

SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

2025

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
(For the year ended 31 December 2025)

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INTRODUCTION

1.1 CHAIRMAN'S FOREWORD

"So then, just as you received Christ Jesus as Lord, continue to live your lives in him, rooted and built up in him, strengthened in the faith as you were taught, and overflowing with thankfulness." Colossians 2:6-7

This text is an inspiring anchor point for every disciple of Christ. It also seems apt to express the continued mission we have shared across the diocese in 2025, making the Good News of Jesus Christ known through our witness to his saving love and the living hope that underpins our partnership in the gospel.

Our priority as a diocese is to 'continue' Growing Disciples. The story of this year is told most compellingly and movingly in the lives of those who have come to know Christ Jesus as Lord, as well as across our parishes who are being 'strengthened in the faith' and equipped to serve in new ways. The health and vitality of the diocese is not primarily measured through certain outcomes or specific objectives – though we give attention to these, as we should – but as we go on 'overflowing with thankfulness.'

There is much for which we can give thanks, even as we 'continue' to participate prayerfully and energetically in the work of God, with our single priority of Growing Disciples.

This year has seen the continued development and implementation of the seven areas of focus as part of our renewed vision for 2030 to see the living hope of Christ in the city, towns and villages of Nottinghamshire beyond, and many of these are included in the annual report over the next few pages, so may I take this opportunity to select a few personal highlights from the last year, and also to thank you for the many ways in which you generously give of your time, in prayer and practical ways, your spiritual gifts that build up the church, and your finances.

In 2025 it has been a particular privilege, with Bishop Andy and the Archdeacons, to have licenced ten new incumbents, five of whom were curates in this diocese moving into their first posts of responsibility, as we continue to see the fruit of investment into leadership pipelines. These were licensed to all the various contexts of the diocese – city, towns and villages.

I give particular thanks for the further stories of Growing Disciples across our many villages. In 2025, this included the launch of the rural revitalisation pilot as three Lead Mission Enablers were commissioned to support several benefices working more closely together as three new rural clusters. Five newly licensed incumbents have been appointed as Mission Associates to work alongside these Lead Mission Enablers, along with nationally funded posts such as operations managers, children and families' workers or contemporary worship leads, depending on the context. Bishop Andy and I are greatly looking forward to engaging with schools in these clusters during Lent 2026.

I am continually inspired by the Living Hope Stories, shared regularly via our social media and the website, that remind us that the church exists above all to introduce people to Jesus and enable them to grow in faith and love. There is a new spiritual openness in the wider culture which is bringing many increased opportunities for local churches to speak about Jesus, reaching people

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of all ages and backgrounds. As we have continued to gather during Diocesan Days of Prayer across the diocese, it has been exciting to see Fuel (Nottingham), the monthly prayer gathering for young people multiply to have Fuel North (Worksop), Fuel South (Wilford) and Fuel East (Newark) as the spiritual hunger among young people continues to grow.

The development of vocations continues to grow in encouraging ways, with the appointment of a new Head of Vocations, the inspiration of Ready to Serve, which provides the space and inspiration for possible candidates to explore whether God is calling them to ordained ministry. We are planning further vocational opportunities in the coming year. As we seek to grow leaders for every sphere of life, I continue to be hugely encouraged by the stories and commitment of our Licensed Lay Ministers (Readers) and the development and faith of our young people through our diocesan internship programme.

I recognise, however, that while we may celebrate the many encouragements there is still need for prayerful endurance and careful discernment as we seek to progress all parts of the Growing Disciples plans across the diocese. I am very thankful for all who serve with such dedication in churches who continue to wait on the Lord for a new season of growth in ministry. Some of our parishes in vacancy have been remarkably fruitful in growing the church and preparing the ground for new opportunities, yet we remain focused on growing new vocations and making appointments that will enable parishes and those who minister to flourish. While I also celebrate the steps forward taken by many parishes in our journey of generosity, we recognise that we still have some way to go in our commitment to reach financial sustainability.

Safeguarding remains a fully integrated part of the ministry and mission of the whole diocese and as we continually seek to enhance and develop our safeguarding provision, I am especially thankful for all within our parishes and central safeguarding team who exercise such diligence and care in this work. Together, we seek to ensure that victims and survivors are appropriately responded to and cared for and that we build healthy relational and spiritual cultures across the diocese. Through the second half of 2025 there has been important preparation undertaken for the INEQE safeguarding audit that was conducted in early January 2026.

As I reflect on the year that has been I am yet again deeply thankful for all that each of you has given, some of you over many years, to support and encourage all who share in the ministry of our churches, schools and chaplaincies to bring the living hope of Christ to all who live and work in the diocese, and I look forward to continuing to serve alongside you in 2026.

With gratitude for our partnership in the gospel,





The Rt Revd Paul Williams
Bishop of Southwell and Nottingham

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1.2 ADMINISTRATIVE DETAILS

TRUSTEES
In accordance with the Companies Act 2006, The Statement of Recommended Practice 2019 (SORP 2019) and Financial Reporting Standard 102 (FRS 102), the Trustees (for the purposes of charity law) and Directors (for the purposes of company law) during the year and as at the date of signing follow:

PRESIDENT
The Lord Bishop of Southwell and Nottingham, Right Revd Paul Williams

BISHOP'S COUNCIL AND STANDING COMMITTEE OF THE DIOCESAN SYNOD (BEING THE FINANCIAL EXECUTIVE OF THE DIOCESAN SYNOD AND THE BOARD OF DIRECTORS OF THE BOARD OF FINANCE)

EX-OFFICIO
The Bishop of Southwell & Nottingham – The Rt Revd Paul Williams
The Bishop of Sherwood – The Rt Revd Andrew Emerton
The Dean of Southwell – Revd Canon Dr Neil Evans (interim, resigned 10 April 2026)
The Archdeacon of Newark **(a) –** The Ven Victoria Ramsey
The Archdeacon of Nottingham **(a) (b)** – The Ven Philip Williams
The Chair of the House of Clergy of the Diocesan Synod (Revd S Hustwayte) **(a)**
The Chair of the House of Laity of the Diocesan Synod (Mr M Wilson) **(a)**
The Chair of the Finance Committee (Canon M Arlington, resigned 20 May 2025)
The Interim Chair of the Finance Committee (Revd C Bourne, appointed 10 June 2025)(a)

ELECTED BY THE SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD

CLERGY
Newark Archdeaconry (2)
Revd Z Burton
Revd J Hyatt

Nottingham Archdeaconry (6)
Revd D Bocchetti
Revd Dr J Mole
Revd Dr M Wreford

(a) Member of the Finance Committee
(b) Member of the Board of Education

LAITY (9)
Newark Archdeaconry (4)
Mr R Brand
Professor P Harris (b)
Dr P Lake
Mrs T Pearse

LAITY (9)
Nottingham Archdeaconry (5)
Mr M Bolton
Mr T Bramall
Mr R Cleave (a)
Mr P Fisher
Mrs J Robins

PRINCIPAL OFFICERS AND ADVISORS

Diocesan Chief Executive & Company Secretary	Mr M L Cooper BA (Hons) FCA ATII
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance	Mrs A J Redgate LLB

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JUBILEE HOUSE LEADERSHIP TEAM
Director of Discipleship & Ministry – Revd James Halstead
Diocesan Director of Education – Nigel Frith
Director of Finance and Operations – Katrina Proctor (resigned 3 April 2026)
Programme Director – Neil Peake
Diocesan Safeguarding Officer – Julian Hodgson

BANKERS
Lloyds Bank Nottingham

SOLICITORS
Rotheras, Nottingham
Shakespeare Martineau, Nottingham

MINING, MINERALS, ENGINEERING INSURERS & ENVIRONMENTAL CONSULTANTS
Mineral Surveying Associates

AUDITOR
Sumer Auditco Limited
Sidney Street
Sheffield
S1 4RG

REGISTERED ADDRESS
Jubilee House
Westgate
Nottingham
NG25 0JH

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LEGAL OBJECTS

The Trustees, who are also Directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 December 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

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

This combined report satisfies the legal requirements for:

- A Directors' Report of a charitable company,
- A Strategic Report under the Companies Act 2006 and
- A Trustees' Annual Report under the Charities Act 2011

The principal object of The Southwell & Nottingham Diocesan Board of Finance ("the Board") is to promote, assist and advance the work of the Church of England in the Diocese of Southwell & Nottingham by acting as the financial executive of the Southwell and Nottingham Diocesan Synod.

The Board has the following statutory responsibilities: -

I. the management of glebe property and investments to generate income to support the cost of stipends arising from the 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 1991;
IV. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents, Archdeacons and Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the Board are established by the Diocesan Synod in communication with Deanery Synods, Parochial Church Councils (PCCs), and the Bishop of Southwell & Nottingham (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally; including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, including the Diocesan Budget.

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PUBLIC BENEFIT

The Trustees are aware of the Charity Commission's guidance on public benefit in The Advancement of Religion for the Public Benefit and have had regard to it in their administration of the Board. The Trustees believe that, by promoting the work of the Church of England in the Diocese of Southwell & Nottingham, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Board for the purposes of Company Law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company 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 2019 (FRS102);
- 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 responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
In so far aware the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out in the section on Structure and Governance. Trustees are given an induction at the outset of the triennium and at other times as needs are identified. 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. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act.

VOLUNTEERS

The Board is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of the church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly in times of crisis. Within this context, the Board greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the Board.

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3.1 VISION AND STRATEGIC OBJECTIVES

We have a vision of **'Living Hope for the city, towns and villages of Nottinghamshire and beyond'.** We recognise that our world is in desperate need of hope. In a time of great global and national upheaval, with our country's structures and systems under pressure and the increasing mental health challenges facing young people, the cry for hope is clear. A hope that brings transformation and new life, healing and wholeness. We believe that hope is found in Jesus Christ, which the church is uniquely placed to share in every community.

This is lived out through **our calling and mission for 'Growing Disciples of Christ with Compassion, Confidence and Courage'.**

Compassion: To meet the world's deepest needs with Jesus' love
Confidence: To root our life and faith in Jesus
Courage: To share Jesus with all our hearts

We have identified **7 Areas of Focus** for mission and ministry in parishes and across the life of our Diocese. We hope these will act as reference and review points and drive investment and prioritisation of time, energy and resources:

Inspiring Worship: Because coming together to meet with God should be the most captivating time of anyone's week.
Reaching Younger: Because Jesus is the surest foundation for life.
Enhancing Diversity: Because each person matters to Jesus and is precious in his sight.
Growing Leaders: Because the harvest is plentiful.
Enabling Commitment: Because there is nothing better anyone can do with their life than become a follower of Jesus.
Encouraging Generosity: Because we serve a God of abundance and every good gift comes from him.
Nurturing Prayer: Because prayer changes everything.

The Board resources the vision, mission and areas of focus through the support of 229 parishes and networks across the Diocese. The annual budget has been set against this background, designed to provide adequate resources to fund the present, as well as to shape the future, in a way that is fit for our missional task. We continue to prioritise the appropriate provision of stipendiary parish clergy and licensed lay workers across the Diocese.

The Board's strategy for achieving its objectives is to adopt a methodology of limiting central sources of expenditure in favour of both releasing funds for mission and minimising the increase in Parish Share whilst securing external funding to accelerate our strategic growth plans. The Board continues to maintain the sound financial structure needed to enable it to continue supporting the clergy and lay workers through the payment of stipends, managing parsonages and other ministerial housing. It provides resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

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3.2 ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

In 2025, the diocese continued to embed the renewed vision and has seen further growth across many areas. In April, Bishop Paul and Bishop Andy shared a video update outlining progress in our diocesan vision and mission. Highlights from the year include a continued focus on worship and prayer; more than 50 nurture courses running simultaneously across our churches in the spring, giving many the opportunity to encounter Jesus for the first time; and our successful Living Hope Stories, which share testimonies of the transformation Jesus has brought to individuals' lives across the diocese.

As part of our refreshed vision, our primary activities and achievements are viewed through the lens of our 7 areas of focus.

INSPIRING WORSHIP

In 2025, we appointed a full-time Contemporary Worship Lead and part-time Worship Leader Facilitator to support the development of the School of Worship training, build a pipeline of leaders, and to resource churches across the diocese in this area. This was made possible through the Church Growth Programme funding.

The theme of the 2025 Diocesan Conference was 'Inspiring Worship & Nurturing Prayer'. It provided an opportunity for clergy and lay leaders to think more about what inspiring worship looks like in their context, including teaching on 'Intergenerational Worship' from Becky Drake (Worship for Everyone).

The 'Flourish' pilot is now in year two and funding has been approved for a third year. It continues in four locations, establishing new approaches to worship in secondary schools, engaging with local churches and the development of young leaders. Exciting stories are coming out of the prayer groups in each school.

It has been exciting to see the 'Connect' after-school church model continue to expand, with now a significant number of primary schools and local churches offering an opportunity to worship together after school.

As part of the Church Growth Programme (CGP), three new funds were launched in 2025 to support parishes to grow in their mission and ministry. This is alongside named CGP projects in places across the diocese which continue to develop, enabling new or revitalised ministry opportunities.

REACHING YOUNGER

2025 was the fourth year of our programme, enabled by Strategic Development Funding (SDF); throughout this period we've seen approximately 1000 new under 18s join in with regular discipleship activities in local churches. Throughout 2025, we have seen a substantive increase in churches with 25+ young people and are continuing to work to maintain this momentum. We ran the 'Inspire' programme for the fourth time, helping to equip churches to place 'reaching younger' at the heart of what they do. Our Youth & Children's team continued to provide a range of training opportunities for youth and children's workers throughout the year. In July, there was a 'Younger Leaders Adventure Weekend' at an outward-bound centre. This was a chance to invest in older youth with leadership potential.

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We have heard of many stories of people walking into church for the first time, particularly amongst the younger generation. The impact of this has been felt at St Saviour's Nottingham, who have seen their youth ministry grow from nothing to several young people getting baptised throughout last year. The new CGP resource church and revitalisation funds were launched in 2025, with many churches using this funding for roles in children and youth ministry. 9 new workers have been appointed using this funding so far, with others currently in the recruitment process.

The Diocesan Education Team continues to support the 73 church schools and five multi-academy trusts (MATs) in our Diocese. There is now a Faith Committee in each MAT, to evaluate and develop the Christian message throughout their organisations. The mission field in schools across our diocese totals well over 20,000 children and young people.

ENHANCING DIVERSITY

In 2025, the diocese was awarded a two-year grant from the national Racial Justice Unit to help us develop our ministry in this area. This will fund a part-time role to help us build capacity and develop a strategy (this role is currently out to advert). This grant will also feed into a vocations fund to enable those pursuing lay or ordained vocations to overcome barriers to participation and engagement.

Three churches secured large grants of £50,000 each from the Disability Parish Grant Scheme in 2025, enabling them to develop their church facilities to become more accessible.

The diocesan education team ran a ‘Governors Like Us’ pilot project in 2025, with the aim of enhancing the diversity in church school governing bodies. Working with Nottingham’s black majority churches and the Church of England’s Racial Justice Unit, we had a number of new governors being trained and joining school governing boards.

GROWING LEADERS

Through our Petertide Ordinations, we were pleased to welcome a cohort of 10 deacons and 8 priests who now lead and serve across our city, towns and villages. We also welcomed 13 Licensed Lay Ministers (LLMs) adding to a total of 62 LLMs under the new scheme across the Diocese. Revd Angelika Bocchetti was appointed as ‘School of Discipleship Lead’, heading up the LLM training programme, and we welcomed Revd Dr Matt Prior as the new Head of Vocations in January 2026.

Our internship ‘The Apprentice Track’ continues to be a significant and important pipeline for leadership development as part of the Younger Leadership College. In June 2025, we expanded the YLC Team, enabled by CGP finding, welcoming Megan Sawyers as Apprentice Track Facilitator, adding capacity and overseeing the first-year internship scheme.

In September 2025, 25 young adults representing 13 churches started the new year of our intern programme with 17 in our year 1 Apprentice Track and 8 in our year 2 Leadership Track. There are a further 4 young adults taking part in the Apprentice Track/Leadership Track alongside their work or studies. Two of our second-year interns have also already moved into ministry roles in local churches, demonstrating the leadership pipeline the programme is providing.

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In October 2025, we launched a pilot of a new exploring vocations programme: Ready To Serve. The programme offered 25 potential candidates the space and inspiration to explore their sense of calling to ordained ministry, over the course of a 6-month programme. The next cohort will begin in April 2026.

The Diocesan Education Team ran two 'Young Leaders of Collective Worship' conferences, aiming to equip and inspire children and young people to become worship leaders. They also ran their annual 'Listen Up' conference, inviting young people to inspire each other and develop as leaders.

The Rural Revitalisation Pilot continues to develop, with the appointment of 4 new Mission Associates in 2025. Growth as a result of the scheme has already been encouraging, with 5 new families joining a very small rural church.

Two of our key events for leadership development are the Bishop's Study Day and Diocesan Conference. These events are a highlight of the year and offer clergy and key lay leaders the opportunity to gather, worship together and grow in their leadership. They run alongside our ongoing support for clergy through the bishop's fireside groups and learning communities that operate across our deaneries.



ENABLING COMMITMENT

The DISCIPLE course ran for a second year in Aslockton and Mansfield, with 25 people in attendance. Planning also began for the development of a video version of the course, working with an external agency to produce a high quality 5-week adaptation of DISCIPLE, with the intention of making it more accessible for churches across the diocese.

As mentioned above, Revd Angelika Bocchetti was appointed as School of Discipleship Lead, alongside the appointment of Revd Kristine Mole as Parish Discipleship Enabler. These part time roles offer central diocesan programmes and tailored support to parishes.

In the Spring, over 50 nurture courses were run in churches across the diocese, with a page on the diocesan website dedicated to share information about these courses on a map, allowing more people to engage with and explore faith.

Over the year we celebrated 249 confirmations across all contexts of our Diocese - a 54% increase from 2024. These took place over 18 confirmation services, including in parish, deanery and diocesan confirmations, including one held at HMP Ranby.

Our communications team launched the 'Living Hope Stories' series in 2025, with a focus to rediscover testimony as a key tool to church growth. The channel has seen over 275,000 views across 26 stories of lives transformed by Jesus in 2025. These stories have been shared internationally, reaching many with the good news of Christ's Living Hope both in churches and beyond. We continue to release stories weekly, and hope to build upon this success in 2026 by gathering stories from a wider range of contexts.

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ENCOURAGING GENEROSITY

2025 saw the commissioning of new resources to aid parishes in their journey of generosity, including a series of videos on generosity from Bishop Paul, alongside some small group resources. These are scheduled to be launched in early 2026.

In 2025, we produced a 'Journey of Generosity' booklet for parishes, which included information on ministry costs and how parishes are supported, a generosity prayer, as well as encouraging personal and parish stories of growing in generosity. These booklets were well received when shared with parishes during Journey of Generosity meetings held during 2025. These meetings offered all parishes an opportunity to engage with the Parish Share Team following the sharing of the initial 10 year parish share trajectories towards the end of 2024. These conversations helped build relationships and enabled targeted support to be offered by our Parish Finance Enablers, funded through the CGP. This work laid bare the challenge of congregational giving in many of our churches, with average regular weekly giving per church varying between £1.41 and £68. A giving strategy is being developed to address the underlying issues of discipleship.

The Parish Share Team continues to hear stories of both personal and congregational generosity from parishes in every context across the diocese, and we're looking forward to sharing more of these in 2026.

The financial aspect of the Journey of Generosity is overseen by the Parish Share Team. In 2025, the team was encouraged by an increase of £560,000 over two years in parish share receipts. Whilst there is more progress needed, there is heartfelt thanksgiving to God and to parishes for what has been achieved.

NURTURING PRAYER

We have continued to nurture prayer through 2025. Alongside prayer meetings and gatherings in churches, Jubilee House and in peoples' homes across the diocese, on the second Thursday of each month there have been specific opportunities to pray and worship as part of a Diocesan Day of Prayer. In the first half of the year these were held in Southwell, combining the invitation to Evensong in the Minster with a more informal gathering at Bishop's Manor. In November Bishops Paul and Andy hosted different events at lunch time and in the evening in four churches close to the historic gates of the city of Nottingham, before hosting in 'compass point' locations of the county in the month of December as we look to encourage prayer across the diocese.

In 2025, the prayer life at Jubilee House (diocesan offices) has continued to develop. Optional times of prayer are offered in the chapel on Mondays and Wednesdays, as well as the opportunity to hear a thought for the day and pray together at monthly 'All-Staff' meetings. In 2026, there are plans for a Jubilee House Alpha course, offering diocesan staff the opportunity to explore faith.

For schools, the Diocesan Education Team provide an online monthly prayer meeting for headteachers to join, offering an opportunity to share with and pray for each other.

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SAFEGUARDING

Safeguarding activity across the diocese and cathedral strengthened significantly during 2025, despite ongoing pressures. The Diocesan Safeguarding Team (DST) sustained high standards of practice while navigating increased case complexity, staff sickness, and the demands of the INEQE audit. The audit provided strong independent external scrutiny, and we are waiting for the final report to be able to embed areas of development identified.

Prevention and training work has expanded substantially. The demand for parish support is high, with around 750 queries across the year and several parishes receiving informal audits of their practice ('diptests'), mentoring, and tailored guidance to strengthen compliance. Training delivery continued to grow, with significant increases in Leadership training uptake, expansion of parish trainer networks, and development of new learning resources including Trauma Informed Church training and Domestic Abuse Awareness updates. The Cathedral further enhanced its preventative work through revised safeguarding materials, updated signage, childfriendly resources and strengthened engagement with volunteers and staff.

Responsibility for DBS processing has now formally transferred to HR, with further work ongoing with the DST to ensure continuity and clarity for parishes and lead recruiters.

3.3 FUTURE PLANS

Throughout 2025 we have seen exciting developments in the connection between church and school, through projects like the Flourish pilot, as well as the setup of our new 'Connect' church-in-school services. Building on this, during Lent 2026, we will be focusing on **reaching younger**. Bishop Paul and Bishop Andy will spend time supporting three contexts where the church and school are looking to build stronger partnerships.

In the area of **enhancing diversity**, in 2026 we hope to use a portion of the Racial Justice Unit grant to adapt central diocesan materials (such as the new video-based DISCIPLE course) for those whose first language is not English.

As we continue to **encourage generosity** we will be launching a series of videos on generosity from Bishop Paul, alongside some small group resources. Our Journey of Generosity booklets will also be updated to capture fresh personal and parish stories of generosity whilst continuing to develop our giving strategy.

CHURCH GROWTH PROGRAMME

Having received full approval for the missional designs to revitalise the parishes of Carlton & Colwick, Kirkby-in-Ashfield and Sneinton in the Autumn of 2025, focus turns to supporting these parishes with their implementation plans, including recruitment. The missional design for Arnold was approved in 2026.

SAFEGUARDING

Looking to 2026, work will focus on embedding INEQE recommendations, improving data quality and case oversight, strengthening training oversight, reviewing capacity and resource

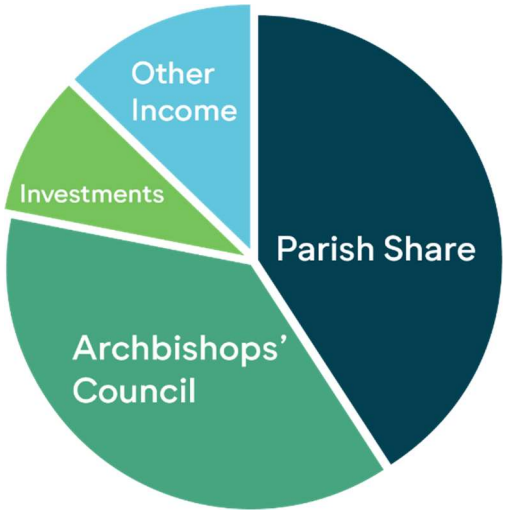
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where needed, and further consolidating the partnership between the Diocese and Cathedral. These foundations provide a confident platform for a more consistent, efficient, and well-supported safeguarding system in the year ahead.

3.4 FINANCIAL REVIEW

2025 INCOME SUMMARY

The largest single source of income to the Board is Parish Share. The Trustees are immensely grateful to all the parishes who have contributed parish share during the year, many at sacrificial levels, to enable mission and ministry throughout the Diocese.



Income for 2025 amounted to £14.5M (2024: 12.9M), This income is spread over 4 categories:

Parish Share – £5.8M
Initial 10-year Parish Share trajectories were communicated towards the end of 2024 as part of our shared Journey of Generosity as we seek to sustain and grow mission and ministry across the Diocese.

Archbishops' Council - £5.3M
Archbishops' Council provides direct support to dioceses through several grant funding streams, the most significant of which are the Diocesan Investment Programme (DIP), Lowest Incomes Communities (LInC) funding and Strategic Development Funding (SDF).The Church Commissioners pay directly for the bishops' stipends, their office and working costs, most cathedral stipends and grants to cathedrals. These costs are NOT included in the Diocesan budget.

Returns on Investments - £1.3M
Income is earned from our historic assets of agricultural Glebe land and direct financial investments in bonds and equities.

Other Income – £2.1M
This income includes rents from residential properties not immediately required for ministerial purposes, gains on disposal of property, statutory parochial fees and grants from external funders. The Board is grateful for external grant funding from Benefact Trust, which is applied towards the cost of our intern programme.

	2025	2024
Percentage of parish share received	89.0%	92.1%

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2025 EXPENDITURE SUMMARY

Expenditure for 2025 amounted to £15.8M (2024: £11.7M).

Direct Ministry – £5.8M
Incumbents are appointed to parishes to lead mission and ministry. The remuneration of clergy includes the cost of stipend, housing (including council tax and water rates), pension and National Insurance.



Direct Ministry Support – £1.7M
Across the Diocese we work together to nurture and support local churches as we seek to Grow Disciples and reach our local communities with the Living Hope of Jesus. To this end, we rely on the skills and expertise of colleagues in safeguarding, clergy wellbeing, youth and children's ministry advisors, archdeacons' team, deanery administrators, parish giving advisors, school/workplace chaplains and support for parishes in vacancy through sequestration.

Developing Ministry – £2.8M
We are focused on growing both the present and future generation of ministry leaders. We invest in discerning both lay and clergy vocations, lay and ordinand training and development, curate stipends, housing (including council tax and water rates), pension and National Insurance and the cost of the intern programme.

Statutory & Governance – £2.2M
As for all charitable companies, we need to comply with statutory requirements. We support local Parochial Church Councils (PCCs) to fulfil their statutory obligations through the Diocesan Advisory Committee (DAC), Registry, Finance Team and Communications Team. We are also required to contribute to the costs of National Church support functions.

SDF/CGP Reclaimable – £3.3M
Expenditure related to Strategic Development Funding and the Church Growth Programme which are claimed from Archbishops' Council.

BALANCE SHEET

The Trustees consider that the balance sheet, together with details in notes 22 and 24, show 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 £91,858,000 (2024: £92,847,000) it should be remembered that included in this total are c200 residential properties held for ministerial use, whose value amounted to £33.0 million (2024: £32.3 million). Much of the remainder of the assets shown in the balance sheet are held in endowed or restricted funds and cannot necessarily be used for the general purposes of the Board.

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RESTRICTED AND ENDOWMENT FUNDS

As set out in note 22 the Board holds and administers many restricted and endowment funds. As at 31 December 2025 restricted funds totalled £11.1m (2024: £12.2m) and endowment funds totalled £65.2m (2024: £64.1m).

DESIGNATED FUNDS

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer required. At 31 December 2025 total designated reserves were £9.2m (2024: £9.2m).

FREE RESERVES

The Board of Finance has considerable responsibilities including the remuneration of over 120 stipendiary clergy, the employment of over 60 full or part time staff and the upkeep of approaching 190 residential properties. Most of the Board's income is voluntary with the main sources being Parish Share, grant income from Archbishops' Council and investment income. Considering this and the flow of income, the Trustees have determined that it is prudent to hold free reserves at least equivalent to general fund expenditure over two months i.e. £1.5m.

At 31 December 2025, the Board of Finance's free reserves were £15.6m (2024: £16.5 million). The trustees consider that with the continuing pressure on parish share and significant time limited funding, the increased holding of free reserves is prudent.

FUNDS HELD ON BEHALF OF OTHERS

As Custodian Trustee

The Board 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 Board does not control them, and they are segregated from the Board's own assets by means of a separate bank account and accounting system.

On Behalf of Schools

The Board of Education (as incorporated within the Board) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also Government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out.

The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

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GRANT MAKING POLICY

Grants are paid to other connected charities and to other charitable projects which appear to the Board of Finance to support the furtherance of the Board of Finance's objects.

FUNDRAISING

The Board of Finance does not carry out significant public fundraising activities and did not receive any complaints relating to fundraising during the year.

3.5 PRINCIPAL RISKS

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the Trustees on an annual basis with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Chief Executive.

The key risks, which may impact on the charitable company, include:

1. **Failure to deliver Diocesan vision and strategy** – the risk is this will cause an overall decline in congregations and reductions in financial giving, limited ongoing mission and ministry due to financial constraints.

Existing Mitigation

- Good communication of vision and strategy both internally and externally as an organisation.
- Clear implementation plans and effective monitoring underpinned by prayer.
- Senior Leadership alignment to ensure vision and strategy stays central to the future of the Diocese.

2. **Impact on ability to recruit and retain capable staff and clergy within Diocese** – this risk could create an inability to implement strategic vision and manage the Diocese efficiently.

Existing Mitigation

- Continued investment in our pipeline for ordained ministry, with an ongoing focus on our internship scheme, 'The Apprentice Track'.
- Ongoing staff development and training to both retain existing talent and attract the right candidates from outside the organisation.
- Clergy/staff terms and conditions.

3. **Divergence of doctrinal views causing split in church** – this risk, fuelled by contemporary discussion and debate, could result in reduced attendance and giving. Alongside this it may also limit collaborative thinking and practice, as well causing reputational damage for the Diocese and parishes.

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Existing Mitigation

- Proactive, regular communications with clergy and parishes through email and in-person gatherings.
- An agreed openness to engage with particular issues or tensions together, to nurture a culture of radical candour.

4. **Significant event (s) fails to project a good image and causes significant reputational damage within the Church and beyond** – this risk may cause an abrupt and sudden decline in attendance and/or financial giving.

Existing Mitigation

- Ongoing monitoring of wider church events that would affect the Diocese.
- Good Communication Team and focus, particularly with PR skills and support.
- Connection with the national communications team to help the support and sharing of knowledge when required.

5. **Significant failure of Safeguarding, past or present** – this may cause reputational damage for the Diocese, or cause increased harm or impact on survivors of abuse.

Existing Mitigation

- Training provided to all appropriate parish/diocesan personnel.
- Employed specialist safeguarding staff to deal with all safeguarding allegations and issues.
- External reviews, with Diocesan Safeguarding Advisory Panel (DSAP) and independent chair whose role is to ensure proper governance of the safeguarding structures and to assist the Diocese in ensuring recommendations from the national church are implemented.

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STRUCTURE, GOVERANCE & MANAGEMENT

Southwell and Nottingham is one of 42 dioceses in the Church of England. It covers the whole of Nottinghamshire and a small section of South Yorkshire and North Leicestershire. It is administered through the Board, a charitable trust company limited by guarantee. The Diocese is arranged as 2 archdeaconries: Newark covering the north part with 4 deaneries and Nottingham the south with 5 deaneries. In total there are some 240 parishes.

Each Diocese is a separate entity led by the Bishop and is governed by the Canons of the Church of England and the Acts and Measures of General Synod as well as state legislation that relates to companies and charities. In Southwell and Nottingham, the Diocesan Bishop is assisted by the Suffragan Bishop of Sherwood.

At national level the Diocese relates to the Archbishops' Council, the Church Commissioners and the Church of England Pensions Board. Further information can be found at www.churchofengland.org. The financial transactions of these bodies do not form part of these statements.

Each diocese is divided into benefices which are made up of at least one parish. The priest of a benefice is an office holder who shares the cure of souls with the Bishop. Matters relating to finance and parish owned property in a parish, are the responsibility of the Parochial Church Council, each of which is an individual charity separate from the Diocese. Benefices are grouped together in nine Deaneries which are units of mission and conduits of communication, and whose members elect the members of General and Diocesan Synod.

SOUTHWELL MINISTER

This is the cathedral church of the diocese and is itself a separate legal entity. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Southwell Minster, Church Street, Southwell, Nottinghamshire, NG25 0HD.

THE BOARD OF FINANCE AND DIOCESAN SYNOD

Within the Diocese there are two major bodies - the Diocesan Synod and the Board of Finance: the membership of both is coterminous.

BOARD OF FINANCE

The company, Southwell & Nottingham Diocesan Board of Finance, was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 5 June 1891 as a charitable trust company limited by membership guarantee (No. 34165) and its governing documents are the Memorandum and Articles of Association. The Board of Finance is registered with the Charity Commission (No. 249359).

The company, originally called the Southwell Diocesan Finance Association, changed its name to the Southwell Diocesan Board of Finance on 18 January 1932. On 28 February 2006, the company changed its name to the Southwell & Nottingham Diocesan Board of Finance.

As a member of the Board, each member of Synod has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

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DIOCESAN SYNOD

Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, plus up to 20 co-options.

The Diocesan Synod usually meets twice a year.

Its role is to:

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

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council.

THE BISHOP'S COUNCIL (AND STANDING COMMITTEE OF THE DIOCESAN SYNOD)

The members of the Bishop's Council are the Board of Trustees and Directors of the Company. The Bishop's Council consists of 8 ex officio members (the Diocesan and Suffragan Bishops; 2 Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; and the Chair of the Finance Committee), 5 clergy elected by the House of Clergy from among their number (3 from the Archdeaconry of Nottingham and 2 from the Archdeaconry of Newark) and 10 lay persons elected by the members of the House of Laity representing deaneries (6 from the Archdeaconry of Nottingham and 4 from the Archdeaconry of Newark) and up to 4 co-opted members of Diocesan Synod. Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- to plan the business of the Synod,
- initiate proposals for action by the Synod and to advise it on matters on policy;
- to advise the Diocesan Bishop, on any matters which he may refer to the Council;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- to appoint members of committees or nominate individuals for election to committees; and
- to carry out such functions as the Synod may delegate

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 Southwell and Nottingham, are set by the Diocesan Synod and the Board.

The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Board. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold up to six meetings

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during the year to formulate and coordinate policies on mission, ministry and finance. The Trustees rely upon the Diocesan Chief Executive and their team of departmental directors for the delivery of the day-to-day activities of the company. The Diocesan Chief Executive is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees. Council are also the members of 2 statutory committees:

- **Parsonages Committee**, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, team vicarages and houses owned by the Board of Finance.
- **Diocesan Mission and Pastoral Committee**, which is responsible for the task of recommending pastoral reorganisation to the Bishop.

Other statutory committees include:

- **Diocesan Advisory Committee**, which advises on matters affecting church buildings and places of worship including the granting of faculties, the use and care of places of worship and their contents and the care of churchyards.
- **Southwell & Nottingham Diocesan Board of Patronage**, which is constituted under the provisions of the Patronage (Benefices) Measure 1986.

In addition to the statutory committees Bishop's Council has set up the **Finance Committee**, which has written terms of reference, to advise it on all financial matters. The Finance Committee meets regularly, approximately five times each year and works closely with the Diocesan Chief Executive and Director of Finance & Operations. The Finance Committee has decided, in order to give considered advice to the Bishop's Council and to understand the detail of diocesan finance, to set up two subcommittees: the Audit & Risk Committee and Investment Committee. These advise the Finance Committee and thereby Bishop's Council, in the discharge of the Trustees' responsibilities for accounting policy, internal control, financial reporting, investment management and risk management.

REMUNERATION OF KEY PERSONNEL

A job evaluation scheme is used to determine the salary grades of employed posts. Office holders are paid diocesan stipend, which since 2022 has been aligned, subject to affordability, with that advised by the Archbishops' Council acting as the Central Stipends Authority

GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that, despite the uncertainty of the current economic climate, the Board has sufficient monetary reserves to meet all their obligations as they fall due. The trustees consider that given the level of investments and reserves held the going concern basis is appropriate.

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DISCLOSURE OF INFORMATION TO THE AUDITOR

We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's auditor is aware of that information.
- In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors.

APPOINTMENT OF AUDITORS

Sumer Auditco Limited were appointed as auditor to the company following BHP LLP becoming part of the Sumer Group on 31 December 2025, which required a change in audit firm to comply with applicable regulatory requirements.

The re-appointment of Sumer Auditco Limited as auditor to the Board will be proposed at the Annual General Meeting.

BY ORDER OF THE TRUSTEES

+Paul Southwell & Nottingham

Signer ID: ZLGDJ5BDMV...

The Right Revd Paul Williams
Chairman
Date: 21/05/2026 GMT

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Opinion

We have audited the financial statements of Southwell and Nottingham Diocesan Board of Finance (the 'charity') for the year ended 31 December 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report.

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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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.
We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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, 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.

Auditors' 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 Auditors' report that includes our opinion.

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Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management and trustees, and from our knowledge and experiences of the sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Masheder (Senior statutory auditor)

Sumer Auditco Limited
Signer ID: CRZCVPKXXZ...

for and on behalf of
Sumer Auditco Limited
Statutory Auditor
Sidney Street
Sheffield
S1 4RG
Date: 21/05/2026 GMT

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SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Income and endowments from:						
Grants, donations and legacies	3	**7,930**	**-**	**-**	**7,930**	7,794
Charitable activities	4	**1,006**	**3,412**	**-**	**4,418**	1,810
Other trading activities	5	**153**	**349**	**90**	**592**	687
Investments	6	**698**	**50**	**550**	**1,298**	1,264
Other income	7	**42**	**80**	**97**	**219**	1,328
Total income and endowments		**9,829**	**3,891**	**737**	**14,457**	12,883
Expenditure on:						
Raising funds	8	**207**	**190**	**91**	**488**	421
Charitable activities	9,10	**10,294**	**4,331**	**675**	**15,300**	11,234
Total expenditure		**10,501**	**4,521**	**766**	**15,788**	11,655
Net (expenditure)/income before net gains/(losses) on investments		**(672)**	**(630)**	**(29)**	**(1,331)**	1,228
Net gains/(losses) on investments	17,18	**609**	**(203)**	**177**	**583**	1,820
Net (expenditure)/income		**(63)**	**(833)**	**148**	**(748)**	3,048
Transfers between funds	22	**(629)**	**(316)**	**945**	**-**	-
Net movement in funds before other recognised gains/(losses) carried forward		**(692)**	**(1,149)**	**1,093**	**(748)**	3,048

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Net movement in funds before other recognised (losses)/gains brought forward		**(692)**	**(1,149)**	**1,093**	**(748)**	3,048
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	29	**(753)**	-	-	**(753)**	6
Movement in pension not recognised	29	**512**	-	-	**512**	(92)
Net movement in funds		**(933)**	**(1,149)**	**1,093**	**(989)**	2,962
Reconciliation of funds:						
Total funds brought forward		**16,538**	**12,217**	**64,092**	**92,847**	89,885
Net movement in funds		**(933)**	**(1,149)**	**1,093**	**(989)**	2,962
Total funds carried forward	22	**15,605**	**11,068**	**65,185**	**91,858**	92,847

The Statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

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SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

(A company limited by guarantee)
REGISTERED NUMBER: 00034165

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note		2025 £000		2024 £000
Fixed assets					
Tangible assets	16		**36,942**		36,322
Investments	18		**30,888**		31,724
Investment property	17		**21,603**		21,509
			89,433		89,555
Current assets					
Debtors	19	**2,172**		958	
Cash at bank and in hand	26	**2,170**		3,865	
		4,342		4,823	
Current liabilities					
Creditors: amounts falling due within one year	20	**(1,819)**		(1,426)	
Net current assets			**2,523**		3,397
Total assets less current liabilities			**91,956**		92,952
Creditors: amounts falling due after more than one year	21		**(98)**		(105)
Net assets excluding pension asset			**91,858**		92,847
Defined benefit pension scheme asset	29		**-**		-
Total net assets			**91,858**		92,847

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BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2025

	Note		2025 £000		2024 £000
Charity funds					
Endowment funds	22		**65,185**		64,092
Restricted funds	22		**11,068**		12,217
Unrestricted funds					
Designated funds	22	**9,226**		9,226	
General funds	22	**6,379**		7,312	
Total unrestricted funds	22		**15,605**		16,538
Total funds			**91,858**		92,847

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

C. D. Bourne
Signer ID: OJD2YOTDQD...
Reverend C Bourne

Date: 21/05/2026 GMT

The notes on pages 34 to 72 form part of these financial statements.

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net cash used in operating activities	25	**(3,859)**	(1,399)
Cash flows from investing activities			
Dividends, interests and rents from investments		**1,263**	1,237
Proceeds from the sale of tangible fixed assets		**748**	1,537
Purchase of tangible fixed assets		**(1,165)**	(707)
Proceeds from sale of investments and investment property		**14,378**	8,140
Purchase of investments		**(13,126)**	(8,813)
Net cash provided by investing activities		**2,098**	**1,394**
Cash flows from financing activities			
Repayments of borrowing		**(7)**	-
Net cash (used in)/provided by financing activities		**(7)**	**-**
Change in cash and cash equivalents in the year		**(1,768)**	**(5)**
Cash and cash equivalents at the beginning of the year		**4,608**	4,613
Cash and cash equivalents at the end of the year	26	**2,840**	4,608

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements are prepared in sterling which is the functional currency of the Board and are rounded to the nearest £'000.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Southwell and Nottingham Diocesan Board of Finance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Board have prepared forecasts of income and expenditure for the period to 31 December 2026 that show deficit budgets. Due to the level of free reserves and cash resources held they are confident that they have in place plans to deal with the deficit budgets and any further financial losses that may arise.

The Board therefore continue to adopt the going concern basis of preparation for these financial statements.

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2. Accounting policies (continued)

2.3 Income

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

Parish share, and parochial fees are included on a receipts basis except for contributions received shortly after the period end that are explicitly relating to the period under review.

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. However, 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 (normally much larger) 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.

Investment income is recognised at the time it is receivable. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably: 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. In respect of housing maintenance, the policy is only to provide for orders started before the year end. The cost of office premises and other service costs have been apportioned to departments to reflect the facilities used, the basis of apportionment being floor space or headcount.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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

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.

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2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Garden Equipment	-	20%	straight line
Solar panels	-	5%	straight line
Motor vehicles	-	25%	straight line
Fixtures and fittings	-	10%	straight line
Other office equipment	-	20%	straight line
Computer equipment	-	33%	straight line

Freehold houses, Parsonage houses and Diocesan offices
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 Board 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 FRS 102 to ensure that the carrying value is not more than the recoverable amount.

The Board's policy continues to be to replace unsuitable properties; to accommodate the changing geographical deployment of clergy within the Diocese; and to realise development potential, in some properties, thereby using our resources more effectively for the ministry of the Church.

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2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. Glebe agricultural land is valued at 31 December each year by Jas Martin & Co, Chartered Surveyors. Dunham House is professionally valued by Mr R Davis of Geo Hallam and Sons. For commercial property a desktop valuation is provided by the Diocesan surveyor. Some properties included in the Southwell & Nottingham Board of Education restricted fund are not valued and are shown at cost as there is no readily available market value. The financial investments are managed in accordance with the policy statements (including the statement on pooled funds which will be appropriate for funds managed on a multi asset basis) and restricted stock lists provided by the Ethical Investment Advisory Group of the Church of England. Active ownership and engagement via the Boards investment managers can drive positive change in corporate behaviour and the Board believes that this is part of being a responsible investor. The Board will take account of environmental, social and governance issues for both ethical and financial reasons.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Operating leases

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

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2. Accounting policies (continued)

2.11 Pensions

The Board's staff are members of the Board's defined contribution pension scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 29). The pension costs charged to expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Lay staff who are members of the stakeholder pension scheme, or have their contribution paid into their own personal pension plan are accounted for in the month in which they are deducted. Deficit funding for the pension schemes to which Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year. The Board also operates a defined benefit scheme for the Board's employees whose employment began prior to 1 April 1993. The contribution rates for this scheme are set by the actuary using the actuarial valuation every three years.

2.12 Fund accounting

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

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

General funds which the Board intends to use for the general purposes of the Board.

Designated funds are those funds set aside out of unrestricted funds by the Board for a specific purpose over whose use and purpose the Board has discretion. The accumulated capital fund is the amount transferred from the general' fund, gains less loss on investments and the directors' valuation of freehold property transferred at no cost.

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 Board (Stipends Fund Capital, Benefice 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.

2.13 Employee benefits

When employees have rended service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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2. Accounting policies (continued)

2.14 Critical accounting estimates and assumptions

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension scheme liability
The present values of Church of England Funded Pensions Scheme and the Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme both depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net' cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying value of the pension liability. In the current year the Staff Retirement Benefit Scheme pension is in a surplus position which has not been recognised in the financial statements as material doubt exists around the ability to recover the asset.

Investment property valuations
A key estimation uncertainty is the valuation of investment land and properties. The valuations are subject to judgements of an expert including, but not limited to, the state of repair of the properties, local knowledge, future income yields and market characteristics.

3. Income from grants, donations and legacies

	Unrestricted funds 2025 £000	**Total funds 2025 £000**	As restated Total funds 2024 £000
Parish share	5,804	**5,804**	5,746
Archbishops' Council	1,949	**1,949**	1,883
Other donations	177	**177**	165
	7,930	**7,930**	7,794
Total 2024 as restated	7,794	7,794	

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

The prior year has been restated to reanalyse some income from grants, donations and legacies into charitable activities income.

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3. Income from donations and legacies - continued

Archbishops' Council

	Unrestricted funds 2025 £000	Total funds 2025 £000	As restated Total funds 2024 £000
Lowest income Communities LInC funding	1,322	**1,322**	1,290
Pooling of ordinands candidates' costs	54	**54**	15
Strategic Ministry Funding	573	**573**	578
	1,949	**1,949**	1,883
Total 2024 as restated	1,883	1,883	

Other donations

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Benefact Trust Grant	93	**93**	111
Other grants	84	**84**	54
	177	**177**	165
Total 2024	165	165	

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4. Income from charitable activities

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Total funds 2025 £000	As restated Total funds 2024 £000
Statutory fees	242	-	**242**	292
Contributions to costs of lay staff posts	-	98	**98**	-
Loan interest receivable	3	-	**3**	2
Other contributions and income	655	28	**683**	535
Strategic Development Funding income	106	1,627	**1,733**	981
Church Growth Programme income	-	1,659	**1,659**	-
	1,006	3,412	**4,418**	1,810
Total 2024 as restated	796	1,014	1,810	

The prior year has been restated to reanalyse some income from grants, donations and legacies into charitable activities income.

5. Income from other activities

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Housing income	153	349	90	**592**	687
Total 2024	687	-	-	687	

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6. Investment income

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total funds 2025 £000**	Total funds 2024 £000
Rents and income from mineral rights receivable	-	50	502	**552**	544
Dividends and interest receivable	663	-	48	**711**	698
Pension finance income (note 29)	35	-	-	**35**	22
	698	50	550	**1,298**	1,264
Total 2024	353	911	-	1,264	

7. Other income

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total funds 2025 £000**	Total funds 2024 £000
Surplus on disposal of property	42	80	97	**219**	989
Diocesan share of proceeds	-	-	-	**-**	339
	42	80	97	**219**	1,328
Total 2024	205	1,123	-	1,328	

Surplus on disposal of property relates to the Diocesan Board of Finance share of proceeds from properties not wholly owned by the diocese but where it is entitled to a share of any proceeds on disposal.

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8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total funds 2025 £000**	Total funds 2024 £000
Glebe agent's fee	-	46	-	**46**	55
Other land agent commission and expenditure	152	64	79	**295**	234
Investment management charges	55	80	12	**147**	132
	207	190	91	**488**	421
Total 2024	147	274	-	421	

9. Charitable activities

Summary by fund type

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total 2025 £000**	Total 2024 £000
Contributions to Archbishops' Council	456	-	-	**456**	447
Resourcing Ministry and Mission	8,078	1,042	675	**9,795**	8,903
Support for parish ministry	1,628	38	-	**1,666**	1,860
Other expenditure	26	-	-	**26**	24
Strategic Development Funding	106	1,592	-	**1,698**	-
Church Growth Programme	-	1,659	-	**1,659**	-
	10,294	4,331	675	**15,300**	11,234
Total 2024	9,764	1,470	-	11,234	

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9. Analysis of expenditure on charitable activities

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total funds 2025 £000**	Total funds 2024 £000
Contributions to Archbishop's Council					
Training for Ministry	210	-	-	**210**	211
National Church Responsibilities	155	-	-	**155**	148
Retired clergy housing costs	91	-	-	**91**	88
	456	-	-	**456**	447
Resourcing Ministry and Mission					
Stipends, salaries and national insurance	5,574	214	675	**6,463**	6,094
Pension contributions	897	-	-	**897**	1,171
Housing costs	1,272	828	-	**2,100**	1,430
Removal, resettlement and other expenses	335	-	-	**335**	208
	8,078	1,042	675	**9,795**	8,903
Support for parish ministry	1,628	38	-	**1,666**	1,860
Strategic Development Funding	106	1,592	-	**1,698**	-
Church Growth Programme	-	1,659	-	**1,659**	-
	1,734	3,289	-	**5,023**	1,860
Other expenditure					
Audit fees - audit	22	-	-	**22**	20
Audit fees - non audit	4	-	-	**4**	4
	26	-	-	**26**	24
Total 2025	10,294	4,331	675	15,300	11,234
Total 2024	9,764	1,470	-	11,234	

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10. Analysis of expenditure by activities

	Direct costs 2025 £000	Grants spend (note 12) 2025 £000	Support costs (note 11) 2025 £000	**Total funds 2025 £000**	As restated Total funds 2024 £000
Contributions to Archbishops' Council	-	-	456	**456**	447
Resourcing Ministry and Mission	9,687	108	-	**9,795**	8,903
Support for parish ministry	-	205	1,461	**1,666**	1,860
Other expenditure	4	-	22	**26**	24
Strategic Development Funding	-	1,698	-	**1,698**	-
Church Growth Programme	-	1,659	-	**1,659**	-
	9,691	3,670	1,939	**15,300**	11,234
Total 2024 as restated	8,839	376	2,019	11,234	

Where costs cannot be directly attributed to particular headings, they have been allocated or apportioned to activities on a basis consistent with the use of the resources.

The prior year has been restated to reanalyse some expenditure from direct costs and grant spend into support costs expenditure.

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11. Analysis of support costs

	2025 £000	2024 £000
Office expenses	**358**	393
Staff costs	**973**	1,133
Staff training	**80**	65
Legal and professional	**265**	237
Travel and subsistence	**95**	77
IT running costs	**38**	22
Bank charges	**3**	3
Repairs and maintenance	**105**	69
Audit fees	**22**	20
	1,939	2,019

12. Analysis of grants made

	Number 2025	Individuals 2025 £000	Institutions 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Refugee Roots	1	-	13	13	15
Clergy	19	108	-	108	68
Ordinands in training	18	124	-	124	165
Transforming Notts Together	1	10	-	10	10
Growing Disciples/ New Worshipping Community Grants	28	-	48	48	117
Perry Gift	-	-	-	-	1
Strategic Development Funding	-	-	1,698	1,698	-
Church Growth Programme	-	-	1,659	1,659	-
Citizens UK	1	-	10	10	-
Total 2025	68	242	3,428	3,670	376
Total 2024	89	234	142	376	

The prior year has been restated to reanalyse some expenditure from grants made into support costs expenditure.

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13. Net income/(expenditure)

This is stated after charging:

	2025	2024
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	**16**	14
Auditor's remuneration - audit	**22**	20

14. Auditor's remuneration

	2025	2024
	£000	£000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**22**	20
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**4**	4

15. Staff costs

	2025	2024
	£000	£000
Salaries	**2,132**	1,980
National insurance contributions	**242**	187
Pension costs	**99**	235
	2,473	2,402

The Church of England Funded Pension scheme included 4 employees (2024: 7 employees). The defined benefit scheme included no active employees (2024: no active employees) and the defined contribution schemes included 60 employees (2024: 56 employees).

Total staff costs total £7,402k for the year (2024: £7,373k). This includes the staff costs above of £2,473k (2024: £2,402k), stipends as shown below of £4,929k (2024: £4,808k) and capacity building posts of £nil (2024: £163k).

In note 9 these total staff costs are split between stipends, salaries and national insurance of £6,463k (2024: £6,094K), pension contributions of £897k (2024: £1,171k), and lay staff costs of £42k (2024: £108k) within housing costs.

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15. Staff costs

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

	2025 **No.**	As restated 2024 No.
Administration	**3**	3
Communications	**3**	2
Deanery administration	**3**	5
Discipleship and Ministry	**15**	11
Education	**6**	6
Finance	**7**	7
Human Resources	**1**	2
Parish ministry	**1**	-
Programme Management Office	**6**	4
Property - clergy housing	**2**	2
Property - Jubilee House	**3**	3
Recharged to other entities	**2**	3
Rural Cluster parish roles funded by the DIP	**2**	-
Safeguarding	**6**	5
School & university chaplaincy	**7**	8
	67	61

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15. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	2025 No.	As restated 2024 No.
Administration	**3.33**	3.07
Communications	**1.88**	1.35
Deanery administration	**2.02**	2.86
Discipleship and Ministry	**12.59**	8.82
Education	**5.25**	5.26
Finance	**6.55**	6.47
Human Resources	**1.25**	1.86
Parish ministry	**1.30**	0.47
Programme Management Office	**5.78**	3.50
Property - clergy housing	**1.74**	1.71
Property - Jubilee House	**2.14**	2.36
Recharged to other entities	**1.22**	2.02
Rural Cluster parish roles funded by the DIP	**2.50**	-
Safeguarding	**4.99**	4.40
School & university chaplaincy	**4.65**	5.75
	57.19	49.90

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15. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
	No.	No.
In the band £60,001 - £70,000	**1**	-
In the band £70,001 - £80,000	**2**	2
In the band £80,001 - £90,000	**-**	1
In the band £90,001 - £100,000	**1**	-

Pension payments of £23,229 (2024: £22,174) were made for these employees.

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 Board of Finance. During 2025 they were:

Diocesan Chief Executive and Company Secretary	Mr M Cooper
Director of Discipleship and Ministry	Revd James Halstead
Diocesan Director of Education	Mr N Frith
Director of Finance and Operations	Mrs K Proctor (resigned 3 April 2026)
Programme Director	Mr N Peake
Diocesan Safeguarding Officer	Mr J Hodgson

Remuneration, including employers' NI and employers' pension contributions for these 6 (2024: 7) employees amounted to £548,719 (2024: £516,659).

Directors' emoluments

No Director received any remuneration for services as Director. 11 Directors received travelling and out of pocket expenses, totalling £8,333 (2024: 11 Directors received £11,016) in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Directors. Ot these, 3 directors also received £18,066 (2024: £nil) in respect of resettlement grants.

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15. Staff costs (continued)

The following table gives details of the stipendiary Directors, including those who were in receipt of a stipend and/or housing provided by the Board during the year:

	Stipend	**Housing**
The Right Revd P Williams	No	No
The Right Revd A Emerton	No	Yes
The Ven V Ramsey	Yes	No
The Ven P Williams	Yes	Yes
The Revd D Bocchetti	Yes	Yes
THe Revd Z Burton	Yes	Yes
The Revd S Hustwayte	Yes	Yes
The Revd J Hyatt	Yes	Yes
The Revd Dr J Mole	Yes	Yes
The Revd Dr M Wreford	Yes	Yes

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

The Board paid an average of 122 (2024: 122) stipendiary clergy as officeholders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2025	2024
	£000	£000
Stipends	**3,696**	3,540
National insurance contributions and apprenticeship levy	**435**	332
Pension costs - current year	**798**	936
	4,929	4,808

The annual rate of stipend, funded by the Board, paid to Archdeacons was in the range £43,000 - £44,000 (2024: £41,000 - £42,000) and other clergy who were Trustees were paid in the range £30,000 - £32,000 (2024: £30,000 - £31,000).

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16. Tangible fixed assets

	Freehold houses (see below) £000	Diocesan Office & caretakers' bungalow £000	Solar panels (see below) £000	Office equipment £000	Total £000
Cost or valuation					
At 1 January 2025	**32,385**	**3,809**	**226**	**404**	**36,824**
Additions	**1,163**	**-**	**-**	**2**	**1,165**
Disposals	**(529)**	**-**	**-**	**-**	**(529)**
At 31 December 2025	**33,019**	**3,809**	**226**	**406**	**37,460**
Depreciation					
At 1 January 2025	**-**	**28**	**86**	**388**	**502**
Charge for the year	**-**	**-**	**8**	**8**	**16**
At 31 December 2025	**-**	**28**	**94**	**396**	**518**
Net book value					
At 31 December 2025	**33,019**	**3,781**	**132**	**10**	**36,942**
At 31 December 2024	32,385	3,781	140	16	36,322

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16. **Tangible fixed assets - freehold houses**

	2025 Cost or deemed cost £000	2025 Number of houses	2024 Cost or deemed cost £000	2024 Number of houses
Endowment funds				
Benefit houses fund - Parsonage houses	18,726	125	18,104	124
Glebe funds				
Housing of team vicars, curates & others	7,214	35	7,516	36
Unrestricted (designated) funds				
Corporate property				
City Centre Resource Church	1,521	1	1,521	1
Housing of senior clergy, curates & others	5,603	24	5,290	25
Houses subject to value-linked loans				
Housing of curates and others	102	1	102	2
	33,166	186	32,533	188

The cost above includes £147k (2024: £148k) relating to solar panels.

Diocesan offices include the caretaker's bungalow situated in the grounds of Dunham House and amounts capitalised as part of the Jubilee House office build shown at cost. There is no reliable market value, but a valuation of both Jubilee House and the bungalow would be greater than historic cost. Dunham House is held in investment properties as it has been converted to 7 apartments for rental. Dunham House is valued on a freehold market value basis.

All of the freehold houses included above are freehold and are vested in the Board, except for benefice houses, which are vested in the incumbent. The Board is not free to dispose or encumber these properties as it sees fit, as they are to be used for clergy housing. They are carried at cost or deemed cost and in the opinion of the Directors, the carrying value of land and buildings is less than the market value and the expected residual value is not materially less than the carrying value. The costs of revaluation are considered to outweigh the benefits to the reader of the accounts. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £102,000 (2024: £102,000). Of the total land and buildings at 31 December 2025, £14.1m are valued at cost (2024: £14.7m), with the rest at deemed cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

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17. Investment property

	Freehold investment property £000
Valuation	
At 1 January 2025	**21,509**
Surplus on revaluation	**94**
At 31 December 2025	**21,603**

Due to their nature the historic cost of investment properties is not known. Included in investment properties are restricted funds of £nil (2024: £nil), endowment funds of £19,364k (2024: £19,095k) and unrestricted funds of £2,414k (2024: £2,414k).

18. Fixed asset investments

	Listed investments £000	Unlisted investments £000	Total 2025 £000	Total 2024 £000
Cost or valuation				
At 1 January 2025	30,974	7	**30,981**	28,843
Additions	13,126	-	**13,126**	8,813
Disposals	(14,378)	-	**(14,378)**	(8,038)
Revaluations	488	1	**489**	1,363
At 31 December 2025	30,210	8	**30,218**	30,981
Investment cash	670	-	**670**	743
At 31 December 2025	30,880	8	**30,888**	31,724

Included in the fixed asset investments are restricted funds of £7,764k (2024: £9,196k), endowment funds of £19,410k (2024: £11,662k) and unrestricted funds of £3,714k (2024: £10,866k).

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19. Debtors

	2025 £000	2024 £000
Due after more than one year		
Loans to parishes	**4**	26
	4	26
Due within one year		
Trade debtors	**1,275**	101
Rent debtors	**106**	93
Loans to parishes	**220**	6
Other debtors	**237**	100
Prepayments and accrued income	**220**	570
Parish share	**110**	62
	2,172	958

20. Creditors: Amounts falling due within one year

	2025 £000	2024 £000
Trade creditors	**324**	74
Other taxation and social security	**64**	48
Other creditors	**244**	148
Accruals and deferred income	**1,175**	1,156
Grants accrued - institutional	**12**	-
	1,819	1,426

	2025 £000	2024 £000
Deferred income at 1 January 2025	**904**	1,273
Income deferred during the year	**1,027**	904
Amounts released from previous periods	**(904)**	(1,273)
	1,027	904

Deferred income in the year relates to rent in advance and deferred grants.

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21. Creditors: Amounts falling due after more than one year

	2025	2024
	£000	£000
Loan with the Central Board of Finance - interest free	**-**	7
Church Commissioners value-linked loans	**98**	98
	98	105

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Interest at the time of the advance is at the rate of 4% per annum (3% per annum on loans advanced on or before 31 December 1992) rising annually by the increase in the Retail Prices Index. As the date of disposal of the property is not known, the analysis of the date due cannot be calculated.

Included within the above are amounts falling due as follows:

	2025	2024
	£000	£000
Between one and two years		
Loan with the Central Board of Finance - interest free	**-**	7
Over five years		
Church Commissioners value-linked loans	**98**	98

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22. Statement of funds

Statement of funds - current year

	Balance at 1 January 2025 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2025 £000
Unrestricted funds						
Designated funds						
Accumulated Capital	**9,118**	**-**	**-**	**-**	**-**	**9,118**
Mission Development fund	**108**	**-**	**-**	**-**	**-**	**108**
	9,226	**-**	**-**	**-**	**-**	**9,226**
General funds						
General fund	**7,312**	**9,829**	**(10,501)**	**(629)**	**368**	**6,379**
Total Unrestricted funds	**16,538**	**9,829**	**(10,501)**	**(629)**	**368**	**15,605**

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22. Statement of funds (continued)

	Balance at 1 January 2025 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2025 £000
Endowment funds						
Benefice Houses fund - expendable	**17,592**	**-**	**-**	**1,134**	**-**	**18,726**
Stipends fund capital - expendable	**41,695**	**737**	**(766)**	**-**	**177**	**41,843**
Parsonages capital - expendable	**189**	**-**	**-**	**(189)**	**-**	**-**
Stipends - permanent	**1,811**	**-**	**-**	**-**	**-**	**1,811**
Bramcote Bungalows - permanent	**1,106**	**-**	**-**	**-**	**-**	**1,106**
Haseldine Houses - permanent	**677**	**-**	**-**	**-**	**-**	**677**
Perry Gift Fund - permanent	**887**	**-**	**-**	**-**	**-**	**887**
Other permanent endowment funds	**135**	**-**	**-**	**-**	**-**	**135**
	64,092	**737**	**(766)**	**945**	**177**	**65,185**

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22. Statement of funds (continued)

	Balance at 1 January 2025 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2025 £000
Restricted funds						
Diocesan Board of Education	**9,830**	**61**	**(45)**	**(456)**	**61**	**9,451**
Pastoral Account	**223**	**-**	**(1)**	**-**	**-**	**222**
Benefice Houses restricted fund	**607**	**402**	**(719)**	**-**	**-**	**290**
Strategic Development Funding	**-**	**1,627**	**(1,592)**	**-**	**-**	**35**
Church Growth Programme	**-**	**1,659**	**(1,659)**	**-**	**-**	**-**
Other restricted income funds	**1,557**	**142**	**(505)**	**140**	**(264)**	**1,070**
	12,217	**3,891**	**(4,521)**	**(316)**	**(203)**	**11,068**
Total of funds	**92,847**	**14,457**	**(15,788)**	**-**	**342**	**91,858**

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22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2024 £000
Unrestricted funds					
Designated funds					
Accumulated Capital	9,118	-	-	-	9,118
Mission Development fund	108	-	-	-	108
	9,226	-	-	-	9,226
General funds					
General fund	7,188	9,835	(9,911)	200	7,312
Total Unrestricted funds	16,414	9,835	(9,911)	200	16,538

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22. Statement of funds (continued)

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2024 £000
Endowment funds					
Benefice Houses fund - expendable	17,592	-	-	-	17,592
Stipends fund capital - expendable	41,238	-	-	457	41,695
Parsonages capital - expendable	189	-	-	-	189
Stipends - permanent	1,811	-	-	-	1,811
Bramcote Bungalows - permanent	1,106	-	-	-	1,106
Haseldine Houses - permanent	677	-	-	-	677
Perry Gift Fund - permanent	887	-	-	-	887
Other permanent endowment funds	135	-	-	-	135
	63,635	-	-	457	64,092

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2024 £000
Restricted funds					
Diocesan Board of Education	8,947	340	(68)	611	9,830
Pastoral Account	74	123	26	-	223
Strategic Development Funding	-	981	(981)	-	-
Benefice Houses restricted fund	-	595	(127)	139	607
Strategic Development Funding	815	1,009	(594)	327	1,557
	9,836	3,048	(1,744)	1,077	12,217
Total of funds	89,885	12,883	(11,655)	1,734	92,847

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Description of funds

Expendable Endowment Funds - investment income is usable only for the specific purposes for which the endowment was given and the trustees may convert the capital into spendable income depending on various restrictions:

Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board is not free to dispose of the houses except in accordance with appropriate measures.
Stipends fund capital (Glebe funds)	represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The funds generate income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Globe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.
Parsonages Capital	the income to be applied to meet personage houses costs.
Clergy pension fund deficit	details contained in note 29

Permanent Endowment Funds - investment income only is usable for the specific purposes for which the endowment was given:

Stipends	to augment clergy stipends.
Bramcote Bungalows	to provide housing for retired clergy or their spouses.
Haseldine Homes	to contribute to the payment of pension contributions for stipendiary clergy in the diocese.
Perry Gift Fund	to provide grants to clergy and lay persons deserving of financial assistance.

Other Permanent Endowment Funds

Ministers in training	to provide grants to ministers in training.
Miss E L Brown Trust	to be applied at the discretion of the Bishop of Southwell.
Nottingham University Chaplaincy	to pay the expenses of the Nottingham University chaplaincy.
Sacrista Canonry	to be applied for the Canon appointed to occupy the stall of the Canonry of Sacrista in Southwell Minister
Southwell House/Hostel Charity	to be applied to property outgoings.
Yapp Donation	to be applied for a former employee's annuity, with any surplus to be used for the benefit of persons who are physically or mentally handicapped.

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Restricted Funds - can only be used for the specific purposes for which they were given:

Diocesan Board of Education	to administer the scheme for the Diocese's Church Schools' building programme and to operate for the benefit of Church Schools.
Pastoral account	set up under the provisions of the Pastoral Measure 1983 and represents proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983.
Strategic Development Fund	represents sums of money made available by the Archbishop's Council set aside for mission development.
Church Growth Programme	represents sums of money made available by the Archbishop's Council set aside for mission development.
Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board is not free to dispose of the houses except in accordance with appropriate measures.

Other Restricted Funds

Landon Bequest	to fund Church of England students and Ordinands to serve overseas.
Natal Link Fund	represents donations from parishes and individuals for general work and specific projects in the Diocese of Natal.
Readers Association	to meet central costs for Readers.
Industrial Chaplaincies	to meet central costs for industrial chaplaincies.

Designated Funds - general funds that the Trustees have chosen to use for a specific purpose:

Accumulated Capital Fund	represents amounts transferred from the general fund, gains less losses on investments and the directors' valuation of property transferred at no cost. This fund is designated for use to purchase fixed assets.
Mission Development Fund	Amounts in addition to the restricted fund set aside for Mission Development.

General fund - the general fund is the Board's unrestricted undesignated fund available for any of the Board's purposes without restriction.

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23. Summary of funds

Summary of funds - current year

	Balance at 1 January 2025 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2025 £000
Designated funds	**9,226**	**-**	**-**	**-**	**-**	**9,226**
General funds	**7,312**	**9,829**	**(10,501)**	**(629)**	**368**	**6,379**
Endowment funds	**64,092**	**737**	**(766)**	**945**	**177**	**65,185**
Restricted funds	**12,217**	**3,891**	**(4,521)**	**(316)**	**(203)**	**11,068**
	92,847	**14,457**	**(15,788)**	**-**	**342**	**91,858**

Summary of funds - prior year

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	As restated Balance at 31 December 2024 £000
Designated funds	9,226	-	-	-	9,226
General funds	7,188	9,835	(9,911)	200	7,312
Endowment funds	63,635	-	-	457	64,092
Restricted funds	9,836	3,048	(1,744)	1,077	12,217
	89,885	12,883	(11,655)	1,734	92,847

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24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000
Tangible fixed assets	10,030	501	26,411	**36,942**
Fixed asset investments	2,065	9,413	19,410	**30,888**
Investment property	1,350	889	19,364	**21,603**
Debtors due after more than one year	4	-	-	**4**
Current assets	3,503	835	-	**4,338**
Creditors due within one year	(1,249)	(570)	-	**(1,819)**
Creditors due in more than one year	(98)	-	-	**(98)**
Total	15,605	11,068	65,185	**91,858**

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	10,703	-	25,619	36,322
Fixed asset investments	1,193	11,153	19,378	31,724
Investment property	1,525	889	19,095	21,509
Debtors due after more than one year	26	-	-	26
Current assets	3,719	1,078	-	4,797
Creditors due within one year	(523)	(903)	-	(1,426)
Creditors due in more than one year	(105)	-	-	(105)
Total	16,538	12,217	64,092	92,847

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25. Reconciliation of net movement in funds to net cash flow from operating activities

	2025	2024
	£000	£000
Net (expenditure)/income for the period (as per Statement of Financial Activities)	**(748)**	3,048
Adjustments for:		
Depreciation charges	**16**	14
Gains on investments	**(583)**	(1,820)
Dividends, interests and rents from investments	**(1,263)**	(1,237)
Profit on the sale of fixed assets	**(219)**	(1,020)
(Increase)/decrease in debtors	**(1,214)**	66
Increase/(decrease) in creditors	**393**	(364)
Defined benefit pension scheme adjustments	**(241)**	(86)
Net cash used in operating activities	**(3,859)**	(1,399)

26. Analysis of cash and cash equivalents

	2025	2024
	£000	£000
Cash in hand	**2,170**	3,865
Investment cash (note 18)	**670**	743
Total cash and cash equivalents	**2,840**	4,608

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27. Analysis of changes in net debt

	At 1 January 2025 £000	Cash flows £000	At 31 December 2025 £000
Cash at bank and in hand	**3,865**	**(1,695)**	**2,170**
Investment cash	**743**	**(73)**	**670**
Debt due after 1 year	**(105)**	**7**	**(98)**
	4,503	**(1,761)**	**2,742**

28. Capital commitments

	2025 £000	2024 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**660**	-

The above year end commitment relates to a property acquisition that was contractually agreed but not completed until after the reporting date.

29. Pension commitments

The Board participates in two pension schemes, both of which hold the assets of the schemes separately from those of the Board and the other participating employers. One of these is the Church of England Funded Pension Schemes for stipendiary clergy, the other is The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme for lay staff.

Church of England Funded Pension Scheme (CEFPS)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £798,000 in 2025 (2024: £936,000), plus any figures arising from contributions in respect of any Scheme deficit.

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29. Pension commitments (continued)

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 £0 (2024: £0).

The December 2024 valuation revealed a surplus of £560m, based on assets of £2,570m and a funding target of £2,010m, assessed using the following assumptions:

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

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.

The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme - Defined Benefits Scheme

The Board operates a defined benefit pension scheme in respect of eligible employees whose employment began on or before 1st April 1993. The Board is required to follow Financial Reporting Standard 102 in disclosing the financial position of the scheme. The trustees of the scheme are required to act in the best interests of the Scheme's beneficiaries. The Scheme Trust Deed requires that one trustee be appointed from amongst the active members of the scheme - a member-nominated trustee. One trustee is appointed from amongst the membership of Bishop's Council (the Board of Directors) and the third and final trustee is the officeholder of the post of Chief Executive of the Board of Finance.

The contribution is determined by a qualified actuary on the basis of triennial valuations using the 'Attained Age Method' and the most recent valuation was at 31st March 2017. During the year the Board paid contributions of £206,000 (2024: £64,000). The annual contribution to the scheme is charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Board.

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29. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 December 2025 %	At 31 December 2024 %
Discount rate	**5.60**	5.50
Future pension increases	**3.00**	3.20
Inflation assumption (RPI)	**3.05**	3.30
Inflation assumption (CPI)	**2.75**	2.40

	At 31 December 2025 Years	At 31 December 2024 Years
Mortality rates (in years)		
- for a male aged 65 now	**22.4**	21.8
- at 65 for a male aged 45 now	**25.5**	24.9
- for a female aged 65 now	**24.7**	24.4
- at 65 for a female aged 45 now	**27.8**	27.5

The charity's share of the assets in the scheme was:

	At 31 December 2025 £000	At 31 December 2024 £000
Bonds	**2,769**	3,294
Cash	**22**	41
Total fair value of assets	**2,791**	3,335

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29. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2025 £000
Interest income	**(184)**
Interest cost	**149**
Total amount recognised in the Statement of financial activities	**(35)**

There are no active members, there are therefore no current service costs recognised in the Statement of financial activities.

Movements in the present value of the defined benefit obligation were as follows:

	2025 £000
Opening defined benefit obligation	**2,801**
Interest cost	**149**
Actuarial losses	**7**
Benefits paid	**(188)**
Closing defined benefit obligation	**2,769**

Movements in the fair value of the charity's share of scheme assets were as follows:

	2025 £000
Opening fair value of scheme assets	**3,335**
Expected return on assets	**184**
Actuarial losses	**(746)**
Contributions by employer	**206**
Benefits paid	**(188)**
Closing fair value of scheme assets	**2,791**

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	2025	2024
	£000	£000
A reconciliation of the balance sheet liability is set out below		
Closing defined benefit obligation	**(2,769)**	(2,801)
Closing fair value of scheme assets	**2,791**	3,335
Surplus not recognised	**(22)**	(534)
	-	-

In the current year the surplus of £22,000 (2024: surplus of £534,000) has not been recognised in the financial statements as a material doubt arises over the ability of the charity to recover these funds. The total actuarial loss to the Statement of Financial Activity of (£241,000) relates to actual losses on scheme assets of (£7,000), actuarial losses on scheme assets of (£746,000) and the unrecognised movement in the capped pension liability of £512,000.

The scheme is currently going through a buy out process, employer contributions of £206k have been paid in the year to secure member benefits, the buy out is expected to be completed in the near future and there is no anticipation of either a material liability or asset on cessation.

30. Related party transactions

Transforming Notts Together
The Board of Finance are the founding members of "Transforming Notts Together", which is a charitable company limited by guarantee. The Diocesan Board of Finance continues to be a party of significant influence over the entity. A grant of £10,000 has been made to the charitable company in the year (2024: £10,000).

The Diocese of Southwell & Nottingham Multi Academy Trust
The company was set up in August 2013 and is limited by guarantee without share capital. The Diocesan Board of Finance continues to be a party of significant influence over the entity. The company houses the church schools which have converted to Academy status. The directors are Roger Periam, John Hunter, Hilary Craik, Chris Moodie, Angela Pae and Canon John Loughton. The Multi Academy Trust paid the Board £52,370 (2024: £40,644) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2025 was £12,675 (2024: £12,729).

31. Contingent liabilities

The Board is a party to a guarantee in respect of Bluecoat Academy, as in common with all Church of England schools, the Board owns the land the school building is built upon.

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32. Funds held as custodian trustee

The Board acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. Each year an annual statement of value is made available to all PCCs.

33. Devolved capital formula

Since April 2006, the Department of Education (DfE) have paid devolved Formula Capital (DFC), directly to schools or dioceses before the funds are spent on capital projects. This year education restricted funds received £453,754 on behalf of 12 schools (2024- £502,244 on behalf of 5 schools). These funds are maintained in individual school ledgers with payments and governors 10% contributions shown. The Schools Executive Officer monitors these accounts and advises schools of current balances and authorises payments.

34. Collaboration agreement

In 2010 the Board entered into a collaboration agreement with 5 other parties to develop land for housing. The terms of the agreement are such that the Promoter has first call on any receipts from the housing developer, as they are responsible for putting the infrastructure into the site for it to be developed for new homes. Any surplus left at the end of the project will be shared amongst the members of the collaboration agreement, but at 31 December 2025, the timing and receipt of these funds cannot be measured with any material certainty. During 2021 the four parcels of land owned by the Board were sold to the housing developer, but in accordance with the Collaboration agreement the proceeds were added to the collaboration account to cover continuing infrastructure costs, and were not remitted to the Board. There is a fixed charge dated 11 April 2018, in favour of Homes and Communities Agency relating to the collaboration agreement, regarding a small piece of land that is part of the agreement owned by the Board.

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SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

2025

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
(For the year ended 31 December 2025)

Document ID: 2ee06e7c8a89e3942ed4845f8c28ab8881691584876a9efff8f0b2e48031de16

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INTRODUCTION

1.1 CHAIRMAN'S FOREWORD

"So then, just as you received Christ Jesus as Lord, continue to live your lives in him, rooted and built up in him, strengthened in the faith as you were taught, and overflowing with thankfulness." Colossians 2:6-7

This text is an inspiring anchor point for every disciple of Christ. It also seems apt to express the continued mission we have shared across the diocese in 2025, making the Good News of Jesus Christ known through our witness to his saving love and the living hope that underpins our partnership in the gospel.

Our priority as a diocese is to 'continue' Growing Disciples. The story of this year is told most compellingly and movingly in the lives of those who have come to know Christ Jesus as Lord, as well as across our parishes who are being 'strengthened in the faith' and equipped to serve in new ways. The health and vitality of the diocese is not primarily measured through certain outcomes or specific objectives – though we give attention to these, as we should – but as we go on 'overflowing with thankfulness.'

There is much for which we can give thanks, even as we 'continue' to participate prayerfully and energetically in the work of God, with our single priority of Growing Disciples.

This year has seen the continued development and implementation of the seven areas of focus as part of our renewed vision for 2030 to see the living hope of Christ in the city, towns and villages of Nottinghamshire beyond, and many of these are included in the annual report over the next few pages, so may I take this opportunity to select a few personal highlights from the last year, and also to thank you for the many ways in which you generously give of your time, in prayer and practical ways, your spiritual gifts that build up the church, and your finances.

In 2025 it has been a particular privilege, with Bishop Andy and the Archdeacons, to have licenced ten new incumbents, five of whom were curates in this diocese moving into their first posts of responsibility, as we continue to see the fruit of investment into leadership pipelines. These were licensed to all the various contexts of the diocese – city, towns and villages.

I give particular thanks for the further stories of Growing Disciples across our many villages. In 2025, this included the launch of the rural revitalisation pilot as three Lead Mission Enablers were commissioned to support several benefices working more closely together as three new rural clusters. Five newly licensed incumbents have been appointed as Mission Associates to work alongside these Lead Mission Enablers, along with nationally funded posts such as operations managers, children and families' workers or contemporary worship leads, depending on the context. Bishop Andy and I are greatly looking forward to engaging with schools in these clusters during Lent 2026.

I am continually inspired by the Living Hope Stories, shared regularly via our social media and the website, that remind us that the church exists above all to introduce people to Jesus and enable them to grow in faith and love. There is a new spiritual openness in the wider culture which is bringing many increased opportunities for local churches to speak about Jesus, reaching people

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of all ages and backgrounds. As we have continued to gather during Diocesan Days of Prayer across the diocese, it has been exciting to see Fuel (Nottingham), the monthly prayer gathering for young people multiply to have Fuel North (Worksop), Fuel South (Wilford) and Fuel East (Newark) as the spiritual hunger among young people continues to grow.

The development of vocations continues to grow in encouraging ways, with the appointment of a new Head of Vocations, the inspiration of Ready to Serve, which provides the space and inspiration for possible candidates to explore whether God is calling them to ordained ministry. We are planning further vocational opportunities in the coming year. As we seek to grow leaders for every sphere of life, I continue to be hugely encouraged by the stories and commitment of our Licensed Lay Ministers (Readers) and the development and faith of our young people through our diocesan internship programme.

I recognise, however, that while we may celebrate the many encouragements there is still need for prayerful endurance and careful discernment as we seek to progress all parts of the Growing Disciples plans across the diocese. I am very thankful for all who serve with such dedication in churches who continue to wait on the Lord for a new season of growth in ministry. Some of our parishes in vacancy have been remarkably fruitful in growing the church and preparing the ground for new opportunities, yet we remain focused on growing new vocations and making appointments that will enable parishes and those who minister to flourish. While I also celebrate the steps forward taken by many parishes in our journey of generosity, we recognise that we still have some way to go in our commitment to reach financial sustainability.

Safeguarding remains a fully integrated part of the ministry and mission of the whole diocese and as we continually seek to enhance and develop our safeguarding provision, I am especially thankful for all within our parishes and central safeguarding team who exercise such diligence and care in this work. Together, we seek to ensure that victims and survivors are appropriately responded to and cared for and that we build healthy relational and spiritual cultures across the diocese. Through the second half of 2025 there has been important preparation undertaken for the INEQE safeguarding audit that was conducted in early January 2026.

As I reflect on the year that has been I am yet again deeply thankful for all that each of you has given, some of you over many years, to support and encourage all who share in the ministry of our churches, schools and chaplaincies to bring the living hope of Christ to all who live and work in the diocese, and I look forward to continuing to serve alongside you in 2026.

With gratitude for our partnership in the gospel,





The Rt Revd Paul Williams
Bishop of Southwell and Nottingham

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1.2 ADMINISTRATIVE DETAILS

TRUSTEES
In accordance with the Companies Act 2006, The Statement of Recommended Practice 2019 (SORP 2019) and Financial Reporting Standard 102 (FRS 102), the Trustees (for the purposes of charity law) and Directors (for the purposes of company law) during the year and as at the date of signing follow:

PRESIDENT
The Lord Bishop of Southwell and Nottingham, Right Revd Paul Williams

BISHOP'S COUNCIL AND STANDING COMMITTEE OF THE DIOCESAN SYNOD (BEING THE FINANCIAL EXECUTIVE OF THE DIOCESAN SYNOD AND THE BOARD OF DIRECTORS OF THE BOARD OF FINANCE)

EX-OFFICIO
The Bishop of Southwell & Nottingham – The Rt Revd Paul Williams
The Bishop of Sherwood – The Rt Revd Andrew Emerton
The Dean of Southwell – Revd Canon Dr Neil Evans (interim, resigned 10 April 2026)
The Archdeacon of Newark **(a) –** The Ven Victoria Ramsey
The Archdeacon of Nottingham **(a) (b)** – The Ven Philip Williams
The Chair of the House of Clergy of the Diocesan Synod (Revd S Hustwayte) **(a)**
The Chair of the House of Laity of the Diocesan Synod (Mr M Wilson) **(a)**
The Chair of the Finance Committee (Canon M Arlington, resigned 20 May 2025)
The Interim Chair of the Finance Committee (Revd C Bourne, appointed 10 June 2025)(a)

ELECTED BY THE SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD

CLERGY
Newark Archdeaconry (2)
Revd Z Burton
Revd J Hyatt

Nottingham Archdeaconry (6)
Revd D Bocchetti
Revd Dr J Mole
Revd Dr M Wreford

(a) Member of the Finance Committee
(b) Member of the Board of Education

LAITY (9)
Newark Archdeaconry (4)
Mr R Brand
Professor P Harris (b)
Dr P Lake
Mrs T Pearse

LAITY (9)
Nottingham Archdeaconry (5)
Mr M Bolton
Mr T Bramall
Mr R Cleave (a)
Mr P Fisher
Mrs J Robins

PRINCIPAL OFFICERS AND ADVISORS

Diocesan Chief Executive & Company Secretary	Mr M L Cooper BA (Hons) FCA ATII
Diocesan Registrar, Bishop's Legal Secretary & Legal Adviser to the Board of Finance	Mrs A J Redgate LLB

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JUBILEE HOUSE LEADERSHIP TEAM
Director of Discipleship & Ministry – Revd James Halstead
Diocesan Director of Education – Nigel Frith
Director of Finance and Operations – Katrina Proctor (resigned 3 April 2026)
Programme Director – Neil Peake
Diocesan Safeguarding Officer – Julian Hodgson

BANKERS
Lloyds Bank Nottingham

SOLICITORS
Rotheras, Nottingham
Shakespeare Martineau, Nottingham

MINING, MINERALS, ENGINEERING INSURERS & ENVIRONMENTAL CONSULTANTS
Mineral Surveying Associates

AUDITOR
Sumer Auditco Limited
Sidney Street
Sheffield
S1 4RG

REGISTERED ADDRESS
Jubilee House
Westgate
Nottingham
NG25 0JH

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LEGAL OBJECTS

The Trustees, who are also Directors for the purposes of company law, present their report and the audited financial statements of the charity for the year ended 31 December 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

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

This combined report satisfies the legal requirements for:

- A Directors' Report of a charitable company,
- A Strategic Report under the Companies Act 2006 and
- A Trustees' Annual Report under the Charities Act 2011

The principal object of The Southwell & Nottingham Diocesan Board of Finance ("the Board") is to promote, assist and advance the work of the Church of England in the Diocese of Southwell & Nottingham by acting as the financial executive of the Southwell and Nottingham Diocesan Synod.

The Board has the following statutory responsibilities: -

I. the management of glebe property and investments to generate income to support the cost of stipends arising from the 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 1991;
IV. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents, Archdeacons and Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the Board are established by the Diocesan Synod in communication with Deanery Synods, Parochial Church Councils (PCCs), and the Bishop of Southwell & Nottingham (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally; including an annual series of consultations on specific matters relating to the priorities for the forthcoming year, including the Diocesan Budget.

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PUBLIC BENEFIT

The Trustees are aware of the Charity Commission's guidance on public benefit in The Advancement of Religion for the Public Benefit and have had regard to it in their administration of the Board. The Trustees believe that, by promoting the work of the Church of England in the Diocese of Southwell & Nottingham, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Board for the purposes of Company Law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company 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 2019 (FRS102);
- 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 responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
In so far aware the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out in the section on Structure and Governance. Trustees are given an induction at the outset of the triennium and at other times as needs are identified. 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. Some staff hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act.

VOLUNTEERS

The Board is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of the church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly in times of crisis. Within this context, the Board greatly values the considerable time given by all the committee members across the diocese in pursuit of the mission of the Board.

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3.1 VISION AND STRATEGIC OBJECTIVES

We have a vision of **'Living Hope for the city, towns and villages of Nottinghamshire and beyond'.** We recognise that our world is in desperate need of hope. In a time of great global and national upheaval, with our country's structures and systems under pressure and the increasing mental health challenges facing young people, the cry for hope is clear. A hope that brings transformation and new life, healing and wholeness. We believe that hope is found in Jesus Christ, which the church is uniquely placed to share in every community.

This is lived out through **our calling and mission for 'Growing Disciples of Christ with Compassion, Confidence and Courage'.**

Compassion: To meet the world's deepest needs with Jesus' love
Confidence: To root our life and faith in Jesus
Courage: To share Jesus with all our hearts

We have identified **7 Areas of Focus** for mission and ministry in parishes and across the life of our Diocese. We hope these will act as reference and review points and drive investment and prioritisation of time, energy and resources:

Inspiring Worship: Because coming together to meet with God should be the most captivating time of anyone's week.
Reaching Younger: Because Jesus is the surest foundation for life.
Enhancing Diversity: Because each person matters to Jesus and is precious in his sight.
Growing Leaders: Because the harvest is plentiful.
Enabling Commitment: Because there is nothing better anyone can do with their life than become a follower of Jesus.
Encouraging Generosity: Because we serve a God of abundance and every good gift comes from him.
Nurturing Prayer: Because prayer changes everything.

The Board resources the vision, mission and areas of focus through the support of 229 parishes and networks across the Diocese. The annual budget has been set against this background, designed to provide adequate resources to fund the present, as well as to shape the future, in a way that is fit for our missional task. We continue to prioritise the appropriate provision of stipendiary parish clergy and licensed lay workers across the Diocese.

The Board's strategy for achieving its objectives is to adopt a methodology of limiting central sources of expenditure in favour of both releasing funds for mission and minimising the increase in Parish Share whilst securing external funding to accelerate our strategic growth plans. The Board continues to maintain the sound financial structure needed to enable it to continue supporting the clergy and lay workers through the payment of stipends, managing parsonages and other ministerial housing. It provides resources in support of the ministry of both clergy and lay people in parishes across the Diocese.

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3.2 ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

In 2025, the diocese continued to embed the renewed vision and has seen further growth across many areas. In April, Bishop Paul and Bishop Andy shared a video update outlining progress in our diocesan vision and mission. Highlights from the year include a continued focus on worship and prayer; more than 50 nurture courses running simultaneously across our churches in the spring, giving many the opportunity to encounter Jesus for the first time; and our successful Living Hope Stories, which share testimonies of the transformation Jesus has brought to individuals' lives across the diocese.

As part of our refreshed vision, our primary activities and achievements are viewed through the lens of our 7 areas of focus.

INSPIRING WORSHIP

In 2025, we appointed a full-time Contemporary Worship Lead and part-time Worship Leader Facilitator to support the development of the School of Worship training, build a pipeline of leaders, and to resource churches across the diocese in this area. This was made possible through the Church Growth Programme funding.

The theme of the 2025 Diocesan Conference was 'Inspiring Worship & Nurturing Prayer'. It provided an opportunity for clergy and lay leaders to think more about what inspiring worship looks like in their context, including teaching on 'Intergenerational Worship' from Becky Drake (Worship for Everyone).

The 'Flourish' pilot is now in year two and funding has been approved for a third year. It continues in four locations, establishing new approaches to worship in secondary schools, engaging with local churches and the development of young leaders. Exciting stories are coming out of the prayer groups in each school.

It has been exciting to see the 'Connect' after-school church model continue to expand, with now a significant number of primary schools and local churches offering an opportunity to worship together after school.

As part of the Church Growth Programme (CGP), three new funds were launched in 2025 to support parishes to grow in their mission and ministry. This is alongside named CGP projects in places across the diocese which continue to develop, enabling new or revitalised ministry opportunities.

REACHING YOUNGER

2025 was the fourth year of our programme, enabled by Strategic Development Funding (SDF); throughout this period we've seen approximately 1000 new under 18s join in with regular discipleship activities in local churches. Throughout 2025, we have seen a substantive increase in churches with 25+ young people and are continuing to work to maintain this momentum. We ran the 'Inspire' programme for the fourth time, helping to equip churches to place 'reaching younger' at the heart of what they do. Our Youth & Children's team continued to provide a range of training opportunities for youth and children's workers throughout the year. In July, there was a 'Younger Leaders Adventure Weekend' at an outward-bound centre. This was a chance to invest in older youth with leadership potential.

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We have heard of many stories of people walking into church for the first time, particularly amongst the younger generation. The impact of this has been felt at St Saviour's Nottingham, who have seen their youth ministry grow from nothing to several young people getting baptised throughout last year. The new CGP resource church and revitalisation funds were launched in 2025, with many churches using this funding for roles in children and youth ministry. 9 new workers have been appointed using this funding so far, with others currently in the recruitment process.

The Diocesan Education Team continues to support the 73 church schools and five multi-academy trusts (MATs) in our Diocese. There is now a Faith Committee in each MAT, to evaluate and develop the Christian message throughout their organisations. The mission field in schools across our diocese totals well over 20,000 children and young people.

ENHANCING DIVERSITY

In 2025, the diocese was awarded a two-year grant from the national Racial Justice Unit to help us develop our ministry in this area. This will fund a part-time role to help us build capacity and develop a strategy (this role is currently out to advert). This grant will also feed into a vocations fund to enable those pursuing lay or ordained vocations to overcome barriers to participation and engagement.

Three churches secured large grants of £50,000 each from the Disability Parish Grant Scheme in 2025, enabling them to develop their church facilities to become more accessible.

The diocesan education team ran a ‘Governors Like Us’ pilot project in 2025, with the aim of enhancing the diversity in church school governing bodies. Working with Nottingham’s black majority churches and the Church of England’s Racial Justice Unit, we had a number of new governors being trained and joining school governing boards.

GROWING LEADERS

Through our Petertide Ordinations, we were pleased to welcome a cohort of 10 deacons and 8 priests who now lead and serve across our city, towns and villages. We also welcomed 13 Licensed Lay Ministers (LLMs) adding to a total of 62 LLMs under the new scheme across the Diocese. Revd Angelika Bocchetti was appointed as ‘School of Discipleship Lead’, heading up the LLM training programme, and we welcomed Revd Dr Matt Prior as the new Head of Vocations in January 2026.

Our internship ‘The Apprentice Track’ continues to be a significant and important pipeline for leadership development as part of the Younger Leadership College. In June 2025, we expanded the YLC Team, enabled by CGP finding, welcoming Megan Sawyers as Apprentice Track Facilitator, adding capacity and overseeing the first-year internship scheme.

In September 2025, 25 young adults representing 13 churches started the new year of our intern programme with 17 in our year 1 Apprentice Track and 8 in our year 2 Leadership Track. There are a further 4 young adults taking part in the Apprentice Track/Leadership Track alongside their work or studies. Two of our second-year interns have also already moved into ministry roles in local churches, demonstrating the leadership pipeline the programme is providing.

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In October 2025, we launched a pilot of a new exploring vocations programme: Ready To Serve. The programme offered 25 potential candidates the space and inspiration to explore their sense of calling to ordained ministry, over the course of a 6-month programme. The next cohort will begin in April 2026.

The Diocesan Education Team ran two 'Young Leaders of Collective Worship' conferences, aiming to equip and inspire children and young people to become worship leaders. They also ran their annual 'Listen Up' conference, inviting young people to inspire each other and develop as leaders.

The Rural Revitalisation Pilot continues to develop, with the appointment of 4 new Mission Associates in 2025. Growth as a result of the scheme has already been encouraging, with 5 new families joining a very small rural church.

Two of our key events for leadership development are the Bishop's Study Day and Diocesan Conference. These events are a highlight of the year and offer clergy and key lay leaders the opportunity to gather, worship together and grow in their leadership. They run alongside our ongoing support for clergy through the bishop's fireside groups and learning communities that operate across our deaneries.



ENABLING COMMITMENT

The DISCIPLE course ran for a second year in Aslockton and Mansfield, with 25 people in attendance. Planning also began for the development of a video version of the course, working with an external agency to produce a high quality 5-week adaptation of DISCIPLE, with the intention of making it more accessible for churches across the diocese.

As mentioned above, Revd Angelika Bocchetti was appointed as School of Discipleship Lead, alongside the appointment of Revd Kristine Mole as Parish Discipleship Enabler. These part time roles offer central diocesan programmes and tailored support to parishes.

In the Spring, over 50 nurture courses were run in churches across the diocese, with a page on the diocesan website dedicated to share information about these courses on a map, allowing more people to engage with and explore faith.

Over the year we celebrated 249 confirmations across all contexts of our Diocese - a 54% increase from 2024. These took place over 18 confirmation services, including in parish, deanery and diocesan confirmations, including one held at HMP Ranby.

Our communications team launched the 'Living Hope Stories' series in 2025, with a focus to rediscover testimony as a key tool to church growth. The channel has seen over 275,000 views across 26 stories of lives transformed by Jesus in 2025. These stories have been shared internationally, reaching many with the good news of Christ's Living Hope both in churches and beyond. We continue to release stories weekly, and hope to build upon this success in 2026 by gathering stories from a wider range of contexts.

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ENCOURAGING GENEROSITY

2025 saw the commissioning of new resources to aid parishes in their journey of generosity, including a series of videos on generosity from Bishop Paul, alongside some small group resources. These are scheduled to be launched in early 2026.

In 2025, we produced a 'Journey of Generosity' booklet for parishes, which included information on ministry costs and how parishes are supported, a generosity prayer, as well as encouraging personal and parish stories of growing in generosity. These booklets were well received when shared with parishes during Journey of Generosity meetings held during 2025. These meetings offered all parishes an opportunity to engage with the Parish Share Team following the sharing of the initial 10 year parish share trajectories towards the end of 2024. These conversations helped build relationships and enabled targeted support to be offered by our Parish Finance Enablers, funded through the CGP. This work laid bare the challenge of congregational giving in many of our churches, with average regular weekly giving per church varying between £1.41 and £68. A giving strategy is being developed to address the underlying issues of discipleship.

The Parish Share Team continues to hear stories of both personal and congregational generosity from parishes in every context across the diocese, and we're looking forward to sharing more of these in 2026.

The financial aspect of the Journey of Generosity is overseen by the Parish Share Team. In 2025, the team was encouraged by an increase of £560,000 over two years in parish share receipts. Whilst there is more progress needed, there is heartfelt thanksgiving to God and to parishes for what has been achieved.

NURTURING PRAYER

We have continued to nurture prayer through 2025. Alongside prayer meetings and gatherings in churches, Jubilee House and in peoples' homes across the diocese, on the second Thursday of each month there have been specific opportunities to pray and worship as part of a Diocesan Day of Prayer. In the first half of the year these were held in Southwell, combining the invitation to Evensong in the Minster with a more informal gathering at Bishop's Manor. In November Bishops Paul and Andy hosted different events at lunch time and in the evening in four churches close to the historic gates of the city of Nottingham, before hosting in 'compass point' locations of the county in the month of December as we look to encourage prayer across the diocese.

In 2025, the prayer life at Jubilee House (diocesan offices) has continued to develop. Optional times of prayer are offered in the chapel on Mondays and Wednesdays, as well as the opportunity to hear a thought for the day and pray together at monthly 'All-Staff' meetings. In 2026, there are plans for a Jubilee House Alpha course, offering diocesan staff the opportunity to explore faith.

For schools, the Diocesan Education Team provide an online monthly prayer meeting for headteachers to join, offering an opportunity to share with and pray for each other.

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SAFEGUARDING

Safeguarding activity across the diocese and cathedral strengthened significantly during 2025, despite ongoing pressures. The Diocesan Safeguarding Team (DST) sustained high standards of practice while navigating increased case complexity, staff sickness, and the demands of the INEQE audit. The audit provided strong independent external scrutiny, and we are waiting for the final report to be able to embed areas of development identified.

Prevention and training work has expanded substantially. The demand for parish support is high, with around 750 queries across the year and several parishes receiving informal audits of their practice ('diptests'), mentoring, and tailored guidance to strengthen compliance. Training delivery continued to grow, with significant increases in Leadership training uptake, expansion of parish trainer networks, and development of new learning resources including Trauma Informed Church training and Domestic Abuse Awareness updates. The Cathedral further enhanced its preventative work through revised safeguarding materials, updated signage, childfriendly resources and strengthened engagement with volunteers and staff.

Responsibility for DBS processing has now formally transferred to HR, with further work ongoing with the DST to ensure continuity and clarity for parishes and lead recruiters.

3.3 FUTURE PLANS

Throughout 2025 we have seen exciting developments in the connection between church and school, through projects like the Flourish pilot, as well as the setup of our new 'Connect' church-in-school services. Building on this, during Lent 2026, we will be focusing on **reaching younger**. Bishop Paul and Bishop Andy will spend time supporting three contexts where the church and school are looking to build stronger partnerships.

In the area of **enhancing diversity**, in 2026 we hope to use a portion of the Racial Justice Unit grant to adapt central diocesan materials (such as the new video-based DISCIPLE course) for those whose first language is not English.

As we continue to **encourage generosity** we will be launching a series of videos on generosity from Bishop Paul, alongside some small group resources. Our Journey of Generosity booklets will also be updated to capture fresh personal and parish stories of generosity whilst continuing to develop our giving strategy.

CHURCH GROWTH PROGRAMME

Having received full approval for the missional designs to revitalise the parishes of Carlton & Colwick, Kirkby-in-Ashfield and Sneinton in the Autumn of 2025, focus turns to supporting these parishes with their implementation plans, including recruitment. The missional design for Arnold was approved in 2026.

SAFEGUARDING

Looking to 2026, work will focus on embedding INEQE recommendations, improving data quality and case oversight, strengthening training oversight, reviewing capacity and resource

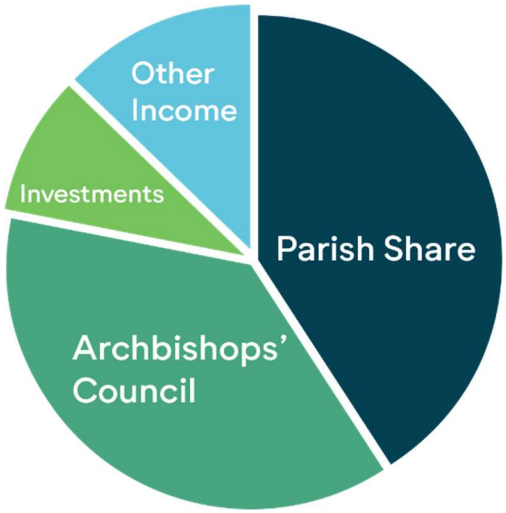
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where needed, and further consolidating the partnership between the Diocese and Cathedral. These foundations provide a confident platform for a more consistent, efficient, and well-supported safeguarding system in the year ahead.

3.4 FINANCIAL REVIEW

2025 INCOME SUMMARY

The largest single source of income to the Board is Parish Share. The Trustees are immensely grateful to all the parishes who have contributed parish share during the year, many at sacrificial levels, to enable mission and ministry throughout the Diocese.



Income for 2025 amounted to £14.5M (2024: 12.9M), This income is spread over 4 categories:

Parish Share – £5.8M
Initial 10-year Parish Share trajectories were communicated towards the end of 2024 as part of our shared Journey of Generosity as we seek to sustain and grow mission and ministry across the Diocese.

Archbishops' Council - £5.3M
Archbishops' Council provides direct support to dioceses through several grant funding streams, the most significant of which are the Diocesan Investment Programme (DIP), Lowest Incomes Communities (LInC) funding and Strategic Development Funding (SDF).The Church Commissioners pay directly for the bishops' stipends, their office and working costs, most cathedral stipends and grants to cathedrals. These costs are NOT included in the Diocesan budget.

Returns on Investments - £1.3M
Income is earned from our historic assets of agricultural Glebe land and direct financial investments in bonds and equities.

Other Income – £2.1M
This income includes rents from residential properties not immediately required for ministerial purposes, gains on disposal of property, statutory parochial fees and grants from external funders. The Board is grateful for external grant funding from Benefact Trust, which is applied towards the cost of our intern programme.

	2025	2024
Percentage of parish share received	89.0%	92.1%

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2025 EXPENDITURE SUMMARY

Expenditure for 2025 amounted to £15.8M (2024: £11.7M).

Direct Ministry – £5.8M
Incumbents are appointed to parishes to lead mission and ministry. The remuneration of clergy includes the cost of stipend, housing (including council tax and water rates), pension and National Insurance.



Direct Ministry Support – £1.7M
Across the Diocese we work together to nurture and support local churches as we seek to Grow Disciples and reach our local communities with the Living Hope of Jesus. To this end, we rely on the skills and expertise of colleagues in safeguarding, clergy wellbeing, youth and children's ministry advisors, archdeacons' team, deanery administrators, parish giving advisors, school/workplace chaplains and support for parishes in vacancy through sequestration.

Developing Ministry – £2.8M
We are focused on growing both the present and future generation of ministry leaders. We invest in discerning both lay and clergy vocations, lay and ordinand training and development, curate stipends, housing (including council tax and water rates), pension and National Insurance and the cost of the intern programme.

Statutory & Governance – £2.2M
As for all charitable companies, we need to comply with statutory requirements. We support local Parochial Church Councils (PCCs) to fulfil their statutory obligations through the Diocesan Advisory Committee (DAC), Registry, Finance Team and Communications Team. We are also required to contribute to the costs of National Church support functions.

SDF/CGP Reclaimable – £3.3M
Expenditure related to Strategic Development Funding and the Church Growth Programme which are claimed from Archbishops' Council.

BALANCE SHEET

The Trustees consider that the balance sheet, together with details in notes 22 and 24, show 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 £91,858,000 (2024: £92,847,000) it should be remembered that included in this total are c200 residential properties held for ministerial use, whose value amounted to £33.0 million (2024: £32.3 million). Much of the remainder of the assets shown in the balance sheet are held in endowed or restricted funds and cannot necessarily be used for the general purposes of the Board.

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RESTRICTED AND ENDOWMENT FUNDS

As set out in note 22 the Board holds and administers many restricted and endowment funds. As at 31 December 2025 restricted funds totalled £11.1m (2024: £12.2m) and endowment funds totalled £65.2m (2024: £64.1m).

DESIGNATED FUNDS

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer required. At 31 December 2025 total designated reserves were £9.2m (2024: £9.2m).

FREE RESERVES

The Board of Finance has considerable responsibilities including the remuneration of over 120 stipendiary clergy, the employment of over 60 full or part time staff and the upkeep of approaching 190 residential properties. Most of the Board's income is voluntary with the main sources being Parish Share, grant income from Archbishops' Council and investment income. Considering this and the flow of income, the Trustees have determined that it is prudent to hold free reserves at least equivalent to general fund expenditure over two months i.e. £1.5m.

At 31 December 2025, the Board of Finance's free reserves were £15.6m (2024: £16.5 million). The trustees consider that with the continuing pressure on parish share and significant time limited funding, the increased holding of free reserves is prudent.

FUNDS HELD ON BEHALF OF OTHERS

As Custodian Trustee

The Board 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 Board does not control them, and they are segregated from the Board's own assets by means of a separate bank account and accounting system.

On Behalf of Schools

The Board of Education (as incorporated within the Board) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also Government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out.

The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

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GRANT MAKING POLICY

Grants are paid to other connected charities and to other charitable projects which appear to the Board of Finance to support the furtherance of the Board of Finance's objects.

FUNDRAISING

The Board of Finance does not carry out significant public fundraising activities and did not receive any complaints relating to fundraising during the year.

3.5 PRINCIPAL RISKS

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the Trustees on an annual basis with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Chief Executive.

The key risks, which may impact on the charitable company, include:

1. **Failure to deliver Diocesan vision and strategy** – the risk is this will cause an overall decline in congregations and reductions in financial giving, limited ongoing mission and ministry due to financial constraints.

Existing Mitigation

- Good communication of vision and strategy both internally and externally as an organisation.
- Clear implementation plans and effective monitoring underpinned by prayer.
- Senior Leadership alignment to ensure vision and strategy stays central to the future of the Diocese.

2. **Impact on ability to recruit and retain capable staff and clergy within Diocese** – this risk could create an inability to implement strategic vision and manage the Diocese efficiently.

Existing Mitigation

- Continued investment in our pipeline for ordained ministry, with an ongoing focus on our internship scheme, 'The Apprentice Track'.
- Ongoing staff development and training to both retain existing talent and attract the right candidates from outside the organisation.
- Clergy/staff terms and conditions.

3. **Divergence of doctrinal views causing split in church** – this risk, fuelled by contemporary discussion and debate, could result in reduced attendance and giving. Alongside this it may also limit collaborative thinking and practice, as well causing reputational damage for the Diocese and parishes.

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Existing Mitigation

- Proactive, regular communications with clergy and parishes through email and in-person gatherings.
- An agreed openness to engage with particular issues or tensions together, to nurture a culture of radical candour.

4. **Significant event (s) fails to project a good image and causes significant reputational damage within the Church and beyond** – this risk may cause an abrupt and sudden decline in attendance and/or financial giving.

Existing Mitigation

- Ongoing monitoring of wider church events that would affect the Diocese.
- Good Communication Team and focus, particularly with PR skills and support.
- Connection with the national communications team to help the support and sharing of knowledge when required.

5. **Significant failure of Safeguarding, past or present** – this may cause reputational damage for the Diocese, or cause increased harm or impact on survivors of abuse.

Existing Mitigation

- Training provided to all appropriate parish/diocesan personnel.
- Employed specialist safeguarding staff to deal with all safeguarding allegations and issues.
- External reviews, with Diocesan Safeguarding Advisory Panel (DSAP) and independent chair whose role is to ensure proper governance of the safeguarding structures and to assist the Diocese in ensuring recommendations from the national church are implemented.

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STRUCTURE, GOVERANCE & MANAGEMENT

Southwell and Nottingham is one of 42 dioceses in the Church of England. It covers the whole of Nottinghamshire and a small section of South Yorkshire and North Leicestershire. It is administered through the Board, a charitable trust company limited by guarantee. The Diocese is arranged as 2 archdeaconries: Newark covering the north part with 4 deaneries and Nottingham the south with 5 deaneries. In total there are some 240 parishes.

Each Diocese is a separate entity led by the Bishop and is governed by the Canons of the Church of England and the Acts and Measures of General Synod as well as state legislation that relates to companies and charities. In Southwell and Nottingham, the Diocesan Bishop is assisted by the Suffragan Bishop of Sherwood.

At national level the Diocese relates to the Archbishops' Council, the Church Commissioners and the Church of England Pensions Board. Further information can be found at www.churchofengland.org. The financial transactions of these bodies do not form part of these statements.

Each diocese is divided into benefices which are made up of at least one parish. The priest of a benefice is an office holder who shares the cure of souls with the Bishop. Matters relating to finance and parish owned property in a parish, are the responsibility of the Parochial Church Council, each of which is an individual charity separate from the Diocese. Benefices are grouped together in nine Deaneries which are units of mission and conduits of communication, and whose members elect the members of General and Diocesan Synod.

SOUTHWELL MINISTER

This is the cathedral church of the diocese and is itself a separate legal entity. Copies of its annual report and financial statements may be obtained from the Cathedral Administrator, Southwell Minster, Church Street, Southwell, Nottinghamshire, NG25 0HD.

THE BOARD OF FINANCE AND DIOCESAN SYNOD

Within the Diocese there are two major bodies - the Diocesan Synod and the Board of Finance: the membership of both is coterminous.

BOARD OF FINANCE

The company, Southwell & Nottingham Diocesan Board of Finance, was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 5 June 1891 as a charitable trust company limited by membership guarantee (No. 34165) and its governing documents are the Memorandum and Articles of Association. The Board of Finance is registered with the Charity Commission (No. 249359).

The company, originally called the Southwell Diocesan Finance Association, changed its name to the Southwell Diocesan Board of Finance on 18 January 1932. On 28 February 2006, the company changed its name to the Southwell & Nottingham Diocesan Board of Finance.

As a member of the Board, each member of Synod has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

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DIOCESAN SYNOD

Diocesan governance is by Diocesan Synod which is an elected body with representation from all parts of the Diocese. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in Deanery Synods, lay persons elected by the houses of laity in Deanery Synods, plus up to 20 co-options.

The Diocesan Synod usually meets twice a year.

Its role is to:

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

Many of Diocesan Synod's responsibilities have been delegated to Bishop's Council.

THE BISHOP'S COUNCIL (AND STANDING COMMITTEE OF THE DIOCESAN SYNOD)

The members of the Bishop's Council are the Board of Trustees and Directors of the Company. The Bishop's Council consists of 8 ex officio members (the Diocesan and Suffragan Bishops; 2 Archdeacons; the Dean; the Chairs of the House of Clergy and House of Laity; and the Chair of the Finance Committee), 5 clergy elected by the House of Clergy from among their number (3 from the Archdeaconry of Nottingham and 2 from the Archdeaconry of Newark) and 10 lay persons elected by the members of the House of Laity representing deaneries (6 from the Archdeaconry of Nottingham and 4 from the Archdeaconry of Newark) and up to 4 co-opted members of Diocesan Synod. Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- to plan the business of the Synod,
- initiate proposals for action by the Synod and to advise it on matters on policy;
- to advise the Diocesan Bishop, on any matters which he may refer to the Council;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- to appoint members of committees or nominate individuals for election to committees; and
- to carry out such functions as the Synod may delegate

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 Southwell and Nottingham, are set by the Diocesan Synod and the Board.

The company meets once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Board. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold up to six meetings

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during the year to formulate and coordinate policies on mission, ministry and finance. The Trustees rely upon the Diocesan Chief Executive and their team of departmental directors for the delivery of the day-to-day activities of the company. The Diocesan Chief Executive is given specific and general delegated authority to deliver the business of the Board in accordance with the policies framed by the Trustees. Council are also the members of 2 statutory committees:

- **Parsonages Committee**, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, team vicarages and houses owned by the Board of Finance.
- **Diocesan Mission and Pastoral Committee**, which is responsible for the task of recommending pastoral reorganisation to the Bishop.

Other statutory committees include:

- **Diocesan Advisory Committee**, which advises on matters affecting church buildings and places of worship including the granting of faculties, the use and care of places of worship and their contents and the care of churchyards.
- **Southwell & Nottingham Diocesan Board of Patronage**, which is constituted under the provisions of the Patronage (Benefices) Measure 1986.

In addition to the statutory committees Bishop's Council has set up the **Finance Committee**, which has written terms of reference, to advise it on all financial matters. The Finance Committee meets regularly, approximately five times each year and works closely with the Diocesan Chief Executive and Director of Finance & Operations. The Finance Committee has decided, in order to give considered advice to the Bishop's Council and to understand the detail of diocesan finance, to set up two subcommittees: the Audit & Risk Committee and Investment Committee. These advise the Finance Committee and thereby Bishop's Council, in the discharge of the Trustees' responsibilities for accounting policy, internal control, financial reporting, investment management and risk management.

REMUNERATION OF KEY PERSONNEL

A job evaluation scheme is used to determine the salary grades of employed posts. Office holders are paid diocesan stipend, which since 2022 has been aligned, subject to affordability, with that advised by the Archbishops' Council acting as the Central Stipends Authority

GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that, despite the uncertainty of the current economic climate, the Board has sufficient monetary reserves to meet all their obligations as they fall due. The trustees consider that given the level of investments and reserves held the going concern basis is appropriate.

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DISCLOSURE OF INFORMATION TO THE AUDITOR

We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant information and to establish that the company's auditor is aware of that information.
- In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors.

APPOINTMENT OF AUDITORS

Sumer Auditco Limited were appointed as auditor to the company following BHP LLP becoming part of the Sumer Group on 31 December 2025, which required a change in audit firm to comply with applicable regulatory requirements.

The re-appointment of Sumer Auditco Limited as auditor to the Board will be proposed at the Annual General Meeting.

BY ORDER OF THE TRUSTEES

+Paul Southwell & Nottingham

Signer ID: ZLGDJ5BDMV...

The Right Revd Paul Williams
Chairman
Date: 21/05/2026 GMT

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Opinion

We have audited the financial statements of Southwell and Nottingham Diocesan Board of Finance (the 'charity') for the year ended 31 December 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report.

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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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.
We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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, 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.

Auditors' 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 Auditors' report that includes our opinion.

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Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management and trustees, and from our knowledge and experiences of the sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Masheder (Senior statutory auditor)

Sumer Auditco Limited
Signer ID: CRZCVPKXXZ...

for and on behalf of
Sumer Auditco Limited
Statutory Auditor
Sidney Street
Sheffield
S1 4RG
Date: 21/05/2026 GMT

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SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Income and endowments from:						
Grants, donations and legacies	3	**7,930**	**-**	**-**	**7,930**	7,794
Charitable activities	4	**1,006**	**3,412**	**-**	**4,418**	1,810
Other trading activities	5	**153**	**349**	**90**	**592**	687
Investments	6	**698**	**50**	**550**	**1,298**	1,264
Other income	7	**42**	**80**	**97**	**219**	1,328
Total income and endowments		**9,829**	**3,891**	**737**	**14,457**	12,883
Expenditure on:						
Raising funds	8	**207**	**190**	**91**	**488**	421
Charitable activities	9,10	**10,294**	**4,331**	**675**	**15,300**	11,234
Total expenditure		**10,501**	**4,521**	**766**	**15,788**	11,655
Net (expenditure)/income before net gains/(losses) on investments		**(672)**	**(630)**	**(29)**	**(1,331)**	1,228
Net gains/(losses) on investments	17,18	**609**	**(203)**	**177**	**583**	1,820
Net (expenditure)/income		**(63)**	**(833)**	**148**	**(748)**	3,048
Transfers between funds	22	**(629)**	**(316)**	**945**	**-**	-
Net movement in funds before other recognised gains/(losses) carried forward		**(692)**	**(1,149)**	**1,093**	**(748)**	3,048

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Net movement in funds before other recognised (losses)/gains brought forward		**(692)**	**(1,149)**	**1,093**	**(748)**	3,048
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	29	**(753)**	-	-	**(753)**	6
Movement in pension not recognised	29	**512**	-	-	**512**	(92)
Net movement in funds		**(933)**	**(1,149)**	**1,093**	**(989)**	2,962
Reconciliation of funds:						
Total funds brought forward		**16,538**	**12,217**	**64,092**	**92,847**	89,885
Net movement in funds		**(933)**	**(1,149)**	**1,093**	**(989)**	2,962
Total funds carried forward	22	**15,605**	**11,068**	**65,185**	**91,858**	92,847

The Statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

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SOUTHWELL AND NOTTINGHAM DIOCESAN BOARD OF FINANCE

(A company limited by guarantee)
REGISTERED NUMBER: 00034165

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note		2025 £000		2024 £000
Fixed assets					
Tangible assets	16		**36,942**		36,322
Investments	18		**30,888**		31,724
Investment property	17		**21,603**		21,509
			89,433		89,555
Current assets					
Debtors	19	**2,172**		958	
Cash at bank and in hand	26	**2,170**		3,865	
		4,342		4,823	
Current liabilities					
Creditors: amounts falling due within one year	20	**(1,819)**		(1,426)	
Net current assets			**2,523**		3,397
Total assets less current liabilities			**91,956**		92,952
Creditors: amounts falling due after more than one year	21		**(98)**		(105)
Net assets excluding pension asset			**91,858**		92,847
Defined benefit pension scheme asset	29		**-**		-
Total net assets			**91,858**		92,847

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BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2025

	Note		2025 £000		2024 £000
Charity funds					
Endowment funds	22		**65,185**		64,092
Restricted funds	22		**11,068**		12,217
Unrestricted funds					
Designated funds	22	**9,226**		9,226	
General funds	22	**6,379**		7,312	
Total unrestricted funds	22		**15,605**		16,538
Total funds			**91,858**		92,847

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

C. D. Bourne
Signer ID: OJD2YOTDQD...
Reverend C Bourne

Date: 21/05/2026 GMT

The notes on pages 34 to 72 form part of these financial statements.

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net cash used in operating activities	25	**(3,859)**	(1,399)
Cash flows from investing activities			
Dividends, interests and rents from investments		**1,263**	1,237
Proceeds from the sale of tangible fixed assets		**748**	1,537
Purchase of tangible fixed assets		**(1,165)**	(707)
Proceeds from sale of investments and investment property		**14,378**	8,140
Purchase of investments		**(13,126)**	(8,813)
Net cash provided by investing activities		**2,098**	**1,394**
Cash flows from financing activities			
Repayments of borrowing		**(7)**	-
Net cash (used in)/provided by financing activities		**(7)**	**-**
Change in cash and cash equivalents in the year		**(1,768)**	**(5)**
Cash and cash equivalents at the beginning of the year		**4,608**	4,613
Cash and cash equivalents at the end of the year	26	**2,840**	4,608

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their fair value at the balance sheet date. The financial statements are prepared in sterling which is the functional currency of the Board and are rounded to the nearest £'000.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Southwell and Nottingham Diocesan Board of Finance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Board have prepared forecasts of income and expenditure for the period to 31 December 2026 that show deficit budgets. Due to the level of free reserves and cash resources held they are confident that they have in place plans to deal with the deficit budgets and any further financial losses that may arise.

The Board therefore continue to adopt the going concern basis of preparation for these financial statements.

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2. Accounting policies (continued)

2.3 Income

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

Parish share, and parochial fees are included on a receipts basis except for contributions received shortly after the period end that are explicitly relating to the period under review.

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. However, 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 (normally much larger) 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.

Investment income is recognised at the time it is receivable. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably: 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. In respect of housing maintenance, the policy is only to provide for orders started before the year end. The cost of office premises and other service costs have been apportioned to departments to reflect the facilities used, the basis of apportionment being floor space or headcount.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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

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.

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2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Garden Equipment	-	20%	straight line
Solar panels	-	5%	straight line
Motor vehicles	-	25%	straight line
Fixtures and fittings	-	10%	straight line
Other office equipment	-	20%	straight line
Computer equipment	-	33%	straight line

Freehold houses, Parsonage houses and Diocesan offices
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 Board 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 FRS 102 to ensure that the carrying value is not more than the recoverable amount.

The Board's policy continues to be to replace unsuitable properties; to accommodate the changing geographical deployment of clergy within the Diocese; and to realise development potential, in some properties, thereby using our resources more effectively for the ministry of the Church.

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2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are included in the balance sheet at fair value and the gain or loss taken to the Statement of Financial Activities. Glebe agricultural land is valued at 31 December each year by Jas Martin & Co, Chartered Surveyors. Dunham House is professionally valued by Mr R Davis of Geo Hallam and Sons. For commercial property a desktop valuation is provided by the Diocesan surveyor. Some properties included in the Southwell & Nottingham Board of Education restricted fund are not valued and are shown at cost as there is no readily available market value. The financial investments are managed in accordance with the policy statements (including the statement on pooled funds which will be appropriate for funds managed on a multi asset basis) and restricted stock lists provided by the Ethical Investment Advisory Group of the Church of England. Active ownership and engagement via the Boards investment managers can drive positive change in corporate behaviour and the Board believes that this is part of being a responsible investor. The Board will take account of environmental, social and governance issues for both ethical and financial reasons.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Operating leases

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

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2. Accounting policies (continued)

2.11 Pensions

The Board's staff are members of the Board's defined contribution pension scheme and Clergy are members of the Church of England Funded Pensions Scheme (see note 29). The pension costs charged to expenditure represent the Board's contributions payable in respect of the accounting period, in accordance with FRS102. Lay staff who are members of the stakeholder pension scheme, or have their contribution paid into their own personal pension plan are accounted for in the month in which they are deducted. Deficit funding for the pension schemes to which Board participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year. The Board also operates a defined benefit scheme for the Board's employees whose employment began prior to 1 April 1993. The contribution rates for this scheme are set by the actuary using the actuarial valuation every three years.

2.12 Fund accounting

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

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

General funds which the Board intends to use for the general purposes of the Board.

Designated funds are those funds set aside out of unrestricted funds by the Board for a specific purpose over whose use and purpose the Board has discretion. The accumulated capital fund is the amount transferred from the general' fund, gains less loss on investments and the directors' valuation of freehold property transferred at no cost.

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 Board (Stipends Fund Capital, Benefice 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.

2.13 Employee benefits

When employees have rended service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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2. Accounting policies (continued)

2.14 Critical accounting estimates and assumptions

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension scheme liability
The present values of Church of England Funded Pensions Scheme and the Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme both depend on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net' cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying value of the pension liability. In the current year the Staff Retirement Benefit Scheme pension is in a surplus position which has not been recognised in the financial statements as material doubt exists around the ability to recover the asset.

Investment property valuations
A key estimation uncertainty is the valuation of investment land and properties. The valuations are subject to judgements of an expert including, but not limited to, the state of repair of the properties, local knowledge, future income yields and market characteristics.

3. Income from grants, donations and legacies

	Unrestricted funds 2025 £000	**Total funds 2025 £000**	As restated Total funds 2024 £000
Parish share	5,804	**5,804**	5,746
Archbishops' Council	1,949	**1,949**	1,883
Other donations	177	**177**	165
	7,930	**7,930**	7,794
Total 2024 as restated	7,794	7,794	

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

The prior year has been restated to reanalyse some income from grants, donations and legacies into charitable activities income.

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3. Income from donations and legacies - continued

Archbishops' Council

	Unrestricted funds 2025 £000	Total funds 2025 £000	As restated Total funds 2024 £000
Lowest income Communities LInC funding	1,322	**1,322**	1,290
Pooling of ordinands candidates' costs	54	**54**	15
Strategic Ministry Funding	573	**573**	578
	1,949	**1,949**	1,883
Total 2024 as restated	1,883	1,883	

Other donations

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Benefact Trust Grant	93	**93**	111
Other grants	84	**84**	54
	177	**177**	165
Total 2024	165	165	

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4. Income from charitable activities

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Total funds 2025 £000	As restated Total funds 2024 £000
Statutory fees	242	-	**242**	292
Contributions to costs of lay staff posts	-	98	**98**	-
Loan interest receivable	3	-	**3**	2
Other contributions and income	655	28	**683**	535
Strategic Development Funding income	106	1,627	**1,733**	981
Church Growth Programme income	-	1,659	**1,659**	-
	1,006	3,412	**4,418**	1,810
Total 2024 as restated	796	1,014	1,810	

The prior year has been restated to reanalyse some income from grants, donations and legacies into charitable activities income.

5. Income from other activities

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Housing income	153	349	90	**592**	687
Total 2024	687	-	-	687	

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6. Investment income

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total funds 2025 £000**	Total funds 2024 £000
Rents and income from mineral rights receivable	-	50	502	**552**	544
Dividends and interest receivable	663	-	48	**711**	698
Pension finance income (note 29)	35	-	-	**35**	22
	698	50	550	**1,298**	1,264
Total 2024	353	911	-	1,264	

7. Other income

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total funds 2025 £000**	Total funds 2024 £000
Surplus on disposal of property	42	80	97	**219**	989
Diocesan share of proceeds	-	-	-	**-**	339
	42	80	97	**219**	1,328
Total 2024	205	1,123	-	1,328	

Surplus on disposal of property relates to the Diocesan Board of Finance share of proceeds from properties not wholly owned by the diocese but where it is entitled to a share of any proceeds on disposal.

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8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total funds 2025 £000**	Total funds 2024 £000
Glebe agent's fee	-	46	-	**46**	55
Other land agent commission and expenditure	152	64	79	**295**	234
Investment management charges	55	80	12	**147**	132
	207	190	91	**488**	421
Total 2024	147	274	-	421	

9. Charitable activities

Summary by fund type

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total 2025 £000**	Total 2024 £000
Contributions to Archbishops' Council	456	-	-	**456**	447
Resourcing Ministry and Mission	8,078	1,042	675	**9,795**	8,903
Support for parish ministry	1,628	38	-	**1,666**	1,860
Other expenditure	26	-	-	**26**	24
Strategic Development Funding	106	1,592	-	**1,698**	-
Church Growth Programme	-	1,659	-	**1,659**	-
	10,294	4,331	675	**15,300**	11,234
Total 2024	9,764	1,470	-	11,234	

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9. Analysis of expenditure on charitable activities

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	**Total funds 2025 £000**	Total funds 2024 £000
Contributions to Archbishop's Council					
Training for Ministry	210	-	-	**210**	211
National Church Responsibilities	155	-	-	**155**	148
Retired clergy housing costs	91	-	-	**91**	88
	456	-	-	**456**	447
Resourcing Ministry and Mission					
Stipends, salaries and national insurance	5,574	214	675	**6,463**	6,094
Pension contributions	897	-	-	**897**	1,171
Housing costs	1,272	828	-	**2,100**	1,430
Removal, resettlement and other expenses	335	-	-	**335**	208
	8,078	1,042	675	**9,795**	8,903
Support for parish ministry	1,628	38	-	**1,666**	1,860
Strategic Development Funding	106	1,592	-	**1,698**	-
Church Growth Programme	-	1,659	-	**1,659**	-
	1,734	3,289	-	**5,023**	1,860
Other expenditure					
Audit fees - audit	22	-	-	**22**	20
Audit fees - non audit	4	-	-	**4**	4
	26	-	-	**26**	24
Total 2025	10,294	4,331	675	15,300	11,234
Total 2024	9,764	1,470	-	11,234	

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10. Analysis of expenditure by activities

	Direct costs 2025 £000	Grants spend (note 12) 2025 £000	Support costs (note 11) 2025 £000	**Total funds 2025 £000**	As restated Total funds 2024 £000
Contributions to Archbishops' Council	-	-	456	**456**	447
Resourcing Ministry and Mission	9,687	108	-	**9,795**	8,903
Support for parish ministry	-	205	1,461	**1,666**	1,860
Other expenditure	4	-	22	**26**	24
Strategic Development Funding	-	1,698	-	**1,698**	-
Church Growth Programme	-	1,659	-	**1,659**	-
	9,691	3,670	1,939	**15,300**	11,234
Total 2024 as restated	8,839	376	2,019	11,234	

Where costs cannot be directly attributed to particular headings, they have been allocated or apportioned to activities on a basis consistent with the use of the resources.

The prior year has been restated to reanalyse some expenditure from direct costs and grant spend into support costs expenditure.

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11. Analysis of support costs

	2025 £000	2024 £000
Office expenses	**358**	393
Staff costs	**973**	1,133
Staff training	**80**	65
Legal and professional	**265**	237
Travel and subsistence	**95**	77
IT running costs	**38**	22
Bank charges	**3**	3
Repairs and maintenance	**105**	69
Audit fees	**22**	20
	1,939	2,019

12. Analysis of grants made

	Number 2025	Individuals 2025 £000	Institutions 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Refugee Roots	1	-	13	13	15
Clergy	19	108	-	108	68
Ordinands in training	18	124	-	124	165
Transforming Notts Together	1	10	-	10	10
Growing Disciples/ New Worshipping Community Grants	28	-	48	48	117
Perry Gift	-	-	-	-	1
Strategic Development Funding	-	-	1,698	1,698	-
Church Growth Programme	-	-	1,659	1,659	-
Citizens UK	1	-	10	10	-
Total 2025	68	242	3,428	3,670	376
Total 2024	89	234	142	376	

The prior year has been restated to reanalyse some expenditure from grants made into support costs expenditure.

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13. Net income/(expenditure)

This is stated after charging:

	2025	2024
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	**16**	14
Auditor's remuneration - audit	**22**	20

14. Auditor's remuneration

	2025	2024
	£000	£000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**22**	20
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**4**	4

15. Staff costs

	2025	2024
	£000	£000
Salaries	**2,132**	1,980
National insurance contributions	**242**	187
Pension costs	**99**	235
	2,473	2,402

The Church of England Funded Pension scheme included 4 employees (2024: 7 employees). The defined benefit scheme included no active employees (2024: no active employees) and the defined contribution schemes included 60 employees (2024: 56 employees).

Total staff costs total £7,402k for the year (2024: £7,373k). This includes the staff costs above of £2,473k (2024: £2,402k), stipends as shown below of £4,929k (2024: £4,808k) and capacity building posts of £nil (2024: £163k).

In note 9 these total staff costs are split between stipends, salaries and national insurance of £6,463k (2024: £6,094K), pension contributions of £897k (2024: £1,171k), and lay staff costs of £42k (2024: £108k) within housing costs.

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15. Staff costs

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

	2025 **No.**	As restated 2024 No.
Administration	**3**	3
Communications	**3**	2
Deanery administration	**3**	5
Discipleship and Ministry	**15**	11
Education	**6**	6
Finance	**7**	7
Human Resources	**1**	2
Parish ministry	**1**	-
Programme Management Office	**6**	4
Property - clergy housing	**2**	2
Property - Jubilee House	**3**	3
Recharged to other entities	**2**	3
Rural Cluster parish roles funded by the DIP	**2**	-
Safeguarding	**6**	5
School & university chaplaincy	**7**	8
	67	61

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15. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	2025 No.	As restated 2024 No.
Administration	**3.33**	3.07
Communications	**1.88**	1.35
Deanery administration	**2.02**	2.86
Discipleship and Ministry	**12.59**	8.82
Education	**5.25**	5.26
Finance	**6.55**	6.47
Human Resources	**1.25**	1.86
Parish ministry	**1.30**	0.47
Programme Management Office	**5.78**	3.50
Property - clergy housing	**1.74**	1.71
Property - Jubilee House	**2.14**	2.36
Recharged to other entities	**1.22**	2.02
Rural Cluster parish roles funded by the DIP	**2.50**	-
Safeguarding	**4.99**	4.40
School & university chaplaincy	**4.65**	5.75
	57.19	49.90

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15. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
	No.	No.
In the band £60,001 - £70,000	**1**	-
In the band £70,001 - £80,000	**2**	2
In the band £80,001 - £90,000	**-**	1
In the band £90,001 - £100,000	**1**	-

Pension payments of £23,229 (2024: £22,174) were made for these employees.

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 Board of Finance. During 2025 they were:

Diocesan Chief Executive and Company Secretary	Mr M Cooper
Director of Discipleship and Ministry	Revd James Halstead
Diocesan Director of Education	Mr N Frith
Director of Finance and Operations	Mrs K Proctor (resigned 3 April 2026)
Programme Director	Mr N Peake
Diocesan Safeguarding Officer	Mr J Hodgson

Remuneration, including employers' NI and employers' pension contributions for these 6 (2024: 7) employees amounted to £548,719 (2024: £516,659).

Directors' emoluments

No Director received any remuneration for services as Director. 11 Directors received travelling and out of pocket expenses, totalling £8,333 (2024: 11 Directors received £11,016) in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Directors. Ot these, 3 directors also received £18,066 (2024: £nil) in respect of resettlement grants.

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15. Staff costs (continued)

The following table gives details of the stipendiary Directors, including those who were in receipt of a stipend and/or housing provided by the Board during the year:

	Stipend	**Housing**
The Right Revd P Williams	No	No
The Right Revd A Emerton	No	Yes
The Ven V Ramsey	Yes	No
The Ven P Williams	Yes	Yes
The Revd D Bocchetti	Yes	Yes
THe Revd Z Burton	Yes	Yes
The Revd S Hustwayte	Yes	Yes
The Revd J Hyatt	Yes	Yes
The Revd Dr J Mole	Yes	Yes
The Revd Dr M Wreford	Yes	Yes

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

The Board paid an average of 122 (2024: 122) stipendiary clergy as officeholders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2025	2024
	£000	£000
Stipends	**3,696**	3,540
National insurance contributions and apprenticeship levy	**435**	332
Pension costs - current year	**798**	936
	4,929	4,808

The annual rate of stipend, funded by the Board, paid to Archdeacons was in the range £43,000 - £44,000 (2024: £41,000 - £42,000) and other clergy who were Trustees were paid in the range £30,000 - £32,000 (2024: £30,000 - £31,000).

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16. Tangible fixed assets

	Freehold houses (see below) £000	Diocesan Office & caretakers' bungalow £000	Solar panels (see below) £000	Office equipment £000	Total £000
Cost or valuation					
At 1 January 2025	**32,385**	**3,809**	**226**	**404**	**36,824**
Additions	**1,163**	**-**	**-**	**2**	**1,165**
Disposals	**(529)**	**-**	**-**	**-**	**(529)**
At 31 December 2025	**33,019**	**3,809**	**226**	**406**	**37,460**
Depreciation					
At 1 January 2025	**-**	**28**	**86**	**388**	**502**
Charge for the year	**-**	**-**	**8**	**8**	**16**
At 31 December 2025	**-**	**28**	**94**	**396**	**518**
Net book value					
At 31 December 2025	**33,019**	**3,781**	**132**	**10**	**36,942**
At 31 December 2024	32,385	3,781	140	16	36,322

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16. **Tangible fixed assets - freehold houses**

	2025 Cost or deemed cost £000	2025 Number of houses	2024 Cost or deemed cost £000	2024 Number of houses
Endowment funds				
Benefit houses fund - Parsonage houses	18,726	125	18,104	124
Glebe funds				
Housing of team vicars, curates & others	7,214	35	7,516	36
Unrestricted (designated) funds				
Corporate property				
City Centre Resource Church	1,521	1	1,521	1
Housing of senior clergy, curates & others	5,603	24	5,290	25
Houses subject to value-linked loans				
Housing of curates and others	102	1	102	2
	33,166	186	32,533	188

The cost above includes £147k (2024: £148k) relating to solar panels.

Diocesan offices include the caretaker's bungalow situated in the grounds of Dunham House and amounts capitalised as part of the Jubilee House office build shown at cost. There is no reliable market value, but a valuation of both Jubilee House and the bungalow would be greater than historic cost. Dunham House is held in investment properties as it has been converted to 7 apartments for rental. Dunham House is valued on a freehold market value basis.

All of the freehold houses included above are freehold and are vested in the Board, except for benefice houses, which are vested in the incumbent. The Board is not free to dispose or encumber these properties as it sees fit, as they are to be used for clergy housing. They are carried at cost or deemed cost and in the opinion of the Directors, the carrying value of land and buildings is less than the market value and the expected residual value is not materially less than the carrying value. The costs of revaluation are considered to outweigh the benefits to the reader of the accounts. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £102,000 (2024: £102,000). Of the total land and buildings at 31 December 2025, £14.1m are valued at cost (2024: £14.7m), with the rest at deemed cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

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17. Investment property

	Freehold investment property £000
Valuation	
At 1 January 2025	**21,509**
Surplus on revaluation	**94**
At 31 December 2025	**21,603**

Due to their nature the historic cost of investment properties is not known. Included in investment properties are restricted funds of £nil (2024: £nil), endowment funds of £19,364k (2024: £19,095k) and unrestricted funds of £2,414k (2024: £2,414k).

18. Fixed asset investments

	Listed investments £000	Unlisted investments £000	Total 2025 £000	Total 2024 £000
Cost or valuation				
At 1 January 2025	30,974	7	**30,981**	28,843
Additions	13,126	-	**13,126**	8,813
Disposals	(14,378)	-	**(14,378)**	(8,038)
Revaluations	488	1	**489**	1,363
At 31 December 2025	30,210	8	**30,218**	30,981
Investment cash	670	-	**670**	743
At 31 December 2025	30,880	8	**30,888**	31,724

Included in the fixed asset investments are restricted funds of £7,764k (2024: £9,196k), endowment funds of £19,410k (2024: £11,662k) and unrestricted funds of £3,714k (2024: £10,866k).

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19. Debtors

	2025 £000	2024 £000
Due after more than one year		
Loans to parishes	**4**	26
	4	26
Due within one year		
Trade debtors	**1,275**	101
Rent debtors	**106**	93
Loans to parishes	**220**	6
Other debtors	**237**	100
Prepayments and accrued income	**220**	570
Parish share	**110**	62
	2,172	958

20. Creditors: Amounts falling due within one year

	2025 £000	2024 £000
Trade creditors	**324**	74
Other taxation and social security	**64**	48
Other creditors	**244**	148
Accruals and deferred income	**1,175**	1,156
Grants accrued - institutional	**12**	-
	1,819	1,426

	2025 £000	2024 £000
Deferred income at 1 January 2025	**904**	1,273
Income deferred during the year	**1,027**	904
Amounts released from previous periods	**(904)**	(1,273)
	1,027	904

Deferred income in the year relates to rent in advance and deferred grants.

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21. Creditors: Amounts falling due after more than one year

	2025	2024
	£000	£000
Loan with the Central Board of Finance - interest free	**-**	7
Church Commissioners value-linked loans	**98**	98
	98	105

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. Interest at the time of the advance is at the rate of 4% per annum (3% per annum on loans advanced on or before 31 December 1992) rising annually by the increase in the Retail Prices Index. As the date of disposal of the property is not known, the analysis of the date due cannot be calculated.

Included within the above are amounts falling due as follows:

	2025	2024
	£000	£000
Between one and two years		
Loan with the Central Board of Finance - interest free	**-**	7
Over five years		
Church Commissioners value-linked loans	**98**	98

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22. Statement of funds

Statement of funds - current year

	Balance at 1 January 2025 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2025 £000
Unrestricted funds						
Designated funds						
Accumulated Capital	**9,118**	**-**	**-**	**-**	**-**	**9,118**
Mission Development fund	**108**	**-**	**-**	**-**	**-**	**108**
	9,226	**-**	**-**	**-**	**-**	**9,226**
General funds						
General fund	**7,312**	**9,829**	**(10,501)**	**(629)**	**368**	**6,379**
Total Unrestricted funds	**16,538**	**9,829**	**(10,501)**	**(629)**	**368**	**15,605**

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22. Statement of funds (continued)

	Balance at 1 January 2025 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2025 £000
Endowment funds						
Benefice Houses fund - expendable	**17,592**	**-**	**-**	**1,134**	**-**	**18,726**
Stipends fund capital - expendable	**41,695**	**737**	**(766)**	**-**	**177**	**41,843**
Parsonages capital - expendable	**189**	**-**	**-**	**(189)**	**-**	**-**
Stipends - permanent	**1,811**	**-**	**-**	**-**	**-**	**1,811**
Bramcote Bungalows - permanent	**1,106**	**-**	**-**	**-**	**-**	**1,106**
Haseldine Houses - permanent	**677**	**-**	**-**	**-**	**-**	**677**
Perry Gift Fund - permanent	**887**	**-**	**-**	**-**	**-**	**887**
Other permanent endowment funds	**135**	**-**	**-**	**-**	**-**	**135**
	64,092	**737**	**(766)**	**945**	**177**	**65,185**

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22. Statement of funds (continued)

	Balance at 1 January 2025 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2025 £000
Restricted funds						
Diocesan Board of Education	**9,830**	**61**	**(45)**	**(456)**	**61**	**9,451**
Pastoral Account	**223**	**-**	**(1)**	**-**	**-**	**222**
Benefice Houses restricted fund	**607**	**402**	**(719)**	**-**	**-**	**290**
Strategic Development Funding	**-**	**1,627**	**(1,592)**	**-**	**-**	**35**
Church Growth Programme	**-**	**1,659**	**(1,659)**	**-**	**-**	**-**
Other restricted income funds	**1,557**	**142**	**(505)**	**140**	**(264)**	**1,070**
	12,217	**3,891**	**(4,521)**	**(316)**	**(203)**	**11,068**
Total of funds	**92,847**	**14,457**	**(15,788)**	**-**	**342**	**91,858**

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22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2024 £000
Unrestricted funds					
Designated funds					
Accumulated Capital	9,118	-	-	-	9,118
Mission Development fund	108	-	-	-	108
	9,226	-	-	-	9,226
General funds					
General fund	7,188	9,835	(9,911)	200	7,312
Total Unrestricted funds	16,414	9,835	(9,911)	200	16,538

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22. Statement of funds (continued)

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2024 £000
Endowment funds					
Benefice Houses fund - expendable	17,592	-	-	-	17,592
Stipends fund capital - expendable	41,238	-	-	457	41,695
Parsonages capital - expendable	189	-	-	-	189
Stipends - permanent	1,811	-	-	-	1,811
Bramcote Bungalows - permanent	1,106	-	-	-	1,106
Haseldine Houses - permanent	677	-	-	-	677
Perry Gift Fund - permanent	887	-	-	-	887
Other permanent endowment funds	135	-	-	-	135
	63,635	-	-	457	64,092

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 December 2024 £000
Restricted funds					
Diocesan Board of Education	8,947	340	(68)	611	9,830
Pastoral Account	74	123	26	-	223
Strategic Development Funding	-	981	(981)	-	-
Benefice Houses restricted fund	-	595	(127)	139	607
Strategic Development Funding	815	1,009	(594)	327	1,557
	9,836	3,048	(1,744)	1,077	12,217
Total of funds	89,885	12,883	(11,655)	1,734	92,847

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Description of funds

Expendable Endowment Funds - investment income is usable only for the specific purposes for which the endowment was given and the trustees may convert the capital into spendable income depending on various restrictions:

Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board is not free to dispose of the houses except in accordance with appropriate measures.
Stipends fund capital (Glebe funds)	represents the proceeds of the sale of glebe, parsonages transferred by Pastoral Scheme and gifts to the fund. The funds generate income for the payment of stipends and can be invested or applied to the capital purposes permitted by the Endowments and Globe Measure 1976 and the Church of England (Miscellaneous Provisions) Measure 1992.
Parsonages Capital	the income to be applied to meet personage houses costs.
Clergy pension fund deficit	details contained in note 29

Permanent Endowment Funds - investment income only is usable for the specific purposes for which the endowment was given:

Stipends	to augment clergy stipends.
Bramcote Bungalows	to provide housing for retired clergy or their spouses.
Haseldine Homes	to contribute to the payment of pension contributions for stipendiary clergy in the diocese.
Perry Gift Fund	to provide grants to clergy and lay persons deserving of financial assistance.

Other Permanent Endowment Funds

Ministers in training	to provide grants to ministers in training.
Miss E L Brown Trust	to be applied at the discretion of the Bishop of Southwell.
Nottingham University Chaplaincy	to pay the expenses of the Nottingham University chaplaincy.
Sacrista Canonry	to be applied for the Canon appointed to occupy the stall of the Canonry of Sacrista in Southwell Minister
Southwell House/Hostel Charity	to be applied to property outgoings.
Yapp Donation	to be applied for a former employee's annuity, with any surplus to be used for the benefit of persons who are physically or mentally handicapped.

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Restricted Funds - can only be used for the specific purposes for which they were given:

Diocesan Board of Education	to administer the scheme for the Diocese's Church Schools' building programme and to operate for the benefit of Church Schools.
Pastoral account	set up under the provisions of the Pastoral Measure 1983 and represents proceeds of redundant churches and parsonages which have not yet been applied to the purposes permitted by the Pastoral Measure 1983.
Strategic Development Fund	represents sums of money made available by the Archbishop's Council set aside for mission development.
Church Growth Programme	represents sums of money made available by the Archbishop's Council set aside for mission development.
Benefice houses fund	represents the value of benefice houses at the balance sheet date together with the Parsonages Building funds held by the Church Commissioners. These houses are used to provide accommodation for parochial clergy. The Board is not free to dispose of the houses except in accordance with appropriate measures.

Other Restricted Funds

Landon Bequest	to fund Church of England students and Ordinands to serve overseas.
Natal Link Fund	represents donations from parishes and individuals for general work and specific projects in the Diocese of Natal.
Readers Association	to meet central costs for Readers.
Industrial Chaplaincies	to meet central costs for industrial chaplaincies.

Designated Funds - general funds that the Trustees have chosen to use for a specific purpose:

Accumulated Capital Fund	represents amounts transferred from the general fund, gains less losses on investments and the directors' valuation of property transferred at no cost. This fund is designated for use to purchase fixed assets.
Mission Development Fund	Amounts in addition to the restricted fund set aside for Mission Development.

General fund - the general fund is the Board's unrestricted undesignated fund available for any of the Board's purposes without restriction.

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23. Summary of funds

Summary of funds - current year

	Balance at 1 January 2025 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 December 2025 £000
Designated funds	**9,226**	**-**	**-**	**-**	**-**	**9,226**
General funds	**7,312**	**9,829**	**(10,501)**	**(629)**	**368**	**6,379**
Endowment funds	**64,092**	**737**	**(766)**	**945**	**177**	**65,185**
Restricted funds	**12,217**	**3,891**	**(4,521)**	**(316)**	**(203)**	**11,068**
	92,847	**14,457**	**(15,788)**	**-**	**342**	**91,858**

Summary of funds - prior year

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	As restated Balance at 31 December 2024 £000
Designated funds	9,226	-	-	-	9,226
General funds	7,188	9,835	(9,911)	200	7,312
Endowment funds	63,635	-	-	457	64,092
Restricted funds	9,836	3,048	(1,744)	1,077	12,217
	89,885	12,883	(11,655)	1,734	92,847

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24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000
Tangible fixed assets	10,030	501	26,411	**36,942**
Fixed asset investments	2,065	9,413	19,410	**30,888**
Investment property	1,350	889	19,364	**21,603**
Debtors due after more than one year	4	-	-	**4**
Current assets	3,503	835	-	**4,338**
Creditors due within one year	(1,249)	(570)	-	**(1,819)**
Creditors due in more than one year	(98)	-	-	**(98)**
Total	15,605	11,068	65,185	**91,858**

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	10,703	-	25,619	36,322
Fixed asset investments	1,193	11,153	19,378	31,724
Investment property	1,525	889	19,095	21,509
Debtors due after more than one year	26	-	-	26
Current assets	3,719	1,078	-	4,797
Creditors due within one year	(523)	(903)	-	(1,426)
Creditors due in more than one year	(105)	-	-	(105)
Total	16,538	12,217	64,092	92,847

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25. Reconciliation of net movement in funds to net cash flow from operating activities

	2025	2024
	£000	£000
Net (expenditure)/income for the period (as per Statement of Financial Activities)	**(748)**	3,048
Adjustments for:		
Depreciation charges	**16**	14
Gains on investments	**(583)**	(1,820)
Dividends, interests and rents from investments	**(1,263)**	(1,237)
Profit on the sale of fixed assets	**(219)**	(1,020)
(Increase)/decrease in debtors	**(1,214)**	66
Increase/(decrease) in creditors	**393**	(364)
Defined benefit pension scheme adjustments	**(241)**	(86)
Net cash used in operating activities	**(3,859)**	(1,399)

26. Analysis of cash and cash equivalents

	2025	2024
	£000	£000
Cash in hand	**2,170**	3,865
Investment cash (note 18)	**670**	743
Total cash and cash equivalents	**2,840**	4,608

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27. Analysis of changes in net debt

	At 1 January 2025 £000	Cash flows £000	At 31 December 2025 £000
Cash at bank and in hand	**3,865**	**(1,695)**	**2,170**
Investment cash	**743**	**(73)**	**670**
Debt due after 1 year	**(105)**	**7**	**(98)**
	4,503	**(1,761)**	**2,742**

28. Capital commitments

	2025 £000	2024 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**660**	-

The above year end commitment relates to a property acquisition that was contractually agreed but not completed until after the reporting date.

29. Pension commitments

The Board participates in two pension schemes, both of which hold the assets of the schemes separately from those of the Board and the other participating employers. One of these is the Church of England Funded Pension Schemes for stipendiary clergy, the other is The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme for lay staff.

Church of England Funded Pension Scheme (CEFPS)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £798,000 in 2025 (2024: £936,000), plus any figures arising from contributions in respect of any Scheme deficit.

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29. Pension commitments (continued)

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 £0 (2024: £0).

The December 2024 valuation revealed a surplus of £560m, based on assets of £2,570m and a funding target of £2,010m, assessed using the following assumptions:

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

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.

The Southwell and Nottingham Diocesan Board of Finance Staff Retirement Benefit Scheme - Defined Benefits Scheme

The Board operates a defined benefit pension scheme in respect of eligible employees whose employment began on or before 1st April 1993. The Board is required to follow Financial Reporting Standard 102 in disclosing the financial position of the scheme. The trustees of the scheme are required to act in the best interests of the Scheme's beneficiaries. The Scheme Trust Deed requires that one trustee be appointed from amongst the active members of the scheme - a member-nominated trustee. One trustee is appointed from amongst the membership of Bishop's Council (the Board of Directors) and the third and final trustee is the officeholder of the post of Chief Executive of the Board of Finance.

The contribution is determined by a qualified actuary on the basis of triennial valuations using the 'Attained Age Method' and the most recent valuation was at 31st March 2017. During the year the Board paid contributions of £206,000 (2024: £64,000). The annual contribution to the scheme is charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Board.

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29. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 December 2025 %	At 31 December 2024 %
Discount rate	**5.60**	5.50
Future pension increases	**3.00**	3.20
Inflation assumption (RPI)	**3.05**	3.30
Inflation assumption (CPI)	**2.75**	2.40

	At 31 December 2025 Years	At 31 December 2024 Years
Mortality rates (in years)		
- for a male aged 65 now	**22.4**	21.8
- at 65 for a male aged 45 now	**25.5**	24.9
- for a female aged 65 now	**24.7**	24.4
- at 65 for a female aged 45 now	**27.8**	27.5

The charity's share of the assets in the scheme was:

	At 31 December 2025 £000	At 31 December 2024 £000
Bonds	**2,769**	3,294
Cash	**22**	41
Total fair value of assets	**2,791**	3,335

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29. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2025 £000
Interest income	**(184)**
Interest cost	**149**
Total amount recognised in the Statement of financial activities	**(35)**

There are no active members, there are therefore no current service costs recognised in the Statement of financial activities.

Movements in the present value of the defined benefit obligation were as follows:

	2025 £000
Opening defined benefit obligation	**2,801**
Interest cost	**149**
Actuarial losses	**7**
Benefits paid	**(188)**
Closing defined benefit obligation	**2,769**

Movements in the fair value of the charity's share of scheme assets were as follows:

	2025 £000
Opening fair value of scheme assets	**3,335**
Expected return on assets	**184**
Actuarial losses	**(746)**
Contributions by employer	**206**
Benefits paid	**(188)**
Closing fair value of scheme assets	**2,791**

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	2025	2024
	£000	£000
A reconciliation of the balance sheet liability is set out below		
Closing defined benefit obligation	**(2,769)**	(2,801)
Closing fair value of scheme assets	**2,791**	3,335
Surplus not recognised	**(22)**	(534)
	-	-

In the current year the surplus of £22,000 (2024: surplus of £534,000) has not been recognised in the financial statements as a material doubt arises over the ability of the charity to recover these funds. The total actuarial loss to the Statement of Financial Activity of (£241,000) relates to actual losses on scheme assets of (£7,000), actuarial losses on scheme assets of (£746,000) and the unrecognised movement in the capped pension liability of £512,000.

The scheme is currently going through a buy out process, employer contributions of £206k have been paid in the year to secure member benefits, the buy out is expected to be completed in the near future and there is no anticipation of either a material liability or asset on cessation.

30. Related party transactions

Transforming Notts Together
The Board of Finance are the founding members of "Transforming Notts Together", which is a charitable company limited by guarantee. The Diocesan Board of Finance continues to be a party of significant influence over the entity. A grant of £10,000 has been made to the charitable company in the year (2024: £10,000).

The Diocese of Southwell & Nottingham Multi Academy Trust
The company was set up in August 2013 and is limited by guarantee without share capital. The Diocesan Board of Finance continues to be a party of significant influence over the entity. The company houses the church schools which have converted to Academy status. The directors are Roger Periam, John Hunter, Hilary Craik, Chris Moodie, Angela Pae and Canon John Loughton. The Multi Academy Trust paid the Board £52,370 (2024: £40,644) in respect of reimbursement for salaries and office costs. The balance outstanding at 31 December 2025 was £12,675 (2024: £12,729).

31. Contingent liabilities

The Board is a party to a guarantee in respect of Bluecoat Academy, as in common with all Church of England schools, the Board owns the land the school building is built upon.

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32. Funds held as custodian trustee

The Board acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the Board does not control them. Each year an annual statement of value is made available to all PCCs.

33. Devolved capital formula

Since April 2006, the Department of Education (DfE) have paid devolved Formula Capital (DFC), directly to schools or dioceses before the funds are spent on capital projects. This year education restricted funds received £453,754 on behalf of 12 schools (2024- £502,244 on behalf of 5 schools). These funds are maintained in individual school ledgers with payments and governors 10% contributions shown. The Schools Executive Officer monitors these accounts and advises schools of current balances and authorises payments.

34. Collaboration agreement

In 2010 the Board entered into a collaboration agreement with 5 other parties to develop land for housing. The terms of the agreement are such that the Promoter has first call on any receipts from the housing developer, as they are responsible for putting the infrastructure into the site for it to be developed for new homes. Any surplus left at the end of the project will be shared amongst the members of the collaboration agreement, but at 31 December 2025, the timing and receipt of these funds cannot be measured with any material certainty. During 2021 the four parcels of land owned by the Board were sold to the housing developer, but in accordance with the Collaboration agreement the proceeds were added to the collaboration account to cover continuing infrastructure costs, and were not remitted to the Board. There is a fixed charge dated 11 April 2018, in favour of Homes and Communities Agency relating to the collaboration agreement, regarding a small piece of land that is part of the agreement owned by the Board.

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Southwell & Nottingham Diocesan Board of Finance

Audit Findings Report

Year ended 31 December 2025



Document ID: d930c0f7ea0ee3ccdce651ff6b7c23e9a4c32656218205c6abcf3b4d40bb87f0

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1. Audit Summary

Update on BHP

As communicated in our Audit Planning Memorandum, on 1 January 2026, we joined the Sumer Group, supporting our ambition to be a leading professional services provider in our sector.

This change has resulted in some structural adjustments that you should now be aware of:

- **Audit services** will now be delivered, for regulatory reasons, through **Sumer Auditco Limited**, and our audit opinions will reflect this name.

- **Non-audit services**, such as statutory accounts preparation and corporation tax compliance, will be provided by **BHP Professional Services Limited**.

Please note that these are the same teams you know, continuing to deliver the high standards and client service you value, but operating under different legal entities.

As a result of these changes, we have issued a new engagement letter for audit services. The terms of this new engagement letter remain largely consistent with your previous agreement.

Engagement letters for non-audit services will be updated at the next scheduled review point, as these services have been novated to BHP Professional Services Limited.

Introduction

This report forms part of the ongoing communication we are required to make under the relevant auditing standard (International Standard on Auditing (UK) 260).

The purpose of this document is to report to those charged with governance, the findings following our audit of the financial statements and receive feedback on the performance of the audit team.

As explained in our audit plan, we are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities and details of our respective responsibilities are summarised in our letter of engagement dated 13 February 2026.

We would like to take this opportunity to thank Sheetal Sharma and Martin Cooper for the assistance that they have provided to us during our audit.

Independence

At planning we communicated to you our review of auditor independence and the safeguards we have put in place to mitigate any actual or perceived threats to our independence.

We confirm that we have reviewed and considered our independence at audit completion, having remained alert throughout the audit, and there are no changesto be brought to your attention since our communications at planning.

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1. Audit Summary

Instances of fraud

Our work did not highlight any actual or suspected instances of fraud perpetrated either internally or externally and we have not been made aware of any such instances.

Materiality

Our approach to determining materiality has not changed from planning to completion stage. Our materiality has been set on the benchmark of Gross Assets.

In appendix 2 we report to you all unadjusted misstatements which are not considered trivial. Triviality is usually considered to be 5% of materiality unless the potential errors notes are material by nature.

Related party transactions

The Trustees are required to disclose transactions with related parties of the charity where those transactions are material to either the related party or to the Charity. As part of the letter of representation, we ask you, as Trustees, to confirm to us that the related party disclosure in the accounts is complete.

During our related party testing, we identified three interests that were not initially disclosed to us:

- *Jane Robins did not disclose her interest in The Parochial Church Council of the Ecclesiastical Parish of Ruddington*
- *Revd Sam Hustwayte did not disclose her interest in St Wilfred's Church*
- *Revd Mark Wreford did not disclose his interest in The Parochial Church Council of the Ecclesiastical Parish of St Andrew*

Changes to audit approach

There have been no significant changes to the planned audit approach.

Audit risks

We have satisfactorily concluded on all audit risks. Section 4 lays out these in detail and sets out both the work done and our conclusions. No new risks were identified during our audit.

Going concern

Our work has confirmed the Trustees' use of the going concern basis is appropriate and that the disclosures within the financial statements fairly reflect the going concern basis of preparation, and we anticipate issuing an unmodified opinion.

Systems and controls

In accordance with the auditing standards, we have documented and evaluated key internal controls which are relevant to the financial reporting process in order design and tailor our audit approach.

Our audit work is not designed to identify all significant weaknesses in the charity internal controls but is designed primarily for the purpose of expressing an opinion on the financial statements. However, where, as part of our testing, we identify any control weaknesses, we have reported these to you at section 5. This lays out any systems and controls observations identified during the audit and follows up on observations raised in the previous audit.

Our work did not encompass a detailed review of all aspects of the internal controls and cannot be relied upon to disclose all deficiencies or other irregularities, or to include all improvements in internal control.

The charity's management is responsible for the identification, assessment, management and monitoring of risk, for developing, operating and monitoring the system of internal control and for providing assurance that it has done so.

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1. Audit Summary

Trustees' Annual report (incorporating the Directors' and Strategic Report)

The charity qualifies as medium in accordance with Companies Act 2006 and Larger in accordance with the requirements of Charities Act and SORP (FRS 102).

We consider the Trustees' Annual Report (which incorporates the Directors' and Strategic Report), to be consistent with the financial statements and prepared in accordance with applicable legal requirements.

Matters of governance interest

There are two matters of governance interest we wish to bring to your attention:

- The allocation of Strategic Development Funding income has been revised and redirected towards charitable activities, as this is considered more appropriate for the nature of the funding received.
- Support costs included within the financial statements will need to be adjusted to accurately reflect the actual level of support costs (see note 10).

Audit status and expected opinion

Our audit work is substantially complete with the matters outstanding as set out below:

Outstanding item	Requested from
Receipt of signed financial statements	Board

As part of our audit close out procedures, we will ask the Trustees and management to confirm in writing that there have been no further issues arising since the completion of our fieldwork which could be considered either adjusting post balance sheet events or post balance sheet events which although not adjusting, are of such significance that they should be reported within the financial statements in order to show a true and fair view. We will discuss these matters with management and ask management to confirm on behalf of the Board of Trustees, through a letter of representation.

Subject to the satisfactory conclusion of the outstanding matters and the receipt of the signed letter of representation, which includes the specific representations as included in Appendix 3, we can confirm that we anticipate issuing an unmodified opinion on the financial statements.

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2. Audit Status and Expected Opinion

Going concern

In our audit planning report dated 11 February 2026, we set out the respective responsibilities of the trustees and auditors in relation to going concern, which is a fundamental principle that underlies the preparation of a charity's financial statements. These are not repeated in this document but should be referred to before the trustees finalise and authorise the charity's annual report for issue.

We are pleased to report that we were provided with the information we requested at the planning stage, and we saw evidence of the policies and procedures being operated as described. Our principal observations arising from our review of the trustees' assessment are:

- Due to the large amount of investments and cash in bank, SNDBF have enough funds to continue as a going concern for at least 12 months from sign off.
- SNDBF are predicting a drop in the deficit when compared to 2025.

At this point in the audit, we are therefore able to concur with the directors' assessment that a material uncertainty does not exist.

The current disclosures in the trustees' report and accounting policy adequately cover the challenges and the steps the trustees have taken.

Similarly, we must revisit this matter immediately before we issue our opinion, so if you believe we have misunderstood any aspect, let us know. We request you keep us updated on any favourable or unfavourable developments at the earliest opportunity.

Based on the information above, we anticipate issuing an unmodified audit opinion.

Status of going concern work

Overall, we did not consider the risk that there may be a material uncertainty with regard to going concern to be high.

Our audit work on going concern is complete subject to receipt of February management accounts.

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3. Financial highlights

Income	2025 £'000	2024 £'000
Donations and legacies	7,930	8,775
Charitable activities	4,418	829
Other trading activities	592	687
Investments	1,298	1,264
Other income	219	1,328
Total	**14,457**	**12,883**

Donations and legacies have remained broadly consistent this year, with no significant fluctuations.

Income from charitable activities have increased during due to the income received in relation to the Strategic Development and Church Growth programme.

Other trading activities — Income has decreased due to a reduction in residential rental income, as SNDBF experienced a higher number of new ministers moving into properties during the year.

Investment income has risen overall, although it can vary depending on dividend levels. Dividends increased by £41k, contributing to the small growth in investment income.

Other income — This has declined as a result of lower gains on the disposal of fixed assets.

Expenditure	2025 £'000	2024 £'000
Raising Funds	488	421
Charitable activities	15,300	11,234
Total	**15,788**	**11,655**

The increase is primarily driven by £3.36m of expenditure on Strategic Development Funding, which is included within grants paid.

Expenditure on charitable activities includes costs related to Resourcing Ministry and Mission, as well as Support for Parish Ministry. The rise in Resourcing Ministry and Mission is largely due to a £604k increase in housing maintenance costs, reflecting a higher number of clergy moving into housing during the year.

The decrease in Support for Parish Ministry is mainly attributable to lower redundant church expenses, as more churches were closed in the prior year.

Movement in funds	2025 £'000	2024 £'000
Net (expenditure)/income before gains	**(1,331)**	**1,228**
Net gains/(losses) on investments	583	1,820
Actuarial (losses)/gains on DB pension	(753)	6
Pension deficit/(surplus) not recognised	512	(92)
Net movements in funds	**(989)**	**2,962**

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3. Financial highlights

Wages and salaries	2025 £'000	2024 £'000
Salaries	1,826	1,832
National insurance contributions	213	187
Pension costs	163	165
Total	**2,202**	**2,184**
Wages and salaries have remained consistent with the prior year, however National Insurance contributions have increased due to a rise in NI rates during the year.		

Staff numbers	2025	2024
Number	67	61
Full time equivalents	57.19	49.90
After reviewing staff numbers, the figures reported in the previous year have been revised. The same calculation method has been applied in the current year.		

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3. Financial highlights

Fixed assets	2025 £'000	2024 £'000
Freehold houses	33,019	32,385
Diocesan office and caretakers' bungalow	3,781	3,781
Solar panels	132	140
Office equipment	10	16
Total tangible assets	**36,942**	**36,322**
Investments	30,888	31,724
Investment property	21,603	21,509
Total fixed assets	**89,433**	**89,555**

Fixed assets increased during the period, primarily due to £1.17m of additions relating to property purchases. This was partially offset by disposals totalling £529k, resulting in a net increase of approximately £600k.

Investment property increased as a result of a revaluation gain of £94k recognised during the year. Investments typically fluctuate on an annual basis. During the year, disposals amounted to £14.4m compared to additions of £13.1m. A gain of £489k further contributed to an improved year-end balance.

Current Assets	2025 £'000	2024 £'000
Debtors	2,172	958
Cash at bank and in hand	2,170	3,865
Total	**4,342**	**4,823**

Debtors increased during the year, primarily due to higher trade debtors, including £1.1m relating to an Archbishop's Council balance that was not recognised within debtors in the prior year.

Cash at bank fluctuates annually, largely depending on the level of investment activity and fixed asset additions and disposals during the period.

Current liabilities	2025 £'000	2024 £'000
Trade creditors	324	74
Other taxation and social security	64	48
Other creditors	244	148
Accruals and deferred income	1,175	1,156
Grants accrued - institutional	12	-
Total	**1,819**	**1,426**

Trade creditors increased during the year, primarily due to significant new balances with St Margaret's Church.

Other creditors & accruals and deferred income increased as a result of new grants recognised in the year, such as DIP, along with increased funding for existing grants, including the NZC Capacity-Building Starter Grant.

Provisions and non-current liabilities	2025 £'000	2024 £'000
Loan with the Central Board of Finance	-	7
Church Commissioners value-linked loans	98	98
Total	**98**	**105**

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3. Financial highlights

Unrestricted funds	2025 £'000	2024 £'000
Accumulated capital fund	9,118	9,118
Mission development fund	108	108
Total designated funds	**9,226**	**9,226**
General fund	7,513	7,312
Total unrestricted funds	**16,739**	**16,538**

Endowment funds	2025 £'000	2024 £'000
Benefice houses fund — expendable	17,592	17,592
Stipends fund capital — expendable	41,843	41,695
Parsonages capital — expendable	-	189
Stipends — permanent	1,811	1,811
Bramcote Bungalows — permanent	1,106	1,106
Haseldine Houses — permanent	677	677
Perry Gift Fund - permanent	887	887
Other permanent endowment funds	135	135
Total	**64,051**	**64,092**

Restricted funds	2025 £'000	2024 £'000
Diocesan Board of Education	9,451	9,830
Pastoral Account	222	223
Benefice Houses restricted fund	290	607
Strategic Development Funding	35	-
Church Growth Programme	-	-
Other restricted income funds	1,070	1,557
Total	**11,068**	**12,217**

Total funds	2025 £'000	2024 £'000
Unrestricted funds	16,739	16,538
Endowment funds	64,051	64,042
Restricted funds	11,068	12,217
Total funds	**91,858**	**92,847**

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4. Identified Audit Risks

During the course of the audit planning, we identified audit risks and other key matters and considered the impact of these on our approach. These were established through discussion with both those charged with governance and management and also our review of the systems and procedures and a review of the detailed financial information. We set out below the significant audit risks and key accounting estimates that we have focused our work on, in order to reduce the risk of material misstatement in the financial statements. Set out below is the summary of our assessment of the key business and audit risks affecting the financial statements, together with an overview of our planned audit procedures.

Risk	Description	Our approach (how we addressed the risk)	Audit conclusion
Significant risks:			
Risk of material misstatement arising from income recognition	Auditing standards state that there is a presumed risk that income may be misstated through fraud and / or error.	Agreed from source documentation for each income stream to the nominal ledger ensuring all income is complete in the financial statements. We verified that amounts have been recognised in the correct period. Material income streams were tested, through PIT (proof in total) testing where possible. We have reconciled this to the financial statements and integrity tested a sample. For other income streams we have sampled the populations.	Sufficient and appropriate evidence has been obtained to conclude income has been recorded correctly in the financial statements and recognised in the correct period. Substantive testing has not identified any material issues in the recognition of revenue.
Risk of material misstatement arising from management override of controls	Auditing standards state that the presumed risk of management override of controls exists in all entities. Due to the size of the organisation, it is not possible for the Charity to have all the controls and segregation of duties in place to ensure there is no opportunity for management over-ride. We therefore consider this is a key business risk.	We used Data Analytics software which scanned the whole of each entities financial data set to identify higher risk transactions. We reviewed the transactions highlighted to ensure they corresponded with our expectations. In addition, we performed the following procedures: • Considered the financial reporting process and made inquiries of individuals involved • Discussed with management how they identified transactions or other events that gave rise to the need for accounting estimates • Evaluated the business rationale for significant transactions outside the normal course of business	A sample of journals identified by Inflo have been tested and agreed to supporting documentation. We have mined 100% of the database using Inflo and have selected those transactions which are deemed higher risk. These has been investigated further, and no evidence of management override was found. Furthermore, our review of minutes and discussions with management did not identify any instances of management override.

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4. Identified Audit Risks

Risk	Description	Our approach (how we addressed the risk)	Audit conclusion
Normal risks:			
Risk of material misstatement arising from inaccurate fund accounting	Fund accounting is key to true and fair financial reporting for charities and can be a complex area. There is a risk that income and expenditure in relation to restricted and endowment funds is not correctly disclosed or spent for the relevant purpose.	As part of our transactions testing of income we reviewed the sources of income to assess whether they should be recorded as restricted funds. We selected a sample of expenditure allocated against restricted funds to ensure the funds have been correctly applied for the purpose for which they were received. We have reviewed the calculations supporting any transfers between funds and the use of designated funds. We ensured that material brought forward and carried forward funds are in line with fund allocations approved by the board and that expenditure has only been allocated in line with the specific designation as approved.	Based on the testing performed, income and expenditure have been correctly allocated to each fund. We conclude that the funds are accurately stated and no breaches of trust have occurred.
Accounting estimate - Valuation of defined benefit pension scheme	Risk of material misstatement due to accounting estimates involving management and expert judgements.	We ensured the data provided to the actuary for the report was accurate and we reviewed actuarial assumptions and benchmarked them with the FRS 102 pensions report, reviewed the figures and methodology used.	Audit work performed has given us no indication that the pension scheme is materially misstated in the accounts.
Accounting estimate - Valuation of property	An expert is used to provide information that is included in the financial statements. There is a risk reliance is incorrectly placed on the expert and the valuation is incorrect.	We tested the independence and integrity of the property valuations performed against available market data.	Audit work performed has given us no indication the assets held at valuation are materially misstated in the accounts
Risk that the going concern assumption is inappropriate	In the current economic environment, the Trustees' assessment of the going concern basis of preparation is inherently more complex. In response to these inherent challenges, we consider it appropriate to elevate our audit risk assessment and proposed work.	Due to the unprecedented circumstances presented by the current economic climate we performed an enhanced level of audit work over the trustees' going concern assessment. This involved reviewing forecasts that project at least twelve months from the date the accounts are set to be approved. We developed an understanding of how your forecasts change if different plausible scenarios play out and review management's current strategic plans	Based on the audit procedures performed, we concur that the trustees' conclusion that the going concern basis is appropriate.

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5. Internal Controls

Current year

The purpose of the audit was to form an opinion on the financial statements. As part of our audit, we have considered the internal controls relevant to the preparation of the financial statements, in order to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal controls. The matters reported are limited to those deficiencies in internal controls which came to our attention during the course of our audit work. This does not constitute a comprehensive statement of all deficiencies that may exist or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed.

Our findings and recommendations are noted below. We have assigned a priority indication to each finding to reflect the urgency we consider management should place in addressing each item.

	Implies a high priority issue requiring immediate management attention		Implies an important issue that should be reviewed and/or implemented at your earliest convenience		Implies an advisory issue that is raised purely for management information and possible further discussion

Observation	Risk	Rating	Recommendation	Management response
For one employee, the employer (ER) pension contribution was calculated at 10% of pay using the 2024/25 salary bandings instead of the correct 2025/26 salary bandings.	Using incorrect salary bandings to calculate employer (ER) pension contributions may result in incorrect pension contributions being paid (either underpaid or overpaid). This could lead to non-compliance with pension scheme rules and payroll procedures.		We recommend the calculation for the affected employee should be reviewed and recalculated using the correct 2025/26 salary bandings. Any underpayment or overpayment should be corrected through payroll and reported to the pension provider where necessary. Additionally, payroll controls should be strengthened to ensure salary bandings are updated and verified at the start of each tax year to prevent similar errors occurring in future.	The calculation is being reviewed & corrections will be made. Additional checks and balances will be introduced to prevent this issue reoccurring.

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5. Internal Controls

Observation	Risk	Rating	Recommendation	Management response
During our related party searches, 3 undisclosed interests were identified through external sources (Companies House, Fame, and the Charities Commission): • Jane Robins: The Parochial Church Council of the Ecclesiastical Parish of Ruddington • Revd Sam Hustwayte: St Wilfred's Church • Revd Mark Wreford: The Parochial Church Council of the Ecclesiastical Parish of St Andrew, Nottingham	There is a risk that related party transactions are not disclosed within the financial statements.		Ensure related parties are continuously reviewed and declared by all trustees and key management personnel.	Noted. Trustees will be reminded of the importance of declaring all interests.

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5. Internal Controls

Prior year

We have also set out the deficiencies identified in the previous year's audit with an update on the position in the current year.

	Implies a high priority issue requiring immediate management attention		Implies an important issue that should be reviewed and/or implemented at your earliest convenience		Implies an advisory issue that is raised purely for management information and possible further discussion

Observation	Risk	Rating	Recommendation	Updates in Current Year
We were unable to obtain a tax code notice for a member of staff that did not have a standardised tax code	There is a risk that the incorrect treatment of tax could occur if the tax code cannot be verified to supporting documentation		Ensure all tax code notices are maintained for all staff going forwards.	This has not been identified as an issue in the current year.
As part of our employee testing, we verify each individual's existence by agreeing them to ID documents held on file. For 3 employees (A Lumb, LP O'Boyle, and R Davies), no ID could be provided, so we were unable to verify their existence. These employees were all employed prior to 29 February 2008, when the regulations regarding right-to-work checks changed, making it a requirement to retain ID documents for the duration of an employee's tenure.	There is a risk that fraudulent payments could be made through payroll to fictitious employees		We would recommend that ID documents are held for all staff that are currently employed within the diocese	This has not been identified as an issue in the current year.

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5. Internal Controls

Observation	Risk	Rating	Recommendation	Updates in Current Year
During our related party searches, several undisclosed related party interests were identified through external sources (Companies House, Fame, and the Charities Commission). The discrepancies noted are as follows: • J B Robins — Strays of Newark Limited; Strays of Oakham Limited; The Parochial Church Council of the Ecclesiastical Parish of Ruddington • The Very Revd N Sullivan — The Barrow Exhibition; Southwell Charities for the Sick Poor; Southwell Charities for the Poor; The Anne Noble Fund; Simmons Charity Minster Repair Fund • The Rt Revd P Williams — The Barrow Exhibition; Notts Clergy Widows and Dependants Fund • Canon M Arlington — M & G Energy Limited; Parish Farming LLP; Debdale Hill Limited	Undisclosed related party transactions could occur.		Ensure related parties are continuously reviewed and declared by all trustees and key management personnel.	This MLP has been raised again in the current year.

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Appendix 1: Audit Adjustments and Surplus/(Deficit) Reconciliation

We set out below the identified audit misstatements that have been adjusted in the financial statements and show a reconciliation between the surplus/(deficit) per the trial balance/management accounts provided at the planning stage and that reported in the financial statements.

	Total £'000
Deficit per initial trial balance	**(815)**
Removal of the duplicated Holy Trinity property	(175)
Rounding	1
Net movement in funds per draft financial statements	**(989)**

On behalf of the board, I hereby approve the adjustments summarised above:

Signed:..... Signer ID: OJD2YOTDQD...

Date: 21/05/2026 GMT .....

Name..... Colin Bourne

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Appendix 2: Summary of Unadjusted Misstatements

We set out below the misstatements above the level of 'clearly trivial', that we have identified during our audit testing.

These misstatements were not considered material either individually or in aggregate and so have not been adjusted in the financial statements.

Detail	Profit & Loss		Balance Sheet	
	DR £	CR £	DR £	CR £
No unadjusted errors to note	-	-	-	-
Total potential adjustments	-	-	-	-
Total effect of these misstatements			Surplus	-

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Appendix 3: Specific Representations

Proposed paragraph wording	Reason for inclusion
We confirm that we have a requirement to review the valuation of Dunham House on an annual basis. We have considered the valuation as at the reporting date and are satisfied that it reflects a reasonable estimate of the property's fair value, taking into account all relevant information available. Where appropriate, we will obtain updated professional advice to support this annual review.	This representation is included to confirm the Trustees' responsibility for the ongoing assessment of the property's valuation and to support the assumptions and estimates reflected in the financial statements.
We have reviewed the carrying value of freehold property in fixed assets, which is not depreciated on the basis that the expected residual value at the end of the useful economic life is expected to be at least carrying value. We do not consider that there are an indications of material impairment across the portfolio.	To document management's review of freehold property and confirm that depreciation is not applied due to residual value assumptions, and that no indicators of material impairment have been identified across the portfolio.
We confirm that the Quarry has been valued at £Nil, as no formal lease agreement has been entered into as at the reporting date. Accordingly, we consider that there is no reliable basis on which to recognise a value for the asset in the financial statements.	This representation is included to confirm the Trustees' judgement and the basis for the accounting treatment adopted in respect of the Quarry.

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Appendix 4: Keeping You Informed

Accountancy and audit

FRS 102 — Triennial Update

On 27 March 2024, the FRC issued amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and other FRSs — Periodic Review 2024.

The revisions in the standard will impact virtually all non-micro UK companies, charities and LLPs. The effective date for most amendments is periods beginning on or after 1 January 2026, with early adoption permitted. The two major changes are in the treatment of leases and revenue recognition, which will both substantially align with International Financial Reporting Standards.

In line with IFRS 16 virtually all **leases** will come onto balance sheet; the distinction between operating and finance leases is removed, and only short-term and leases of low-value assets are exempt (low value being by reference to the nature of the asset, not the value lease payments). This results in all lease assets and liabilities being recognised on the balance sheet with an appropriate discount rate being applied. This could have a significant impact on companies with borrowing covenants or who are close to audit thresholds for assets.

Income recognition will now be similar to the 5-step model of IFRS 15. For many entities nothing will change, but a few may be heavily impacted by this.

Accountancy and audit

New SORP

The exposure draft of the new Charities SORP was released in Spring which incorporated the changes from the FRS102 Triennial Update together with a number of other significant changes to financial reporting for charities.

A major structural change is the introduction of a three-tier framework for SORP application based on a charity's income levels:

- Tier 1 — income below £500k
- Tier 2 — income between £500k and £15m
- Tier 3 — income over £15m

Changes to the Trustees Annual Report include:

- Impact reporting for all charities
- Sustainability reporting required for tier 3 charities and encouraged for tiers 1 and 2
- Disclosure of scale and nature of activities undertaken by volunteers for all tiers and information on number of volunteers for tiers 2 and 3
- Plans for the future to be required for all tiers
- More information on how legacies are included in the accounts for tiers 2 and 3
- A reconciliation of reserves reported in the trustees' report to amounts in the financial statements where those figures don't directly correlate

A cash flow statement will now not be required for tier 1 and tier 2 charities where they are also small under FRS102.

The new SORP is expected to be released in Autumn 2025.

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Appendix 4: Keeping You Informed

Compliance and financial reporting

Changes to the role of Companies House

The first set of changes under The Economic Crime and Corporate Transparency Act have now been introduced with further changes to follow:

Key changes:

- ✓ Companies House now has greater powers to query information, perform stronger checks on company names, new rules for registered office addresses, and new lawful purpose statement.
- ✓ New requirements have come into force to provide a registered email address and to confirm that the intended future activities of the company will be lawful.
- ✓ Filing fees increased from 1 May 2024.
- ✓ Anyone setting up, running, owning or controlling a company in the UK will need to verify their identity.
- ✓ New requirements to provide additional shareholder information, and restrictions on the use of corporate directors.
- ✓ Individuals will be able to apply to suppress personal information from historical documents and apply to have personal information protected from public view if there is a risk of harm.
- ✓ From 1 April 2027, filing accounts is required to be by software only and small companies will need to file a profit and loss account.

Compliance and financial reporting

Company Size Thresholds

For periods starting on or after 6 April 2025 (which can be of any length from 1 day up to 18 months), company size gross assets and turnover threshold are increasing:

	Micro		Small		Medium	
	Current	New	Current	New	Current	New
Turnover not more than:	£632k	£1m	£10.2m	£15m	£36m	£54m
Balance sheet total * not more than:	£316k	£500k	£5.1m	£7.5m	£18m	£27m
Monthly average number of employees, not more than:	10	10	50	50	250	250

*i.e. total assets

Audit thresholds will continue to align with size thresholds, so any company meeting the micro or small definitions will be eligible for audit exemptions. This may mean that the statutory audit requirement for some entities may fall away as a result of this change.

No early adoption of new size thresholds is allowed.

Charity Financial Thresholds

The government conducted a consultation on charity thresholds in June 2025 with a view to increasing them in line with inflation. This could see the audit threshold increase from £1m to £1.5m. This increase would also be matched for the requirement of a group audit and preparation of group accounts.

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Appendix 4: Keeping You Informed

Tax changes as a result of latest budget announcements

National Insurance contributions:

- The rate of employer National Insurance increased by 1.2% to 15% from 6 April 2025. The Secondary Threshold at which employers become liable to pay national insurance on an employee's salary also fell from £9,100 per year to £5,000 per year.
- For an employee on a salary of £30,000, the additional cost to the employer is in the region of £650, once corporation tax relief has been considered.

Employment Allowance:

- The Employment Allowance enables eligible employers to reduce their National Insurance liability and increased from £5,000 to £10,500 from 6 April 2025.
- Whereas previously to be eligible for the Employers' Allowance a company would be required to have an Employer's Class 1 NIC liability of less than £100,000 in the previous tax year, recent Budget announcements included the removal of the £100,000 threshold for previous year National Insurance liabilities.

New legislation to prevent charity tax rule abuses:

- The UK government has introduced new legislation aimed at preventing abuses of charity tax rules. This legislation, set to take effect in April 2026, includes several key measures:
  - **Tainted Donations:** Simplifies the challenge process by replacing the motive test with an outcome test.
  - **Charitable Investments:** Ensures investments are made for the charity's benefit, not for tax avoidance.
  - **Non-Charitable Expenditure**: Includes legacy income in the rules to ensure proper taxation of non-charitable uses.

Compliance and Sanctions: Introduces new sanctions for charities that fail to meet filing and payment obligations.

Tax changes as a result of latest budget announcements

National Living Wage increase

From April 2025, the National Living Wage increased as below:

- **Aged 21 or over:** £11.44 to £12.21 per hour (representing an increase of £1,400 for an eligible full-time worker)
- **Aged 18 to 20 years:** £8.60 to £10 per hour
- **Apprentices or 16 and 17 years old:** £6.40 to £7.55 per hour

Taxation of company cars:

- The benefit percentage for zero emission and electric vehicles will increase incrementally to 9% in 2029/30.
- Cars with CO2 emissions of 1 to 50g/km (including hybrid vehicles) will rise to 18% in 2028/29 and 19% in 2029/30. All other bands will increase by 1% per year to a maximum of 38% for 2028/29 and 39% for 2029/30.

Benefits In Kind reporting

- The UK government has delayed the mandatory payrolling of benefits from April 2026 to April 2027 to allow more preparation time. Employers will report taxable benefits in kind (BIKs) through the Full Payment Submission (FPS) with regular payroll, ensuring real-time calculation and payment of Income Tax and Class 1A NICs. This aims to simplify the process and reduce reliance on year-end forms like P11D and P11D(b).

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Appendix 4: Keeping You Informed

Trustee Knowledge Bank

Charity trustee welcome pack

As a new trustee, it's crucial to understand your legal duties to effectively run your charity. The trustees welcome pack highlights these duties ensuring your charity's activities support its purposes, benefit the public and that decision-making prioritises your charity's interests. It also includes being aware of conflicts of interest.

Trustee expenses: what charities can pay

- ✓ The UK government guide on trustee expenses explains what costs charities can and cannot cover for their trustees.
- ✓ Paying trustee expenses helps attract and retain trustees by ensuring they do not face financial loss for their voluntary work. These expenses are not considered taxable income and do not affect state benefits.
- ✓ The guide also emphasises the importance of having a clear trustee expenses policy and disclosing expenses in the charity's accounts to maintain transparency and public trust.

Trustee Knowledge Bank

5-minute guides

The Commission has developed a collection of short and engaging guidance on issues ranging from safeguarding people to managing conflicts of interest.

Dubbed the '5-Minute Guides', the collection serves as a basic toolkit for trustees who are managing the many demands of running a charity.

The core suite of 5-minute guides includes advice on the following subject areas:

- Delivering purpose
- Managing finances
- Conflicts of interest
- Making decisions
- Reporting information
- Safeguarding people
- Political campaigning

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Appendix 4: Keeping You Informed

Charity Commission updates

Raising a concern with the Charity Commission (CC47)

- ✓ The guidance explains what the Commission can and cannot investigate.
- ✓ The updated online form now includes new signposting to help trustees, employees, and volunteers raise concerns through appropriate channels, such as whistleblowing or reporting serious incidents.
- ✓ The guide encourages charities to have their own complaints procedures and to resolve issues internally when possible.
- ✓ Additionally, the guide provides information on other organisations that can help if the Commission is not the appropriate body to handle the concern.

Finding and appointing new trustees (CC30)

- ✓ The guidance provides comprehensive advice for charities on recruiting and appointing trustees. It has been refreshed because most trustees are recruited through personal contacts.
- ✓ It emphasises the importance of identifying the skills and experience needed for effective governance. The guide suggests conducting a skills audit to determine gaps and writing clear role descriptions to attract suitable candidates. It encourages charities to advertise widely, using social media and trustee finder services, to reach a diverse pool of applicants.
- ✓ The guide also covers the vetting process, ensuring potential trustees meet legal requirements and align with the charity's values. It stresses the importance of a thorough induction process to help new trustees understand their roles and responsibilities.
  For trustees to maintain effective governance. It advises charities to regularly review their board's composition and effectiveness, making adjustments as needed to ensure a well-rounded and capable team.

Charity Commission updates

Charities paying a trustee or a connected person: understand the rules (CC11)

- ✓ The guidance outlines the rules and risks involved when using charity funds to pay trustees or connected persons. Trusteeship is generally a voluntary role, promoting trust and confidence in charities. However, payments can be made under specific condition.
- ✓ The guidance clarifies that paying trustees should only occur if it is clearly in the charity's best interests and all other options have been considered. Legal authority is required for such payments.
- ✓ The guidance emphasises the importance of proper procedures, risk assessment, and transparency to maintain public trust.

Decision-making for charity trustees (CC27)

- ✓ When trustees are making decisions for their charity they must:
  - ✓ act within their powers
  - ✓ act in good faith and only in the interests of the charity
  - ✓ make sure they are sufficiently informed
  - ✓ take account of all relevant factors
  - ✓ ignore any irrelevant factors
  - ✓ manage conflicts of interest
  - ✓ make decisions that are within the range of decisions that a reasonable trustee body could make
- ✓ The guidance explains these principles in more detail and how to follow them, particularly when making significant or strategic decisions. It also explains how to record the decisions you make.

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Appendix 4: Keeping You Informed

Charity Commission updates

Internal financial controls for charities: protect your charity from fraud and loss (CC8)

- ✓ The guidance emphasises the importance of implementing robust financial controls to manage risks and ensure accurate financial reporting.
- ✓ The guide also includes a checklist for evaluating internal controls and offers resources for further training. Trustees are collectively responsible for establishing, implementing, and monitoring these controls, even if tasks are delegated.

Charity meetings (CC48)

- ✓ This guidance was updated in July 2024 and explains ways charities can hold meetings, such as face to face, virtual or hybrid and how to make sure your charity's governing document has the rules you need to hold meetings.
- ✓ The guidance also includes the types of meeting your charity can hold, such as trustee meetings and annual general meetings (AGM).

Improving your charity's finances (CC12)

- ✓ This guidance provides information about actively managing your charity's finances to ensure trustees have a clear picture of a charity's financial performance and position.
- ✓ It aims to help spot any financial difficulties early on and provides guidance on what to do if your charity is in financial difficulty.
- ✓ There is a checklist to determine if your charity is insolvent, and where this is risk of insolvency or actual insolvency, there is guidance on the steps trustees need to take.

Charity Commission updates

Sales, leases, transfers or mortgages: what trustees need to know about disposing of charity land (CC28)

- ✓ This guidance is separated into 2 sections to provide information on:
  - ✓ Selling, leasing or disposing of charity land; and
  - ✓ Mortgaging charity land
- ✓ In most cases you can sell, lease or otherwise dispose of your charity's land without asking for authority from the Charity Commission but trustees must manage these important transactions appropriately.
- ✓ The same generally applies to mortgaging charity land however a charity must have the power to borrow or to mortgage which can come from law or a charity's governing document.

How to make changes to your charity's governing document (CC36)

- ✓ This guidance explains how charities can make changes to their governing document. For example, the charity's purposes or rules on holding meetings.
- ✓ There is separate guidance for:
  - ✓ Charitable companies
  - ✓ Charitable incorporated organisations (CIO)
  - ✓ Trusts and unincorporated associations
- ✓ The guidance provides information on the powers you can use to make changes, changes that need the Commission's authority and how to apply for it, how to make changes, who to tell about changes and when changes take effect.

Statutory inquiries into charities: guidance for charities

- ✓ The Commission identifies and investigates apparent misconduct or mismanagement in the administration of charities and works to resolve issues of concern.
- ✓ This guidance is to help charities under inquiry understand the process, their rights and what the Commission expects of them.

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Appendix 4: Keeping You Informed

Fraud and Crime

Protect your charity from cyber crime

- ✓ The Charity Commission has released guidance which aims to help charities create a culture of cyber awareness and resilience, ensuring they are well-prepared to handle cyber threats. It outlines steps to mitigate risks, such as raising awareness, implementing security measures, and having a response plan.
- ✓ The guide also covers how to respond to and report cyber attacks, emphasising the need for quick action and proper documentation.
- ✓ It offers resources for further training and also mentions various cyber security services and tools available to charities, such as the NCSC's Active Cyber Defence tools.
- ✓ Contact the Action Fraud 24/7 helpline if you are experiencing a live cyber attack.

Online fraud

- ✓ The Charity Commission is warning charities about the risk of online fraud, as a survey found around one in eight charities (12%) had experienced cybercrime in the previous 12 months. 51% of charities surveyed held electronic records on their customers and 37% enabled people to donate online, which increases a charity's vulnerability. However, only 24% of charities have a formal policy in place to manage this risk.
- ✓ The survey also confirmed that there is an under-reporting of incidents when they do occur, with only a third (34%) of affected charities reporting breaches.

BHP Charity Hub

BHP Charity Hub

During the year, the BHP charity and not-for-profit team release regular articles giving updates on the latest sector developments. The latest ones can be found on the links below.

- BHP Charity Hub

In addition, we also hold regular webinars, Trustee training and our annual conference, recordings off these can be found on our website:

- Charity Trustee Training 2025 — introduction and advanced sessions.
- BHP 2024 Charity Conference — key sessions from the day, including topical accounting and regulatory update, Risk Management in Charities and What does it mean to be a responsible investor?
- BHP Introduction to Charity Tax and VAT webinar - an introduction to the key concepts in charity VAT and taxation, a critical guide to charity taxation for all finance Trustees

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Appendix 4: Keeping You Informed

Pensions

Trapped surpluses

Many UK defined benefit schemes now find themselves in a surplus position as a result of the rise in government bond yields over the past few years. On the face of it this is good news for schemes but can be a cause for concern for sponsoring employers if there are not plans in place to access or deal with these surpluses.

A surplus is considered to be “trapped” when the sponsoring employer cannot gain any value from the surplus either due to legislation, the current funding agreement with the scheme or the scheme rules.

Whether the employer can receive any return of a surplus depends on the scheme rules. In many cases and under current legislation, the scheme can only return a surplus to the employer on wind up. However, there may be other mechanisms, again depending on the scheme rules, that an employer could utilise to gain value from any current or future surplus.

These may include:

- Using the surplus to pay for scheme expenses
- Using the surplus to pay for the cost of future accrual (if the scheme is open to accrual)
- Incorporating a “switch off” mechanism into the Schedule of Contributions (where contributions may be reduced or ceased if certain funding targets are met)
  Diverting contributions into escrow

Pensions

Trapped surpluses - continued

The key thing here is to strike a balance between flexibility for the employer and security for the scheme.

The DWP is consulting on pension scheme surpluses and the current proposals could mean significant benefits for employers and schemes, ***but*** no changes are expected imminently, so it's important for trustees and the employer to discuss what can work in their individual circumstances based on the current landscape.

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