-	-	-	-	**-**	3,428	**3,428**
Shared services	640	213	143	426	**1,422**	1,727	**3,149**
Total support costs	**2,348**	**783**	**522**	**1,565**	**5,218**	**13,634**	**18,852**

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

6. Support costs (continued)

For comparative purposes, details of 2023 support costs are set out below:

	Restricted funds					Unrestricted funds	Total
	Rental properties	Shared ownership	Mortgage properties	Community Living	Total	Pension schemes	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing department	1,325	442	294	883	**2,944**	-	**2,944**
Executive and Secretariat	161	54	36	107	**358**	421	**779**
Governance costs	78	26	17	52	**173**	254	**427**
Pensions department	-	-	-	-	**-**	4,805	**4,805**
Investments department	-	-	-	-	**-**	3,015	**3,015**
Shared services	640	213	143	427	**1,423**	1,675	**3,098**
Total support costs	**2,204**	**735**	**490**	**1,469**	**4,898**	**10,170**	**15,068**

Housing department costs

These costs are allocated on a 'per head' basis: costs of housing staff are allocated 45% to rental properties, 30% to Community Living schemes, 10% to mortgages and 15% to shared ownership.

Executive and Secretariat and shared service costs

Centrally incurred management and shared service costs are allocated between pension schemes and the charity on a 'per head' basis. The charity's housing share is then allocated 45% to rental properties, 30% to Community Living schemes, 10% to mortgages and 15% to shared ownership.

Governance costs

Governance costs comprise staff and non-staff costs relating to the general running of the Board, including supporting the work of the Board and its Committees. Trustees (and co-opted members) of the Board are reimbursed for travel expenses incurred whilst on official business but are not entitled to any other remuneration or allowances. In the year to 31 December 2024, 8 (2023: 8) Trustees claimed a total of £5,247 (2023: £4,686). Governance costs other than external audit costs are allocated between pension schemes and the charity on a 'per head' basis. The charity's housing share is then allocated 45% to rental properties, 30% to Community Living schemes and nursing care, 10% to mortgages and 15% to shared ownership.

	2024	2023
	£'000	£'000
External audit (including VAT)	83	79
Internal audit	101	95
Board and committee meetings	35	17
Total governance costs	**219**	**191**

Total fees paid (excluding VAT) to Crowe U.K. LLP are shown below:

	2024	2023
	£'000	£'000
Audit of CEPB and its subsidiary undertakings	69	66
Total audit fees relating to current year for CEPB and its subsidiaries	**69**	**66**
Audit of Pension Schemes	**115**	104
Total audit fees relating to current year for Pension Schemes	**115**	**104**

Pensions department costs

Expenses are incurred by the Board for administering the pension schemes. These costs are recovered from the pension schemes by charging an administration fee to each scheme.

Investment department costs

Expenses are incurred by the Board for managing the investment portfolio of the Church of England Investment Fund for Pensions through which the pension schemes hold investments. These costs are recovered by the Board as part of the administration fee the Board charges each pension scheme.

Shared service costs

Shared services are provided by Church of England Central Services. Expenses incurred by the Board for administering the Pension Funds are either charged directly to the activity to which they relate or are allocated to the funds in proportion to staff costs, number of data processes or other relevant criteria.

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

7. Staff numbers and costs

The Chief Executive and staff employed to work in the investment team and the Community Living schemes are employed directly by the Board. The Board is joint employer, together with the other National Church Institutions (the NCIs), of most of the staff of the NCIs. In addition to staff employed directly, the work of the Board is supported by staff in shared service departments who provide finance, HR, communications, legal, IT and internal audit services. Since 1 April 2014 they have been employed by a separate NCI, Church of England Central Services (ChECS).

The SORP requires that the costs of staff employed by third parties who operate on the organisation's behalf be disclosed in the financial statements. In order to comply with the spirit of the SORP, the costs of all ChECS staff are shown in aggregate in the tables below – the Board's share of which was £1,843,000 (2023: £1,787,000). The cost of staff for which the Board is the managing employer and for ChECS (in aggregate) was:

	Pensions Board own staff										**ChECS**	
	Housing		**Pensions and Investments**		**Secretariat**		**Community Living**		**Total**		**Shared services**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Average number employed	**40**	41	**52**	45	**6**	6	**86**	87	**184**	179	211	178
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Salaries	**2,051**	1,865	**4,066**	3,191	**531**	482	**1,763**	1,673	**8,411**	7,211	**11,044**	9,121
National Insurance costs	**232**	204	**497**	379	**66**	59	**146**	133	**941**	775	**1,272**	1,046
Pension contributions	**284**	272	**538**	433	**73**	66	**237**	223	**1,132**	994	**1,466**	1,263
Total cost of staff	**2,567**	2,341	**5,101**	4,003	**670**	607	**2,146**	2,029	**10,484**	8,980	**13,782**	11,430
Total chargeable to Charitable Funds	**2,567**	2,341	-	-	**302**	279	**2,146**	2,029	**5,015**	4,649		

7. Staff numbers and costs (continued)

There were no redundancy costs paid in the year (2023: £24,000) to any individuals (2023: 2) for restructuring. Restructuring costs are accounted for in full in the year in which the restructure is announced. The number of staff whose total employee benefits for the year fell in the following bands were:

	Pensions Board own staff								**ChECS**	
	Housing		**Pensions and Investments**		**Secretariat**		**Community Living**		**Shared services**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
£60,001 to £70,000	5	1	8	3	1	1	1	1	19	15
£70,001 to £80,000	2	3	4	2	-	1	-	-	14	9
£80,001 to £90,000	2	1	4	2	1	-	-	-	4	8
£90,001 to £100,000	-	-	1	1	-	-	-	-	7	1
£100,001 to £110,000	1	-	1	2	-	1	-	-	3	4
£110,001 to £120,000	-	-	-	2	1	-	-	-	5	2
£120,001 to £130,000	-	-	2	1	-	-	-	-	1	-
£130,001 to £140,000	-	-	2	-	-	-	-	-	1	1
£140,001 to £150,000	-	-	-	-	-	-	-	-	1	1
£150,001 to £160,000	-	-	2	1	-	-	-	-	1	-
£160,001 to £170,000	-	-	-	-	-	1	-	-	-	-
£170,001 to £180,000	-	-	1	-	-	-	-	-	-	-
£180,001 to £190,000	-	-	-	-	1	-	-	-	-	-
£190,001 to £200,000	-	-	-	-	-	-	-	-	-	-
£200,001 to £210,000	-	-	-	1	-	-	-	-	-	-
£210,001 to £220,000	-	-	-	-	-	-	-	-	-	-
£220,001 to £230,000	-	-	-	1	-	-	-	-	-	-
£230,001 to £240,000	-	-	-	-	-	-	-	-	-	-
£240,001 to £250,000	-	-	1	-	-	-	-	-	-	-
£250,001 to £260,000	-	-	-	-	-	-	-	-	-	-
£260,001 to £270,000	-	-	1	-	-	-	-	-	-	-

Employee benefits include gross salaries and termination payments but do not include employer pension contributions and employer National Insurance contributions.

Most staff above were members of the Church Administrators Pension Fund. Of those directly managed by the Board, 27 (2023: 14) staff accrued benefits under a defined contributions scheme for which contributions for the year were £295,374 (2023: £151,142). The other 3 (2023: 2) staff accrued benefits under a defined benefit scheme.

Of those managed by ChECS, 46 (2023:37) staff accrue benefits under a defined contribution scheme for which contributions for the year were £509,000 (2023: £428,000), 5 (2023:4) staff members accrue benefits under a defined benefit scheme, and 3 (2023: nil) staff members accrue benefits under the Church Workers Pension Fund scheme.

Of the remaining staff managed directly by the Board, 11 (2023: 9) staff accrued benefits in the Church Workers Pension Fund under a 'cash-balance' scheme for which contributions for the year were £227,915 (2023: £155,487), and 1 staff members (2023: 1 staff member) accrued no benefits in any pension scheme.

The highest paid member of staff earned £267,111 (2023: £226,000). Further details of the Board's remuneration policy are included in the Management section of the Board's report, on page 33. The Board's executive leadership team comprises 9 individuals (2023: 10), 7 (2023: 8) of whom are employed directly by the Board and 3 (2023: 2) by ChECS. The aggregate remuneration for these 9 individuals, including National Insurance and pension contributions, was £1,712,000 (2023: £1,494,000). Interest free loans are made for travel season tickets and interest free green travel loans for the purchase of bicycles and electric scooters.

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

8. Staff pensions
Staff employed jointly by the National Church Institutions

Pension benefits from Service up to 31 December 1999
These are met by the Church Commissioners for England, so no costs or liability are reflected by the Board.

Pension benefits from Service from 1 January 2000
Benefits for staff arising from service from 1 January 2000 are provided by the Church Administrators Pension Fund ("CAPF").

The participating employers are responsible for making contributions of £650,000 (2023: £500,000) towards the administration costs of the CAPF. The Board's share of these costs was £94,500 (2023: £76,500).

Staff who were in service as at 30 June 2006 are members of the defined benefit section of the CAPF. This is considered to be a multi-employer scheme as described in FRS 102 paragraph 28.11 and consequently is accounted for as if it were a defined contribution scheme, where employer contributions payable in the year are charged to expenditure.

The contributions to the CAPF are assessed by an independent qualified actuary using the projected unit method of valuation. A valuation of the scheme is carried out once every three years, the most recent having been carried out as at 31 December 2022. This revealed a deficit of £2.4m for the entire scheme. As agreed prior to the valuation, the employers collectively paid contributions of 27.6% of Pensionable Salaries each month and deficit payments of £2.4m until December 2023, in respect of the shortfall in the scheme. As at 31 December 2024, there is no deficit in relation to the Defined Benefit Section. Future contributions of Pensionable Salaries from 01 January 2024 onwards has been agreed to be 16.5%.

The provision provided for the shortfall in the scheme is measured at its net present value. The table below shows the movement on the provision:

	CEPB staff	Share of ChECS staff	2024	CEPB staff	Share of ChECS staff	2023
Provision at 1 January	-	-	**-**	136	184	**320**
Contributions Paid	-	-	**-**	(123)	(36)	**(159)**
Interest charged on provision	-	-	**-**	-	-	**-**
Adjustment to net present value of provision	-	-	**-**	(13)	(148)	**(161)**
Provision at 31 December	**-**	**-**	**-**	**-**	**-**	**-**

Staff who joined after 20 June 2006 are members of the defined contributions section of the CAPF. Employer contributions payable in the year are charged to expenditure.

Staff employed directly by the Board (mainly in Community Living schemes and the investment team)
Pension benefits for staff in managerial positions of the Community Living schemes are provided for by a defined benefit section of the Church Workers Pension Fund ("CWPF"). The scheme is considered to be a multi-employer scheme as described in FRS 102 paragraph 28.11 and consequently is accounted for as if it were a defined contribution scheme, where employer contributions payable in the year are charged to expenditure.

The contributions to the Fund are assessed by an independent qualified actuary using the projected unit method of valuation. The last full valuation of the Fund, as at 31 December 2022, showed there is no more deficit (2016: £29.4m). There is no deficit recovery needed from each participating employer in the scheme from 2024.

Pension benefits for other staff are provided for by a defined contribution scheme in CWPF, where employer contributions payable in the year are charged to expenditure.

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

9. Investment assets

GROUP	At 1 January 2024	Additions	Disposals	Gains/(losses)	Cash movements	At 31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000
UK investment funds	40,048	-	-	1,300	(53)	**41,295**
UK investment properties	816	-	-	53	-	**869**
Consolidated total investment assets	**40,864**	**-**	**-**	**1,353**	**(53)**	**42,164**

CHARITY	At 1 January 2024	Additions	Disposals	Gains/(losses)	Cash movements	At 31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000
UK investment funds	40,048	-	-	1,300	(53)	**41,295**
UK investment properties	816	-	-	53	-	**869**
Investment in subsidiary	13	-	-	-	-	**13**
Charity's total investment assets	**40,877**	**-**	**-**	**1,353**	**(53)**	**42,177**

Funds were managed by Savills, Swiss Life and Brewin Dolphin. Investment funds were held as follows:

	2024	2023
	£'000	£'000
Savills	19,190	19,085
Swiss Life	7,354	7,432
Brewin Dolphin	14,751	13,531
Total	**41,295**	**40,048**

Subsidiaries
The Board owns 100% of CEPB Developments Ltd, a dormant company limited by shares, held originally to undertake property and building development at the Community Living schemes and nursing home. This company was dissolved and removed from the Register on 7th January 2025.
The Board owns 100% of CEPB Mortgages Ltd, a company limited by guarantee, held to administer mortgages on behalf of the Board. Both companies are registered at 29 Great Smith Street, London, SW1P 3PS.

The Board also owns 100% of CHARM Finance PLC, a company limited by share capital of £50,000 (of which £12,500 has been paid up by the Board), held as a special purpose vehicle which in August 2015 provided £70m of funds to the Board via the issue of £100m of 3.126% Secured Bonds (including £30m in principal amount of Retained Bonds) due August 2048. In April 2018 CHARM Finance PLC provided a further £30m of funds to the Board via the issue of £50m of 3.509% Secured Bonds (including £20m in principal amount of Retained Bonds) also due in 2048. These funds are being used to secure current and future obligations for clergy housing in retirement.

The financial results of the Subsidiaries are detailed in Note 17.

UK investment properties
The valuers of the investment properties were Savills LLP.

The Pensions Board have no associated undertakings.

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

10. Programme related investments

The Board's programme related investments comprise of concessionary loans provided under the mortgage scheme up until 2008, and the investment in the ChECS joint venture.

ChECS is a charitable joint venture between the Church Commissioners, the Archbishops' Council and the Church of England Pensions Board, who are equal partners. The purpose of ChECS is to enhance the efficiency and effectiveness of the charitable national and diocesan institutions of the Church of England and of other charities with a church ethos, by facilitating the provision of cost-effective shared financial, legal and other services. The charity was registered with the Charity Commission on 31 December 2013 and started operating from 1 April 2014. Prior to this, the responsibility for the provision of shared services was split between the three main NCIs. The previous management arrangements continued into the new structure.

On 1 January 2024, ChECS became a sole member of Parish Giving Scheme (PGS). PGS is a charitable organisation with over 88,000 givers in 35 dioceses who give approximately £100m a year to over 5,500 parishes. As a result, the net surplus has been apportioned equally amongst the joint partners of ChECS.

GROUP	**At 1 January 2024**	**Additions**	**Disposals**	**Gains/(losses)**	**Impairment**	**At 31 December 2024**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Mortgaged properties (Funded by CC)	23,067	-	(2,363)	-	-	**20,704**
Mortgaged properties (Funded by PB)	641	-	(75)	-	-	**566**
ChECS Joint Venture	-	-	-	991	-	**991**
Consolidated total investment assets	**23,708**	**-**	**(2,438)**	**991**	**-**	**22,261**

CHARITY	**At 1 January 2024**	**Additions**	**Disposals**	**Gains/(losses)**	**Impairment**	**At 31 December 2024**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Mortgaged properties (Funded by CC)	18,386	-	(2,132)	-	-	**16,254**
Mortgaged properties (Funded by PB)	236	-	(77)	-	-	**159**
ChECS Joint Venture	-	-	-	991	-	**991**
Consolidated total investment assets	**18,622**	**-**	**(2,209)**	**991**	**-**	**17,404**

During the year, there were sale/redemptions totalling 44 CC funded mortgage properties and 1 PB funded mortgage property. As at 31 December 2024, there were 361 CC funded mortgage properties and 7 PB funded mortgage properties remaining within the charity group.

As at 31 December 2024, £886,000 was owed by the Board to ChECS (2023: £1,877,000 owed by ChECS to the Board) representing amounts loaned to ChECS by the Board, and amounts owed to ChECS for services rendered during the year.

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

11. Tangible assets – Community Living and IT systems

Consolidated and charity	At 1 January 2024	Additions	Disposals	Charge in year	Impairment	At 31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Community Living land and buildings						
Cost	25,785	-	-	-	-	**25,785**
Depreciation	(5,277)	-	-	(506)	-	**(5,783)**
Net book value	20,508	-	-	(506)	-	**20,002**
Fixtures and fittings						
Cost	4,782	2,009	-	-	-	**6,791**
Depreciation	(3,602)	-	-	(123)	-	**(3,725)**
Net book value	1,180	2,009	-	(123)	-	**3,066**
IT systems						
Cost	3,715	-	-	-	-	**3,715**
Depreciation	(2,088)	-	-	(551)	-	**(2,639)**
Net book value	1,627	-	-	(551)	-	**1,076**
Total Community Living and IT systems	23,315	2,009	-	(1,180)	-	**24,144**

IT systems represents the capitalised costs incurred in respect of the construction of the new Housing Management System and a major upgrade to the Pensions Administration System. Depreciation is being charged for the Housing Management System and for the Pension Administration system. No depreciation is charged for the second phase of Pensions Administration System whilst the assets are under construction.

12. Tangible assets – Rental andShared Ownership

The Board owns a number of different types of properties which it uses to fulfil its charitable objective: to provide retirement housing for retired clergy.

Consolidated	Book value at 1 January 2024	Additions	Disposals	Book value at 31 December 2024	*No. of properties at 1 January 2024*	*Additions*	*Disposals*	*No. of properties at 31 December 2024*
	£'000	£'000	£'000	£'000				
Rental properties								
Funded by CC	18,760	-	(1,620)	17,140	192	-	(21)	171
Funded by PB	185,900	14,445	(3,574)	196,771	972	50	(25)	997
Rental properties total	**204,660**	**14,445**	**(5,194)**	**213,911**	**1,164**	**50**	**(46)**	**1,168**
Shared ownership properties								
Funded by CC	2,760	-	(232)	2,528	31	-	(2)	29
Funded by PB	5,355	-	(244)	5,111	57	-	(2)	55
Shared ownership properties total	**8,115**	**-**	**(476)**	**7,639**	**88**	**-**	**(4)**	**84**
Totals								
Properties with significant restrictions (funded by Church Commissioners)	21,520	-	(1,852)	19,668	223	-	(23)	200
Properties without significant restrictions (funded by the Pensions Board)	191,255	14,445	(3,818)	201,882	1,029	50	(27)	1,052
Total	**212,775**	**14,445**	**(5,670)**	**221,550**	**1,252**	**50**	**(50)**	**1,252**

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

12. Tangible assets – Rental andShared Ownership

Charity Only	Book value at 1 January 2024	Additions	Disposals	Book value at 31 December 2024	*No. of properties at 1 January 2024*	*Additions*	*Disposals*	*No. of properties at 31 December 2024*
	£'000	£'000	£'000	£'000				
Rental properties								
Funded by CC	18,760	-	(1,620)	17,140	192	-	(21)	171
Funded by PB	185,900	14,445	(3,574)	196,771	972	50	(25)	997
Rental properties total	**204,660**	**14,445**	**(5,194)**	**213,911**	**1,164**	**50**	**(46)**	**1,168**
Shared ownership properties								
Funded by CC	2,760	-	(232)	2,528	31	-	(2)	29
Funded by PB	5,355	-	(244)	5,111	57	-	(2)	55
Shared ownership properties total	**8,115**	**-**	**(476)**	**7,639**	**88**	**-**	**(4)**	**84**
Totals								
Properties with significant restrictions (funded by Church Commissioners)	21,520	-	(1,852)	19,668	223	-	(23)	200
Properties without significant restrictions (funded by the Pensions Board)	191,255	14,445	(3,818)	201,882	1,029	50	(27)	1,052
Total	**212,775**	**14,445**	**(5,670)**	**221,550**	**1,252**	**50**	**(50)**	**1,252**

The fixed assets shown in the Charity-only table above include only those mortgage loans made directly by the Board, for which CC-funding was received. Loans made by the Board to CEPB Mortgages Ltd, but ultimately funded by CC, are reflected in current debtors. See note 13. The related mortgages issued by CEPB Mortgages Ltd are shown in note 10.

Financing and restriction

Historically, the Board's own properties were funded from trusts and legacies. From 1983 until July 2010 most of the rental, shared ownership and mortgage scheme properties purchased were financed by loans from the Church Commissioners. Under this arrangement, the legal ownership of each property lay with the Board but a significant part of the economic interest lay with the Commissioners. In the case of mortgaged and shared ownership properties, the Commissioners' economic interest was in the same proportion as the amount of financing they provided compared to the purchase price. Purchases were recognised at cost and the loan from the Commissioners recognised at an equal amount within creditors. If the property were sold, an amount equal to the proceeds (for mortgaged and shared ownership properties, in the same proportion as the financing they provided compared to the purchase price) would be repayable. This arrangement meant that the Commissioners retained a significant degree of financial control over the properties they funded, and on a property becoming vacant, determined if and when it was sold and for how much.

Since the end of the Commissioners' funding arrangement, financing for purchases of new rental or shared ownership properties has been provided through three sources. Firstly in 2010 the Board put in place a loan facility with Santander (transitioned to NatWest over 2024 and 2025). Secondly in 2015 the Board was loaned £70,000,000 from its subsidiary CHARM Finance PLC, which raised funds through the issue of a listed bond. Thirdly in 2018 the Board was loaned £30,000,000 from its subsidiary CHARM Finance PLC, which raised funds through the issue of a second listed bond. Further details of both facilities are provided in Note 14.

Of the £70,000,000 loaned to the Board in 2015, £41,841,000 was used to purchase the economic interest in 196 properties which had originally been funded by the Commissioners. The Commissioners have retained a right to receive any profit on disposal of any of the 196 properties up to August 2025, over the agreed purchase price of that property, and in 2024 four (2023: four) properties were sold by the Board, with £144,143 (2023: £334,534) subsequently paid to the Church Commissioners (£43,368 paid in 2024 & £100,775 paid in 2025) as a result of this agreement. In the opinion of the Trustees however, as the remainder of these properties have been identified for long-term use by the Charity, it is not expected that many further payments will accrue to the Church Commissioners as a result of this arrangement.

In addition to these arrangements, 48 rental properties were purchased with contributions from dioceses and others, where the contributions are repayable when the property is sold, as either a simple repayment or in the same proportion as the original contribution to the purchase price, depending on the agreement made. The Board recognises the full cost of the property and also recognises a liability for the amount contributed (see note 14).

Notes to the financial statements of the Church of England Pensions Board
For the year ended 31 December 2024

13. Debtors

	Consolidated		Charity	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Trade debtors	663	705	651	701
Subsidiary undertakings & related parties	8	38	4,874	5,127
Prepayments and accrued income	11,054	2,137	11,054	999
Joint venture (ChECS)	-	1,969	-	1,969
Other debtors	169	85	211	137
Total	**11,894**	**4,934**	**16,790**	**8,933**

*** Loans from the Church of England Pensions Board to CEPB Mortgages Ltd are repayable when the properties associated with them are sold. This is categorised as a current debtor for the Charity in line with FRS 102 section 4.7. See Note 13 for more details.**

14. Creditors

Current liabilities:	Consolidated		Charity	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Amounts falling due within one year				
Trade creditors	1,311	1,626	1,309	1,626
Accruals and deferred income	3,569	4,355	3,569	3,217
Tax creditor	32	6	32	6
Other creditors	412	2,325	412	2,325
Joint venture (ChECS)	896	-	896	-
Total amounts falling due within one year:	**6,220**	**8,312**	**6,218**	**7,174**
Concessionary loans repayable on sale of fixed assets				
Loans from Church Commissioners for:				
- rental properties	17,028	18,760	17,028	18,760
- shared ownership properties	2,640	2,760	2,640	2,760
- mortgage properties	20,704	23,067	20,704	23,067
Diocesan and other creditors	513	665	513	665
Total loans repayable on sale of fixed assets	**40,885**	**45,252**	**40,885**	**45,252**
Total current liabilities	**47,105**	**53,564**	**47,103**	**52,426**

Loans from the Church Commissioners are repayable when the properties associated with them are sold. The trigger for the repayment is the sale of the property and the proceeds are passed in full to the Church Commissioners. Properties are sold when residents vacate rented properties, shared ownership properties are sold and mortgages are redeemed. These assets are classified as fixed assets and are included in note 12.

FRS 102 section 4.7 states that where the repayment of a creditor cannot unconditionally be deferred for more than a year, it must be classed as a current liability. Even though experience has shown that loans from the Church Commissioners will be repaid steadily over a timeline substantially longer than one year, they meet this definition and as a result are included within current liabilities.

The terms of these concessionary loans are: for loans granted prior until 31 March 1993 the initial interest rate was 3%, increasing in line with RPI each April; for loans granted from 1 April 1993 the initial interest rate was 4%, increasing in line with RPI each April.

The same current liability classification has been applied to the Diocesan loans to the Pensions Board.

14. Creditors (continued)

Non-current liabilities:	Consolidated		Charity	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Bond liabilities – 2015 Bond	70,000	70,000	-	-
Bond liabilities – 2018 Bond	30,000	30,000	-	-
Bond liabilities – capitalised bond set-up costs	(575)	(604)	-	-
Intra-group liability – loan repayable to CHARM Finance PLC	-	-	100,000	100,000
Intra-group liability – capitalised bond set-up costs	-	-	(575)	(604)
Loans from Santander & NatWest	27,800	26,300	27,800	26,300
Loans from Santander & NatWest - capitalised set-up costs	(265)	(50)	(265)	(50)
Total	**126,960**	**125,646**	**126,960**	**125,646**

The two bonds, issued by subsidiary undertaking CHARM Finance plc, were issued to finance the growth and development of the CHARM scheme. Transaction costs of £509,000 were incurred in respect of the 2015 bond, and £306,000 in respect of the 2018 bond. At 31 December 2024, the amortised cost of the set-up fees incurred (predominantly legal and financial advice fees) for both bonds was £575,000 (2023: £604,000).

For the 2015 bond, interest due up to August 2017 was based on the initial interest rate of 3.126% adjusted for changes in CPI (subject to a 4% cap and a floor of zero). Since August 2017 the applicable interest rate has risen to 3.154%. Repayment of the bond is due in five equal instalments of £14m due in August of 2038, 2041, 2043, 2045 and 2048 respectively. The bond is secured by a fixed charge over 403 properties held by the Charity.

For the 2018 bond, interest due is based on the fixed interest rate of 3.509%. Repayment of the bond is due in three instalments on 12 November 2044, 12 November 2046 and 12 April 2048. The bond is secured by a fixed charge over 188 properties held by the Charity.

The following table details the maturity of the bond-related contractual payments as at 31 December 2024:

	2015 Bond		2018 Bond	
Period	**Interest due**	**Capital repayment**	**Interest due**	**Capital repayment**
	£'000	**£'000**	**£'000**	**£'000**
Due to end December 2024	870	-	140	-
Due within one year (to end December 2025)	2,652	-	1,053	-
Due between one and five years (to end December 2029)	10,600	-	4,206	-
Due after five years	36,255	70,000	17,590	30,000
Total	**50,377**	**70,000**	**22,989**	**30,000**

The intra-group liability due by the charity to CHARM Finance plc mirrors the terms of the bonds noted above.

The charity has a loan facility with NatWest and a separate loan with Santander (through Abbey National Treasury Services PLC), which at December 2024 were secured by fixed charges over 239 properties (2023: 244 properties) owned by the charity, with occupied market value of £63,130,000 (2023: £60,147,000), and net book value of £41,196,000 (2023: £42,015,000). The loans are repayable, subject to terms and conditions, at Dec 2039.

The cost of the Santander arrangement fee of £500,000 (1% of the loan facility) is offset against the loans and is being amortised over 15 years. At 31 December 2024, the amortised cost was £265,000 (2023: £50,000).

15. Financial Instruments

		Consolidated		Charity	
	Note	2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Financial assets at fair value through statement of financial activities					
Listed non-current investments	9	42,164	40,864	42,177	40,877
Total financial assets		**42,164**	**40,864**	**42,177**	**40,877**

16. Funds

Consolidated and charity	Balance at 1 January 2024	Income	Expenditure	Investment losses	Other gains	Transfers	Balance at 31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	-	13,634	(13,634)	-	-	-	-
Total unrestricted funds	-	13,634	(13,634)	-	-	-	-
Restricted funds:-							
General Purposes Fund:							
- General Funds	108,822	48,284	(24,612)	1,139	-	(12,000)	121,633
- Earmarked – Property Maintenance	5,700	-	(2,170)	-	-	12,000	15,530
Clergy Retirement Housing Trust & other trusts	13,586	1,755	(812)	214	-	-	14,743
Total restricted funds (excl. pension reserve)	**128,108**	50,039	(27,594)	1,353	-	-	**151,906**
Pension reserve	-	-	-	-	-	-	-
Total funds	**128,108**	**63,673**	**(41,228)**	**1,353**	**-**	**-**	**151,906**

For comparative purposes, the table below shows the movement on funds for the year ending 31 December 2023:

Consolidated and charity	Balance at 1 January 2023	Income	Expenditure	Investment gains	Other gains	Transfers	Balance at 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	-	10,170	(10,170)	-	-	-	-
Total unrestricted funds	-	10,170	(10,170)	-	-	-	-
Restricted funds:-							
General Purposes Fund:							
- General Funds	109,305	32,817	(24,955)	(908)	-	(7,437)	108,822
- Earmarked – Property Maintenance	1,175	-	(2,912)	-	-	7,437	5,700
Clergy Retirement Housing Trust & other trusts	13,403	619	(589)	153	-	-	13,586
Total restricted funds (excl. pension reserve)	**123,883**	**33,436**	**(28,456)**	**(755)**	**-**	**-**	**128,108**
Pension reserve	(320)	-	159	-	161	-	-
Total funds	**123,563**	**43,606**	**(38,467)**	**(755)**	**161**	**-**	**128,108**

16. Funds (continued)

Unrestricted funds

The **unrestricted funds** represent expenditure incurred by the CEPB on salaries and working expenses subsequently recovered from the pension funds administered by the Board. The CEPB has no net assets or liabilities in its own right as a body corporate.

Restricted funds

The **General Purposes Fund ("GPF")** is the largest charitable fund administered by the Church of England Pensions Board, covering the provision, maintenance & management of homes of residence for retired clergy and church workers and their spouses/former spouses/dependants, etc.

£23.2m was transferred from the restricted general fund to the earmarked Property Maintenance fund (2023: £7.4m was transferred to the Property Maintenance fund from the general fund).

The **Clergy Retirement Housing Trust ("CRHT")** is a registered charity (Charity No. 236627-2) and is a linked charity of the Board. As a linked charity, it is accounted for as a restricted fund. The charitable object of the CRHT is to use its property as residences for those persons who are qualified for such residence by virtue of the provisions of the Clergy Pensions Measure 1961 or any succeeding legislation.

Below is a summary of the assets and liabilities of each fund as at 31 December 2024:

FUND	Fixed Assets	Current Assets	Current Liabilities	Non-Current Liabilities	SUB TOTAL	Provision for Pension Liability	NET ASSETS
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	454	1,199	(1,653)	-	-	-	-
Restricted Funds:							
General Purposes Fund	298,340	11,054	(45,271)	(126,960)	**137,163**	-	**137,163**
Clergy Retirement Housing Trust & other trusts	11,325	3,599	(181)	-	**14,743**	-	**14,743**
Total	310,119	15,852	(47,105)	(126,960)	**151,906**	-	**151,906**

For comparative purposes, the table below provides a summary of the assets and liabilities of each fund as at 31 December 2023:

FUND	Fixed Assets	Current Assets	Current Liabilities	Non-Current Liabilities	SUB TOTAL	Provision for Pension Liability	NET ASSETS
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	648	2,730	(3,378)	-	-	-	-
Restricted Funds:							
General Purposes Fund	288,706	1,608	(50,144)	(125,646)	**114,524**	-	**114,524**
Clergy Retirement Housing Trust & other trusts	11,308	2,318	(42)	-	**13,584**	-	**13,584**
Total	300,662	6,656	(53,564)	(125,646)	**128,108**	-	**128,108**

17. Subsidiary results

The Board owns 100% of CEPB Developments Ltd, a dormant company limited by shares, held to undertake property and building development at the Community Living schemes. This company was dissolved and removed from the Register on 7 January 2025. The Board owns 100% of CEPB Mortgages Ltd (company no. 05540666) , a company limited by guarantee, held to administer mortgages on behalf of the Board. Both companies are registered at 29 Great Smith Street, London, SW1P 3PS.

The Board also owns 100% of CHARM Finance PLC (incorporated and acquired 17 July 2015, company no. 09692222, registered at 29 Great Smith Street, London, SW1P 3PS), a company limited by share capital of £50,000 (of which £12,500 has been paid up by the Board), held as a special purpose vehicle which in August 2015 provided £70m of funds to the Board via the issue of £100m of 3.126% Secured Bonds (including £30m in principal amount of Retained Bonds) due August 2048. In April 2018 CHARM Finance PLC provided a further £30m of funds to the Board via the issue of £50m of 3.509% Secured Bonds (including £20m in principal amount of Retained Bonds) also due in 2048. These funds are being used to secure current and future obligations for clergy housing in retirement.

Summaries of the Board's significant subsidiaries' results are shown below:

17. Subsidiary results (continued)

	CEPB Mortgages		CHARM Finance PLC	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Revenue	365	361	3,640	3,605
Expenditure	(365)	(361)	(3,640)	(3,605)
Result	-	-	-	-
Total Assets	4,869	5,090	100,538	100,484
Total Liabilities	(4,868)	(5,089)	(100,525)	(100,471)
Net Assets	1	1	13	13

18. Related Parties

Subsidiary companies
The Board received £365,000 from CEPB Mortgages (2023: £361,000) in respect of mortgage interest received by the Company. At the balance sheet date, CEPB Mortgages owed the Board £4,868,000 (2023: £5,089,000) in respect of mortgage loans repayable.

The Board paid £3,560,286 to CHARM Finance PLC in 2024 in respect of bond interest paid by the Company (2023: £3,580,254). At the balance sheet date, the Board owed CHARM Finance PLC £99,425,000 (2023: £99,396,000) in respect of loans repayable in relation to the 2015 and 2018 bonds, and CHARM Finance PLC owed the Board £41,494 (2023: £51,901) in respect of interest repayable.

Joint ventures
Church of England Central Services (ChECS) is a joint venture between the Church Commissioners, the Archbishops' Council and the Church of England Pensions Board, and therefore a related party of the Board. More information can be found in Note 10.

Pension Schemes
Details of amounts paid to the pension schemes are disclosed in note 8.