ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2025

WINCHESTER DIOCESAN BOARD OF FINANCE

Company number - 142351

Registered charity number – 249276

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FOREWORD

I have often heard Bishop Philip describe his role as being a "curator of the culture of the diocese." It sounds like a simple phrase, but it captures so much about the nature of episcopal leadership and the purpose of the diocesan team in supporting, nurturing and leading our parishes and communities into the calling of God.

To speak of culture is to recognise that the life of our diocese is shaped not only by structures and strategies, but by shared worship, relationships and expectations that are committed to a life in Christ. Culture influences how we respond to challenge, how we steward all that has been entrusted to us, and how open we are to the Holy Spirit. It is within this lived, everyday culture that the mission of the Church is either constrained or allowed to flourish.

We are conscious that our diocese faces significant challenges and it is all too easy to frame these as just financial. Society is continuing to change at a rapid rate, along with shifting patterns of family life – the Church has always been in the centre of our culture, and it is our passion and mission to make sure we continue to be so. To keep up with these changes we are asking more and more of our volunteers and asking hard questions about the sustainability of ministry in some contexts. To wrestle with these realities honestly is not a failure of faith, but part of faithful stewardship, responsible governance, and our unwavering confidence in the provision of God!

At the same time, we hold a deep conviction that our task must not be to simply manage decline or mitigate risk, but to foster a culture in which Christ can be at work among us. We must collaboratively create the conditions in which prayer, trust, generosity, learning and courage can grow; where people are supported rather than overwhelmed; and where parishes and worshipping communities are enabled to discern and respond to God's call within their own contexts.

The role of the Winchester Diocesan Board of Finance, and the diocesan team, is therefore to serve this wider Kingdom purpose: to steward resources wisely, to provide clarity and support, and to shape systems and practices that encourage hope, collaboration, and faithfulness.

In doing so, we seek to play our part in nurturing a diocesan culture that is confident in God's faithfulness, realistic about the challenges but always open to the transforming work of Christ, calling everyone in our diocesan family to the shared vision expressed by St Paul: "Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up" (Galatians 6:9).

Ian Dighé
Ian Dighé (Jun 23, 2026 11:06:52 GMT+1)

Ian Dighé
Chair of the Winchester Diocesan Board of Finance
23/06/2026

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 and 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 objects of the Diocese of Winchester cover most of Hampshire - a part of eastern Dorset, the unitary authority of Southampton and the eastern parts of the unitary authority of Bournemouth, Christchurch and Poole.

The Winchester Diocesan Board of Finance's (WDBF) principal object is to promote, assist and advance the work of the Church of England in the Diocese of Winchester, by acting as the financial executive of the Winchester Diocesan Synod.

The WDBF has the following statutory responsibilities:

i. the management of glebe property and investments to generate income, in order to support the cost of stipends arising from the Endowment and Glebe Measure 1976.
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 in 2021.
iv. the custodian of permanent endowment and real property assets, relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils (PCCs) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

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

STRATEGIC AIMS

Given the nature of our organisation, our objectives and strategic priorities are realised mainly through our parishes, clergy, ministers, and worshipping communities. For this reason, we must invest in engaging, supporting, equipping, and encouraging them, as we work together to grow our shared mission and ministry.

By carrying out these priorities and in promoting the whole mission of the church (pastoral, evangelistic, social, and ecumenical), the directors are confident (having adhered to Charity Commission guidance) that the Charity delivers public benefit.

During 2025 we continued to embed the Walking the Wessex Way, Bishop Philip's invitational resource for discussion, reflection and prayer in parishes and worshipping communities. We had hoped that this work would lead to the submission of a major £10m application to the national Diocesan Investment Programme. Unfortunately, as we worked with colleagues in the National Church Team, it became apparent that further reflection was needed to ensure our plans aligned with their funding parameters. This work continues, with a revised timescale of submitting our bid in December 2026.

Despite this delay, the Winchester Diocesan Board of Finance continued to be shaped by our values of Learning, Growing, Loving, and Serving, enabling parishes, clergy, lay ministers and worshipping communities to participate more fully in the shared mission of the Diocese.

ACTIVITIES IN THE YEAR

Trying to properly capture and summarise the activities of our diocese over the last year in a few concise paragraphs is no easy task! As always, we acknowledge with humility that the greatest impact of our mission and ministry is delivered through our network of parishes and their volunteers. The Diocesan Team has the privilege to help support, encourage and enable this ministry as best we can.

At the time of writing, we have just received the provisional 2025 Statistics for Mission:

Diocese	Worshipping Community	Adult average weekly attendance	Child average weekly attendance	Adult average Sunday attendance	Child average Sunday attendance	All age av. weekly school service att.	Adult Usual Sunday attendance	Child Usual Sunday attendance	Easter attendance	Christmas attendance
Church of England	**1.4%**	**0.7%**	**-0.3%**	**1.6%**	**1.4%**	**-1.4%**	**2.2%**	**2.7%**	**7.8%**	**5.5%**
Winchester	1.9%	2.5%	4.1%	2.0%	5.7%	25.7%	4.5%	6.9%	11.5%	5.3%

Whilst not yet finalised, these figures suggest another year of solid growth in attendance across our diocesan community, often well above the national average. Behind these headline statistics are numerous stories of individuals discovering, deepening and developing their faith in Christ in local churches, communities and schools across our diocese.

Alongside these local stories we offer a few headlines to capture diocesan activity:

People

- Retained our stipendiary clergy (including curates) headcount at around 140 FTE posts during the year. In April 2025, we increased stipends and allowances by 3%.
- Stipends were increased on 01 April 2026 by 7.14% to £34,950 for our incumbents and by 8.67% to £33,350 for our curates, in line with the national Church of England guidance.
- 20 ordination candidates successfully completed the discernment process and began ordination training in 2025.
- 5 new Licensed Lay Ministers (LLM) began training in 2025, along with 18 new candidates for the Bishop's Permission to Preach (BPP).
- Successfully applied for permission, and subsequently appointed, a new Bishop of Basingstoke.
- £48,779 in Welfare grants were paid to members of clergy and their dependents during the year.
- Increased staffing in our Safeguarding Team in recognition of the vital importance of this area of work

Strategic Reviews

- Saw a £445k increase (5.4%) increase in Common Mission Fund Collection over 2024.
- During 2025, we visited each of our Deaneries to share a Financial Briefing, giving an up-to-date view of diocesan finances, and giving deaneries an opportunity to ask questions of the diocesan team and trustees. The feedback from these sessions has been very positive and we plan to make this a regular feature.
- 2025 was the first full year working with Savills as our property managers. We are seeing many benefits from this partnership and the response from our clergy and their families, as well as the diocesan team has been very positive.

Governance

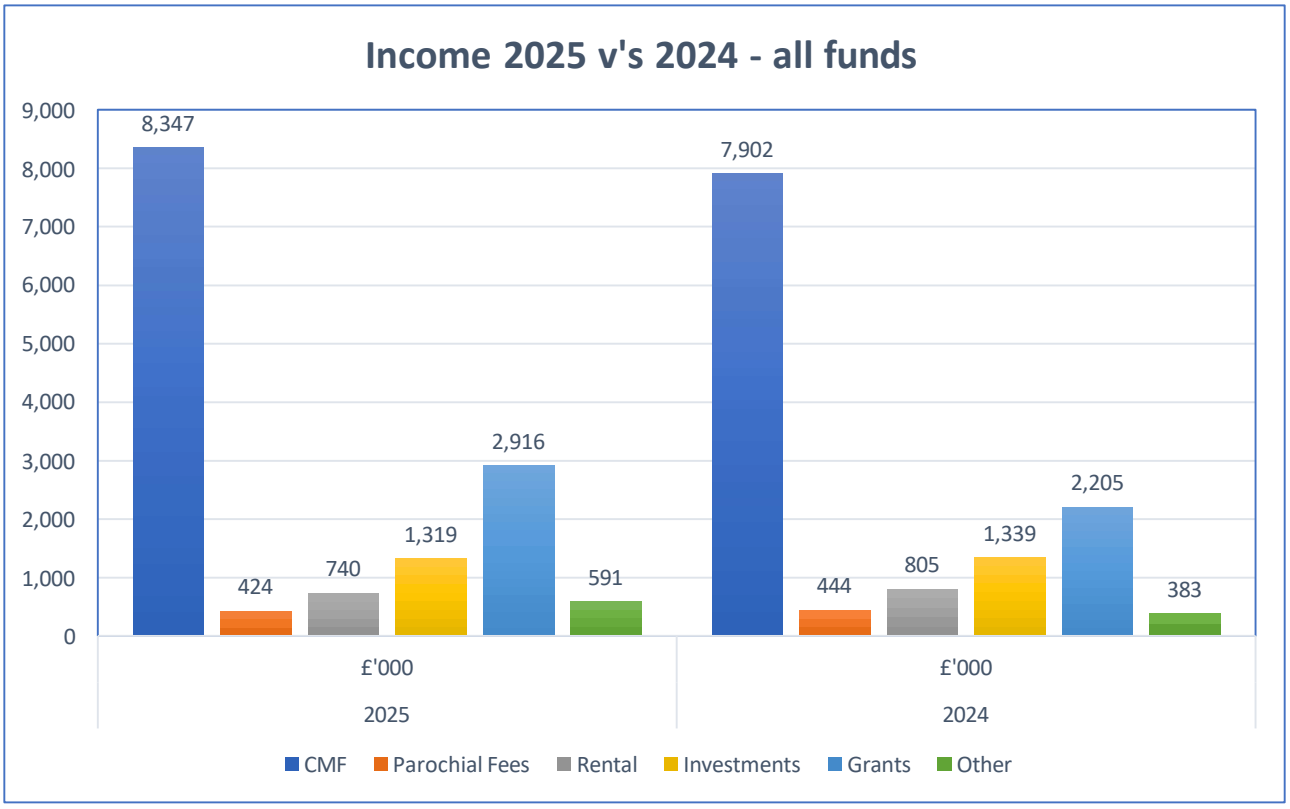
- The Directors of the Board of Finance and the Members of the Diocesan Synod, approved changes to the **Memorandum & Articles of Association of the WDBF.** The core change was to move to a new structure where Diocesan Synod became the Company Members of the WDBF. It is our hope that this change will help ensure a greater synergy between DBF and Synodical governance.
- We were pleased to note that the **2025 Audit** process has been very positive and did not identify any issues or challenges within our financial management processes and procedures. In October 2025 we appointed Crowe as the new auditors for WDBF.

FINANCIAL REVIEW

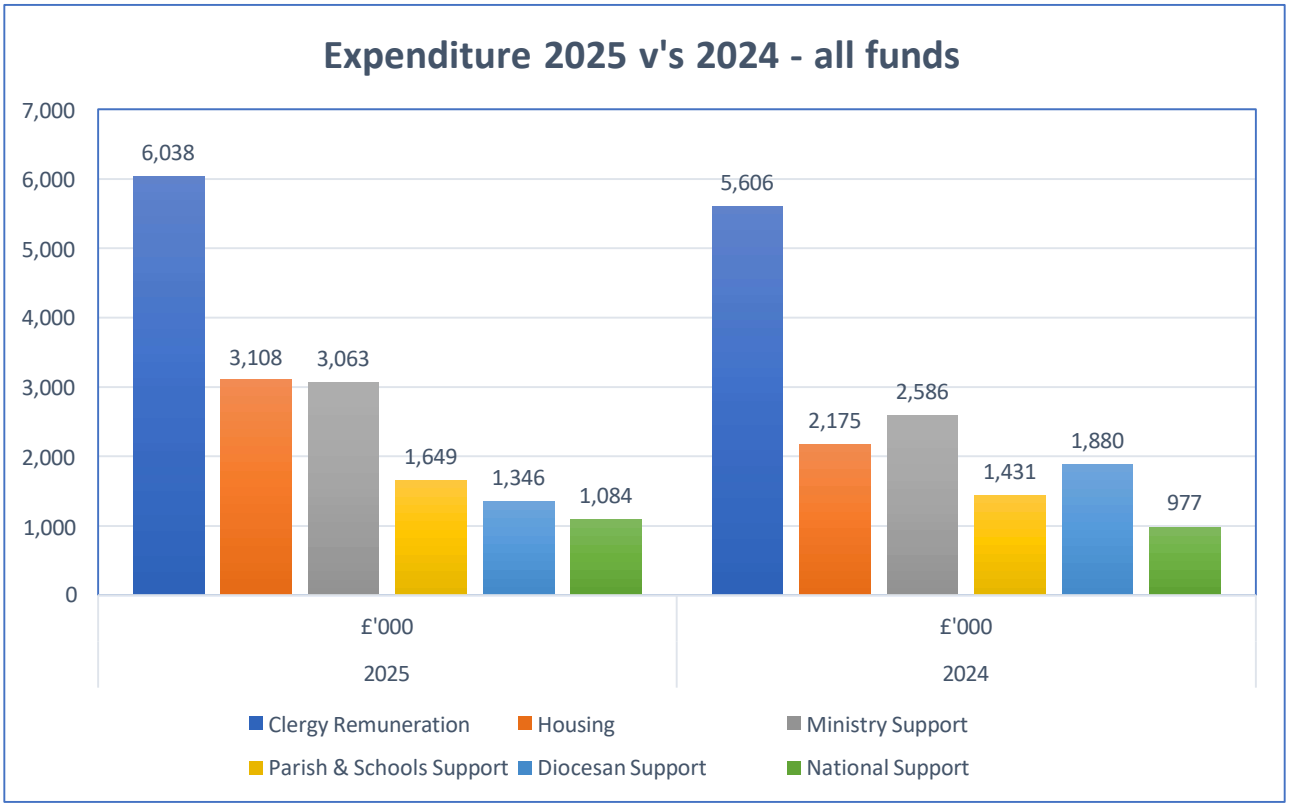
Financial Performance 2025

Our financial performance for 2025 was challenging. In common with many other charities and organisations, the significant shifts and uncertainties in the global economic climate has impacted on our finances and those of our community. Across all funds we reported an operating deficit of £2.04m (2024: deficit £1.63m). After realised gains and losses on disposal of fixed assets, revaluation of our investment portfolio and the impact of property revaluations, we reported an overall deficit of £2.79m (2024: surplus £3.27m).

Our total income across all funds, increased by 9.4% from £13.02m in 2024 to £14.25m in 2025. Parish income (CMF and Parochial Fees) grew by 5% (£424k) from 2024 reflecting the strong commitment to our common mission across our community, and the work carried out by the diocesan team to help our PCCs to bring any outstanding parochial fees returns up to date. Investment income overall (including income from our Glebe assets) decreased by £21k (1.6%) from 2024. Income from our CCLA investment portfolio fell by 4.3%, which was a combination of a 3% increase in income from the CBF Investment Fund, and the disposal of our holdings in the CBF Property Fund during the year (with the proceeds reinvested in either the CBF Investment Fund or the CBF Deposit Fund). Deposit interest on cash held in the CBF Deposit Fund increased by 1% to £483k as a result of an increase in the amount of funds held on deposit. The value of funds held in the CBF Deposit Fund at the end of 2025 was £11.34m, up from £10.30 at the end of 2024. During the year, the average rate of return on the Deposit Fund was 4.37%, which is down from 5.18% in 2024. Rental income from our properties fell by 8% (£64k), as more houses were required to accommodate the growth in our clergy numbers and a number of surplus properties were sold during 2025. Income from grants, donations and recharges increased by £918k in the year. Strategic Development Funding (SDF) income from Archbishops Council (£2.20m in 2025; £1.47m in 2024) was matched by an increase in related SDF expenditure.



Total expenditure across all funds increased by 11% from £14.66m to £16.29m. Clergy remuneration costs increased by 7.7% (£431k) during the year as stipend rates and related allowances increased by 3% from Apr 2025 and the average number of clergy increased from 105.4 in 2024 to 110.2 in 2025. Housing costs increased by 43% (£933k) as we continued to catch-up on quinquennial works and other remedial works on our housing portfolio through Savills. Other Ministry Support costs increased by 18% reflecting the increased SDF funding referred to above. Parish and Schools Support costs increased by 15% as we filled a number of staff vacancies and increased spending on a number of projects to support our parishes. Diocesan Support costs fell by 28% as a number of significant one-off costs and provisions in 2024 were not repeated in 2025. National Support costs increased by 11% in the year and include the cost of Ordinand Maintenance Grants of £382k – an increase from £309k in 2024. In 2026 we will start to see the National Support costs, including these grants being borne by National Church as part of the Diocesan Funding Review.



During the year, we sold 5 houses leading to a loss on disposal of £209k (2024: loss £55k on 7 houses) on the previous carrying value of £2.728m. We also disposed of our investment holdings in the CCLA Property Fund with the net proceeds reinvested in either the CBF Investment Fund or the CCLA Deposit Fund. This disposal gave rise to a gain of £9k relative to the previous valuation. We did not sell or purchase any glebe assets during the year (2024: gain £82k on sale of 4 glebe assets). Post year-end, we did dispose of our interest in a small parcel of glebe land in Southampton for £50k, in January 2026.

The revaluation of our glebe portfolio for 2025 gave rise to a gain of £53k (2024: gain £26k). Our CCLA investments in the CBF Investment Fund had a turbulent year and saw an overall reduction in value during 2025 of £832k, compared to an increase in 2024 of £495k.

The 2025 revaluation of our property portfolio produced an unrealised gain of £140k across 41 properties. (2024: gain £4.95m). Our accounting policy under FRS 102 for accounting estimates, is to revalue 20% of the property portfolio each year. This valuation work is carried out by our Diocesan Property Manager.

The net effect of all the above is an overall decrease in the value of all funds of £2.79m for the year (2024: increase £3.27m) to £183.49m. The table below summarises this financial position:

	2025	2024
	£'000	£'000
Operating surplus/(deficit) before Other Income	(1,950)	(1,577)
Realised gains/(losses) on sale of fixed assets	(88)	(55)
Net operating surplus/(deficit)	***(2,038)***	***(1,632)***
Other recognised gains and losses:		
Unrealised gains/(losses) on investments	(781)	522
Realised gains on investments	(111)	82
Sub-total - Net Gain/(Loss) on Investments	***(892)***	***604***
Unrealised gains/(losses) on revaluation of fixed assets	139	4,949
Adjustment to property values for prior years	-	(647)
Sub-total - Net (Loss)/Gain on Property	***139***	***4,302***
Net movement in funds for the year	**(2,791)**	**3,274**
Fund balance at 1st January	186,283	183,009
Fund balance at 31st December	**183,492**	**186,283**

General Fund

Income increased by 4% from £10.46m to £10.88m (excluding fund transfers).
Giving from our parishes through Common Mission Fund (CMF), the mutual cost-sharing across the Diocese to fund mission and ministry, is the main incoming resource for the Diocese. We are deeply grateful to all our parishes who have continued to contribute to the CMF whilst tackling rising costs and diminishing reserves. We received £8.35m in 2025 (2024: £7.90m) which represents 94.8% of the amount requested of £8.80m. Due to the growth in our clergy numbers in 2025 and the sale of a number of our properties, our property rental income for the year decreased from £777k in 2024 to £726k in 2025. Our investment income of £629k has reduced slightly from 2024 (£664k) and includes income from our CCLA investment portfolio (£230k), interest on our CCLA Deposit Funds (£283k), loan interest (£31k) and income from our Glebe portfolio (£85k).

Transfers from restricted, designated and endowments to the general fund in 2025 amounted to £13.69m (2024: £1.12m). Of this increase in 2025, £9.9m represents the value of houses that were transferred from The Benefice Houses Fund to the General Fund. £2.7m represents the reimbursement of the costs of housing works (including quinquennial works) for properties belonging to The Benefice Houses Fund and The Stipends Capital Fund and that were paid for from the general fund, covering the years 2023 to 2025. In future years, the cost of this transfer will be significantly lower (budgeted at £815k for 2026).

Expenditure increased by 6.4% from £12.75m to £13.57m
Resourcing ministry and mission continues to be our most significant expense area. In 2025, we averaged 110.2 stipendiary clergy posts across our diocese (2024: 105.4) out of a budgeted total of 116.5 (2024: 116.5). Direct expenditure on clergy stipends, national insurance, and pension costs was £5.90m compared to £5.60m in 2024. Clergy stipends increased by 3% from 01 April 2025. Our contribution rate to the Church of England Funded Pension Scheme (CEFPS) for clergy, decreased from 25% to 22% of the previous year's National Minimum Stipend (NMS), from 01 April 2025. Expenditure on clergy housing was £929k higher than 2024 at £3.09m as work continues to bring our property portfolio up to the level it needs to be at, including

significant quinquennial works. 2025 was the first full year where our property portfolio was under the management of Savills, and we continue to see the benefit of the expertise and efficiencies that they bring. Resettlement Grants and First Appointment Grants were £202k in 2025 compared to £245k in 2024.

Balance sheet position

The Trustees consider that the balance sheet together with details in note 18 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 the net assets at the balance sheet date totalled £183.5m (2024: £186.3m), it should be noted that included in this total are properties, mostly in use for Clergy, whose value net of loans, used to buy them, amounted to £146.8m (2024: £147.6m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the WDBF.

Free reserves

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Trustees' policy aim is to hold a balance of free reserves (general fund less tangible fixed assets net of long-term financing) on its general fund, equivalent to between 3 and 6 months budgeted unrestricted expenditure. The total unrestricted general funds balance of free reserves totals £6.5m. (2024: £4.6m). This balance represents the equivalent of 5.6 months of budgeted general fund expenditure for the diocese, which is within the agreed range. Whilst the DBF policy is to hold 3 months budgeted unrestricted expenditure in cash or short-term deposit (approximately £3.5m), this was exceeded at the end of December 2025 with the balance of cash, deposits and short-term investments in the general fund of £5.1m.

Designated Funds

The Trustees may, with the approval of the Board, designate unrestricted reserves to be retained for an agreed purpose where this is prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund, in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use, is set out in note 19. At 31 December 2025, total designated reserves were £1.67m (2024: £1.76m).

Restricted and Endowments Funds

As set out within Notes 17 and 18, the WDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2025, restricted funds totalled £10.82m (2024: £11.53m) and endowment funds totalled £124.89m (2024: £137.28m). Neither are available for the general purposes of the WDBF.

Grant making policy

The Memorandum of Association of the WDBF explicitly permits the WDBF to make grants in pursuance of its objects. Details of grants made are shown in note 8.

Investment policy

The WDBF is empowered by its memorandum of association, to invest monies not immediately required for its purposes. In addition, the WDBF acts as Trustee of several trust funds, and these must be invested in accordance with the related trusts. The WDBF's policy is to regularly review the assets of each fund for which it is responsible, in relation to the purposes of each fund, and to identify appropriate investment vehicles. Note 18 provides details of the assets of each fund, together with the related purposes, and Note 12 summarises the movements in investments during the year.

The majority of WDBF's investments are held in the CBF Church of England Funds managed by CCLA Investment Management Limited. CCLA investment performance over the course of 2025 has been disappointing and has fallen below the benchmark expectations. Whilst income from the CBF Investment Fund has held up well over 2025 and grown by 3% on a like for like basis, asset values have fallen in value, with a reduction in unit price and capital values in the fund of 4% over 2025. With increasing global conflict and uncertainty in 2026, performance of the fund has fallen by a further 7.2% in the quarter to 31 March 2026. The trustees are continuing to closely monitor CCLA investment performance in 2026 and plan to undertake a detailed review of alternative investment managers this year.

In October 2024, a decision was taken to dispose of the holdings in the CCLA Property Fund and to transfer the proceeds to the respective CCLA Investment Funds and Deposit Funds. There was a lead time of 6 months for Property Fund disposals, and this process was finalised in April 2025. The carrying value of the holdings in the Property Fund prior to disposal was £1.345m and the sale gave rise to a small gain of £9k. As a participant in the CBF Church of England Funds managed by CCLA Investment Management Limited and a small number of others, the WDBF adopts the ethical investment policies in those funds.

The remainder of our investment portfolio comprises our glebe assets.

A breakdown of the overall investments portfolio is set out in the below table.

Investment Type	**General Fund**	**Designated Fund**	**Restricted Fund**	**Endowment Fund**	**Total**	***Total***
	2025	**2025**	**2025**	**2025**	**2025**	***2024***
Unlisted Investments	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	***£'000***
CCLA Investement Fund	3,288	662	7,996	11,187	23,133	*22,451*
CCLA Property Fund	-	0	0	0	0	*1,344*
CCLA COIF	-	-	21	-	21	*21*
	3,288	**662**	**8,017**	**11,187**	**23,154**	***23,816***
Listed Investments						
M&G Charifund	-	-	50	-	50	*40*
	-	**-**	**50**	**-**	**50**	***40***
Other Investments						
Glebe Portfolio	-	-	-	1,468	1,468	*1,416*
	-	**-**	**-**	**1,468**	**1,468**	***1416***
Total Investments	**3,288**	**662**	**8,067**	**12,655**	**24,672**	***25,272***

Future Financial Outlook & Priorities

The financial outlook of the WDBF is intrinsically linked to the outlook and sustainability of our 230 parishes. We cannot ignore the very challenging few years parishes have faced both financially and in terms of decline in attendance.

Global challenges on investment markets has impacted on investment returns and income, and we will undertake a detailed review of our investment manager performance during 2026, whilst appreciating there are no easy solutions to the current situation, and no investment manager can offer any guarantees around future investment performance.

We have been encouraged to hear that the preliminary 2025 Statistic for Mission, showed a **1.9% increase in Worshipping Community** across our diocese (against a national average of 1.4%). This shows that there are already signs of hope for growth and a return to sustainability. This in turn will lead to greater financial resilience at a diocesan level.

As noted above the deanery level **Finance Consultation** was well received, helping to address some 'myths' and help our stakeholders understand our shared financial challenges. This level of relational engagement and consultation is key to our shared funding model, and we believe has led to the vastly improved CMF performance in 2025. We plan to hold similar engagement events in 2027.

A separate project strand (known as the Path to Sustainability) has been launched in 2026, to work with 7 priority deaneries to help them identify opportunities for reducing current levels of subsidy on their ministry costs.

We have continued to actively engage in the national **Diocesan Finance Review**, seeking to offer time limited funding to DBFs across the country to address our combined annual deficits of over £62m. We expect to receive two tranches of Time-Limited Financial Support in April and September 2026, which will provide some assistance towards the increased cost base.

We have prepared a three-year budget for 2027 to 2029 to show the impact of the increased cost of clergy stipends and clergy pension costs, as well as the costs of maintaining our property portfolio.

In this context, it is clear that our future financial outlook is dependent on the missional strength of our parishes and worshipping communities. Our core priority for 2026 is therefore to discern, design, and develop and then deliver our new Strategic Mission & Ministry Development Plan, seeking substantial national funding over the coming 10 years to invest in sustainable missional growth across our diocesan community.

STRATEGIC RISKS AND UNCERTAINTIES

The Directors are responsible for the identification, mitigation, and management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the Directors on an annual basis with the responsibility for delivery of the mitigation strategies, identified by it, being delegated to the Diocesan Secretary, and through him other responsible officers. The following areas are considered to be the current highest strategic risk areas for the diocese.

Risk	Strategic Overview
Growth & Sustainability Continued decline in the numbers of in those involved in, or supporting, the church in any capacity	A continued reduction in numbers of those involved in our Diocese will adversely impact all areas of risk e.g. numbers of clergy in parishes, laity directly involved in mission, macro/micro economic factors, 'relevance' due to controversies/ debates at national level, diocesan finance due to fewer and less generous givers, volunteers needing training such as safeguarding. As we look forward it is vital that we continue to discern and invest in sustainable models of ministry and mission that will intentionally seek to address this decline. Accessing national strategic mission & ministry investment funding to invest in clergy and parishes to help them grow their ministry must remain a fundamental priority.
Safeguarding: **Child, adult at risk, or domestic abuse** An occurrence of child, adult at risk, or domestic abuse by someone working for or on behalf of the Church (in a parish or parish-based organisation or at the Diocesan Office) **Non-Current Cases** It comes to light that there were instances of abuse in the past which were not appropriately dealt with by the Clergy/Diocese	The Diocese has a Safeguarding Board that is independently chaired and draws in senior officers from statutory agencies, law and education as well as the Dean of the Cathedral. The Board is responsible for developing Safeguarding Strategy and an action plan of improvement. The Board is supported by a Casework Subcommittee (independently chaired). The Board promotes best practice and continuously ensures that the Diocese is adopting and developing appropriate policy and practice. A Safeguarding team, led by a highly qualified and experienced Safeguarding Manager, promotes best practice, supports those making disclosures and manages offenders and those under investigation. An independent audit of our Safeguarding Function is scheduled for 2027.

STRATEGIC RISKS AND UNCERTAINTIES (continued)

Risk	Strategic Overview
Financial: **Diocesan Board of Finance** A serious loss of income, investment market crash, unforeseen major expense, fraud, and theft are all potential serious financial incidents for the Board. **Custodian Trustee** A parish enters major expenditure without sufficient resources, experiences fraud, has major unforeseen building or staffing issues requiring significant expenditure.	The Diocesan Board of Finance (DBF) is supported by a Finance Committee which regularly reviews the management accounts, CMF collection and reserves position, to ensure any unexpected losses in income can be covered whilst remedial actions are undertaken. The DBF issues comprehensive Financial Standing Instructions identifying levels of delegation, responsibility, and accountability. A comprehensive review has been carried out and completed in 2025 with a further update made in early 2026. A major review of investment performance will take place in the latter half of 2026 and a tender process for the investment management of our funds will be agreed, following the poor performance of CCLA over the last two financial years. Appropriate measures are in place to ensure that all financial payments require two signatures and that all property purchases and major contracts also require two director signatures in addition to the Diocesan Secretary & Chief Operating Officer. The DBF insures against its most significant serious incidents, and all insurance policies are reviewed annually. The DBF offers some advice and support to parishes embarking on major projects or areas of expenditure, assisting them in assessing risk and appropriate mitigations and will monitor parish accounts, with deanery assistance, to be alert to any needs and problems arising. Recent reviews of large PCC loans has shown that this remains an area of significant risk for the WDBF. The Diocesan Finance Committee issued an updated Diocesan Loans Policy in September 2025, which limits the size of new loans to a maximum of £25,000.
People: **Employment** Significant staff turnover, staff without appropriate qualifications and skills mix for evolving needs of the DBF and wider Diocese. **Appointments** The Diocese fails to make the right appointments to parishes and senior positions within the Diocese.	The WDBF is responsible for a wide range of specialisms and different disciplines operating in an unusual legal and compliance framework. Each area requires a high level of expertise and experience. This represents an ongoing organisational challenge, as we seek to recruit people with relevant experience whilst also managing expenditure on employed posts. The DBF has been building up a pool of consultants, partners and colleagues across the wider Church of England who can provide some level of cover if and when required. Investment and improvement in appointment processes have been a priority for the DBF over the recent years. In 2026 we started a partnership with an outsourced HR Firm to provide additional technical capacity and expertise to help with our HR management and recruitment processes. Whilst these processes can assist and improve appointment processes, the Directors recognise that many diocesan and parish appointments do not fall under secular employment legislation and are therefore risks which cannot be mitigated entirely.

STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England
The Church of England is the established Church and His Majesty the King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a 'See' under the care of a Bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The National Church has a General Synod comprised of ex-officio and elected representations from each Diocese and it agrees and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese itself is divided into 13 deaneries, each with its own Synod and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod. Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

Organisational structure
The Winchester Diocesan Board of Finance (WDBF) is a company limited by guarantee (No. 142351) and a registered charity (No. 249276) 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 Winchester. It was established in its present form in 1927 and is successor in title to the Winchester Diocesan Trustees.

Governance and policy of the Diocesan Board of Finance is the responsibility of the Trustees, who are also members of the company and trustees for the purposes of charity law. The Directors of the DBF comprises: The Bishop of Winchester, the Chair of the WDBF (appointed by the Directors)the Chairs of the Synod House of Clergy and the Synod House of Laity, the Bishops of Southampton and Basingstoke, the Archdeacons of Winchester and Bournemouth and the Dean of Winchester, together with six people elected from and by the members of Diocesan Synod every three years. The Directors of the DBF can co-opt additional members. Details of Trustees who served during the year are set out on page 19.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Staff Team. The Synod membership is elected every three years; the last elections having been in November 2024. The Synod elects six of the twelve Trustees of the Diocesan Board of Finance (as well as two of the ex officio trustees). The members of Diocesan Synod became the company members of the WDBF during 2025. Whilst the WDBF 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 WDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

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 Winchester, are set by the Diocesan Synod, and the WDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary & Chief Operating Officer. The company meets once a year, at a general meeting, to receive and approve the annual report and financial statements, and to appoint the auditors. The Diocesan Synod receives and agrees the budget, prepared and approved by the WDBF. The Trustees meet, within the context of the Bishop's Council & Standing Committee, hold up to seven meetings during the year to formulate and coordinate 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 Synod Standing Orders.
- Acting as the Trustees of the WDBF.
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion.
- Advising the Bishop on any matters he/she may refer to the committee.
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and for 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.

The Trustees are assisted in their work by 2 sub-committees:

The Diocesan Finance Committee: The group monitors management accounts and budget, the use of assets and investment policies and exercises the authority delegated to it by the Trustees in areas such as grants and loans.

The Property Working Group: The Group has delegated responsibility from the WDBF to undertake some of the responsibilities under the Parsonages Measure; the Repair of Benefice Building Measure 1972; the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 (with respect to parochial property); the Endowment and Glebe Measure 1976 (with regard to property assets); and the Pastoral Measure 2011 (with regard to redundant churches). The Group meets 4 times a year to consider requests, suggestions and appeals from clergy relating to the care and maintenance of their houses.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out above. They are given induction and provided with trustee training 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. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

Fundraising Code of Practice

The Diocese provides support to the parishes with regard to fundraising. Due regard is given to the Fundraising Code of Practice set by the Fundraising Regulator when providing the support to the parishes.

Remuneration of key management personnel
Emoluments of higher-paid employees are determined by a remuneration group consisting of the Bishop of Winchester, Chair of the WDBF and the Chair of the Diocesan Finance Committee. The terms of reference for this group are established by the Bishop's Council and include regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

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 deliver the business of the WDBF in accordance with the policies framed by the Trustees.

Funds held as Custodian Trustee
The WDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964, where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the WDBF does not control them, and they are segregated from the WDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £19.4m as at 31 December 2025 (2024: £20.9m), are available from the WDBF on request, and are summarised in note 22. The vast majority of custodian fund investments are held with CCLA. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the WDBF's solicitor, Blake Morgan LLP.

Related Parties
The WDBF is required to comply with Measures passed by the General Synod of the Church of England and is required to make annual payments to the Archbishops' Council towards the costs and the national arrangements for training clergy. Details of these costs can be found in note 8. The WDBF currently receives an annual grant from The Benefact Trust (previously The All Churches Trust). Further details of these receipts can be found in note 2.

In previous years, the WDBF has given financial support, including loans, to Launchpad Social Enterprise (LSE), a UK registered charity whose primary focus is on early years nurseries and pre-schools. WDBF has utilised its Social Responsibility restricted fund to provide this support. Details of the amounts owed from LSE at year end are set out in note 23. No new loans or other financial support were provided by WDBF to LSE during 2025.

The Portsmouth and Winchester Diocesan Board of Education (PWDBE) has now become a Charitable Incorporated Organisation (CIO) as a result of the Diocesan Board of Education Measure which came into effect at the start of 2022. The CIO has independent governance, finance, management and policies. Alongside Portsmouth DBF, WDBF is a grant giving body to the CIO with WDBF providing grants to cover approximately 2/3 of the CIO's operating costs. In 2025, grants to the CIO from WDBF amounted to £376k (2024: £345k).

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 that 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 WDBF and of the surplus or deficit of the WDBF 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 DBF 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 WDBF 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 WDBF'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.

In all matters, the Trustees have due regard to the Charity Governance Code which covers seven areas:

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Boards effectiveness
- Diversity
- Openness and accountability

Statement of Disclosure to the Auditors
So far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware.
- we have taken all the steps that we ought to as Trustees, to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of this information.

Appointment of Auditors
On 02 October 2025, WDBF appointed Crowe U.K. LLP as the company's auditor.

The re-appointment of Crowe U.K. LLP as auditors will be proposed at the company's Annual General Meeting.

ADMINISTRATIVE DETAILS

Trustees
No Trustee had any beneficial interest in the company during 2025. The following are the Trustees who served at any time during 2025 up to the date of this report:

Chair:	Ian Dighé
Ex officio:	Philip Mounstephen BA, MA (Oxon) - Bishop of Winchester Angela Smith PGDipTh (Oxon) - Chair of the House of Clergy (from 01.01.2025) Alastair Barron BA (Hons), MBA, FSyI – Chair of the House of Laity
Synod House of Clergy:	Andrew Micklefield BEd (Hons) (from 01.01.2025) Sarah Yetman (from 01.01.2025)
Synod House of Laity:	Gillian Gray Knight Madeline Hedley Richard Roope MA, MSc, FRCGP (from 01.01.2025) David Collier BSc (Hons) (from 01.01.2025)
Co-opted:	David Williams (resigned 28.03.2025) Rhiannon King Kelly Betteridge (from 15.10.2025) Richard Brand Jean Burgess (resigned 06.02.2026) Catherine Ogle (resigned 01.05.2025) Elspeth Mackeggie Gurney BA Hons, ACA, PGCE

ADMINISTRATIVE DETAILS (continued)

Senior Staff and Advisers:

Company Secretary:	Colin Harbidge
Diocesan Secretary:	Colin Harbidge BA (Hons), PGDip, MCMI
Director of Education:	Jeff Williams MA, DPhil
Human Resources and Safeguarding Deputy Director:	Paul Gelman
Head of Communications:	Jemima Lewis
Strategic Development Programme Manager:	Sarah Keen
Assistant Diocesan Secretary(Parish Support):	Jayne Tarry
Assistant Diocesan Secretary (Operations & Governance):	Cathy Laird
Assistant Diocesan Secretary (Operations & Governance – Maternity cover):	Sam Scott
Head of Mission and Ministry:	Amy Roche
Head of Finance:	Mark Teahan

Registered Office:	Diocesan Office, Old Alresford Place, Alresford, Hampshire SO24 9DH
Bankers:	National Westminster Bank PLC, 105 High Street, Winchester SO23 9AW
Auditors:	Crowe U.K. LLP, Black Country House, Rounds Green Road, Oldbury B69 2DG
Solicitors:	Blake Morgan, New Kings Court, Tollgate, Chandler's Ford, Hants SO53 3LG
Investment Advisers:	CCLA Investment Management Limited, One Angel Lane London EC4R 3AB
Property Agents:	Savills (UK) Limited, 33 Margaret Street, London W1G 0JD
Insurers:	EIG, Beaufort House, Brunswick Road, Gloucester GL1 1JZ

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 5-20, within their capacity as company directors.

ON BEHALF OF THE TRUSTEES

Ian Dighé
Ian Dighé (Jun 23, 2026 11:06:52 GMT+1)

Ian Dighé
Chair
17 June 2026

Colin Harbidge
Company Secretary
17 June 2026

OPINION

We have audited the financial statements of Winchester Diocesan Board of Finance for the year ended 31 December 2025 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and notes to the financial statements, including 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 its incoming resources and application of resources, including its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic 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' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, 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.

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

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.

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102), and [local] tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charitable company's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations, to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the charitable company for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income and parish contributions. Our audit procedures to respond to these risks included enquiries of management and the Audit, Finance and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing regulatory correspondence with the Charity Commission, sample testing grant agreements, verifying parish contributions to bank and reading minutes of meetings of those charged with governance.

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

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

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.



Helen Blundell LLB FCA FCIE DChA
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:25 July 2026

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 2025 £'000	Total 2024 £'000
Income and endowments from:							
Donations							
Parishes	2	8,347	-	-	-	8,347	7,902
Archbishops' Council	2	173	-	2,651	-	2,824	2,093
Other	2	96	-	3	-	99	149
	2	8,616	-	2,654	-	11,270	10,144
Charitable activities	3	834	-	97	-	931	685
Other trading activities	4	803	-	14	-	817	910
Investments	5	629	30	592	68	1,319	1,339
Other	6	(98)	-	-	10	(88)	(55)
Total Income		10,784	30	3,357	78	14,249	13,023
Expenditure on:							
Raising funds	7	(3)	-	-	-	(3)	(7)
Charitable activities	8	(13,567)	(39)	(2,678)	-	(16,284)	(14,648)
Total Expenditure		(13,570)	(39)	(2,678)	-	(16,287)	(14,655)
Net Operating Surplus/(Deficit)		**(2,786)**	**(9)**	**679**	**78**	**(2,038)**	**(1,632)**
Gains/(Losses) on investments:							
Net (losses)/gains on investments		(137)	21	(264)	(512)	(892)	604
Net (expenditure)		(2,923)	12	415	(434)	(2,930)	(1,028)
Transfers between funds	10	13,696	(100)	(1,004)	(12,592)	-	-
Net (expenditure)/income after transfers		10,773	(88)	(589)	(13,026)	(2,930)	(1,028)
Other recognised gains:							
Gains on revaluation of fixed tangible assets		(369)	-	(121)	629	139	4,302
Net movement in funds		10,404	(88)	(710)	(12,397)	(2,791)	3,274
Total Funds at 1 January 2025		35,716	1,757	11,526	137,284	186,283	183,009
Total funds at 31 December 2025	17	**46,120**	**1,669**	**10,816**	**124,887**	**183,492**	**186,283**

The net income, together with details of income and expenditure required by the Companies Act, may be derived from net incoming resources before transfers, excluding movements on endowment funds, in the Statement of Financial Activities above. All income and expenditure derive from continuing activities.

The notes on pages 28 to 57 form part of the financial statements.

WINCHESTER DIOCESAN BOARD OF FINANCE
Company Number 142351

BALANCE SHEET
For the year ended 31 December 2025

	Note	Dec 2025 £'000	Dec 2024 £'000
FIXED ASSETS			
Tangible assets	11	146,916	147,885
Investments	12	24,672	25,272
		171,588	173,157
CURRENT ASSETS			
Debtors	13	2,437	3,479
Cash on deposit		11,342	10,298
Cash at bank and in hand		851	1,807
		14,630	15,585
CREDITORS: amounts falling due within one year	14	(2,552)	(2,243)
NET CURRENT ASSETS		12,078	13,342
Total assets less current liabilities		183,666	186,498
CREDITORS: Amounts falling due after more than one year	15	(175)	(215)
NET ASSETS		**183,492**	**186,283**
FUNDS			
Unrestricted income funds:			
General funds		46,118	35,716
Designated funds		1,669	1,757
		47,787	37,473
Restricted funds		10,817	11,526
Endowment funds		124,887	137,284
TOTAL FUNDS		**183,492**	**186,283**

The Notes on pages 28 to 57 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 17th June 2026 and signed on behalf of the Board by:

Ian Dighé
Ian Dighé (Jun 23, 2026 11:06:52 GMT+1)

Ian Dighé
Chair
23/06/2026

WINCHESTER DIOCESAN BOARD OF FINANCE

STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

	2025		2024	
	£,000	£,000	£,000	£,000
Cash flows from operating activities				
Net cash (used in) operating activities		(2,161)		(2,089)
Cash flows from investing activities				
Dividends, interest and rent from investments	1,319		1,339	
Purchase of property and equipment	(1,666)		(1,627)	
Purchase of investments	(1,525)		-	
Sale of property and equipment	2,520		5,370	
Sale of investments	1,354		-	
Net cash provided by investing activities		2,002		5,082
Cash flows from financing activities				
Repayments of lending	272		399	
Repayments of borrowing	(12)		(1,274)	
Cash outflows from new lending	(12)		(120)	
Net cash (used in) financing activities		248		(995)
Change in cash and cash equivalents in the reporting period		88		1,998
Cash and cash equivalents at 1 January		12,105		10,107
Cash and cash equivalents at 31 December		12,193		12,105
Reconciliation of net income to net cash flow from operating activities				
Net income/(expenditure) for the reporting period (as per Statement of Financial Activities)		(2,930)		(1,028)
Adjustments for:				
Revaluation Losses/(Gains) on Investments		892		(604)
Dividends, interest and rent from investments		(1,319)		(1,339)
Depreciation		17		10
Loss on sale of functional assets		88		55
Decrease/(Increase) in debtors		782		(766)
Increase in creditors		308		1,583
Net cash (used in) operating activities		(2,161)		(2,089)
Analysis of cash and cash equivalents				
Cash on deposit		11,342		10,298
Cash at bank and in hand		851		1,807
		12,193		12,105

1. ACCOUNTING POLICIES

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 e), 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 1 January 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

Going Concern

After reviewing the charity's forecasts and projections, as described in the budget and outlook for 2026 on page 12, the Trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due for the foreseeable future. The Trustees consider that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern, and they therefore continue to prepare the financial statements on the going concern basis.

a) Income

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

i. **Common Mission Fund** is recognised as income in the year in which it is received, plus an accrual for any late payments received in January of the following year.

ii. **Rent receivable** is recognised as income in the period with respect to which it relates.

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 of the year in which they are received.

vi. **Donations** other than grants are recognised when receivable.

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

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, therefore, are satisfied. It is on this basis that the income and the related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

1. ACCOUNTING POLICIES (continued)

ix. **The Stipends Capital Fund** is valued at £22,897,065 at the end of 2025 (2024: £24,734,288). The balance includes property of £10,980,000, glebe assets of £1,468,392, CCLA Investments of £2,342,813, cash of £1,592,944 and debtors of £6,512,916.

During 2025, a fund transfer of £261,548 was made to the General Fund from the Stipends Capital Fund, to cover the cost of property works that had been paid from the general fund. This covered works carried out from 2023 to 2025 for houses belonging to the Stipends Capital Fund.

A fund transfer of £1,587,007 was made from the Stipends Capital Fund to the Benefice Houses Fund in 2025, representing the value of two properties that were transferred to the Benefice Houses Fund.

During 2025, the fund generated investment income on its CCLA portfolio of £68,610 (2024: £66,853) and bank interest of £38,968 (2024: £1,806). Income from the glebe portfolio, including one-off income of £21,513, was £85,356 (2024: £70,356). The revaluation of the CCLA investment portfolio gave rise to an unrealised loss of £96,954 (2024: gain £54,376). In 2025, the revaluation of the property portfolio gave an unrealised gain across 18 properties of £137,304 (2024: gain £301,585 on 4 properties). The revaluation of the Glebe portfolio in 2025 led to an unrealised gain of £52,580 (2024: gain £26,252).

In 2025, two properties were sold, giving rise to a loss of £120,652 compared to the previous carrying values. No Glebe assets were sold during 2025, although one asset was disposed of in January 2026 for £50,000.

b) 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** are constrained to 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, expenditure relating to the running of the diocesan retreat centre, and expenditure on education and 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 WDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment but not accrued as expenditure.

iv. **Support costs** consist of central management, administration, and governance costs. The amount 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 time basis.

1. ACCOUNTING POLICIES (continued)

v. **Pension contributions**. The WDBF's staff are members of the Church Workers Pension Fund, and Clergy are members of the Church of England Funded Pensions Scheme (see Note 20). The pension costs charged as resources expended represent the WDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which WDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

c) Tangible fixed assets and depreciation

i. **Freehold properties:** Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The WDBF has a policy of regular structural inspection, repair, and maintenance, which in the case of residential 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. 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.

ii. **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 an index linked current valuation basis.

iii. **Investment properties:** Glebe properties held for investment purposes and rented out have been included at their fair value.

iv. **Parsonage houses:** The WDBF 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 WDBF 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. The valuation of parsonage houses is reviewed annually, and properties are revalued accordingly. Each property is subject to a full revaluation review on at least a five-year cycle. This review is led by our internal property specialist and is used as the basis of assessing the valuation of the remainder of the portfolio. The fair value assessment is reviewed by management and the Board of Trustees.

v. **Other tangible fixed assets:** Capital expenditure over £5,000 is capitalised. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Fixtures and fittings	15-30% per annum	straight line basis
Computers & Office Equipment	33% per annum	straight line basis

1. ACCOUNTING POLICIES (continued)

d) 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**. Where the WDBF has entered only into operating lease arrangements for the use of certain assets, the rental is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the term of the lease term or first break clause whichever is shorter in time.

e) Fund balances

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

- **Unrestricted funds** are the WDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the WDBF. There are two types of unrestricted funds:
    - **General funds** which the WDBF intends to use for the general purposes of the WDBF and
    - **Designated funds** set aside out of unrestricted funds by the WDBF 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 to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the WDBF (Parsonage Houses and Schools), 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 charity branches. Trusts where WDBF acts as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in note 21.

f) Key Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Basis for non-depreciation of functional residential property
- Valuation of investment properties which have not been formally revalued in the year
- Assumptions underpinning the clergy and church Workers' pension scheme liabilities.

2. DONATIONS

Parish Contributions

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2025
	£'000	£'000	£'000	£'000	£'000
Current Year Apportionment	8,805	-	-	-	8,805
Shortfall in Contributions	(548)	-	-	-	(548)
	8,257	-	-	-	8,257
Receipts for previous years	90	-	-	-	90
	8,347	-	-	-	**8,347**

	Unrestricted Funds		*Restricted*	*Endowment*	*Total*
	General	*Designated*	*Funds*	*Funds*	*2024*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Current Year Apportionment	*8,447*	-	-	-	*8,447*
Shortfall in Contributions	*(557)*	-	-	-	*(557)*
	7,890	-	-	-	*7,890*
Receipts for previous years	*12*	-	-	-	*12*
	7,902	-	-	-	***7,902***

The majority of donations are collected from the parishes of the Diocese through the Common Mission Fund (CMF). Current year CMF receipts represent 93.8% of the total apportioned (2024: 93.4%), or, when receipts for previous years are included, 94.8% of the total apportioned (2024: 93.6%).

2. DONATIONS (continued)

Archbishops' Council

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2025
	£'000	£'000	£'000	£'000	£'000
Strategic Development grant	-	-	2,347	-	2,347
Net Zero Carbon	-	-	26	-	26
Racial Justice	-	-	40	-	40
Minor Repairs & Improvements	-	-	25	-	25
Quick Wins	-	-	37	-	37
Buildings for Mission	31	-	-	-	31
Ordinand Training grant	130	-	176	-	306
Other grants	12	-	-	-	12
	173	-	**2,651**	-	**2,824**

	Unrestricted Funds		*Restricted*	*Endowment*	*Total*
	General	*Designated*	*Funds*	*Funds*	*2024*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Strategic Development grant	-	-	*1,469*	-	*1,469*
Net Zero Carbon	-	-	*108*	-	*108*
Minor Repairs & Improvements	-	-	50	-	*50*
Buildings for Mission	13	-	-	-	*13*
Ordinand Training grant	257	-	*189*	-	*446*
Other grants	*7*	-	-	-	*7*
	277	-	***1,816***	-	***2,093***

2. DONATIONS (continued)

Other Donations

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2025
	£'000	£'000	£'000	£'000	£'000
Benefact Trust	87	-	-	-	87
Other grants	5	-	-	-	5
Donations and legacies	4	-	3	-	7
	96	-	**3**	-	**99**

	Unrestricted Funds		*Restricted*	*Endowment*	*Total*
	General	*Designated*	*Funds*	*Funds*	*2024*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Benefact Trust	*104*	-	-	-	*104*
Other grants	*5*	-	*3*	-	*8*
Donations and legacies	*12*	*1*	*24*	-	*37*
	121	*1*	***27***	-	***149***

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2025
	£'000	£'000	£'000	£'000	£'000
Statutory fees	424	-	-	-	424
Costs Recharged	323	-	-	-	323
Insurance Claims and Property Income	70	-	-	-	70
Church Commissioners - Pastoral Fund	-	-	89	-	89
Miscellaneous income	17	-	8	-	25
	834	-	**97**	-	**931**

	Unrestricted Funds		*Restricted*	*Endowment*	*Total*
	General	*Designated*	*Funds*	*Funds*	*2024*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Statutory fees	*444*	-	-	-	*444*
Costs Recharged	*106*	-	-	-	*106*
Insurance Claims and Property Income	*55*	-	-	-	*55*
Church Commissioners - Pastoral Fund	-	-	54	-	*54*
Miscellaneous income	*10*	-	*16*	-	*26*
	615	-	***70***	-	***685***

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2025
	£'000	£'000	£'000	£'000	£'000
Rental income on functional property	726	-	14	-	740
Other income	77	-	-	-	77
	803	-	**14**	-	**817**

	Unrestricted Funds		*Restricted*	*Endowment*	*Total*
	General	*Designated*	*Funds*	*Funds*	*2024*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Rental income on functional property	*777*	-	*28*	-	*805*
Other income	*105*	-	-	-	*105*
	882	-	***28***	-	***910***

5. INVESTMENT INCOME

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2025
	£'000	£'000	£'000	£'000	£'000
Dividends receivable	230	23	437	29	719
Interest receivable	314	7	155	39	515
Rental income on glebe assets	85	-	-	-	85
	629	**30**	**592**	**68**	**1,319**

	Unrestricted Funds		*Restricted*	*Endowment*	*Total*
	General	*Designated*	*Funds*	*Funds*	*2024*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Dividends receivable	*223*	*24*	*476*	*28*	*751*
Interest receivable	*371*	*7*	*138*	*2*	*518*
Rental income on glebe assets	*70*	-	-	-	*70*
	664	***31***	***614***	***30***	***1,339***

6. OTHER INCOME

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2025
	General £'000	Designated £'000	£'000	£'000	£'000
Gains/(losses) on fixed asset disposals	(98)	-	-	10	(88)
	(98)	-	-	**10**	**(88)**

	Unrestricted Funds		*Restricted Funds*	*Endowment Funds*	*Total 2024*
	General £'000	*Designated £'000*	*£'000*	*£'000*	*£'000*
Gains on fixed asset disposals	*6*	-	63	*(124)*	*(55)*
	6	-	63	***(124)***	***(55)***

7. FUNDRAISING COSTS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2025
	General £'000	Designated £'000	£'000	£'000	£'000
Glebe agent's fee	3	-	-	-	3
	3	-	-	-	**3**

	Unrestricted Funds		*Restricted Funds*	*Endowment Funds*	*Total 2024*
	General £'000	*Designated £'000*	*£'000*	*£'000*	*£'000*
Glebe agent's fee	*7*	-	-	-	*7*
	7	-	-	-	***7***

8. CHARITABLE ACTIVITIES EXPENDITURE

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2025
	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council					
Training for ministry	355	-	-	-	355
National Church Responsibilities	212	-	-	-	212
Grants and provisions	37	-	-	-	37
Mission Agency Pension Costs	12	-	-	-	12
Retired clergy housing costs	-	-	155	-	155
Pooling of ordinands' maintenance grant costs	(69)	-	-	-	(69)
	547	-	**155**	-	**702**
Resourcing Ministry and Mission					
Stipends and national insurance	5,010	-	143	-	5,153
Pension contributions	877	-	22	-	899
Housing costs	3,092	-	-	-	3,092
Removal, resettlement and other grants	270	-	105	-	375
RME Training for ministry	332	-	94	-	426
Other expenses	32	-	2	-	34
	9,613	-	366	-	9,979
Support for parish ministry	1,041	-	2,142	-	3,183
Governance	1,961	39	15	-	2,015
	12,615	**39**	**2,523**	-	**15,177**
Expenditure on Education					
Support for church schools and parishes	405	-	-	-	405
	13,567	**39**	**2,678**	-	**16,284**

Governance costs include auditor's remuneration of £31,200 (2024: £24,300).

Analysis of Governance Costs	**2025**	***2024***
	£'000	***£'000***
Central Support	986	*965*
Finance (incl. auditor fees)	295	*645*
HR	312	*308*
Diocesan Office	266	*266*
Registrar Costs	156	*161*
	2,015	*2,345*

8. CHARITABLE ACTIVITIES EXPENDITURE (continued)

	Unrestricted Funds		*Restricted*	*Endowment*	*Total*
	General	*Designated*	*Funds*	*Funds*	*2024*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Contributions to Archbishops' Council					
Training for ministry	*362*	*-*	*-*	*-*	*362*
National Church Responsibilities	*216*	*-*	*-*	*-*	*216*
Grants and provisions	*37*	*-*	*-*	*-*	*37*
Mission Agency Pension Costs	*-*	*-*	*-*	*-*	*-*
Retired clergy housing costs	*-*	*-*	*151*	*-*	*151*
Pooling of ordinands' maintenance grant costs	*(101)*	*-*	*-*	*-*	*(101)*
	514	*-*	***151***	*-*	***665***
Resourcing Ministry and Mission					
Stipends and national insurance	*4,719*	*-*	*-*	*-*	*4,719*
Pension contributions	*880*	*-*	*-*	*-*	*880*
Housing costs	*2,159*	*-*	*13*	*-*	*2,172*
Removal, resettlement and other grants	*388*	*6*	*76*	*-*	*470*
RME Training for ministry	*243*	*-*	*107*	*-*	*350*
Other expenses	*85*	*-*	*9*	*-*	*94*
	8,474	*6*	*205*	*-*	*8,685*
Support for parish ministry	*1,098*	*-*	*1,489*	*-*	*2,587*
Lay pension deficit provision	*-*	*-*	*-*	*-*	*-*
Governance	*2,290*	*45*	*10*	*-*	*2,345*
	11,862	*51*	*1,704*	*-*	*13,617*
Expenditure on Education					
Support for church schools and parishes	*366*	*-*	*-*	*-*	*366*
	12,742	***51***	***1,855***	*-*	***14,648***

Analysis of Expenditure -2025

	Activities Undertaken Directly	**Grant Funding of Activities**	**Support Costs**	**Total 2025**
	£'000	**£'000**	**£'000**	**£'000**
Raising funds				
Investment management costs	3	-	-	3
Charitable Activities				
Contributions to Archbishop's Council	-	702	-	702
Resourcing ministry and mission	11,186	808	3,183	15,177
Education	405	-	-	405
	11,594	**1,510**	**3,183**	**16,287**

8. CHARITABLE ACTIVITIES EXPENDITURE (continued)

Analysis of Expenditure - 2024

	Activities Undertaken Directly	*Grant Funding of Activities*	*Support Costs*	*Total 2023*
	£'000	*£'000*	*£'000*	*£'000*
Raising funds				
Investment management costs	*7*	*-*	*-*	*7*
Charitable Activities				
Contributions to Archbishop's Council	*-*	*665*	*-*	*665*
Resourcing ministry and mission	*10,212*	*818*	*2,587*	*13,617*
Education	*366*	*-*	*-*	*366*
	10,585	***1,483***	***2,587***	***14,655***

Analysis of Grants Funding 2025

	No.	Individuals £'000	Institutions £'000	Total 2025 £'000
From unrestricted funds for national church responsibilities				
Archbishops' Council (note 8)	**1**	**-**	**702**	**702**
From unrestricted funds				
First Appointment, Resettlement and removal	51	202	-	202
Ordinands' training, receiving maintenance	26	382	-	382
Grant to Parish from sale of allotments	1	-	24	24
QI costs reimbursed to Parishes	33	-	34	34
Other grants	6	-	5	5
Total from unrestricted funds	**117**	**584**	**63**	**647**
From restricted funds for various purposes				
Clergy for training & welfare	20	38	-	38
Widows and dependants of clergy	58	10	-	10
RME Ordinands in training	42	44	-	44
Energy audits - Net Zero Carbon	6	-	3	3
Minor Repairs & Quick Wins	74	-	66	66
Other grants	-	-	-	-
Total from restricted funds for various purposes	**200**	**92**	**69**	**161**
Total	**318**	**676**	**834**	**1,510**

8. CHARITABLE ACTIVITIES EXPENDITURE (continued)

Analysis of Grants Funding 2024	***No.***	***Individuals £'000***	***Institutions £'000***	***Total 2024 £'000***
From unrestricted funds for national church responsibilities				
Archbishops' Council (note 8)	*1*	*-*	*665*	*665*
From unrestricted funds				
First Appointment, Resettlement and removal	*41*	*245*	*-*	*245*
Ordinands' training, receiving maintenance	*25*	*310*	*-*	*310*
Grant to Parish for building costs	*1*	*-*	*115*	*115*
QI costs reimbursed to Parishes	*31*	*-*	*27*	*27*
Other grants	*4*	*-*	*2*	*2*
Total from unrestricted funds	***102***	***555***	***144***	***699***
From restricted funds for various purposes				
Clergy for training & welfare	*26*	*41*	*-*	*41*
Widows and dependants of clergy	*4*	*2*	*-*	*2*
RME Ordinands in training	*35*	*40*	*-*	*40*
Energy audits - Net Zero Carbon	*11*	*-*	*2*	*2*
Minor Repairs & Quick Wins	*6*	*-*	*7*	*7*
Other grants	*3*	*-*	*27*	*27*
Total from restricted funds for various purposes	***85***	***83***	***36***	***119***
Total	***188***	***638***	***845***	***1,483***

9. STAFF & TRUSTEES

Staff Costs

	2025 £'000	*2024 £'000*
Wages and salaries	1,928	*1,915*
National insurance contributions	232	*198*
Pension costs	281	*272*
	2,441	***2,385***

Included in the above are payments made under settlement agreements of £nil (2024: £26,373)

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

	2025 fte	*2024 fte*
Resourcing ministry:		
Winchester School of Mission	8	*8*
Strategic Development	4	*3*
Administration and Financial management	25	*24*
Safeguarding	5	*5*
Property	1	*2*
Fundraising	2	*2*
	45	***44***

Approx. 11.5 FTE roles are funded by third parties through grants or other recharges (2024: 10.5 FTE)

The average number of persons employed during the year:

	2025 no.	*2024 no.*
Resourcing ministry:		
Winchester School of Mission	8	*9*
Strategic Development	5	*4*
Administration and Financial management	29	*28*
Safeguarding	6	*5*
Property	1	*2*
Fundraising	3	*3*
	52	***51***

The number of employees whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:

	2025	*2024*
£60,001 to £70,000	5	*5*
£70,001 to £80,000	1	-
£80,001 to £90,000	1	*1*

Pension payments of £73,550 (2024: £62,026) were made for these employees

9. STAFF & TRUSTEES (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 & Company Secretary	Colin Harbidge
Human Resources and Safeguarding Director	Susan Beckett
Head of Mission and Ministry	Amy Roche
Head of Communications and Engagement	Jemima Lewis
Assistant Diocesan Secretary (Operations & Governance)	Cathy Laird
Assistant Diocesan Secretary (Operations & Governance – maternity cover)	Sam Scott
Assistant Diocesan Secretary (Parish Support)	Jayne Tarry
Head of Finance	Mark Teahan

Remuneration, pensions, and expenses for the 8 employees amounted to £625,947 (2024 - 8 employees: £560,517)

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. One Trustee received travelling and out of pocket expenses, totalling £208 (2024: £105) in respect of General Synod duties, duties as Archdeacon or Area/Rural Dean, and other duties as Trustees. No Trustee was in receipt of a clergy resettlement grant in 2025 (2024: Nil).

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

	Stipend	**Housing**
The Revd A Micklefield (to 05 Apr 2025)	Yes	Yes
The Revd A Smith	Yes	Yes
The Revd S Yetman	Yes	Yes

2024	**Stipend**	**Housing**
The Revd A Micklefield	Yes	Yes
The Revd Dr T Matthews	Yes	Yes
The Revd R Noel	Yes	Yes

There were no other related party transactions in the current year or the prior year.

The WDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The WDBF is also responsible for the provision of housing for stipendiary clergy in the diocese including the Suffragan Bishops but excluding diocesan bishop and cathedral staff. The WDBF paid an average of 140 (2024: 136) FTE stipendiary clergy as office holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

Stipend Costs	**2025 £'000**	***2024 £'000***
Stipends	4,632	*4,346*
National insurance contributions	521	*373*
Pension costs - current year	899	*880*
	6,053	***5,599***

10. ANALYSIS OF TRANSFERS BETWEEN FUNDS

2025	Unrestricted Funds General £'000	Unrestricted Funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000
From Restricted fund to General fund for Education costs	300	-	(300)	-
From Restricted fund to General fund for Stewardship costs	34	-	(34)	-
From Restricted fund to General fund for Net Zero Carbon	21	-	(21)	-
From Restricted fund to General fund for Racial Justice	40	-	(40)	-
From Restricted fund to General fund for RME Training	319	-	(319)	
From Restricted fund to General fund for clergy & ministry costs	221	-	(221)	-
From Restricted fund to General fund for social responsibility costs	69	-	(69)	-
From Designated fund to General fund for clergy & ministry costs	100	(100)	-	-
From Endowment fund to General fund for housing costs	2,686	-	-	(2,686)
Transfer of houses between Endowment Funds and General Fund	9,906			(9,906)
	13,696	**(100)**	**(1,004)**	**(12,592)**

2024	*Unrestricted Funds General £'000*	*Unrestricted Funds Designated £'000*	*Restricted Funds £'000*	*Endowment Funds £'000*
From General fund to Restricted fund to eliminate negative balances	*(43)*	*43*	*-*	*-*
From Restricted fund to General fund for Education costs	*285*	*-*	*(285)*	*-*
From Restricted fund to General fund for Stewardship costs	*26*	*-*	*(26)*	*-*
From Restricted fund to General fund for Net Zero Carbon	*68*	*-*	*(68)*	*-*
From Restricted fund to General fund for Strategic Development Fund	*528*	*-*	*(528)*	*-*
From Restricted fund to General fund for clergy & ministry costs	*198*	*-*	*(198)*	*-*
From Restricted fund to General fund for social responsibility costs	*22*	*-*	*(22)*	*-*
From Designated fund to General fund for clergy & ministry costs	*2*	*(2)*	*-*	*-*
From Endowment fund to General fund for clergy & ministry costs	*31*	*-*	*-*	*(31)*
	1,117	***41***	***(1,127)***	***(31)***

11. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £'000	Computers & Office Equipment £'000	Furniture & Fittings £'000	Total £'000
Valuation as at:				
1 January 2025	147,842	58	3	147,903
Additions	1,651	14	-	1,666
Disposals	(2,728)	-	-	(2,728)
Revaluation	111	-	-	111
31 December 2025	**146,876**	**73**	**3**	**146,952**
Depreciation:				
1 January 2025	-	(18)	-	(18)
Disposals	-	-	-	-
Charge for the year	-	(17)	(1)	(18)
31 December 2025	-	**(35)**	**(1)**	**(36)**
Net Book Value				
At 31 December 2025	**146,876**	**38**	**2**	**146,916**
At 31 December 2024	***147,842***	***40***	***3***	***147,885***

11. TANGIBLE FIXED ASSETS (continued)

All of the properties in the balance sheet are freehold and are vested in the WDBF, except for benefice houses which are vested in the incumbent.

	2025		2024	
	Quantity	Valuation £'000	Quantity	Valuation £'000
Benefice Houses	122	92,326	123	91,998
Glebe Houses	18	10,980	20	12,005
Clergy houses Fund	5	1,888	4	1,504
Corporate Houses	61	41,682	59	42,335
	206	146,876	206	147,842

12. FIXED ASSET INVESTMENTS

	As at 1st January 2025 £'000	Additions £'000	Disposals £'000	Net Gains / (Losses) £'000	As at 31st December 2025 £'000
Unrestricted funds					
Unlisted Investments	4,066	30	(30)	(116)	3,950
Restricted funds					
Listed Investments	40	-	-	10	50
Unlisted Investments	8,329	1,105	(1,137)	(281)	8,016
	8,369	1,105	(1,137)	(271)	8,066
Endowment funds					
Investment Property (Glebe)	1,416	-	-	53	1,469
Unlisted Investments	11,421	389	(178)	(445)	11,187
	12,837	389	(178)	(392)	12,656
Total	**25,272**	**1,524**	**(1,345)**	**(779)**	**24,672**

13. DEBTORS

	2025 £'000	*2024 £'000*
Due within one year		
Current year Common Mission Fund	38	*94*
Loans to parishes	180	*95*
Loans to others	83	*78*
Sales ledger	46	*1,302*
Other debtors and prepayments	1,412	*913*
	1,759	***2,482***
Due after more than one year		
Loans to parishes	196	*431*
Other Loans	482	*566*
	678	***997***
Total Debtors	**2,437**	***3,479***

14. CREDITORS: amounts falling due within one year

	2025 £'000	*2024 £'000*
Loan repayments	12	*12*
Deferred income	1,776	*1,519*
Other taxes and social security	61	*53*
Creditor relating to sale proceeds of closed school	400	*400*
Other creditors and accruals	303	*259*
Total creditors: amounts falling due within one year	**2,552**	***2,243***

Deferred Income movement	2025 £'000	*2024 £'000*
At 1 January 2025	1,519	29
Rental income released to SOFA	(20)	(29)
Strategic Development Funding income received	2,439	2,482
Strategic Development Funding income released to SOFA	(2,197)	(983)
Rental Income received in advance	35	20
At 31 December 2025	**1,776**	**1,519**

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

	2025 £'000	*2024 £'000*
Loan repayment instalments due after more than one year		
Church Commissioners value-linked loans	25	*37*
NatWest Bank value-linked loans	-	-
Loan from CCLA	-	-
Other loans	150	*178*
Total creditors: amounts falling due after more than one year	**175**	***215***
The maturity of the above loans may be analysed as follows:		
Between one and two years	12	*12*
Between two and five years	13	*25*
In five years and more	150	*178*
	175	*215*

16. ANALYSIS OF CHANGES IN DEBT

2025	As at 1st January 2025 £'000	Cashflows £'000	Other £'000	As at 31st December 2025 £'000
Cash and cash equivalents	12,105	88	-	12,193
Loans falling due within one year	(12)	-	-	(12)
Loans falling due after more than one year	(215)	11	29	(175)
	11,878	**99**	**29**	**12,006**

2024	*As at 1st January 2024 £'000*	*Cashflows £'000*	*Other £'000*	*As at 31st December 2024 £'000*
Cash and cash equivalents	*10,107*	*1,998*	-	*12,105*
Loans falling due within one year	*(490)*	*478*	-	*(12)*
Loans falling due after more than one year	*(890)*	*675*	-	*(215)*
	8,727	***3,151***	**-**	***11,878***

17. SUMMARY OF FUND MOVEMENTS – CURRENT YEAR

	01-Jan-25 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains & Losses £'000	Total 31 Dec 2025 £'000
Unrestricted Fund						
General	35,716	10,882	(13,571)	13,696	(604)	46,118
General Designated Fund						
Parish mission and development	100	-	-	(100)	-	-
Maclean	538	21	-	-	(17)	542
OAP Property	753	-	-	-	-	753
Building New Church	366	7	-	-	(7)	366
Clerical Registry fund	-	2	(39)	-	45	8
	1,757	**30**	**(39)**	**(100)**	**21**	**1,669**
Restricted Funds						
Pastoral fund	55	91	-	-	-	146
Parsonages endowment income	1	-	-	(1)	-	-
Retired Clergy houses fund	3,146	41	(155)	(18)	(156)	2,859
Major Ball settlement income	4	5	-	-	-	9
Penrose income fund	79	16	-	(16)	-	79
Clergy welfare income fund	872	225	(23)	(183)	(20)	872
Chalke Bequest income	15	3	-	(2)	-	15
Chute fund	-	-	-	-	-	-
Church schools fund	16	2	-	-	-	18
Queen Victoria clergy fund	5	2	-	-	-	7
Pember income fund	83	-	-	-	(2)	81
Widows and dependants fund	1,110	42	(27)	-	(36)	1,089
Thorrold library fund	24	-	-	-	-	24
ICSF grant fund	492	15	-	-	(18)	490
Council for Social Responsibility	919	52	-	(69)	(52)	850
FaIrbairn trust	400	14	(1)	-	(14)	398
Tale Tellers	2	-	-	-	-	2
Christopher library	4	-	-	-	-	4
RME Training for Mission	467	-	(50)	(319)	-	98
Winchester Mission Action	5	2,227	(2,227)	-	-	5
Northbrook	4	-	-	-	-	4
Schools Development Fund	3,486	158	(1)	(300)	(87)	3,256
Giving Advisor	26	8	-	(34)	-	-
Net Zero Carbon Funding	44	26	(4)	(21)	-	46
RMF Ordinands	224	176	(46)	-	-	354
Racial Justice	-	40	-	(40)	-	-
Minor Repairs & Improvements Grant Fund	37	25	(33)	-	-	29
Quick Wins grant	6	37	(33)	-	-	10
DIP Capacity Funding	-	150	(78)	-	-	72
	11,526	**3,356**	**(2,677)**	**(1,004)**	**(384)**	**10,817**
Endowment Funds						
Expendable						
Benefice houses	102,622	-	-	(10,744)	508	92,386
Permanent						
Stipends fund capital	24,734	39	-	(1,849)	(28)	22,897
Parsonages endowment capital	883	-	-	-	(35)	848
Major Ball settlement capital	176	-	-	-	(7)	169
Penrose capital	386	-	-	-	(15)	371
Clergy welfare capital	6,932	-	-	-	(237)	6,695
Chalke bequest capital	70	1	-	-	(3)	68
Widows and dependants capital	222	-	-	-	(9)	213
Thorrold library capital	244	-	-	-	(10)	234
Pember capital	1,010	28	-	-	(36)	1,002
Christopher Library	5	-	-	-	(0)	5
	137,284	**68**	**-**	**(12,592)**	**127**	**124,887**
Total funds	**186,283**	**14,336**	**(16,287)**	**-**	**(840)**	**183,492**

17. SUMMARY OF FUND MOVEMENTS – PREVIOUS YEAR

	01-Jan-24 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains & Losses £'000	Total 31 Dec 2024 £'000
Unrestricted Fund						
General	38,105	10,461	(12,750)	1,117	(1,217)	35,716
General Designated Fund						
General Designated Fund	-	1	-	(1)	-	-
Parish mission and development	107	-	(6)	(1)	-	100
Maclean	507	21	-	-	10	538
OAP Property	753	-	-	-	-	753
Building New Church	355	7	-	-	4	366
Clerical Registry fund	-	3	(46)	43	-	-
	1,722	**32**	**(52)**	**41**	**14**	**1,757**
Restricted Funds						
General Restricted Fund	-	21	(21)	-	-	-
Pastoral fund	-	55	-	-	-	55
Parsonages endowment income	1	-	-	-	-	1
Retired Clergy houses fund	3,045	61	(154)	-	194	3,146
Major Ball settlement income	4	5	(5)	-	-	4
Penrose income fund	78	16	-	(17)	-	78
Clergy welfare income fund	872	220	(60)	(173)	12	871
Chalke Bequest income	15	3	-	(2)	-	15
Chute fund	25	-	-	(31)	7	-
Church schools fund	14	2	-	-	-	16
Queen Victoria clergy fund	2	2	-	-	-	5
Pember income fund	83	-	-	(1)	1	83
Widows and dependants fund	1,059	40	(8)	-	20	1,110
Thorrold library fund	24	-	-	-	-	24
ICSF grant fund	469	12	-	-	10	491
Council for Social Responsibility	863	49	-	(22)	29	919
FaIrbairn trust	380	13	(1)	-	8	400
Tale Tellers	2	-	-	-	-	2
Christopher library	4	-	-	-	-	4
RME Training for Mission	570	-	(98)	(5)	-	467
Winchester Mission Action	528	1,491	(1,486)	(528)	-	5
Northbrook	4	-	-	-	-	4
Schools Development Fund	3,500	202	-	(285)	69	3,485
Giving Advisor	36	16	-	(26)	-	26
Net Zero Carbon Funding	6	108	(2)	(68)	-	44
RMF Ordinands	47	189	(12)	-	-	224
Minor Repairs & Improvements Grant Fund	-	38	(1)	-	-	37
Quick Wins grant	-	12	(6)	-	-	6
	11,632	**2,555**	**(1,853)**	**(1,158)**	**350**	**11,526**
Endowment Funds						
Expendable						
Benefice houses	97,473	-	-	-	5,149	102,622
Permanent						
Stipends fund capital	24,268	2	-	-	464	24,734
Parsonages endowment capital	863	-	-	-	20	883
Major Ball settlement capital	172	-	-	-	4	176
Penrose capital	377	-	-	-	9	386
Clergy welfare capital	6,906	-	-	-	26	6,932
Chalke bequest capital	68	1	-	-	2	70
Widows and dependants capital	216	-	-	-	5	221
Thorrold library capital	239	-	-	-	6	244
Pember capital	962	28	-	-	21	1,010
Christopher Library	5	-	-	-	-	5
	131,550	**30**	**-**	**-**	**5,704**	**137,284**
Total funds	**183,009**	**13,078**	**(14,655)**	-	**4,851**	**186,283**

18. SUMMARY OF ASSETS BY FUND – CURRENT YEAR

	Fixed Assets		Current		
	Tangible	Investments	Assets	Creditors	Net Assets
	£'000	£'000	£'000	£'000	£'000
Unrestricted Fund	37,845	3,288	5,406	(422)	46,117
Designated Funds	3,877	662	(2,867)	(2)	1,670
Restricted Funds	1,888	8,066	3,166	(2,302)	10,818
Endowment Funds	103,306	12,656	8,925	-	124,887
Total funds	**146,916**	**24,672**	**14,630**	**(2,726)**	**183,492**

18. SUMMARY OF ASSETS BY FUND – PREVIOUS YEAR

	Fixed Assets		Current		
	Tangible	Investments	Assets	Creditors	Net Assets
	£'000	£'000	£'000	£'000	£'000
Unrestricted Fund	28,513	3,425	4,159	(382)	35,715
Designated Funds	4,607	641	(3,491)	-	1,757
Restricted Funds	1,497	8,369	3,738	(2,076)	11,528
Endowment Funds	113,268	12,837	11,178	-	137,283
Total funds	**147,885**	**25,272**	**15,584**	**(2,458)**	**186,283**

19. DESCRIPTION OF FUNDS

General Fund: The general fund is the WDBF's unrestricted undesignated fund available for any of the WDBF's purposes without restriction.

Maclean Fund: The Maclean Fund originated with an unrestricted bequest in 1948 by the late Sir Alexander Maclean. The WDBF has designated this fund to assist with expenditure on clergy houses which could not be met from any other fund.

OAP Property: Fund representing the asset at Old Alresford Place net of the related loan.

Building New Church: Designated fund created by the directors of the WDBF in mid 2000s. Fund to be reviewed during 2026 to ascertain if original purposes are still required.

Clerical Registry Fund: Designated Fund originally created from the surplus assets of the Winchester & Portsmouth Diocesan Clerical Registry which were passed to the WDBF when the Charity was wound up. Funds used to cover costs of the Registry. Once fully expended, this Designated Fund will be closed.

Pastoral Fund: 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.

Retired Clergy Houses Fund: This restricted fund, formerly known as the Clergy Retirement Houses Fund, represents the unexpended balance of a special appeal for funds made in the early 1980s for the provision of retirement housing for clergy. The fund is also used to make bridging loans to clergy approaching retirement. A Charity Commissioners Scheme has widened the purposes of this fund to include housing provision for clergy widows and deserted clergy spouses.

Major Ball settlement: This restricted fund represents the unexpended accumulated income of a settlement for the benefit of the parishes of Brown Candover and Chilton Candover.

Penrose Legacy Income: This fund represents the unexpended accumulated income of a legacy for the benefit of clergy, who in the opinion of the WDBF are most in need of grants. In recent years the WDBF has applied the income for grants to clergy for extended study leave.

19. DESCRIPTION OF FUNDS (continued)

Clergy Welfare Fund: The Clergy Welfare Fund is vested in the WDBF as trustee. The capital of the trust is shown as a permanent endowment, and accumulations of income as a restricted fund. The purposes for which the trustee may apply the income are as follows: for the benefit of clergy in the Diocese of Winchester, at the discretion of the Bishop; to assist ordination candidates; to assist with the higher education of children of the clergy in the Diocese.

Chalke Bequest: Bequest from Miss Winifred Joan Chalke to be used for the benefit of Industrial Mission.

Church Schools Fund & Schools Development Fund:
The Church Schools Fund and the Schools Development Fund represent unexpended accumulations of sale proceeds of redundant Church of England School properties. Their use is restricted by law to capital and maintenance work to Church of England schools in the diocese and education generally at Church of England schools in the diocese. The WDBF is trustee of these funds, which are managed on a day-to-day basis by and in consultation with the Portsmouth and Winchester Diocesan Board of Education.

Queen Victoria Fund: Restricted Fund to receive any grants made to the WDBF by the Queen Victoria Fund – a separate grant making charity that provides small grants for clergy welfare.

Pember Income Fund: The annual income of the Pember Fund is restricted by a Charity Commissioners' Scheme to the payment of Winchester Diocesan clergy pensions. Where the income in any year is not required for this purpose, it may be used for providing accommodation for these clergy and their dependants, and for making grants to widows of such clergy and their dependants.

Clergy Widows and Dependants: These funds have been left to, or settled with, the WDBF specifically for the benefit of clergy widows and dependants. Fund reviewed by the WDBF in 2023 with a view to seeking approval from the charity Commission to expand its purposes.

Thorrold Library fund: The purpose of this fund is to provide a theological library for the clergy of the Diocese. The Thorrold and Lyttelton Library has been loaned to the University of Winchester to secure its future accessibility and development.

Fairbairn Trust: The Fairbairn Trust, of which the WDBF is Trustee, was a bequest of the late Sir Arthur Fairbairn for the Church of England's mission to deaf and hard-of-hearing people in the Diocese. Grants are awarded to parishes and local deaf clubs.

RMF Ordinands Fund: Fund to hold restricted grant income from Archbishops' Council for the training of ordinands.

19. DESCRIPTION OF FUNDS (continued)

Diocesan Council for Social Responsibility:

The Council for Social Responsibility Fund exists to support "the advancement of the Christian religion within the Diocese of Winchester by promoting Christian engagement with and concern for people's needs in the whole of society, and to reflect upon social issues in the light of the Gospel'".

ICSF Grant for Clergy Houses: This fund arose from a distribution to the WDBF from the former Incorporated Clergy Sustentation Fund. Capital and income may be used in aid of the sustentation of the clergy in the Diocese.

Benefice House Endowment: This restricted fund consists of income generated by the associated endowment the income is entirely transferred annually to the general fund where it is applied for its specified purpose of benefice house outgoings.

Diocesan Stipends Fund Capital: The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit.

Benefice Property Fund: The 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 held on suspense by the Church Commissioners. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the DBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the WDBF.

Chalk Bequest: Bequest from Miss Winifred Joan Chalk to be used for the benefit of Industrial Mission.

Chute Fund: The income from the Chute Legacy a fund originally created by the WDBF from a number of restricted gifts is for the purpose of being a repair and replacement fund for the Retreat Centre & Diocesan Offices.

Christopher Library: Gift from OAP Trustees in 2009 – Income is used to support the salary of resources assistant in the Resources Centre.

Tale Tellers: Gift from OAP Trustees in 2009 – Income is used to support the salary of resources assistant in the Resources Centre.

19. DESCRIPTION OF FUNDS (continued)

RME Training for Mission: Income received from Church Commissioners to fund theological training of ordinands. Any funds not spent on training are required to be held by the WDBF with the expectation that the surplus will be returned to the Church Commissioners.

Winchester Mission Action: Restricted Fund for any grants received from the National CofE Strategic Development Fund or its successors. Fund can only be used to support the costs of projects approved by the National Strategic Mission & Ministry Investment Board.

Giving Advisor Fund: Grant provided by the Church Commissioners to fund additional resource in our stewardship team. Funding tapers over a 3-year period.

Parish mission and development: A fund created in the mid-2000s by the then Bishop's Council to support mission projects in parishes as part of the mission strategy in place at the time. Strategies moved on and fund was never fully used as priorities changed. Designated Fund to be wound up in 2023 and returned to General Fund.

Northbrook Fund: Custodian Trust established on behalf of Headbourne Worthy PCC. New CIC establish in 2025, with all funds transferred away from the WDBF. Current balance resents interest returned to the DBF when CAF account was closed. This balanced to be transferred out to the new Trust during 2026.

Net Zero Carbon Fund: To support work towards Net Zero Carbon initiatives within the Diocese of Winchester.

Racial Justice Fund: To enable the Diocese of Winchester to implement the Diocesan Racial Justice Strategy, funded by Archbishops' Council Racial Justice Unit.

Minor Repairs & Improvements Grant Fund:

To fund small scale repairs and improvements to church buildings within the Diocese of Winchester.

Quick Wins Grant Fund: To provide small grants to parishes in support of Net Zero Carbon projects.

DIP Capacity Funding: To support the Diocese of Winchester in discerning, designing and delivering a funding application to the SMMI Board.

20. PENSIONS

Winchester DBF participates in two defined benefit pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other Responsible Bodies. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy (CEFPS). The other is the Church Workers Pension Fund for lay staff (CWPF).

Church of England Funded Pension Scheme (CEFPS)

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £899,425 in 2025 (2024: £879,946), plus any figures arising from contributions in respect of any Scheme deficit.

A valuation of the Scheme is carried out once every three years. The 2021 valuation showed the scheme to be fully funded. The most recent Scheme valuation completed was carried out at as 31 December 2024 and also showed the Scheme to be fully funded; as such in 2025, the deficit contributions paid were £nil (2024: £nil).

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% p.a.
- 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;
- Increase 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%).

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 were no deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2024 and 31 December 2025 is nil.

20. PENSIONS (continued)

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	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	-
Balance sheet liability at 31 December	-	-

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

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

Church Workers Pension Fund (CWPF)

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

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two sub-sections;
    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 General Reserve, and all pensions and death benefits are paid from the General Reserve.

20. PENSIONS (continued)

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 General Reserve, 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: £281,229, 2024: £272,449) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £281,229 for 2025 (2024: £272,449).

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

A valuation of DBS is carried out once every three years. 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.

In 2024, the Board entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPF. It was also agreed that some employers could use assets in the DBS in lieu of contributions to Pension Builder Classic and/or Pension Builder 2014.

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 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.

21. FUNDS HELD AS CUSTODIAN TRUSTEE

The WDBF 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 consolidated into these financial statements as the WDBF does not control them. The financial assets held in this way may be summarised as follows:

Funds Held As Custodian Trustee

	2025	***2024***
	£'000	***£'000***
CBF Church of England Investment Fund income shares	16,240	*17,671*
CBF Church of England Fixed Interest Securities Fund shares	281	*274*
CBF Church of England Property Fund shares	201	*231*
COIF income and accumulation shares	52	*53*
Other common investment fund holdings	349	*318*
Other fixed interest stocks	74	*104*
CBF Church of England Deposit Fund	2,191	*2,179*
Cash at bank	15	*60*
	19,401	***20,890***

23. RELATED PARTIES

At 31 December 2025, loans totalling £491,500 (2024: £576,000) were owed from Launchpad Social Enterprise. The loans are interest free and repayable over 10 years.
No new loans or other funding were provided to LSE during the year and loan repayments of £84,500 were received from LSE in 2025(2024: £74,500).
Launchpad Social Enterprise was set up by WDBF in 2015 using funds from the charity's Council for Social Responsibility restricted fund and WDBF is a corporate trustee.