THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

DIOCESE OF CHICHESTER

TO KNOW · LOVE · FOLLOW JESUS

Annual Report and Financial Statements
For the year ended 31 December 2025

Company No: 00133558
Registered Charity Number: 243134

A printed copy is available on request from Church House, 211 New Church Road, Hove BN3 4ED
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ANNUAL REPORT
For the year ended 31 December 2025

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Mission Statement

Our mission is growth in Christ: encouraging people in the Diocese of Chichester and the wider world to know, love, follow Jesus and to grow as his disciples in worship and witness to the truth of the gospel.

ANNUAL REPORT
For the year ended 31 December 2025

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2025.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The principal objects of the Chichester Diocesan Fund and Board of Finance (Incorporated) ("CDBF") are to benefit the public by promoting and assisting the mission and other work of the Church of England within the boundaries of the Diocese of Chichester by acting as the financial executive of the Chichester Diocesan Synod in connection with:

- Training, funding and other support for ministry within the Diocese and in the wider Church of England, Anglican Communion and those recognised as partners in mission

- Supporting the work of the Diocesan Board of Education and other trusts and related bodies involved with the work of schools in the Diocese.

In addition the CDBF has the following statutory responsibilities:

i. the management of glebe property and investments to generate income to support the cost of stipends arising from the Church Property Measure 2018;
ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
iii. the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 2021;
iv. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

STRATEGIC REPORT

STRATEGIC AIMS

The main role of the CDBF is to identify and manage the financial aspects of the provision of ministry throughout the Diocese, so as to provide appropriate personnel and financial resources to support both the nurturing of faith in new and existing Anglicans in Sussex and engagement with the community, as part of the Church's response to the mission of God in Sussex. The CDBF aims to achieve this by equipping the Diocesan Synod, its Councils and Committees, deaneries, parishes, chaplaincies and schools to further the mission and strategic priorities of the Diocese and by doing only those things which are best done at diocesan level or otherwise add value to the work of parishes, chaplaincies and schools.

In March 2025, the Diocesan Synod approved the new Diocesan Growth Strategy which is a decade-long programme that seeks to bring growth to at least eighty churches in the diocese, across all parts of Sussex and across all contexts and traditions. The Diocesan Growth Strategy is based on three underlying priorities which our bishops presented to the May 2024 Synod:

(1) Inspiring Prayer and Worship
(2) Engaging Children and Young People
(3) Excellent Leaders

Four project streams flow from these priorities:

- **Revitalisations & Apostolic Partnerships** Focus on parishes in coastal or deprived areas of highest need with high population and low church going.
- **Increased resource for Children, Young People and Families (CY&F).** Focus on greater number of CY&F workers leading to increased CY&F attendance.
- **Focal Ministry -** Focus on supporting clergy in multiple-church benefices with the appointment of Focal Ministers – people who can provide local leadership to enable the church to flourish – both lay and ordained.
- **Grants through the Mission Fund** - Provide both small grants and support a limited number of contextually innovative mission proposals.

The strategy is underpinned by investing in **Excellent Leaders** providing training, development and coaching where needed to support our leaders, ordained and lay, across the diocese.

During 2025 an application was made to the Strategic Mission and Ministry Investment Board for Diocesan Investment Programme (DIP) funding to support the strategy. Funding was awarded in early 2026. A strategic programme team has been recruited and the project streams are being launched from mid-2026.

The project streams focus on similar themes identified by the national Church of England in their strategic vision for growth.

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OBJECTIVES

The CDBF seeks to respond to its mission of growth in Christ and to its strategic aims by focusing on the following objectives for this and subsequent years:

- To resource a Christian presence in every parish by:
    - The appointment of stipendiary and self-supporting clergy, lay ministers and Christian leaders and governors in our schools
    - Enabling the laity in congregations to play their part in ministry
    - The payment of stipends and pensions
    - The provision and maintenance of housing which is safe, fit for purpose, and welcoming
    - The selection and training of ordinands and lay ministers, and the provision of financial support to those training for ministry
    - Providing ministerial development reviews and continuing ministerial development for clergy
    - Providing pastoral care and welfare support to clergy, including financial assistance where needed
    - Planning and delivering improvements to mission and pastoral organisation
- To develop the ability to ensure a Christian presence in future by:
    - Encouraging vocations to both lay and ordained ministry, especially young vocations, and developing apostolic pathways for all, in particular re-imagined forms of lay ministry
    - Supporting apostolic partnerships to reinvigorate communities and establish a presence in areas of new housing
    - Enabling church schools to reach out to families in their communities
- To support clergy, lay leaders, parishes and chaplains and enable their work by providing training, information, advice, guidance, services and good governance
- To support schools and in particular head teachers and governors to provide the best possible education and Christian witness through training and support services and the provision of assistance and advice
- To support schools by ensuring their buildings are fit for purpose, facilitating capital expenditure and the expansion of schools where possible
- To provide support for parishes and individuals in all aspects of safeguarding casework, liaising with the public authorities as necessary
- To promote a care for the environment and a sustainable use of resources, and work towards becoming an Eco Diocese
- To support the Anglican church, nationally and internationally, and other particular ministries to groups and communities
- To run an effective organisation in order to deliver these objectives, including the provision of support to the senior clergy and management of assets.

ANNUAL REPORT
For the year ended 31 December 2025

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Celebrating 950

2025 was a year of celebration of the Christian faith across Sussex. It marked the 950th anniversary of the formation of the Diocese of Chichester and Chichester Cathedral and 1,700 years since the Nicene Creed first emerged. To celebrate this jubilee year a range of events took place across the diocese and at the Cathedral including a celebration service in every deanery, a weekend away for young families, pilgrimages for young people and parishes, a clergy conference in Canterbury and an international ecumenical conference in Chichester.

Resourcing Ministry and Mission – Parish Ministry

The primary purpose of CDBF is to resource a Christian presence in every parish through the deployment of ordained and lay ministers in parishes across the Diocese. It is these ministers who provide local leadership, organising worship and engaging in a range of community and church projects. In 2025, 321 licensed clergy, 73 licensed readers and 220 authorised lay ministers worked across the 346 parishes of the Diocese.

During the year the CDBF paid £8.97m (2024: £8.84m) in stipend, NI and pension for stipendiary clergy. CDBF also provides housing to our parish clergy and recognises that well maintained housing is important for clergy wellbeing. There is a regular maintenance programme and 43 quinquennial works projects were completed on time during the year. In addition the renewal programme continues and during the year this involved the installation of fifteen new boilers and twelve new kitchens across the parsonage portfolio. During the year EPC surveys were conducted on the majority of properties with a view to identifying projects to improve energy efficiency in the future.

The CDBF continues to nurture vocations to identify the next generation of ministers, and provides training to those at all stages of their ministry, from initial ministerial education (IME) through to ministerial development (CMD) for experienced priests. Four stipendiary deacons (2024: six) but no (2024: two) self-supporting deacons were ordained in 2025 and are serving curacies within the Diocese. One (2024: five) ordinand was released and has been ordained in another diocese. As at 31 December 2025 there were twelve (2024: eight) ordinands in training and 26 (2024: 16) candidates in the discernment process.

The parishes across the Diocese rely on the work of lay ministers to nurture the worshipping communities in Sussex. In 2025 the CDBF trained and commissioned 55 (2024: 47) authorised lay ministers (ALMs), and licensed six (2024: two) new lay readers. The CMD programme delivered a wide range of courses including training for new incumbents. 41 (2024: 39) curates were engaged in the IME programme. A new Bishop's Certificate course has been developed which will commence in January 2026.

The CDBF is grateful to the Archbishop's Council for the Strategic Development Funding which has been provided to support three projects across the diocese:

- St Peter's Brighton & associated churches: there have been encouragements across the churches with congregation growth exceeding expectations at All Saints Patcham and St Richard's Hollingdean. However, due to vacancies, particularly in Moulsecoomb, the projects overall have not yet achieved the planned outcomes including leadership

development. An appointment has been made to Moulsecoomb in 2026. A programme extension has also been granted to allow a longer time to achieve financial sustainability and to meet project outcome targets.

- All Saints Hove: following a project reset the past year has seen encouragements at All Saints Hove with a good increase in the worshipping community with particular growth amongst young adults and families. It has been encouraging to see a pathway established from the midweek activities such as the pray and stay café to the worshipping congregation. The challenge for sustainability with the high operational costs associated with a high maintenance building remains.
- Crawley: St John's continues to flourish, and there have been many encouragements with Alpha attendance continuing to grow, 53 confirmations during the year and a new service launched at St Richards with about 80 people attending regularly including young families. The Character School continued with six new apprentices and two people were licensed as ALMs. Additional leadership capacity has been agreed for the church, and roles have been reorganised. This should allow the plans to launch further new services and partnerships on two local housing estates to happen in 2026.

Resourcing Ministry and Mission – Support for Parish Ministry

CDBF provides a range of services to support parishes. These include advice on fundraising and stewardship, diocesan communications, parish finance and governance, church buildings and net zero. In addition the CDBF acts as custodian trustee for almost 500 parish and chancel trusts, and 65 school trusts, which total £24.8m (2024: £22.9m).

Highlights of the year include:

- 11 parishes attended Cornerstone workshops run by the Parish Advisers which provided an in depth look at the Cornerstone platform. This involved looking at the results of the generosity survey completed by members of the congregations which provided an insight into the areas that needed attention to improve the culture of generosity within each parish.
- 124 PCC Members, Treasurers and Secretaries attended the finance and governance courses delivered by the Parish Advisers whilst 23 people attended legacy webinars run by the Parish Advisers.
- The Parish Giving Scheme continues to provide an effective mechanism to manage regular giving and 337 (2024:302) parishes (97% (2024: 87%)) are signed up to the Scheme.
- The Diocese achieved the Eco Bronze diocese award.
- Processing permissions for works to church buildings, including 202 List B applications, as well as provision of formal and informal DAC advice in respect of 84 faculty applications and 46 Minor Works.
- Administering the Minor Repairs and Improvements and Quick Wins grant schemes, resulting in allocating £87,116 in 34 grants to parishes.
- Offering tailored fundraising advice to over 50 parishes for a range of capital projects and repairs as well as general queries around increasing income, managing digital giving etc. The projects included urgent repairs, facilities and re-orderings, extensions; church halls; and

Net Zero works Net Zero. Four churches working toward major applications to the National Heritage Lottery Fund received support from the Fundraising Adviser.

- Continuing work on proposals for Mission and Pastoral schemes and orders, with 7 schemes completed in the year and a further 13 were progressed.
- Organising and delivering a programme of training events on church buildings, attended by approximately 150 churchwardens and clergy.

Resourcing Ministry and Mission – Church Schools

The Education team has worked closely with Church of England Schools across the diocese during 2025, supporting the recruitment of 136 Foundation Governors across our 155 schools.

The School Effectiveness Team remain committed to supporting schools daily in areas such as Christian distinctiveness and RE, school improvement and school organisation. A core element of this role is to work alongside schools in preparation for both SIAMS (Statutory Inspection of Anglican and Methodist Schools) and Ofsted inspections. Developing adult and children's Christian spirituality remains a key focus for our training for schools as it is a key component of the SIAMS framework. 16 new Headteachers took up post last year following appointment processes supported by our team. In addition, 10 interim appointments were made.

The Education team continue to administer the SCA (School Condition Allocation) funding received from the Department of Education for Voluntary Aided Schools. In 2025, the team administered funding totalling £1.8m used to ensure that schools are safe, warm, dry and most importantly remain open.

The team are committed to working towards the Church of England ambition for net zero by 2030 and were successful in securing a second PSDS (Public Sector Decarbonisation Scheme) grant of £550,000 to replace oil fuelled and end of life boilers with air source heat pumps in a further two Voluntary Aided Schools across the diocese. These works will take place in Summer 2026.

Working with the Diocesan Board of Education, the Education team developed a project for secondary schools to create a new worship song based on the Nicene Creed as part of the Year of Faith. Moving into 2026, the sustainability and viability of our small and rural schools remains a priority.

Safeguarding

The safeguarding team continues to provide support to parishes on a daily basis, assisting with safeguarding practice, leading on casework and advising on the implementation of policy. In addition to its usual work during 2025 the team launched the Parish Dashboards which are replacing the SQP (Simple Quality Protects) system. There has been a positive response to the Dashboards and all but three parishes were using them by 31 December 2025. Following the independent safeguarding audit, conducted by the INEQE Safeguarding Group in 2024, the team has continued to review the recommendations and implement changes as necessary. To increase capacity in the team, a new Diocesan Safeguarding Advisor was recruited, shared with Chichester Cathedral.

Running an effective organisation

Over the course of the year there were three Diocesan Synods, as well as 11 Autumn Deanery meetings, one Deanery Treasurers' meeting and 18 governance committee meetings. In addition, one General Synod by-election was facilitated in 2025.

The Diocese makes great efforts to be a good steward of its assets, and to manage its investments effectively, balancing the need to maximise the long term return from our assets with the need to generate income to reduce the pressure on parishes. In this, CDBF is supported by number of teams based at Church House Hove including finance, IT, and HR.

FUTURE PLANS

The diocesan growth strategy approved by Diocesan Synod in 2025 detailed on page 4 will have a major influence on the activities of the CDBF. The DIP funding was confirmed in early 2026 and a number of activities will commence including revitalisation projects, the recruitment of new Children and Youth Workers and a renewed Mission Fund to support innovative projects in parishes.

On 5 February 2026 Bishop Martin announced that he will be retiring as Bishop of Chichester on 31 May 2026. The suffragan bishops will together oversee the life of the diocese during the vacancy and the Vacancy in See Committee has started its work to search for the next Bishop of Chichester. Many have expressed their gratitude for Bishop Martin's dedicated leadership, his commitment to creating a safer culture across the diocese and his deep pastoral care for all. He will be greatly missed.

In addition to all the work operationally required and delivered from year to year, in 2026 we plan to:

- Improve the Church House Hove office, which has not been significantly renewed since it opened in 1995. The first floor of the office will be refurbished to rearrange the working space, remove filing cabinets and introduce soundproof pods for video calls. The toilet facilities will also be updated, and the large ground floor meetings rooms will be refreshed.
- Recruit a new Director for Apostolic Life.
- Develop a suite of HR resources and training for parishes particularly covering upcoming legislative changes.
- Review the policy on letting vacant parsonages in light of the Renters Rights Bill.
- Respond to the General Synod proposals on safeguarding structures.
- Rebalance the investment portfolio and consider adopting a total return investment approach.

FINANCIAL REVIEW

Financial Performance

The CDBF recorded a deficit of £212k for the year on its general funds before gains on the revaluation of assets (2024: £454k). The deficit for the year was better than the budgeted deficit of £723k. The improved performance mainly arose because of the generosity of parishes in paying

Parish Share, higher rental income due to the delay in releasing properties for sale or occupation, as well as a credit from the employer pension scheme and achieving some cost savings during the year.

Parish Share, the money given by parishes to CDBF to fund the mission and ministry of the diocese, is the main income resource for the CDBF and provides 65.9% of its income (2024: 62.7%).

The current year's Parish Share receipts represent 98.7% (2024: 98.8%) of the total pledges made for 2025. When the receipts for prior years are included the collection rate increases to 99.6% (2024: 99.4%). The Trustees are grateful to all parishes who pledged so generously and continued to meet those pledges, and especially to those parishes who reviewed their pledge in year and made additional contributions. Additional Parish Share of £241k was pledged and contributed in the course of 2025. In 2023 a new parish share restricted fund was launched in response to the national Living in Love and Faith conversations for use by those parishes which hold an orthodox view of marriage. Parish share of £1,718k (2024: £1,258k) was paid into the fund. This has been spent in full on stipends to support ministry in those parishes which hold an orthodox view of marriage. The restricted fund is being continued for 2026.

Despite the increase in employer National Insurance contributions in April 2025, total expenditure was below budget for the year. This was despite a significant overspend on clergy housing, demonstrating Chichester DBF's commitment to maintaining properties occupied by clergy. Many of the cost savings arose due to CDBF staff vacancies in the year. There were also savings on Ordination Training due to the number and profile of candidates in training.

Income across all funds, before recognised gains and losses totalled £21.6m (2024: £22.1m) and expenditure amounted to £21.8m (2024: £21.1m).

The Statement of Financial Activities (SOFA) for the year shows a net loss of £145k (2024: £925k surplus) before net gains and losses on the revaluation and sale of investments and the revaluation of fixed assets. Net gains on investments totalled £3.43m (2024: £1.08m) and there was a net gain on revaluation of fixed assets of £9.98m (2024: £7.47m gain).

As a result, funds increased by £13.26m to £350.68m.

A deficit budget of £315,565 has again been set for 2026. The deficit will be funded from reserves.

Significant Property Transactions

Seven properties (one parsonage, five glebe and one DBF house) were sold during the year for a total of £4.5m. Three properties (three glebe) were purchased during the year for £2.5m.

The CDBF will consider the disposal of property for the following reasons:

- to replace unsuitable parsonages;
- to accommodate the changing geographical deployment of clergy across the Diocese;
- to realise development potential in some properties, thereby using our resources more effectively for the ministry of the Church.

Balance sheet

The Trustees consider that the balance sheet together with note 20, show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While net assets at balance sheet date totalled £350.68m (2024: £337.4m), it must be remembered that included in this total are properties, mostly in use as clergy housing, whose value amounted to £270.0m (2024: £265.1m). The majority of the remaining assets shown in the balance sheet of £80.7m are held in restricted funds and cannot be used for the general purposes of the CDBF.

Reserves policy

Free reserves

The Chichester Diocesan Fund and Board of Finance (CDBF) exists to resource an Anglican presence in parishes across Sussex and to support Church of England schools in the Diocese. CDBF is highly reliant on income from Parish Share to fund its activities. Parish Share income fluctuates throughout the year and is dependent on the financial health of the parishes. CDBF has high levels of fixed expenditure, primarily clergy and staff payroll costs. Other expenditure such as clergy housing is planned and committed in advance. Therefore CDBF needs to hold sufficient free reserves to meet ongoing operational expenditure through periods when income levels fluctuate to ensure there is no significant disruption in activity.

Furthermore, the risks facing the DBF include decreases in Parish Share income as parishes face their own financial pressures, as well as the CDBF's costs increasing with inflation. The CDBF's free reserves are therefore required to meet commitments and maintain activities for the period needed to adapt the operating model should income decrease permanently.

Taking these factors into account the CDBF's reserves policy sets a target in the range of two to four months' budgeted operating expenditure. The lower bound is set by reference to the likely fluctuations in income, and the upper bound reflects the time required to adapt the CDBF's activities in response to a permanent drop in income. The purpose of the target range is to provide short-term resilience while long-term solutions can be established.

Free reserves are part of our general fund and are defined as the unrestricted net current assets plus investment assets. At 31 December 2025 the range required under this policy was £3.0m - £6.0m (2024: £3.0m - £6.0m). Actual free reserves at that date totalled £4.8m (2024: £5.0m), as set out in note 20.

In the event of falling below this range, future budgets would be set in order to recover this position. If the CDBF had surplus funds then these would be applied to support front line ministry as soon as possible and sensible.

The level of reserves is currently within the target range.

Our designated funds are unrestricted and available to use for general purposes. However the largest is represented by properties and others are committed for particular purposes. They are therefore not readily available to deploy as free reserves.

Designated funds

The Trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed periodically and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with its intended use is set out in notes 19, 20 and 23. At 31 December 2025 total designated reserves were £5.0m (2024: £5.1m), the majority of which is tied up in fixed assets.

Restricted and endowment funds

As set out in note 19, 20 and 23 the CDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2025 restricted funds totalled £26.7m (2024: £23.6m) and endowment funds totalled £314.2m (2024: £303.7m). Neither are available for the general purposes of the CDBF.

Grant making policy

The Memorandum of Association of the CDBF explicitly permits the CDBF to make grants in pursuance of its objects. The nature of grants made in 2024 is indicated in note 11. Grants were made to parishes to support mission projects, to Ordinands to support them in training, to Clergy to assist with new appointments and relocation and with welfare needs, and to church schools for capital funding from the schools condition allocations (SCA).

Investment policy

The CDBF is empowered by its memorandum of association to invest monies not immediately required for its purposes. Responsibility for the management of diocesan assets is delegated (through the Finance Committee) to the Assets Committee which oversees investment policy, monitors performance and reviews strategy with its advisers.

The CDBF is subject to the Charities Acts, the Trustee Investment Act 2000 and Measures passed by the General Synod of the Church of England. Specific Trustee permission is required for investments in Private Equity, Hedge Funds, Commodities or Derivatives. The CDBF endorses the Church of England Ethical Investment Policy and requires its investment managers to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography, tobacco, thermal coal or tar sands. The ethical policy continues to exclude fossil fuel companies not in line with the Paris Agreement and as at 31 December 2025 there are no fossil fuel companies in CDBF's portfolio. The CDBF's investment objectives are to maintain and enhance the real value of the Fund over the long term, whilst producing an annual income which grows at least in line with inflation and having due regard for the possible need for liquidity.

The risk profile is medium high with a commensurate level of volatility in capital value being acceptable. The permitted asset classes are detailed within the CDBF's investment policy as recommended by the Assets Committee. The base currency of the portfolio is sterling. The minimum acceptable credit rating for bond issuing or deposit taking institutions is BB.

The portfolio is split among a number of investment managers who each has a different brief in order to achieve diversification and spread risk, and hence performance varies between managers. Each manager operates on a discretionary basis with a normal weighting in favour of equities. Managers may be appointed to perform principally to an Income target (while maintaining capital value) or a Total Return basis. It is expected that funds will be fully invested. Benchmarks are agreed with each Investment Manager.

In addition, the CDBF acts as trustee of a number of trust funds, which are invested in accordance with the related trusts.

Note 20 provides details of the assets of each fund, note 15 summarises the movements in investments during the year and note 23 indicates the purposes of each fund.

Fundraising

Chichester DBF is aware of the Charities (Protection and Social Investment) Act 2016, the Fundraising Code of Practice and the Charity Commission's guidance on fundraising. The trustees fully support the aims of the legislation and guidance. The majority of the DBF's income comes from other charitable bodies and it undertakes very little direct fundraising activity involving individual donors. The DBF considers the origin of unsolicited donations and legacies when received. The DBF did not share or purchase any donor data with third parties and did not engage any professional fundraisers during the year. The DBF did not receive any complaints in relation to fundraising in 2025 or 2024.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy. Key risks are subject to review by the Trustees on an annual basis, and by the Audit Committee at each meeting, with responsibility for delivery of the mitigation strategies delegated to the Diocesan Secretary. The register is reviewed at least once a year and is regularly updated.

The principal areas where the risk of either failure to act or the impact of the events is considered 'high' and the associated mitigation strategies are:

Risk	Mitigations
Falling clergy and congregation numbers resulting in decline of parish finances and unavailability of volunteers	• Prayer; • Great care taken to make good clergy appointments; • Focus on fostering more vocations; • Increased training and support for clergy and parish officers; • Re-imagining ministry is a core part of the diocesan strategy with a strong focus on equipping and building confidence to energise lay ministry and development of self-supporting ministry;

	• The Growth Strategy will see targeted investment in 40+ churches supporting growth in congregation numbers, and thereby increasing sustainability. The Strategic Development Projects also promote growth in strength and depth both in particular places and across the diocese.
Significant loss of income or increase in expenditure, such as through the impact of lack of confidence in the Church of England, the cost of living crisis or responses to the Church of England's Living in Love and Faith debate:	• Build local relationships; • Improved forward planning; • Close monitoring of income, expenditure, investments and cash flow; • Close communication with parishes to maintain parish share payments and provision of a restricted fund to maintain contributions; • Maintenance of reserves; • Exploration of alternative funding avenues.
Safeguarding, where there is an occurrence of child, vulnerable adult or domestic abuse by someone working for or on behalf of the Church:	• The CDBF employs a safeguarding adviser, a deputy and two assistants, and a development team; • The diocese has a strong independent safeguarding advisory panel to review and challenge its actions, and excellent relationships with statutory agencies, who are all represented on the panel; • Policies are aligned with those of the national church; • All parishes are required to undertake a review of their practices and take action as appropriate based on the findings; • Training is compulsory for all relevant staff, office holders and volunteers.
Failure to address or resolve structural financial issues such that DBF spends its reserves and restricted funds so that activity cannot be sustained.	• Diocesan Growth Strategy seeks to increase the number of healthy and sustainable churches across the diocese; • Focus on deficit reduction through income generation and cost reduction has led to a significantly better outcome compared with previous two years budget expectations; • Routine monitoring of performance against budget at operational and governance level; • Understanding of inter-generational equity applied to use of assets so that investment and reserves management take a long term view.

Trustees and Diocesan Officers continue to assess the risks and uncertainties brought about by negative media coverage of the Church of England, the cost of living crisis, and Living in Love and Faith conversations among other matters. Cashflow is continuously monitored, along with the impact of this and other crises on income levels. A number of scenarios have been modelled, assessing the consequences on easily available funds, and the asset portfolio reviewed to ascertain the potential source of additional short-term financing, should it be required.

STRUCTURE AND GOVERNANCE

Organisational structure

The Chichester Diocesan Fund and Board of Finance (Incorporated) is a company limited by guarantee (No. 00133558) and a registered charity (No. 243134) governed by its Memorandum and Articles of Association.

The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Chichester. It was established in its present form in 1914. Every eligible member of Diocesan Synod is a member of the company for company law purposes and has a personal liability limited to £1 under their guarantee as a member in the event of the company being wound up.

Governance and policy of the CDBF are the responsibility of the Trustees acting as the Finance Committee, who are also directors of the company and trustees for the purposes of charity law. The Bishop of Chichester is the ex-officio president of the Diocesan Board of Finance, and appoints a chair and deputy chair of the Finance Committee after consulting with the chairs of the House of Clergy and House of Laity of Diocesan Synod.

The members of the Finance Committee are the members of the Bishop's Council and Standing Committee of the Diocesan Synod from time to time. The Bishop of Chichester, the chair and deputy chair of the Finance Committee, the two suffragan bishops and the four archdeacons, the Dean of Chichester, the chairs of the Diocesan Synod House of Clergy and House of Laity, and the Deans of Women's Ministry are ex-officio members, together with one member of the House of Clergy and two members of the House of Laity from each archdeaconry elected from and by the members of Diocesan Synod every three years, and up to five additional members of Diocesan Synod co-opted by the Bishop after consulting with the chairs of the House of Clergy and House of Laity of Diocesan Synod. The details of Trustees who served during the year, the majority of whom were elected in 2024 to serve from 1 January 2025 to 31 December 2027, are set out on page 21.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for advising the bishop, providing financial oversight and discussing matters of local and national church interest, guided by the Bishop's Council and Bishop's Senior Staff Team. The Synod membership is elected every three years; the members for the majority of the year were elected in 2024 to serve from August 2024. The Synod elects twelve of the Trustees of the Diocesan Board of Finance. Whilst the CDBF is a separate legal entity, with clear responsibilities under both company and charity law as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 the CDBF is subject to the direction of Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England School properties, held as The Diocese of Chichester Consolidated Educational Endowments, are accounted for in the restricted Aided Church Schools fund and are managed by the CDBF in consultation with the Diocesan Board of Education.

The CDBF is designated as Diocesan Parsonages Board, with responsibility for making decisions concerning the management of all clergy houses.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Chichester, are set by the Diocesan Synod and CDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary who is supported by a number of heads of department and their staff. The company meets once a year in general meeting to receive the annual report and financial statements and to appoint auditors. The company meets a second time each year to receive and agree the annual budget, prepared and approved by the Trustees.

The Trustees, meeting within the context of the Bishop's Council and Standing Committee of the Diocesan Synod, hold at least four meetings during the year to formulate and monitor the implementation of policies on mission, ministry and finance by:-

- Initiating proposals for action by the Synod and advising it on matters of policy
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with its Standing Orders
- Reviewing CDBF's overall activities, assessing performance, and deciding investment and other policies
- Planning the business of the Synod, preparing agendas for its sessions, and circulating to members information about matters for discussion
- Advising the Bishop on any matters he may refer to the Council
- Initiating consideration of any restructuring of Synod Committees and Departments which may be necessary and the establishment of ad hoc review groups, their terms of reference and membership
- Carrying out such other functions as the Synod delegates to it
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod

ANNUAL REPORT
For the year ended 31 December 2025

The Trustees met five times during the year.

Trustee	Meetings Attended
The Right Revd Dr M Warner	5
The Right Reverend W Hazlewood	4
The Right Reverend R Bushyager	4
The Venerable M Lloyd Williams	4
The Venerable L Irvine-Capel*	0
The Venerable T Carpenter*	2
The Venerable R Dewhurst*	1
The Venerable A Martin	4
The Very Revd Dr REM Dowler	3
The Revd HLF Garratt	3
Mr S Hoyles	4
Mr W Telford	3
Mr M Auton-Lloyd	4
Ms G Bradnam*	4
The Revd J di Castiglione	5
The Revd P Coekin	4
Mr A Crighton	5
The Revd Canon PM Gilbert	2
The Revd M King	4
Miss M Lumley	5
The Revd D Millest	2
Mrs A Murphy	5
Mrs T Nay*	3
Mr J Sharp	5
Mr N Stalley	5
Mrs S Stonor	4
The Revd A Woodward*	2

*Trustee for part of year

Chichester DBF regards attendance at meetings as important and we engage with trustees to support them to fulfil their duties.

The Trustees are assisted in their work by four principal sub-committees:-

Operating Committee: monitors management accounts and the budget, the collection of Parish Share pledged by parishes, and the acquisition, use and disposal of parsonages and other assets, and exercises the authority delegated to it by the Trustees in areas such as approval of capital expenditure, grants and loans. It also undertakes the CDBF's responsibilities as Diocesan Authority with respect to parochial property under the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964.

Audit Committee: supports the Finance Committee in its responsibilities regarding issues of risk, control and governance and associated assurance.

Assets Committee: oversees investment policy, monitors performance and reviews strategy with its advisors. It also undertakes the CDBF's responsibilities under the Church Property Measure 2018 (with regard to glebe assets).

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council and Standing Committee of the Diocesan Synod and are selected as set out above. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal significance within the Companies Act. All Trustees are required to maintain their entry in the record of declarations of interest and loyalty.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration committee consisting of the Chair and Deputy chair of the Finance Committee, the Chair of the House of Clergy, the Chair of the House of Laity, and a suffragan bishop or archdeacon nominated by the Bishop of Chichester. The terms of reference for this group are established by the Bishop's Council and include recommending policy on remuneration to the Finance Committee and determining the remuneration for employees of the CDBF. Annual payrises are recommended taking into account levels of inflation alongside affordability. Independent benchmarking of specific posts is undertaken whenever a post is filled, responsibilities substantially amended, or a review is requested. Benchmarking takes into account comparable jobs in the local area, in the sector nationally and in other dioceses.

Delegation of day to day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day to day activities of the company. The Diocesan Secretary is given specific and general delegated authority to execute the business of the CDBF in accordance with the policies framed by the Trustees.

Funds held as Diocesan Authority

The CDBF is Diocesan Authority (akin to custodian trustee) in respect of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the CDBF does not control them, and they are segregated from the CDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £24.8m at 31 December 2025 (2024: £22.9m), are available from the CDBF on request, and are summarised in note 30. Where properties are held as Diocesan Authority, the deeds are identified as such and held in safe custody by the CDBF's solicitor, Winckworth Sherwood.

Connected Bodies and Related Parties

Please refer to note 29 of the accounts.

Volunteers

The CDBF is dependent on a huge number of people involved in church activities both locally and at diocesan level. The CDBF greatly values the considerable time given by all its committee members and other volunteers across the Diocese in pursuit of its mission.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations**.**

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the CDBF and of the surplus or deficit of the CDBF for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CDBF and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the CDBF 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 corporate and financial information included in the CDBF's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITOR

So far as the Trustees are aware:

a) there is no relevant audit information of which the charitable company's auditor is unaware, and

b) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

APPOINTMENT OF AUDITOR

The re-appointment of HaysMac LLP as auditor to the CDBF will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2025. The following Trustees served during the reporting year or were in post at the date of this report:

The Right Revd Dr M Warner (Bishop of Chichester)
The Right Reverend W Hazlewood (Bishop of Lewes)
The Right Reverend R Bushyager (Bishop of Horsham)
The Venerable M Lloyd Williams (Archdeacon of Brighton & Lewes)
The Venerable L Irvine-Capel (Archdeacon of Chichester) (to 26.2.25)
The Venerable T Carpenter (Archdeacon of Chichester) (from 28.9.25)
The Venerable R Dewhurst (Archdeacon of Hastings) (from 29.11.25)
The Venerable A Martin (Archdeacon of Horsham)
The Very Revd Dr REM Dowler (Dean of Chichester)
The Revd HLF Garratt (Dean of Women's Ministry)

Mr S Hoyles (from 1.1. 25)
Mr W Telford (from 1.1. 25)

Mr M Auton-Lloyd (from 1.1. 25)
Ms G Bradnam (from 31.1.25)
The Revd J di Castiglione (from 1.1. 25)
The Revd P Coekin
Mr A Crighton (from 1.1.25)
The Revd Canon PM Gilbert
The Revd M King (from 1.1. 25)
Miss M Lumley
The Revd D Millest (from 1.1. 25)
Mrs A Murphy
Mrs T Nay (from 31.1.25)
Mr J Sharp (from 1.1. 25)
Mr N Stalley (from 1.1.25)
Mrs S Stonor
The Revd A Woodward (to 15.5.25)

Senior staff and advisers

Diocesan Secretary	John Preston
Finance Director	Catherine Dawkins
Director of Education	Lesley Hurst
Director for Apostolic Life	Rebecca Swyer (to 31 December 2025)
Property Director	Scott Ralph

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

ANNUAL REPORT
For the year ended 31 December 2025

Registered Office:	Diocesan Church House, 211 New Church Road, Hove, BN3 4ED
Bankers	Barclays Bank plc, 90-92 High Street, Crawley, RH10 1BP
Independent Auditor	HaysMac LLP, 10 Queen Street Place, London EC4R 1AG
Solicitors	Winckworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB
Investment advisers	CCLA Investment Management Ltd, 80 Senator House, 85 Queen Victoria Street, London, EC4V 4ET M&G Securities Ltd, M&G House, Victoria Road, Chelmsford, Essex CM1 1FB J M Finn & Co, 4 Coleman Street, London EC2R 5TA Charles Stanley & Co Ltd, 25 Luke Street, London EC2A 4AR Cazenove Capital, 31 Gresham Street, London EC2V 7QA
Insurers	EIG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ RSA Insurance, St. Mark's Court, Chart Way, Horsham RH12 1XL AXA Insurance UK plc, 20 Gracechurch Street, London EC3V 0BG

In approving this Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES

The Right Revd Dr Martin Warner
President of the CDBF

Mr Stephen Hoyles
Chair of the Finance Committee

7 May 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2025

Opinion

We have audited the financial statements of Chichester Diocesan Fund and Board of Finance (Incorporated) for the year ended 31 December 2025 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and 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 charitable company's affairs as at 31 December 2025 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 19 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular reviewing the controls and procedures in place for these;
- Challenging assumptions and judgements made by management in their critical accounting estimates. The key areas subject to estimation are fair values assigned for property assets and investment properties.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

For the year ended 31 December 2025

Use of our report

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



Jane Askew (Senior Statutory Auditor)
for and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 15/05/2026

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2025

	Note	Unrestricted Funds General £'000	Unrestricted Funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Income and endowments from							
Donations							
Parish share	**3a**	12,531	-	1,718	-	14,249	13,827
Other donations	**3b**	185	42	3,033	-	3,260	2,936
Charitable activities	**4**	721	31	109	-	861	848
Other trading activities	**5**	865	-	54	-	919	792
Investments	**6**	900	1	1,257	-	2,158	2,603
Other	**7**	168	-	(34)	56	190	1,051
		15,370	74	6,137	56	21,637	22,057
Expenditure on							
Raising Funds	**8**	65	-	93	-	158	149
Charitable activities	**9**	15,517	107	6,000	-	21,624	20,983
		15,582	107	6,093	-	21,782	21,132
Net income/(expenditure) before investment gains/(losses)		(212)	(33)	44	56	(145)	925
Unrealised gains/(losses) on investments	**15**	(56)	-	1,010	1,175	2,129	786
Realised gains/(losses) on investments		4	-	835	463	1,302	295
Net gains/(losses) on investments		(52)	-	1,845	1,638	3,431	1,081
Net income/(expenditure)		(264)	(33)	1,889	1,694	3,286	2,006
Transfer between funds	**13**	70	-	1,219	(1,289)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	**14**	-	(139)		10,114	9,975	7,469
Net movement in funds		(194)	(172)	3,108	10,519	13,261	9,475
Total funds brought forward		5,046	5,129	23,586	303,657	337,418	327,943
Total funds carried forward	**19**	4,852	4,957	26,694	314,176	350,679	337,418

All activities derive from continuing activities. The notes on pages 31 to 70 form part of the financial statements.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2025

	Total 2025 £'000	Total 2024 £'000
Total Income	21,581	22,390
Expenditure	(21,782)	(21,132)
Operating surplus/(deficit) for the year	(201)	1,258
Net gains on investments	1,793	666
Net gain/(loss) for the year	1,592	1,924
Other comprehensive income :		
Revaluation of fixed assets	(139)	902
Total comprehensive gain/(loss)	1,453	2,826

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

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

BALANCE SHEET
For the year ended 31 December 2025

Company Number - 00133558		2025		2024	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	**14**		283,349		276,053
Investments	**15**		53,819		49,646
			337,168		325,699
CURRENT ASSETS					
Debtors	**16**	2,563		1,832	
Cash on deposit		9,961		8,778	
Cash at bank and in hand		4,501		5,582	
		17,025		16,192	
CREDITORS: amounts falling due within one year	**17**	(3,514)		(4,473)	
NET CURRENT ASSETS			13,511		11,719
TOTAL ASSETS LESS CURRENT LIABILITIES			350,679		337,418
CREDITORS: amounts falling due after more than one year	**18**				
Pension scheme liabilities			-		-
Other creditors			-		-
NET ASSETS			350,679		337,418
FUNDS					
Endowment funds			314,176		303,657
Restricted income funds			26,694		23,586
Unrestricted income funds					
General funds			4,852		5,046
Designated funds			4,957		5,129
TOTAL FUNDS	**19/20**		350,679		337,418

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 7 May 2026 and signed on behalf of the Board by:



The Right Revd Dr Martin Warner
President of the CDBF



Mr Stephen Hoyles
Chair of the Finance Committee

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE (INCORPORATED)

CASH FLOW STATEMENT
For the year ended 31 December 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities (see below)		(3,825)		(3,317)
Cash flows from investing activities				
Dividends / interest and rent from Investments	2,158		2,603	
Proceeds from the sales of:				
Tangible fixed assets	4,474		4,143	
Fixed assets investments	21,566		3,762	
Purchase of:				
Tangible fixed assets	(2,530)		(5,729)	
Fixed assets investments	(21,713)		(3,694)	
Net cash provided by investing activities		3,955		1,085
Cash flows from financing activities				
Loans paid/(repaid)	(28)		182	
Net cash used in financing activities		(28)		182
Change in cash and cash equivalents in the reporting period		102		(2,050)
Cash and cash equivalents at 1 January		14,360		16,410
Cash and cash equivalents at 31 December		14,462		14,360
Analysis of Cash and Cash equivalents				
Cash in Hand		4,501		5,582
Notice deposits (less than 3 months)		9,961		8,778
		14,462		14,360

Reconciliation of net movements in funds to net cash flow from operating activities	
Net expenditure before investment gains	(145)	925
Adjustments for		
(Gains)/Losses on the disposal of fixed assets	148	-
Depreciation charges	20	22
Investment income	(2,158)	(2,603)
Decrease/(Increase) in Debtors	(731)	393
(Decrease)/Increase in Creditors	(959)	(2,054)
Net Cash used in operating activities	(3,825)	(3,317)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. ACCOUNTING POLICIES

a) General information
The Chichester Diocesan Fund and Board of Finance (Incorporated) is a charitable company limited by guarantee incorporated in England and Wales (company registration number 00133558) and registered with the Charity Commission (charity registration number 243134). The registered office address is Diocesan Church House, 211 New Church Road, Hove BN3 4ED. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1.

The CDBF meets the definition of a public benefit entity under FRS102.

b) Accounting convention and basis of preparation
The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in (f), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities – Second Edition, effective 1st January 2019, the Companies Act 2006 and applicable accounting standards (FRS102).

c) Going concern
While the recent global pandemic and high inflation levels are largely behind us, the financial statements are approved at a time of continuing financial pressure as CDBF struggles to increase income to cover rising costs. The trustees are particularly mindful of the financial pressures on parishes and therefore the ability of PCCs to make their parish share contributions. Whilst a general fund deficit is budgeted for 2026, progress has been made on reducing the levels of deficit budgets, and the national church are making funding available in 2026 towards increased stipend costs and therefore the trustees do not consider that 2026 or beyond would give rise to any inability of the charity to continue as a going concern.

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due especially given that the charity has sufficient liquid assets, including short term cash deposits and investments, which could be readily realised to meet liabilities should there be an unexpected curtailment of income. Further, the trustees consider that there are no material uncertainties over the charity's financial viability. Accordingly the trustees have assessed that the use of the going concern assumption is appropriate in preparing these financial statements.

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

i. **Parish Share** is recognised as income in the year in which it is received.
ii. **Rent** is recognised as income in the period in which it is received.
iii. **Interest and dividends** are recognised as income when receivable.
iv. **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
v. **Parochial fees** are recognised as income when received.
vi. **Donations** other than grants are recognised when receivable**.**
vii. **Gains on disposal of fixed assets for the CDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other expenditure.

viii. **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. The income is fully expended within the year of receipt and the legal restrictions are therefore satisfied.

e) Expenditure

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

i. **Costs of raising funds** includes costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
ii. **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the diocese, and expenditure on education through Church of England schools in the diocese.
iii. **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the CDBF, in which case the grants are recognised when the conditions are fulfilled. Records of grants offered subject to such conditions which have not been met at the year-end are kept, but committed grants are not accrued as expenditure.
iv. **Support costs** consist of central management, administration and governance costs. The amount of support costs spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff usage basis.
v. **Pension contributions**. The CDBF's staff are members of the Church Workers Pension Fund or the Teachers Pension Scheme and clergy are members of the Church of England Funded Pensions Scheme (see note 26). The pension costs charged as resources expended represent the CDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes in which the CDBF participates, if any, is accrued at current value in creditors, distinguished between contributions falling due within one year and after more than one year. Movements in the value of these schemes are recognised in the Statement of Financial Activities.

f) School major repair and capital projects

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

g) Tangible fixed assets and depreciation

Freehold properties

The CDBF measures freehold property assets in accordance with an estimate of fair value as required by FRS 102. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty five percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

1. ACCOUNTING POLICIES (continued)

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

Properties subject to value linked loans
Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at their fair value.

Investment properties
Glebe properties and assets which are held for investment purposes and rented out have been included at their fair value. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty five percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

Parsonage houses
The CDBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The CDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their fair value. Parsonage houses are revalued on a four year cycle, with 25% being valued each year on a rolling basis. The methodology employed includes the use of market data for relevant property sales and where possible, specific recent sales data from property websites and estate agents. This is carried out using an online valuation tool. It is planned that twenty five percent of the property portfolio is revalued each year on a rolling basis. The rest of the portfolio is adjusted where material by a percentage based on the results of the actual valuations carried out in the year.

h) Other tangible fixed assets
All capital expenditure over £5,000 is capitalised and depreciated as follows. Depreciation is provided in order to write off the cost (less any estimated disposal proceeds at prices at the time of the asset's acquisition) of fixed assets over their currently expected useful economic lives at the following initial rates:-

Fixtures and fittings - 25% per annum - reducing balance basis
Computer Equipment - 20% per annum - straight line basis

i) Other accounting policies

i. **Fixed asset investments** are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.
ii. **Leases**. The CDBF has entered into operating leases for the use of certain assets. The rental is charged as expenditure in the year to which it relates.

1. ACCOUNTING POLICIES (continued)

j) Financial Instruments - assets and liabilities

i. **Debtors:** Debtors are recognised at the settlement amount due
ii. **Cash and cash equivalents:** Cash at bank and cash in hand includes cash held in short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
iii. **Creditors and provisions:** Creditors and provisions are recognised where the CDBF has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
iv. **Value Linked Loans:** The CDBF has a number of loans for which the settlement proceeds are based on the value of the equity in a property. As this constitutes a non-basic financial instrument under FRS102 these loans have been recognised at fair value and are revalued at each reporting date. Any gains or losses arising at year end are recognised in the SOFA.
v. **Concessionary Loans:** Loans obtained or made by the CDBF to further its charitable purposes at rates below the prevailing market rates are classified as concessionary loans and accounted for in accordance with section 34 of FRS 102. Such loans are initially recognised and measured at the amount received or paid and subsequently amended to reflect any repayments, interest and impairment.

k) Fund balances

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

Unrestricted funds are the CDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the CDBF.
There are two types of unrestricted funds:

i. **General funds** which the CDBF uses for the general purposes of the CDBF
ii. **Designated funds** which are set aside out of unrestricted funds by the CDBF for a purpose specified by the Trustees

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

Endowment funds are those held on trust which may be retained for the benefit of the charitable company as a capital fund. In the case of the Stipends Fund Capital and Parsonage Houses Fund there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

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

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the CDBF's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to estimation are fair values assigned for property assets and investment properties. In 2020, 20% of parsonage and freehold properties and 98% of glebe houses were valued using an on-line valuation tool which uses relevant market data to provide a valuation for each property. From 2021 to 2024 the same tool was used to value an additional 20% of parsonage and freehold property and revalue 20% of glebe property on a rolling basis. From 2025, 25% of the property portfolio is being revalued and revaluations will now run on a four year cycle. The average uplift in values identified by these valuations was then applied to the rest of the portfolio. The DBF is responsible for the maintenance of the houses and employees visit the properties on a regular basis. Any improvements are capitalised at cost and added to the carrying value of the properties. The occupants of the houses notify the DBF promptly of any damage or disrepair. Any variances from actual fair market value and the estimated value of the portfolio will affect the value of tangible fixed assets reported on the balance sheet, and other gains and losses reported in the Statement of Financial Activities. Income and expenditure are not impacted except to the extent that profit or loss is calculated on the sale of a property. The trustees consider this methodology and the resulting balance sheet values to be an appropriate estimate of fair value for reporting purposes.

3. DONATIONS

3a. Parish Share

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	12,553	-	1,749	-	14,302	13,885
Shortfall/Extra in contributions	(88)	-	(87)	-	(175)	(138)
	12,465	-	1,662	-	14,127	13,747
Receipts for previous year	66	-	56	-	122	80
Total Income	12,531	-	1,718	-	14,249	13,827

Current year parish share receipts represent 98.7% of the total pledges (2024 – 98.8%), or, when receipts for previous years are included, 99.6% of the total pledges (2024 – 99.4%).

3. DONATIONS (continued)

3b. Other donations

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Benefact Trust Grant	80	30	-	-	110	131
Archbishops Council	68	-	1,122	-	1,190	832
RME Block Grant	-	-	20	-	20	24
Grants from other organisations	-	-	-	-	-	271
Grant funding for school building projects	-	-	1,813	-	1,813	1,636
Donations	25	12	19	-	56	41
Legacies	12		59	-	71	1
	185	42	3,033	-	3,260	2,936

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees for parochial services	480	-	-	-	480	517
Church Commissioners' guaranteed annuities	-	-	4	-	4	3
Parish trust Income	-	-	105	-	105	103
Generated Income	65	31	-	-	96	76
Church Schools Training & other	176	-	-	-	176	149
	721	31	109	-	861	848

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Parsonages	865	-	54	-	919	792
	865	-	54	-	919	792

6. INVESTMENT INCOME

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable & interest receivable	900	1	974	-	1,875	2,259
Rents receivable - Glebe	-	-	283	-	283	344
	900	1	1,257	-	2,158	2,603

7. OTHER INCOME

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	168	-	151	19	338	165
Closed School s554 Order	-				-	886
Gain/ (Loss) on sale of property	-	-	(185)	37	(148)	-
	168	-	- 34	56	190	1,051

8. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	65	-	59	-	124	129
Glebe repairs & improvements	-	-	34	-	34	20
	65	-	93	-	158	149

9. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council						
Training for Ministry	630	-	-	-	630	630
National Church Responsibilities	442	-	-	-	442	441
Mission agency pension costs	21	-	-	-	21	-
Retired clergy housing costs	274	-	-	-	274	262
Pooling of ordinands maintenance grants	131	-	-	-	131	108
	1,498	-	-	-	1,498	1,441

Maintenance grants paid to ordinands are reported annually to Ministry Division of Archbishops Council and combined with similar grants paid by other Dioceses. An extra charge or credit is then made to the CDBF for the difference between the amount actually paid and its assessed share of the total national cost.

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and Mission - Parish Ministry						
Stipends and National Insurance	5,311	11	2,207	-	7,529	7,347
Pension contributions	1,351	2	17	-	1,370	1,489
Defined benefit pension scheme movement (see Note 26)	-	-	-	-	-	-
Housing costs	3,479		669	-	4,148	4,058
Mission Fund grants		6		-	6	128
Removal & resettlement grants	305	-	-	-	305	272
Clergy welfare	5	-	144	-	149	130
Ministry Support	294	40	-	-	334	369
	10,745	59	3,037	-	13,841	13,793

9. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	337	-	45	-	382	395
Lay Ministry	76	-		-	76	107
Children and youth work	122	-	19	-	141	177
Apostolic Life	236	48	9	-	293	280
Common Good	7	-	1	-	8	17
Safeguarding	305	-		-	305	303
Diocesan Advisory Committee	222	-		-	222	136
Pastoral and Redundant Churches uses	-	-	178	-	178	192
Communications	95	-	-	-	95	101
Strategic Mission projects	17	-	869	-	886	576
Chancellor & Registrar	119	-	-	-	119	108
Grants	-	-	238	-	238	217
	1,536	48	1,359	-	2,943	2,609
Support and Governance for parish ministry (note 10)	777	-	-	-	777	720
	2,313	48	1,359	-	3,720	3,329
Resourcing Ministry and Mission - Church Schools						
Church Schools department	767	-	49	-	816	773
School Condition Allocation Grants	-	-	1,555	-	1,555	1,474
Support and Governance for Church Schools (note 10)	194	-	-	-	194	173
	961	-	1,604	-	2,565	2,420
Total Charitable activities	15,517	107	6,000	-	21,624	20,983

10. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Support				
Central services department	150	37	187	103
General office department	200	50	250	254
Finance department	220	55	275	272
IT department	164	41	205	177
Depreciation	16	4	20	22
	750	187	937	828
Governance				
External Audit	27	7	34	40
	777	194	971	868

11. ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	*1*	-	1,498	1,498	1,441
From unrestricted					
The Chichester Diocesan Association for Family Support Work	*1*	-	1	1	18
Clergy Training	*23*	6	-	6	4
Clergy Moves	*98*	305	-	305	270
Clergy Retreats	*29*	5	-	5	3
Other Grants	*12*	2	9	11	16
	163	318	10	328	311
From designated					
PCCs for Mission projects	*9*		16	16	158
	9	0	16	16	*158*
From restricted					
PCCs for Mission projects	*4*	-	590	590	144
Clergy and families for Welfare	*42*	31	-	31	27
Overseas Partners	*1*	-	4	4	1
Aided Schools	*0*	-	-	-	-
School Condition Allocation Grants	*23*	-	1,555	1,555	2,685
Clergy training	*0*	-	-	-	6
Buildings for Mission/Net Zero	*42*	-	121	121	30
Other Grants	8	-	54	54	35
	120	31	2,324	2,355	2,928
Totals	*293*	*349*	*3,848*	*4,197*	*4,838*

12. STAFF COSTS

	2025 £'000	2024 £'000
Employee costs during the year were as follows:		
Wages and salaries	2,384	2,315
National insurance contributions	298	243
Pension costs	350	354
	3,032	2,912

The average number of persons employed by the group on a headcount basis during the year:

	2025 Unrestricted Funds	2025 Restricted Funds	2025 Total	2024 Total
Administration and financial management	17	4	21	22
Apostolic Life	14	6	20	18
Common Good	-	-	-	-
Property	7	-	7	7
Education - Church Schools	12	1	13	12
Safeguarding	6	-	6	4
	56	11	67	63

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

	2025 Unrestricted Funds	2025 Restricted Funds	2025 Total	2024 Total
Administration and financial management	15	3	18	18
Apostolic Life	9	5	14	13
Common Good	-	-	-	-
Property	7	-	7	7
Education - Church Schools	9	1	10	9
Safeguarding	5	-	5	4
	45	9	54	51

	2025 Number	2024 Number
The numbers of staff whose emoluments (including benefits in kind but excluding Pension contributions) amounted to more than £60,000 were as follows:		
£60,001 - £70,000	2	3
£70,001 - £80,000	3	3
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-

12. STAFF COSTS (continued)

Remuneration of key management personnel
Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2025 they were:

Diocesan Secretary and Company Secretary	John Preston
Diocesan Director for Apostolic Life	Rebecca Swyer (to 31 December 2025)
Diocesan Director of Education	Lesley Hurst
Diocesan Director of Property	Scott Ralph
Diocesan Finance Director	Catherine Dawkins

Remuneration (including Employer NI) and pensions for these employees/posts amounted to £508,442 (2024 - £495,345).

Termination payments
During the year no termination payments were paid (2024 - nil).

Trustees' emoluments
No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £8,578 (2024 - £10,415) in respect of General Synod duties, duties as archdeacon or rural dean, and other duties as Trustees. In addition, five Trustees received grants totalling £14,218 (2024 - 5 Trustees £3,559) in respect of their role as parochial clergy. One trustee, who was in post until May 2025 was also the Chair of the Audit Committee, and held two part time roles: parish priest and DBF employee as the LGBTQI Liaison Officer. All roles ended in May 2025.

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

	Stipend	Housing
The Right Revd R K F Bushyager	No	Yes
The Right Revd W P G Hazlewood	No	Yes
The Venerable L Irvine-Capel (part year)	Yes	Yes
The Venerable M Lloyd-Williams	Yes	Yes
The Venerable T Carpenter (part year)	Yes	Yes
The Venerable R Dewhurst (part year)	Yes	Yes
The Venerable A Martin	Yes	Yes
The Revd Canon PM Gilbert	Yes	Yes
The Revd P Coekin	Yes	Yes
The Revd H Garratt	Yes	No
The Revd A Woodward	Yes	Yes
The Revd J di Castiglione	Yes	Yes
The Revd M King	Yes	Yes
The Revd D Millest	Yes	Yes

12. STAFF COSTS (continued)

The CDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The CDBF is also responsible for the provision of housing for stipendiary clergy in the diocese including the suffragan bishops but excluding the diocesan bishop and cathedral staff.

	2025	2024
	£'000	£'000
Stipends	6,847	6,762
National insurance contributions	754	584
Pension costs - current year	1,370	1,489
	8,971	8,835

The stipends of the Diocesan Bishop and Suffragan Bishops are paid and funded by the Church Commissioners and are in the range £43,620 - £53,470 (2024 range £41,951 - £51,421). The annual rate of stipend, funded by the CDBF, paid to Archdeacons in 2024 was £43,900 (2024 - £42,210) and other clergy who were Trustees were paid in the range £31,440 - £32,700 (2024 range £30,230 - £31,440).

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Endowment
	General	Designated	Funds	Funds
	£'000	£'000	£'000	£'000
Administration charge - Aided Schools fund	70	-	(70)	-
Parsonage Fund Proceeds			1,289	(1,289)
	70	-	1,219	(1,289)

Administration charge - Aided Schools fund. This reflects the administration charge of the Schools' Buildings Officer costs charged to the Aided Schools restricted fund.

Parsonage Fund Proceeds – In accordance with section 13 of the Church Property Measure 2018, the surplus proceeds from the sale of five parsonage properties have been transferred to the diocesan Pastoral Account.

14. TANGIBLE FIXED ASSETS

	Freehold Property £'000	Leasehold Property £'000	Office Equipment £'000	Total £'000
Cost or valuation				
At 1 January 2025	275,703	286	895	276,884
Additions	2,530	-	-	2,530
Disposals	(5,211)	-	-	(5,211)
Revaluation	9,984	12	-	9,996
At 31 December 2025	283,006	298	895	284,199
Depreciation				
At 1 January 2025	-	-	831	831
Charge for the year	-	-	19	19
At 31 December 2025	-	-	850	850
Net Book Value				
At 31 December 2025	283,006	298	45	283,349
At 31 December 2024	275,703	286	64	276,053

All but one of the properties in the balance sheet are freehold and are vested in the CDBF, except for benefice houses which are vested in the incumbent. Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £1,221,012 (2024: £1,405,015). Properties are subject to a cycle of valuations and repairs are charged as expenditure within the SOFA.

15. FIXED ASSET INVESTMENTS

	At 1 January 2025 £'000	Additions £'000	Disposal £'000	Transfer £'000	Change in Market Value £'000	At 31 December 2025 £'000
Unrestricted Funds						
Listed investments	1,688	45	(45)	-	(56)	1,632
Unlisted investments	5	-	-	-	-	5
Investment property	664	-	-	-	29	693
	2,357	45	(45)	-	(27)	2,330
Restricted Funds						
Listed investments	20,942	10,562	(9,034)	-	1,009	23,479
	20,942	10,562	(9,034)	-	1,009	23,479
Endowment Funds						
Listed investments	21,963	11,106	(10,619)	-	1,246	23,696
Investment property	4,384	-	-	-	(70)	4,314
	26,347	11,106	(10,619)	-	1,176	28,010
Total	49,646	21,713	(19,698)	-	2,158	53,819

16. DEBTORS

	2025 £'000	2024 £'000
Concessionary (interest free) loans to Parishes	461	413
Loans to Parishes	228	252
School projects	532	461
Other Debtors and prepayments	1,342	706
	2,563	1,832
Included within the above are debtors amounts due after more than one year as follows:		
Concessionary (interest free) loans to Parishes	362	340
	362	340

17. CREDITORS: amounts falling due within one year

	2025 £'000	2024 £'000
Loans due in one year		
Church Commissioners value-linked loans	1,221	1,170
Deferred income	-	-
School Building Projects	436	1,017
Other Taxes and social security	84	57
Other creditors and accruals	1,773	2,229
	3,514	4,473

Value-linked loans (VLLs) represent amounts advanced to the CDBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. 3 (2024: 3) of the loans have been used by the DBF for the purchase of houses for deserted spouses. As at 31st December 2025 the Board had no intention of disposing of any of those properties funded via VLLs. As the timing of the repayment is uncertain the loans are shown as due within one year.

18. CREDITORS: amounts falling due after more than one year

	2025 £'000	2024 £'000
Pension Scheme liabilities (see note 26)		
Clergy Pension Scheme	-	-
Church Workers Pension Scheme - DBS	-	-
	-	-

19. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2025 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2025 £'000
UNRESTRICTED FUNDS						
General	5,046	15,370	(15,582)	70	(52)	4,852
Designated Funds						
Property	4,794	-	-	-	(139)	4,655
Parish Mission	8	33	(6)	-	-	35
Other designated funds	327	41	(101)	-	-	267
	5,129	74	(107)	-	(139)	4,957
Restricted Funds						
Diocesan Pastoral	13,751	73	(349)	1,289	1,626	16,390
Diocesan Stipend	-	968	(968)	-	-	-
Clergy Welfare	1,391	(82)	(60)	-	-	1,249
Clergy Welfare (B Wild)	720	22	(91)	-	64	715
Jenkinson Trust	22	2	(3)	-	-	21
Training	-	30	(30)	-	-	-
University chaplaincy	50	2		-	-	52
Hayllar Trust	91	6	(1)	-	-	96
Poling Endowment	140	24	(1)	-	-	163
The Arnold Bequest	39	13	(17)	-	-	35
Clergy Widows	15	-	-	-	-	15
SDF	30	607	(631)	-	-	6
RME	(12)	20	(17)	-	-	(9)
Archdeacons' loans	2,103	35	(4)	-	82	2,216
Aided Church Schools	4,700	2,122	(1,565)	(70)	73	5,260
Diocesan Overseas Council	50	-	(4)	-	-	46
Parish Share Restricted Fund	-	1,718	(1,718)	-	-	-
Theological Education	270	-	-	-	-	270
Other restricted funds	226	577	(634)	-	-	169
	23,586	6,137	(6,093)	1,219	1,845	26,694
Endowment Funds						
Expendable						
Parsonage/Benefice houses	217,717	37	-	(1,289)	8,916	225,381
Diocesan Stipends	72,742	19	-	-	2,164	74,925
Clergy Welfare	2,234	-	-	-	203	2,437
Elfinsward	2,191	-	-	-	214	2,405
Terry's Cross	5,959	-	-	-	-	5,959
Permanent						
Jenkinson Trust	47	-	-	-	4	51
Training	891	-	-	-	87	978
University chaplaincy	799	-	-	-	83	882
Hayllar Trust	72	-	-	-	6	78
Poling Endowment	622	-	-	-	41	663
The Arnold Bequest	383	-	-	-	34	417
	303,657	56	-	(1,289)	11,752	314,176
Total funds	337,418	21,637	(21,782)	-	13,406	350,679

20. SUMMARY OF ASSETS BY FUND

	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	45	1,630	4,021	(844)	4,852
Designated Funds					
Property	3,636	693	326	-	4,655
Parish Mission	-	-	237	(202)	35
Other designated funds	-	6	261	-	267
	3,636	699	824	(202)	4,957
Restricted Funds					
Diocesan Pastoral	-	18,236	(1,846)	-	16,390
Clergy Welfare	1,221	-	1,249	(1,221)	1,249
Clergy Welfare (B Wild)	-	783	(68)	-	715
Jenkinson Trust	-	-	21	-	21
Training	-	-	-	-	-
University chaplaincy	-	-	52	-	52
Hayllar Trust	-	-	96	-	96
Poling Endowment	-	-	163	-	163
The Arnold Bequest	-	-	35	-	35
Clergy Widows	-	-	15	-	15
SDF	-	-	6	-	6
RME	-	-	(9)	-	(9)
Archdeacons' loans	-	1,119	1,097	-	2,216
Aided Church Schools	-	3,335	3,172	(1,247)	5,260
Diocesan Overseas Council	-	-	46	-	46
Theological Education	-	-	270	-	270
Other restricted funds	-	5	164	-	169
	1,221	23,478	4,463	(2,468)	26,694
Endowment Funds					
Expendable					
Parsonage/Benefice houses	219,528	-	5,853	-	225,381
Diocesan Stipends	52,110	21,627	1,188	-	74,925
Clergy Welfare	-	2,171	266	-	2,437
Elfinsward	-	2,146	259	-	2,405
Terry's Cross	5,959	-	-	-	5,959
Permanent					
Jenkinson Trust	-	48	3	-	51
Training	-	875	103	-	978
University chaplaincy	850	29	3	-	882
Hayllar Trust	-	73	5	-	78
Poling Endowment	-	661	2	-	663
The Arnold Bequest	-	382	35	-	417
	278,447	28,012	7,717	-	314,176
Total funds	283,349	53,819	17,025	(3,514)	350,679

21. PRIOR YEAR SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2024 £'000	Income £'000	Expenditure £'000	Transfer £'000	Gains and Losses £'000	Balances at 31 December 2024 £'000
UNRESTRICTED FUNDS						
General	5,400	15,286	(15,740)	63	37	5,046
Designated Funds						
Property	3,757	342	-	-	695	4,794
Parish Mission	28	58	(128)	50	-	8
Other designated funds	438	22	(133)	-	-	327
	4,223	422	(261)	50	695	5,129
Restricted Funds						
Diocesan Pastoral	13,273	111	(184)	(50)	601	13,751
Diocesan Stipend	-	1,162	(1,168)	-	6	-
Clergy Welfare	1,243	121	(57)	-	84	1,391
Clergy Welfare (B Wild)	754	26	(83)	-	23	720
Jenkinson Trust	21	2	(1)	-	-	22
Training	-	37	(37)	-	-	-
University chaplaincy	48	2	-	-	-	50
Hayllar Trust	90	7	(6)	-	-	91
Poling Endowment	109	33	(2)	-	-	140
The Arnold Bequest	38	17	(16)	-	-	39
Clergy Widows	19	-	(4)	-	-	15
SDF	131	367	(468)	-	-	30
RME	(20)	24	(16)	-	-	(12)
Archdeacons' loans	1,997	42	(4)	-	68	2,103
Aided Church Schools	3,396	2,763	(1,465)	(48)	54	4,700
Diocesan Overseas Council	50	5	(5)	-	-	50
Parish Share Restricted Fund	-	1,248	(1,248)	-	-	-
Energy Cost	-	-	-	-	-	-
Other restricted funds	163	715	(367)	(15)	-	496
	21,312	6,682	(5,131)	(113)	836	23,586
Endowment Funds						
Expendable						
Parsonage/Benefice houses	214,852	(453)	-	(2,934)	6,252	217,717
Diocesan Stipends	69,087	120	-	2,934	601	72,742
Clergy Welfare	2,199	-	-	-	35	2,234
Elfinsward	2,157	-	-	-	34	2,191
Terry's Cross	5,959	-	-	-	-	5,959
Permanent						
Jenkinson Trust	46	-	-	-	1	47
Training	877	-	-	-	14	891
University chaplaincy	780	-	-	-	19	799
Hayllar Trust	71	-	-	-	1	72
Poling Endowment	602	-	-	-	20	622
The Arnold Bequest	378	-	-	-	5	383
	297,008	(333)	-	-	6,982	303,657
Total funds	327,943	22,057	(21,132)	-	8,550	337,418

22. PRIOR YEAR SUMMARY OF ASSETS BY FUND

	Fixed assets Tangible £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
UNRESTRICTED FUNDS					
General	65	1,687	3,928	(634)	5,046
Designated Funds					
Property	3,804	664	326	-	4,794
Parish Mission	-	-	343	(335)	8
Other designated funds	-	6	321	-	327
	3,804	670	990	(335)	5,129
Restricted Funds					
Diocesan Pastoral	-	16,903	(3,152)	-	13,751
Clergy Welfare	1,405	-	1,156	(1,170)	1,391
Clergy Welfare (B Wild)	-	734	(14)	-	720
Jenkinson Trust	-	-	22	-	22
Training	-	-	-	-	-
University chaplaincy	-	-	50	-	50
Hayllar Trust	-	-	91	-	91
Poling Endowment	-	-	140	-	140
The Arnold Bequest	-	-	39	-	39
Clergy Widows	-	-	15	-	15
SDF	-	-	30	-	30
RME	-	-	(12)	-	(12)
Archdeacons' loans	-	1,038	1,065	-	2,103
Aided Church Schools	-	2,262	4,782	(2,344)	4,700
Diocesan Overseas Council	-	-	50	-	50
Energy Cost	-	-	-	-	-
Other restricted funds	-	5	481	10	496
	1,405	20,942	4,743	(3,504)	23,586
Endowment Funds					
Expendable					
Parsonage/Benefice houses	211,741		5,976	-	217,717
Diocesan Stipends	52,310	20,376	56	-	72,742
Clergy Welfare	-	2,036	198	-	2,234
Elfinsward	-	2,000	191	-	2,191
Terry's Cross	5,959	-	-	-	5,959
Permanent					
Jenkinson Trust	-	45	2	-	47
Training	-	815	76	-	891
University chaplaincy	769	28	2	-	799
Hayllar Trust	-	69	3	-	72
Poling Endowment	-	620	2	-	622
The Arnold Bequest	-	358	25	-	383
	270,779	26,347	6,531	-	303,657
Total funds	276,053	49,646	16,192	(4,473)	337,418

23. DESCRIPTION OF FUNDS

General	The general fund is the CDBF's unrestricted undesignated fund available for any of the CDBF's purposes.
Property	The fund value is set at the level equivalent to the net book value of corporate properties. Church House, Hove and various houses used by retired clergy make up the value of this fund.
Parish Mission	Fund made available from the Benefact Trust and diocesan sources to support parish mission projects throughout the Diocese.
Other Designated Funds	The majority of these funds represents a grant received from the Church Commissioners to meet the costs of two additional curates ordained in 2021, a Parish Development Officer role which was also appointed to from 2021 to 2022 and a Deputy Diocesan Directors of Ordinands role which was appointed to from 2022. There are also funds for the Clergy Conference which took place in 2025.
Diocesan Pastoral	The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are: • to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees. • to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese. • other purposes of the diocese or any benefice or parish in the diocese • to make grants or loans to any other diocese • to transfer funds to the diocesan stipends fund income or capital accounts.
Diocesan Stipend Income	This represents the income generated from the Stipends Capital Fund and is used to fund stipends within the diocese.
Clergy Welfare	Fund is governed by a 1993 Charity Commission scheme with income being used for the welfare of clergy, their spouses or other licensed staff who work or have worked in the diocese.
Clergy Welfare (B Wild)	Fund derives from the sale of a property, Lapwings, bequeathed for purposes connected with clergy welfare. The fund is used for the clergy wellbeing service.
Jenkinson Trust	Fund represents a legacy from William Jenkinson. Income from the fund is used for necessitous Church of England gentlewomen or as the diocesan fund finds most fitting.
Training Income	This fund represents the income generated by the Training endowment fund. The income is used to support ordination training.

23. DESCRIPTION OF FUNDS (continued)

University Chaplaincy	Fund is governed by a trust deed dated 21 July 1961. The fund is to provide a house for the University of Sussex chaplain and to assist that chaplain in the fulfilment of his/her duties.
Hayllar Trust	Fund represents a legacy from Sidney Hayllar. Income from the fund is used to help clergy with personal costs such as education and personal support and general financial problems.
Clergy Widows	Fund represents a legacy from Charles Peckham to provide financial grants or other benefits for widows of the clergy.
Archdeacons' Loans	The fund arose from three gifts and the proceeds of a fundraising campaign. The accumulated income is used to make interest free loans to parishes to help fund repairs to churches and church halls.
Aided Church Schools	The Aided Church Schools Fund , which includes the consolidated fund of The Diocese of Chichester Consolidated Educational Endowments, represents the accumulated sale proceeds of redundant Church of England School properties. Its use is restricted by Section 287(2) of the Education Act 1993 to capital and maintenance work of Church of England schools in the diocese and education generally at Church of England schools in the diocese. The CDBF is trustee of these funds, which are managed in consultation with the Diocesan Board of Education. Also included are capital funds held on behalf of aided schools and funds donated by parishes for the benefit of those aided schools.
Diocesan Overseas Council	The fund comprises income raised by the Diocesan Overseas Council, primarily from the Harvest Appeals held in previous years. The Council promotes the Diocesan interest in, support for and engagement with mission work of the churches of the Anglican Communion in co-operation with the Church of England's Partnership for World Mission accredited mission agencies and partners.
Strategic Development Fund	The Diocese has been awarded funding from the Church Commissioners towards a number of parish based mission projects in the Diocese. The funds received are restricted to be used on these projects.
RME Block Grant	A restricted grant received from Ministry Division to be used to meet the costs of ordination training. The grants are received termly but grants to ordinands are paid annually and so there is a negative balance on the fund at 31 December due to these timing issues.
Parish Share Restricted Fund	Fund introduced in 2023 in response to the Living in Love and Faith conversations at General Synod. Parish Share which is paid into this fund will only be used to support ministry in parishes which are publicly affiliated with a network which holds an orthodox view of marriage.
Poling Fund	The income is to be used to offer support in any cases of need or hardship among the clergy and their families whether incumbents, retired or in training.

23. DESCRIPTION OF FUNDS (continued)

Other restricted funds	There are a number of smaller funds given for particular purposes and ministries. The amounts are spent in accordance with the restrictions.
Theological Education	A restricted grant of £270,000 was received in 2024 to support theological education in the diocese.
Parsonage/Benefice Houses	The parsonage/benefice property fund consists of resources restricted to provision of benefice houses in the diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the CDBF is obliged to maintain them, and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the CDBF.
Diocesan Stipends Capital	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held under the Church Property Measure 2018 to provide income for clergy stipends. It represents glebe property, accumulated sale proceeds of glebe property, and sale proceeds of some benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses.
Elfinsward	The fund was created by the sale of a former retreat house. The income from the fund is used to support stipends, communications work and retreat grants.
Terry's Cross	The fund represents the value of a house, originally given as a gift to the diocese, to provide accommodation for retired clergy and church workers.
Training Endowment	This fund has been built up by various bequests. The income is used to support ordination training costs and for modest discretionary grants to assist ordinands in need.
Arnold Bequest	To further the religious and other charitable work of the Church of England in Southgate.

24. CAPITAL COMMITMENTS

At 31 December 2025 the CDBF had capital expenditure commitments authorised but not contracted for of £NIL (2024 - £NIL) and contracted for but not yet due of £391k (2024 - £NIL).

25. OPERATING LEASES

Future minimum rentals payable until the end of the lease under non-cancellable operating leases are as follows:

	2025 £ £'000	2024 £ £'000
Other operating leases:		
Total amount payable within one year	8	11
Total amount payable in the second to fifth years inclusive	15	3
	23	14

Total lease payments recognised as an expense in the year were £13,761 (2024 - £11,897).

26. PENSIONS

The CDBF participates in four pension schemes.

A. **Church of England Funded Pensions Scheme (CEFPS)** for stipendiary clergy administered by the Church of England Pensions Board.
B. **Church Workers Pension Fund (CWPF)** for Lay workers administered by the Church of England Pensions Board.
C. **Church Workers Pension Fund (CWPF) Pension Builder Classic** for Lay workers administered by the Church of England Pensions Board.
D. **Teachers' Pension Scheme (TPS)** governed by the Teachers' Pension Scheme Regulations 2014. As at 31 August 2025 there were no staff remaining in the scheme.

A. Church of England Funded Pensions Scheme (CEFPS)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £1,369,942 in 2025 (2024: £1,488,512), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £1,369,942 (2024: £1,488,512). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £0 (2024: £0).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2024. The December 2024 valuation revealed a surplus of £560m, based on assets of £2,570m and a funding target of £2,010m, assessed using the following assumptions:

- An average discount rate of 6.0% pa;
- RPI inflation of 3.4% pa (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.7% pa pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increases in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S4NA_L tables, with allowance for improvements in mortality rates from 2017 in line with the CMI2023 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 and 2021 data of 20% (i.e. w = 20%).

26. PENSIONS (continued)

The 2024 valuation reflects the benefit improvements that the General Synod agreed in principle in July 2025 (and confirmed in February 2026).

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2024 and 31 December 2025 is nil. The movement in the balance sheet liability over 2024 and over 2025 is set out in the table below.

	2025	2024
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	0
Balance sheet liability at 31 December	0	0

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

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

26. PENSIONS (continued)

B. Church Workers Pension Fund (CWPF)

Chichester Diocesan Board of Finance (CDBF) participates in the Defined Benefits Scheme (DBS) section of CWPF for lay staff, which is now closed to future accrual. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has two sections:

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

Defined Benefits Scheme

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2025: £nil; 2024: £nil) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total contribution of £nil in 2024 (2024: £nil).

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

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

The next actuarial valuation is due at 31 December 2025.

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

26. PENSIONS (continued)

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2024 or 31 December 2025.

The movement in the provision is set out below:

	2025	2024
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	0	0
Balance sheet liability at 31 December	0	0

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

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

	December 2025	December 2024	December 2023
Discount rate	N/A	N/A	N/A

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

26 PENSIONS (continued)

C. Church Workers Pension Fund (CWPF) Pension Builder Classic

Since 1st October 2012 the CDBF has participated in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2025: £331,814; 2024: £405,887).

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

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

The next valuation is due as at 31 December 2025.

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

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

26. PENSIONS (continued)

D. Teachers' Pension Scheme (TPS)

The Diocese participated in the Teachers' Pension Scheme ("the TPS") for a number of its staff until 31 August 2025. The pension charge for the year includes contributions payable to the TPS of £15,427 (2024: £101,714) and at the year-end £Nil (2024 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The Valuation Report shows notional assets of £222.2bn and liabilities of £262bn, resulting in a scheme deficit of £39.8bn.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

27. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds General £'000	Unrestricted Funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Income and endowments from							
Donations							
Parish share	**3a**	12,569	-	1,258	-	13,827	13,453
Other donations	**3b**	130	50	2,756	-	2,936	3,291
Charitable activities	**4**	721	21	106	-	848	933
Other trading activities	**5**	782	-	10	-	792	593
Investments	**6**	1,047	1	1,555	-	2,603	2,292
Other	**7**	37	350	997	(333)	1,051	701
		15,286	422	6,682	(333)	22,057	21,263
Expenditure on							
Raising Funds	**8**	67	-	82	-	149	139
Charitable activities	**9**	15,673	261	5,049	-	20,983	21,918
		15,740	261	5,131	-	21,132	22,057
Net income/(expenditure) before investment gains/(losses)		(454)	161	1,551	(333)	925	(794)
Unrealised gains/(losses) on investments	**15**	37	(123)	530	342	786	519
Realised gains/(losses) on investments		-	-	222	73	295	1,228
Net gains/(losses) on investments		37	(123)	752	415	1,081	1,747
Net income/(expenditure)		(417)	38	2,303	82	2,006	953
Transfer between funds	**13**	63	50	(113)	-	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets	**14**	-	818	84	6,567	7,469	6,177
Net movement in funds		(354)	906	2,274	6,649	9,475	7,130
Total funds brought forward		5,400	4,223	21,312	297,008	327,943	320,813
Total funds carried forward	**19**	5,046	5,129	23,586	303,657	337,418	327,943

28a. PRIOR YEAR NOTES TO ACCOUNTS – 3 DONATIONS

Parish Share

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Current Year pledges	12,669	-	1,216	-	13,885	13,623
Shortfall in contributions	(138)	-	-	-	(138)	(199)
	12,531	-	1,216	-	13,747	13,424
Receipts for previous year	38	-	42	-	80	29
Total Income	12,569	-	1,258	-	13,827	13,453

Other Donations

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Benefact Trust Grant	81	50	-	-	131	152
Archbishops Council	36	-	796	-	832	1,110
RME Block Grant	-	-	24	-	24	179
Grants from other organisations	1	-	270	-	271	23
Grant funding for school building projects	-	-	1,636	-	1,636	1,745
Donations	11	-	30	-	41	31
Legacies	1	-	-	-	1	51
	130	50	2,756	-	2,936	3,291

28b. PRIOR YEAR NOTES TO ACCOUNTS – 4 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees for parochial services	517	-	-	-	517	559
Church Commissioners' guaranteed annuities	-	-	3	-	3	2
Parish trust Income			103	-	103	106
Generated Income	55	21	-	-	76	80
Church Schools Training & other	149	-	-	-	149	186
	721	21	106	-	848	933

28c. PRIOR YEAR NOTES TO ACCOUNTS – 5 OTHER ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Rents receivable - Parsonages	782	-	10	-	792	593
	782	-	10	-	792	593

28d. PRIOR YEAR NOTES TO ACCOUNTS – 6 INVESTMENT INCOME

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable & interest receivable	1,047	1	1,211	-	2,259	2,058
Rents receivable - Glebe	-	-	344	-	344	234
	1,047	1	1,555	-	2,603	2,292

28e. PRIOR YEAR NOTES TO ACCOUNTS – 7 OTHER INCOMING RESOURCES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Other income	37	8	-	120	165	577
Closed School s554 Order	-	-	886	-	886	-
Gain/ (Loss) on sale of property	-	342	111	(453)	-	124
	37	350	997	(333)	1,051	701

28f. PRIOR YEAR NOTES TO ACCOUNTS – 8 FUND RAISING COSTS

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Manager fees	67	-	62	-	129	128
Glebe repairs & improvements	-	-	20	-	20	11
	67	-	82	-	149	139

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council						
Training for Ministry	630	-	-	-	630	631
National Church Responsibilities	441	-	-	-	441	434
Mission agency pension costs	-	-	-	-	-	20
Retired clergy housing costs	262	-	-	-	262	250
Pooling of ordinands maintenance grants	108	-	-	-	108	101
	1,441	-	-	-	1,441	1,436

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and Mission - Parish Ministry						
Stipends and National Insurance	5,434	65	1,848	-	7,347	7,188
Pension contributions	1,447	14	28	-	1,489	1,640
Defined benefit pension scheme movement (see Note 26)	-	-	-	-	-	-
Housing costs	3,387	-	671	-	4,058	3,866
Mission Fund grants	-	128	-	-	128	386
Removal & resettlement grants	272	-	-	-	272	291
Clergy welfare	6	-	124	-	130	133
Ministry Support	318	45	6	-	369	254
	10,864	252	2,677	-	13,793	13,758

	Unrestricted Funds		Restricted	Endowment	Total Funds	Total Funds
	General	Designated	Funds	Funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Resourcing Ministry and Mission - support for Parish Ministry						
Ordination Training	338	7	50	-	395	636
Lay Ministry	104	-	3	-	107	115
Children and youth work	158	-	19	-	177	162
Apostolic Life	270	2	8	-	280	249
Common Good	16	-	1	-	17	16
Safeguarding	303	-	-	-	303	252
Diocesan Advisory Committee	136	-	-	-	136	103
Pastoral and Redundant Churches uses	86	-	-	-	86	72
Redundant churches	106	-	-	-	106	47
Communications	101	-	-	-	101	82
Strategic Mission projects			576	-	576	891
Chancellor & Registrar	108	-	-	-	108	102
Grants	-	-	217	-	217	596
	1,726	9	874	-	2,609	3,323
Support and Governance for parish ministry (note 10)	695	-	25	-	720	683
	2,421	9	899	-	3,329	4,006

28g. PRIOR YEAR NOTES TO ACCOUNTS – 9 CHARITABLE ACTIVITIES (continued)

Resourcing Ministry and Mission - Church Schools						
Church Schools department	774	-	(1)	-	773	803
School Condition Allocation Grants	-	-	1,474	-	1,474	1,745
Support and Governance for Church Schools (note 10)	173	-	-	-	173	170
	947	-	1,473	-	2,420	2,718
Total Charitable activities	15,673	261	5,049	-	20,983	21,918

28h. PRIOR YEAR NOTES TO ACCOUNTS – 10 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Resourcing ministry and mission Support for Ministry £'000	Education Church Schools £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Support				
Central services department	82	21	103	110
General office department	203	51	254	282
Finance department	218	54	272	238
IT department	142	35	177	152
Depreciation	18	4	22	38
	663	165	828	820
Governance				
External Audit	32	8	40	33
	695	173	868	853

28i. PRIOR YEAR NOTES TO ACCOUNTS – 11 ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
From unrestricted funds for national church responsibilities:					
Contributions to Archbishops' Council	*1*	-	1,441	1,441	1,436
From unrestricted					
The Chichester Diocesan Association for Family Support Work	*1*	-	18	18	36
Clergy Training	*13*	4	-	4	17
Clergy Moves	*91*	270	-	270	291
Clergy Retreats	*19*	3	-	3	-
Other organisatons	*92*	15	1	16	32
	216	292	19	311	376
From designated					
PCCs for Mission projects	*13*	-	158	158	386
	13	0	158	158	*386*
From restricted					
PCCs for Mission projects	*21*	-	144	144	92
Clergy and families for Welfare	*42*	27	-	27	37
Overseas Partners	*1*	-	1	1	5
Aided Schools	*0*	-	-	-	22
School Condition Allocation Grants	*40*	-	2,685	2,685	1,745
Clergy training	*7*	6		6	-
Buildings for Mission/Net Zero	*11*	-	30	30	-
Energy Cost Grants	*0*	-	-	-	46
Other Grants	8	-	35	35	48
	130	33	2,895	2,928	1,995
Totals	*360*	*325*	*4,513*	*4,838*	*4,193*

29. RELATED PARTY TRANSACTIONS

Church of England related parties include:

- the Archbishops' Council (Charity No 1074857), from which the CDBF receives grants and to which the CDBF pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, including General Synod.
- the Church Commissioners for England (Charity No 1140097), from which the CDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The CDBF pays for clergy stipends through the Church Commissioners
- the Church of England Pensions Board (Charity No 236627), to which the CDBF pays retirement benefit contributions for stipendiary clergy and employees and makes contributions towards the provision of housing for clergy in retirement

- Parochial Church Councils which are responsible for running the parish churches. Financial transactions between PCCs and CDBF include parish share, parochial fees, loans and grants.
- Chichester Cathedral. The Archdeacon of Horsham is a trustee of the Cathedral. The CDBF paid for events held at the Cathedral during the year.
- Church of England schools who pay CDBF for the Partnership Agreement, consultancy and training.

Mother Agnes Trust is an unincorporated charity, four of whose six trustees are members of, or secretary to, the Finance Committee. During the year The Right Revd Dr M Warner, Mrs S Stonor, John Preston and the Ven Russell Dewshurst (from 23/11/2025), were trustees to the Mother Agnes Trust. The Administrator is employed by CDBF and the costs reimbursed by the Mother Agnes Trust. The total costs in 2025 were £6,534. During 2024 the Mother Agnes Trust made a grant of £270,000 to Chichester DBF towards theological education which is held as a restricted fund by CDBF.

The Bishop Otter Trust is an unincorporated charity, all of whose trustees are members of the CDBF Finance Committee. During the year the trustees were The Right Revd Dr M Warner, the Ven M Lloyd Williams, the Ven L Irvine-Capel (to28/2/2025), the Ven A Martin, the Ven Tom Carpernter (from 1/7/25) and the Ven Russell Dewhurs (from 23/11/2025). The Administrator is employed by CDBF and the costs reimbursed by the Bishop Otter Trust. The total costs in 2025 were £1,634.

The Chichester Diocesan Association for Family Support Work is an unincorporated charity of which a trustee, Mr Martin Auton-Lloyd, is chief executive. The Rt Revd Ruth Bushyarer, a trustee of Chichester DBF was appointed as a trustee of Family Support Work on 27/9/2025. The Diocese made a grant of £1,000 towards the work of this charity in 2025.

The only related corporate parties with whom the DBF has transacted are the Multi Academy Trusts which manage 39 Church of England Schools in the Diocese as well as one Stand Alone Academy. These trusts are as follows:

- The Diocese of Chichester Academy Trust (DCAT)
- Hurst Education Trust (HE)
- Bishop Luffa Learning Partnership (BLLP)
- South Downs Education Trust (SDET)
- Bohunt Education Trust (BET)
- St Lawrence CE Primary School, Hurstpierpoint
- Tenax Education Trust

All of these are accountable to the DBE and the Bishop of Chichester in relation to their Christian distinctiveness and to the Diocese of Chichester Education Trust (DoCET) via its Members for their operation. The Director of Education, one of the DBF's key management personnel, is a Trustee of DCAT, HET and Tenax and the Archdeacon of Chichester was the Chair of DCAT until 10 January 2025. During the year the DBF performed due diligence on schools intending to convert or join any of these trusts. DoCET is also a related party, which shares trustees with the DBF, but no transactions have taken place.

30. FUNDS HELD AS CUSTODIAN TRUSTEE

The CDBF acts as Diocesan Authority or Custodian Trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are Parochial Church Councils and others. Assets held in this way are not aggregated in these financial statements as the CDBF does not control them. The financial assets held in this way may be summarised as follows:

	2025 £'000	2024 £'000
CBF Church of England Investment Fund income shares	17,700	16,360
CBF Church of England Investment Fund accumulation shares	268	229
CBF Church of England Fixed Interest Securities Fund shares	1,665	1,619
CBF Church of England Property Fund shares	217	213
CBF Church of England UK Equity Shares	-	12
CBF Church of England Global Equity Shares	152	160
Other common investment fund holdings	1,890	1,563
Direct holdings in UK equities	487	373
CBF Church of England Deposit Fund	2,410	2,242
Cash at bank	2	83
Total assets held as custodian trustee	24,791	22,854