The Diocese of Southwark

The South London Church Fund & Southwark Diocesan Board of Finance

Annual Report 2025

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Christ Centred | Outward Focused

Front cover: © Tom Bradley.
Pupils from Bishop John Robinson CofE Primary School participate in the Black History Month service at Southwark Cathedral, October.

Contents

Overview

Introduction by the Bishop of Southwark and Chair of the Diocesan Board of Finance 4
Our Vision 5

Review (strategic report)

The Diocesan Secretary 7
Reflections from 2025 8
Key statistics 16
Financial review 18

Objectives and plans

Annual objectives for 2025 23
Future plans 26
Principal risks and uncertainties 28

Governance

Structure and governance 32
Trustees' responsibilities 35
Legal objects 36
Related parties 37
Administrative details 38

Financial statements

Independent auditor's report 41
Statement of Financial Activities 44
Income and expenditure account 45
Balance sheet 46
Statement of cash flows 47
Notes to the statement of cash flows 48
Notes to the financial statements 49
Glossary of terms 82

Introduction

The Bishop of Southwark



As always, I reflect on the past year with gratitude for the people and activities that flourish in this diocese. I have been pleased throughout 2025 to attend Parish Conversations with a number of parishes, accompanied by members of staff from Trinity House, and hearing at first hand the joys and challenges of parish life.

It has been a great joy this year to recognise ministries and achievements. In February I presented Lambeth Palace Awards to Nick Russell (Church Army) and, posthumously, to Araba Taylor, Deputy Chancellor of Southwark, who was the first Church of England judge of Global Majority heritage.

Since May I have had the privilege of serving as Chaplain to the Mayor of Southwark, Sunny Lambe – a reminder of the role that the church still plays in civic as well as religious life. In June and July we ordained 17 priests and 17 deacons to serve their title posts in Southwark. At Southwark Cathedral we rejoiced in July at the collation of the Venerable Bridget Shepherd as Archdeacon of Wandsworth, and in September we welcomed Helen Smee as Director of Music, the first woman to hold that role in Southwark.

In October a total of 21 people were commissioned and licensed to various lay roles in the diocese, and I continue to give thanks for the service of lay as well as ordained leaders. At Diocesan Synod in March I was pleased to commission nine Deanery Lay Champions.

Clergy wellbeing remains a priority for me and I was very pleased that General Synod voted in July for a significant uplift in clergy stipends, an uplift that will be honoured in Southwark in 2026. Racial Justice is always a priority in Southwark and our Black History Month was a joyful celebration attended by more than 300 people and watched by a further 500 on the livestream.

Finally I should pay tribute to Ruth Martin who retired fully from the Diocesan staff at the end of August. She gave faithful service as Diocesan Secretary and then stayed on for 2 more years at my request on a part-time basis as Bishop's Lead for Strategic Development and Property Services.

I am grateful for the ministry of our clergy and for the faithful service of lay leaders and volunteers, whose dedication sustains the daily rhythm of life in our parishes across south London and east Surrey. As I look towards pastures new in 2026, I promise that I will continue to hold this diocese and its people in my prayers as I have done faithfully throughout my time of service here.

+Christopher Southwark

Chair of the Diocesan Board of Finance



I am pleased to introduce this Annual Report, which reflects a year of purposeful stewardship and significant investment in the life of our diocese. Our focus throughout 2025 has been to ensure that every financial and operational resource is aligned with our shared mission: enabling our parishes to flourish, strengthening ministry, and supporting the communities we are called to serve.

In 2025 we succeeded in delivering on a broadly balanced budget. The overall budget outturn is reliant on the vagaries of the property market, a reliance that we are seeking to move away from in the diocese. The budget presentation to Diocesan Synod in December included future projections that are less positive than the planned balanced budget for 2026, and I am grateful that the senior team, led by Bishop Christopher and the Diocesan Secretary, are giving serious thought to making the diocese more financially sustainable in the medium term future, a theme that is likely to come to the fore in 2026. 2025 saw the first year of our new investment management model following full divestment from fossil fuels, and the Investment Committee carefully monitored the performance of our fund managers. So far the impact of the divestment on our income has been gratifyingly small.

It is reassuring that the Parish Support Fund collection rate remained above 99 per cent, and I cannot stress too highly my appreciation of the generosity shown by parishes in these challenging times.

The work of the staff team was characterised as always by a clear focus on delivering for parishes, and I know that the team retain their commitment to being Christ centred and outward focused. There are many governance and compliance challenges involved in running a charity in the 21st century, and I am always impressed by the commitment and willingness of staff to go above and beyond in order to do what is needed whilst keeping down costs.

I commend this report to you and thank you for your ongoing partnership and support.

David Beamish

Our Vision

Southwark Vision 2024–2035 is **Christ Centred | Outward Focused**. This next evolution of our vision comes as we continue to walk together, discerning God's wisdom and guidance in our pilgrimage of faith. Keeping Christ as our centre and the focus of unity, we will continue to turn outwards – seeking to support, encourage, resource and learn from one another as we serve our parishes and God's world.

Our renewed Vision is shaped around our six priorities: Valuing all our Parishes, Ministry, Growth, Youth and Diversity, Discipleship and Healing.

Our priorities

Southwark Vision builds on all we have done and seeks to respond to what God is now doing in our midst. In particular, our priorities for this next season will be:

P *Prioritising parish mission and ministry*

We value all our parishes and are committed to enabling and serving them, so they can minister to the whole people of God in their local context.

M *Growing, resourcing and diversifying our ministries*

We will maintain the highest possible number of stipendiary clergy and grow our lay ministries. We will ensure that our parishes are served by well-resourced and well-supported clergy, including self-supporting ministers. We will continue to foster and grow our lay ministries including new pipelines for children and youth workers in ministry.

G *Equipping churches and congregations to grow and innovate*

We will grow our existing churches, including revitalisation initiatives, and establish new worshipping communities. We want to see our Diocese surpassing pre-pandemic levels of attendance by 2029, to include mixed ecology of worship patterns Sunday to Saturday and grow a further 10% by 2035.

Y *Becoming a younger, more diverse diocese*

We are committed to becoming a younger, more diverse Diocese. We wish to see our churches evolve to better reflect the communities in which they serve and the gifts of the whole people of God.



D *Being intentional about going deeper with Christ*

Christ is at the heart of our faith and we will only grow by being intentional about going deeper in our journey with him, replicating our learning and sharing our resources.

H *Seeking God's healing for our communities and God's world*

We will seek God's healing for our communities and our world. Christ's call for healing and reconciliation requires us to grapple with many of the issues that we face including safeguarding, social justice, racial justice and care for creation.

Our nationally-funded, nine-year Diocesan Investment Programme has been designed to grow our work in these areas. Find out more about this – and all our work to serve these priorities throughout 2025 – in the Reflections section (page 8) of this report.

southwark.anglican.org/southwark-vision

Review



© Tom Bradley.

Black History Month service at Southwark Cathedral.

The Diocesan Secretary

2025 has felt like a year of preparing for the transitions and changes that 2026 will bring. The senior staff team saw some changes, with Andrew Dickinson joining us in May as Strategic Lead and Michael Browne joining as Diocesan Safeguarding Officer in November. Advent Sunday always heralds a new church year but in 2025 also saw Bishop Christopher's announcement of his retirement in August 2026, and started the Vacancy in See Committee process which will be a significant feature of the first half of 2026.

The diocese is first and foremost about mission and ministry and our focus as a staff team is always on our parishes, whom we seek to lead, enable and serve in accordance with our staff purpose. The Diocesan Board of Finance (DBF) is also a medium-large charity and as such governance and compliance are important, and becoming even more of a focus over time. I am grateful to all of our trustees and committee members who give their time freely to the diocese to oversee and support our governance, and especially to Sir David Beamish who as Chair of the DBF is a source of both support and challenge.

The staff team's support for parishes this year has included helping parishes increase financial resilience through training, digital giving, and administering nationally-funded grant support for example through Buildings for Mission and the Minor Repairs and Improvements Grants. The Property Team continued their hard work to provide maintenance and vacancy works to support our clergy and their families. Work on initiatives such as safeguarding dashboards is aimed at making the administration of safeguarding easier for parishes.

The Diocesan Investment Programme started to deliver on its promise in 2025, supporting more than 120 parishes and enabling initiatives that are already bearing fruit – from the launch of the Parish Development and Renewal Programme to the expansion of Hub and Resourcing Churches. These investments are strengthening local capacity, deepening discipleship, and creating sustainable models of ministry for the future.



Nicola Thomas





Left: Bishop Christopher commissioned nine Deanery Lay Champions at Diocesan Synod in March. Right: Our first cohort of four children and youth apprentices, together with tutors at Ridley Hall study centre.

Reflections from 2025

As the definitive statement of our aims, values and priorities, *Southwark Vision* guides all of the work we do – from pioneering new mission activities, to managing property, training clergy and advising parishes on safeguarding concerns. At its heart, this is about being Christ Centred and Outward Focused: keeping our eyes on Christ as our unity, our motivation and our pattern, while we turn towards the opportunities, needs, and cares of the world that God created and loves. As we reflect on all that our diocesan staff team has done to serve our parishes in 2025, its progress, events, resources and work are outlined under each *Southwark Vision* priority.

P Parishes

We value all our parishes and are committed to enabling and serving them, so they can minister to the whole people of God in their local context.

Serving all our parishes, to help them grow resources for mission and ministry is the heart of the **Giving Team's** work as we help with encouraging giving, digital fundraising, advice on legacies and enabling parishes to obtain community grants and improve their trading income. We were delighted that in 2025, funding made available through our Diocesan Investment Programme enabled the recruitment of two new fundraisers, Susan and Steve who worked with 66 parishes in their first year, helping them with community project funding and income generation as well as offering specialist advice regarding Gift Aid. We have also been able to offer parishes access to the *Cornerstone* grants database, provided by the Church of England.

Over the year, the Giving Team offered several training opportunities for parishes, including the annual Treasurers' Workshop in September, where we explored key issues affecting parish finances, as well as offering a much-needed opportunity for treasurers to network and share their experiences and learning.

Thanks to the Minor Repairs and Improvements Grants Fund (a nationally-funded initiative), in 2025 the **Church Buildings and Diocesan Advisory Committee (DAC) Team** continued to offer small grants to parishes in order to enable them to better care for and make effective use of their church buildings. Demand was high and grants were offered to twenty parishes, with each receiving £3,600 on average. Works funded included repair projects such as stonework, windows, roofs, and guttering repairs, asbestos removal, and electrical wiring repairs. We were also able to offer grants for building improvements, in particular for churches that were seeking to cut their carbon footprint. These included conversion of church light-fittings to LED and upgrading electrical supplies, as well as covering professional fees for services such as bat surveys, structural assessments and initial 'design work' to develop larger projects.

In addition to the grants, in 2025, the DAC continued to work with our archdeacons and others to offer a range of advice and support to parishes looking to make big and small changes to their church buildings and fabric. From small alterations and faculties to major new projects, the team has enabled parishes to access high quality professional advice and expertise in navigating the regulations of the Church of England.

Our programme of **Parish Conversations** continued throughout 2025, conversations having taken place with nearly a third of our parishes by the end of the year – and the programme set to continue throughout 2026. At each conversation, diocesan senior staff meet with leadership, community and congregation members from each parish – listening to what life is like there, what challenges they face and what joys their ministry is bringing them. The Conversations are also opportunities for senior clergy and diocesan colleagues to work with parishes to identify what additional or new support might best benefit them.

The ministry of hundreds of lay and ordained ministers – both paid and self-supporting – across our diocese is crucial for our sharing in God's mission. June and July 2025 saw the ordination of 17 deacons and 17 priests to serve their title posts in Southwark Diocese. During the year, the **Vocations and Clergy Formation Team** continued to work hard to encourage, nurture, and train people to serve God and their communities. Working with colleagues in the **Lay Ministry Team**, we have sought



© Andrew Moss.

Lay Ministers, crucial for our sharing in God's mission.



A *Parish Conversation* at St Peter, Vauxhall.

to train members of our diocese to look for, encourage, and support people to explore what God is inviting them to do (their vocation). This work was made possible thanks to our wider diocesan team of Vocations Advisors, Directors of Ordinands, Examining Chaplains, Training Incumbents, Directors for IME, tutors, and reflective practice leaders.

Discipleship, Lay Ministries & Continuing Ministerial Education Team continued to offer a wide variety of training and development opportunities thorough its Discipleship Events series. This includes a vastly oversubscribed series on Leading Worship to equip people for mission and ministry. The New Incumbents Training and Southwark Leadership Programme worked to better equip our clergy for mission and ministry in our parishes.

In 2025, the **Mission Team** developed and launched the first of its new Foundation Courses, which will continue to be rolled out and made available to parishes throughout 2026. Our first course offered Foundation-level training in children and young people's ministry – more than 100 people across the six Archdeaconries have engaged with this so far. Other Foundation courses will include establishing new worshipping communities, creation care, justice and mission action planning. Other key training offered in 2025 included the *Leading Your Church into Growth* conference, which was attended by 50 people, as well as the Mission Shaped Ministry Course, which was offered in the Kingston Episcopal Area.

Mission grants have supported a wide range of initiatives in our parishes, from setting up new worshipping communities, supporting children and young people's initiatives and expanding social justice ministries. During 2025, members of the Mission Team visited a majority of our parishes to support and encourage them in their local work. These visits enabled staff to understand local contexts, their opportunities and challenges, as well as exploring where support can make a difference. The team have also established networks to support parishes in their specific contexts – such as estates ministries, pioneering and small churches.

During 2025, we funded and supported the development of nine **Hub Churches** and six **Resourcing Churches**, which together are actively supporting 28 other parishes to revitalise and grow their ministry – whether through actively working in partnership or by developing new models for mission that can be replicated elsewhere.

In 2025, our **Human Resources Team** worked to equip parishes for mission and ministry through providing HR support on a range of employment matters and supporting the resolution of local staffing challenges. There were at least 169 separate enquiries, with parishes seeking advice about a variety of employment matters, ranging from the provision of templates and telephone advice, to cases requiring more extensive support about employment matters. There were 14 cases requiring more intensive longer-term support and advice for parishes, ranging from restructures and redundancies to performance issues, and matters of serious misconduct.

During 2025, the **IT Team** continued to maintain and improve our Intranet and

Reflections from 2025
(continued)

database capabilities, enabling staff to access accurate parish and person data, and to view policies and other resources. The team continued to support churches in their data collection and returns – including the annual Statistics for Mission and Energy Footprint Tool. They worked hard to provide accurate data and reports to help with critical parish and diocesan decision-making. The provision of reliable and secure IT infrastructure was crucial to enabling wider diocesan staff fulfil their roles in supporting parishes.

As well as supporting and promoting the work of the other diocesan teams, such as the Bishop's Lent Call, Black History Month and the Parish Support Fund, the **Communications Team** continued to seek fresh ways of encouraging and informing people across our parishes, developing our website and expanding our use of digital media. The team continued to produce The Bridge newspaper and worked to redesign it ready for relaunch as a quarterly magazine in 2026. It championed good parish stories throughout the year – promoting them through diocesan channels as well as through local and national media – and offered communications advice to parishes dealing with tricky issues.

The Governance Team continued to provide essential support to our parishes, including offering PCC Secretaries' & Administrators' Conferences – with a total of 117 people joining either in-person or online. These fostered a collaborative environment for training, sharing best practice and addressing common challenges.

Throughout the year, our diocesan staff team supported parishes to engage more confidently and intentionally with the **Anti-Racism Charter (ARC)** through accessible resources and direct local engagement. Uptake of the new ARC Bible study resource was strong (nearly 50% of parishes reported an intention to use it), and demand for parish and deanery level support increased significantly. The team's work prioritised relationship-building and deepened collaboration with Area Racial Justice Groups, reinforcing support for sustainable parish led-racial justice work.

The nationally-funded **Net Zero Programme** has enabled our churches to apply for grants to undertake works associated with lower carbon emissions through the replacement or reduced use of gas boilers and also taking measures to improve the fabric of the church to prevent heat loss.

During 2025, the **Diocesan Investment Programme** supported more than 120 of our parishes. The fist cohort of our pilot *Parish Development and Renewal Programme* launched, designed to equip teams of lay and ordained parish leadership with the tools to better reflect and plan to meet the missional needs of their areas.

M Ministry

We will maintain the highest possible number of stipendiary clergy and grow our lay ministries, ensuring that our parishes are served by well-resourced and well-supported ministers of all kinds.

During 2025, the **Vocations and Clergy Formation Team** supported 28 ordinands in training, as well as 65 curates and their training incumbents. Building on work done in the past to encourage vocations amongst those of Global Majority Heritage and from culturally diverse and disadvantaged backgrounds, 2025 saw the launch of the *Encouraging Vocations* research project, funded by our Diocesan Investment Programme. This will identify any parts of our processes which have disadvantaged people from under-represented groups in realising their vocations to lay and ordained ministries. This research will help to share and develop our future discernment and training practices, as well as being of value on a national level, too. The team has also been working with advisory groups for Self-Supporting Ministers and Distinctive Deacons to identify ways to increase vocations to these important roles.

Our Dean of Clergy Wellbeing continued to be available to all clergy, signposting them and their families to appropriate therapy and sources of support. A new wellbeing peer-support programme for clergy – *nine in twelve* – was hugely successful and will run again in 2026. Sessions have provided peer support. We are also working with the Clergy Support Trust on training. **The Discipleship, Lay Ministry and Continuing Ministerial Education Team** offered a wide range of training for lay and ordained ministers, as well as



© Caro Swan.

Deacon ordinations, June 2025.

others who just want to explore or 'dip their toe' in particular topics.

The staff team worked to strengthen **racial justice awareness** across our diocese through wide-reaching Unconscious Bias training for staff, clergy and lay leaders. 100% of diocesan staff completed the training, alongside parish and deanery participants, with 16 sessions delivered to approximately 200 people. We are grateful for funding from the national Racial Justice Unit which pays for our Racial Justice Development Officer and Racial Justice Training and Resources Officer.

Deanery Lay Champions were appointed in the majority of our deaneries, and played a key role in promoting and supporting a range of lay ministries. Our Celebration of Lay Ministries at Candlemas helped to raise awareness of these crucial ministries further and encourage others to explore their vocation. In joyful service at Southwark Cathedral in September, Bishop Christopher licensed and commissioned a brand new cohort of 15 new lay ministers.

In 2025, the **Mission Team** was delighted to see a strong uptake in sign-ups to our *Magnify Estates Lay Pioneer* pathway, which aims to raise up Estates Lay Pioneers who will minister and build worshipping communities within the estates of our diocese. Seven training hubs have been established and 28 people across 13 parishes completed the first year of the course. Participants report that they feel more confident in their faith and more able to undertake mission and ministry in their settings.

The **Property Team** worked hard throughout 2025 to support parish ministry through the provision of good accommodation for our clergy and their families. It conducted 2,224 repairs to properties at a cost of over £1.4m and completed more extensive work for 34 parishes in vacancy at a cost of over £1.7m. The team also continued to implement our Property Strategy, working closely with our archdeacons to serve and support our parishes. In all their work, the team prioritised sustainability, cost-effectiveness and the alignment of our property use with Southwark Vision.

The **Diocesan Investment Programme** enabled parishes to build sustainable and inclusive ministry through the support of our Deans for Estates Ministry, Parish Revitalisation, and Cultural Diversity, who visited and worked with many parishes over the year. The Dean of Cultural Diversity mentored several candidates through the vocations process and has been working with candidates, vocations advisors and others to support vocations processes on the ground in over 30 parishes across our diocese. Our Racial Justice leads also supported greater participation by Global Majority Heritage clergy and lay leaders in diocesan conversations, events and vocational development.

Our **IT Team** supported ministry processes – such as the clergy Ministerial Development Review – through its provision of well-maintained systems and accurate data.

G Growth

In the next five years, we want to see our diocese surpassing pre-pandemic levels of church attendance – and grow by a further 10% by 2035.

Our **Vocations Team** encourages ordinands to explore Pioneer ministry and usually has up to five Pioneer Curates in each cohort – with specialised training and support offered to them. So far, the work of our Pioneer Curates has yielded over 20 new fresh expressions of Church in our diocese. The **Discipleship, Lay Ministry and Continuing Ministerial Education Team** also encourages vocations to Licensed and Commissioned Lay Pioneer Ministers, supporting them and providing appropriate training and support. Three new Lay Pioneers were licensed in October 2025. All clergy who attend the Southwark Leadership Programme are encouraged to make plans for mission and growth in their parishes and to re-visit their Mission Action Plans regularly.



Unconscious Bias training was delivered to more than 200 people including staff, clergy and lay leaders.

Our **Racial Justice** leads enabled parishes and deaneries to integrate racial justice more intentionally into their mission, public witness and community engagement, particularly in challenging social and political contexts. The team responded to growing parish demand through direct parish engagement. This included the Racial Justice Development Officer speaking at seven Sunday services and presentations

Reflections from 2025
(continued)

at ten deaneries, reaching approximately 300 clergy and lay leaders.

Funding was made available for parishes to try something new through our **Fresh Expressions Grants** – and a single larger grant from the nationally-funded **Innovation Fund** was agreed for a pioneering project that combines physical and spiritual health. *Body and Soul* is a joint project between two very different parishes that uses physical activity and fitness to promote physical, mental, and spiritual wellbeing, while offering accessible pathways into faith. It has a particular focus on reaching lower-income communities within estate parishes.

With the support of the Mission Team, **Bubble Church** – a mission initiative developed by Ascension Church in Balham and now taking off with support and funding from the national team – continued to grow, with over 80 churches across England using the model. The team continued its work in identifying new mission models that parishes are developing that could have an impact for growth in their own church or have a wider application. For example, a grant to St George the Martyr in Southwark enabled the development of its new 'Holy Hour' contemplative service, which has seen about 50 people attending on a Thursday evening.

In 2025, three ***Greenhouse* learning communities** supported 39 churches to start and develop fresh expressions of church and nurture lay pioneer vocations. We currently have 119 fresh expressions of Church across our diocese, with many more that fall into the category of new worshipping communities.

During the year, we saw significant growth in congregation numbers in parishes that were engaging with new **Hub and Resourcing Churches**. St Peter's Brockley now has the most children attending any parish in the Church of England on a weekly basis. All Saint's Kingston doubled the number of children and young people engaging with its Lifting Young Voices concerts, and have begun sharing this model with other churches.

The **Dean of Revitalisation** supported 83 parishes through Mission Action Planning training and delivered deeper consultancy support for missional planning to 23 parishes.

In all of this, our **IT and Data Team** provided digital tools and data to map and support parish attendance, trends and planning, ensuring that resources are accessible and easy to use.

Y Youth & Diversity

We are committed to becoming a younger and more diverse diocese – one which better reflects the communities we serve.

It was hugely encouraging to hear that Average Weekly Attendance by our children and young people had risen 9% in 2023-24 according to the annual returns – and the **Mission Team** has focused on how we can help all our churches to grow their numbers of children and young people attending. In 2025, 36 people trained on the Children and Young People Catalyst course. We have seen significant work and support for models of church that encourage and support our parishes in their work with children and young people.

2025 saw the launch of Youth Ministry in Communion as a new **Hub Church**, focusing on developing models for sacramental ministry with children and young people. There are already eight parishes in the network, with three dedicated youth workers helping to develop youth ministry across them. We also established our first cohort of **Children and Youth** Apprentices from diverse backgrounds and church traditions, working in four parishes across the diocese. They will finish with three years of experience in working with children and young people as well as a Diploma from Ridley Hall in Cambridge. The team also recruited



A *Youth Ministry in Communion, Southwark* gathering at St Mark, Wimbledon.



© William Horne.

The 2025 cohort for the Bishop's Certificate was our biggest and most diverse ever.

four **Children and Young People's Mission Practitioners** who will support developing youth work in parishes in their area.

As part of the national *Thy Kingdom Come* initiative, the **Mission Team** worked with Southwark Cathedral and Revd Sharon Moughtin to create a joyful and well-attended all age celebration for Pentecost.

In January 2025, we celebrated the completion of our *Seeing Through Our Eyes* project. Supported by the **Justice, Peace and Integrity of Creation (JPIC) Team** and in a collaboration with the Worshipful Company of Glaziers, students from two of our diocesan schools created a stained-glass panel that raised awareness of homelessness and rough sleeping. Youth Violence Prevention session Operation Forgiveness was delivered in two of our schools, looking at the decisions we make, being safe and the impact of youth violence on children.

We expanded racial justice education for children and young people through a diocesan schools programme reaching more than 750 children across 15 schools. Partnership working strengthened the sustainability of this work, while greater opportunities were created for children and young people to participate visibly in diocesan worship and events. The team also supported the recruitment of a Racial Justice Consultant within the Diocesan Board of Education, with strategic oversight of racial justice work in schools.

Parishes and deaneries were also supported to integrate racial justice into their mission and public witness, particularly in response to challenging societal contexts, reflecting the diversity of the parish communities we serve. Both the **Racial Justice and JPIC Teams** continued to work with our Area Racial Justice Groups, encouraging collaboration and sharing of best practice through joint engagement. In 2025, this was particularly shaped by the increased public rhetoric around migration and by concerns about the increased influence of Far-Right ideology in our society. The team also created a new regular Racial Justice Bulletin, supporting shared learning and action.

Our diocesan **Black History Month Celebration** at Southwark Cathedral in October was attended by around 300 people, with a further 500 people viewing the livestream – and special Black History Month services and events took place throughout our diocese.

D Deepening our discipleship

Christ is at the heart of our faith – and we will seek to go deeper in our journey with him, replicating our learning and sharing our gifts and resources.

The 2025 cohort for the **Bishop's Certificate** was our biggest and most diverse ever, with 87 students taking part (an increase of 20%). The courses in our **Discipleship** series continued to grow in popularity, with participants encouraged to deepen their faith and support the development of others in faith. Our online Ground Floor Guides, which offer an hour-long introduction into books of the Bible and people of faith, were especially well attended.

2025 saw sustained growth in **digital fundraising**, with our parishes receiving more donations via digital giving for

Reflections from 2025
(continued)

each month than in 2024. Compared with other Church of England dioceses, we raised the second largest amount by digital giving, and 92% of our churches now have the ability to take digital donations.

More than one third of our parishes are now members of the **Parish Giving Scheme**, which offers an efficient donation system, monthly gift aid claims and an encouragement for givers to offer an annual inflationary increase – providing financial resilience for parishes. As well as supporting parishes with giving focuses and preaching, the **Giving Team** created a short leaflet *Ten Key Elements for a Giving Campaign* which complements other generosity resources.

The **Racial Justice Team** began developing a diocesan racial justice training pathway to support ongoing formation for clergy and lay leaders.

The digital work of the **Communications Team** continued to expand in 2025, with total views across all our digital channels rising to 1.1 million, as well as adopting a much more strategic approach to this work. The team produced and published more than 40 videos over the year, telling good news stories from our parishes and sharing resources to enhance parish mission. A number of these have been subsequently used in national Church campaigns – including *Give to Go Green* and the Church of England's Advent campaign, focusing on the theme of joy. The team continued to produce our monthly Prayer Calendar, ensuring that every single parish has the opportunity to request specific prayers and share something of their life and mission through our social media channels.

H Healing

We will seek God's healing for our communities and our world, prioritising safeguarding, social justice, racial justice and care for creation.

Throughout 2025, our **Net Zero Carbon Programme** has been a focus for ensuring that parishes and staff are supported to play their part in protecting God's Earth from the damage of climate change. Funding from the national Net Zero Programme has enabled many of our churches to take action to reduce their carbon emissions and be more efficient in how we use energy.

75% of our parishes completed the **Energy Footprint Tool** – up from 58% the previous year, and continuing a trend of yearly increase. This has allowed greater insight into our emissions both corporately and locally, allowing more informed and strategic carbon reduction planning.

2025 saw the appointment of 11 archdeaconry **Eco Champions**, who are experienced in working with the Eco Church scheme and reducing carbon emissions in their own churches. Our Eco Champions are passionate about engaging and equipping others in their local area, offering greater 'on the ground support' alongside our Diocesan Environment Officer. A total of 15 new Eco Church registrations were made in 2025, alongside three new Bronze awards, four Silver and two Gold awards.

Five of our parishes took part in the *Give to Go Green* pilot project, raising nearly £48,000 for local Net Zero Carbon projects which was matched by a further £43,000 from the Church of England funding. 17 parishes have taken part in this pilot and we look forward to more benefiting once it becomes a national scheme in 2026, albeit on a much reduced level.

The Church of England's **Carbon Literacy Training** course took place over three evenings in November, exploring the theology of creation care, the science of climate change, climate justice, carbon footprints, and practical action in churches and beyond.

In Summer 2025, the **Communications Team** supported Bishop Martin as he ran the Pennine Way to raise funds for schools in our companion diocese of Matabeleland in Zimbabwe, helping him to raise more than £35,000. It also worked to amplify voices for justice and peace, promoting advocacy for refugees, racial justice and those affected by conflict.

The **Mission Team** facilitated key seminars on issues such as gentrification, homelessness, working class culture and new housing developments to help equip parishes ministering in these contexts. In November, our **JPIC Team** hosted a conference focusing on the third, fourth and fifth marks of mission under the title of *Jubilee* – a rich biblical image that looks at how God asks us to care for people and creation. The day offered an opportunity for people from across our diocese to hear a range of perspectives and grapple with the implications for their own mission and ministry.

In 2025, our **Diocesan Investment Programme Team** partnered with Parish Nursing UK to recruit three parish nurses who will be working in the Croydon Episcopal Area as part of a Hub Church. Our Hub Church in Christ Church Gipsy Hill continues to play a leading role in Farsi Ministry, developing resources and tools to support refugee communities within our diocese and nationally.



Eco-pilgrimage across the diocese during the *Great Big Green Week* in June 2025.

We continued to embed our **Anti-Racism Charter** across diocesan life, supporting movement from awareness to sustained local action, which can be seen in the integration of racial justice actions within local Mission Action Plans. Stronger oversight and governance arrangements were put in place to support long term impact, and both of our Racial Justice Officers were confirmed in their roles in 2025. Work was undertaken to support parishes with their response to issues of contested heritage and planning began for a 'truth-telling gathering' in February 2026 which will focus on healing, repair and reconciliation in the context of difficult histories.

2025 saw the departure of Pamela Chisholm as our Diocesan **Safeguarding** Advisor and the appointment of Michael Browne as her successor. Michael comes to the role with a wealth of safeguarding experience with charities and statutory services. The **Safeguarding Team** worked closely with our Diocesan Safeguarding Advisory Panel (DSAP) and its new Chair Janet Ayoola (appointed in March 2025) to develop the DSAP into a structured meeting that supports scrutiny of the National Safeguarding Standards and other safeguarding work within our diocese.

The team processed more than 2,200 **DBS checks** for parishes and staff and offered a wide range of safeguarding training – both online and in person. In August 2025, a serious data breach occurred involving a third-party supplier to our provider of DBS checks for parish officers – an incident that affected many dioceses. The **IT & Data and Safeguarding teams** responded quickly, informing those affected and offering reassurance and regularly updated advice to parishes. After a thorough process, the decision was subsequently made to move to a new provider of DBS-checking for parishes – thirtyone:eight.

More than 1,500 people completed basic and foundation training courses, with more than 500 participating in leadership-level training and more than 1,000 engaging with domestic abuse awareness. The **IT & Data Team** also supported training throughout our diocese by developing an easier way to capture compliance and contact people who are out of date with their training requirements.

Autumn 2025 saw the rollout of our **Parish Safeguarding Dashboards**, with the aim of making safeguarding administration simpler for everyone. Support and advice was provided as parishes took the opportunity to sign up – with over 80% getting on board in the first few months. In July 2025, a new regular Safeguarding Newsletter launched, designed to support Parish Safeguarding Officers, Incumbents and others with access to the latest information, training and advice.

The **Safeguarding Team** continued to offer expert guidance and support to parishes dealing with a range of safeguarding issues, as well as working alongside and listening to victims and survivors of abuse. Additional resources were provided by the Safeguarding Team to complete church safety plan reviews and compile a consolidated list of all church safety plans.

Key statistics

The Diocese of Southwark serves...



2.9 million people

in the **16** local authorities of South London and East Surrey

through **355** places of worship – a Church of England presence in every community



and **101** church schools educating **34,000** young people





19 prison, hospital and airport chaplaincies



55% of churches in the diocese are registered for Eco Church, with **66** bronze, **33** silver and **3** gold status awards



358 stipendiary clergy with **25** pioneer curates, **235** PTO clergy, **279** commissioned or licensed lay ministers and **43** self-supporting clergy

136 parish proposals for church buildings recommended.

£72,000 awarded to 20 parishes in grants from 'Buildings for Mission' Church of England funding





28 people across 13 parishes completed the first year of the Estates Lay Pioneer course.



92% of churches equipped to use digital giving

More than **1,500** people completed at least one of our safeguarding courses





£44,000 raised by the Bishop of Southwark's Lent Call to support our partners in Jerusalem, the Middle East, Zimbabwe and the UK

Financial review

Financial performance

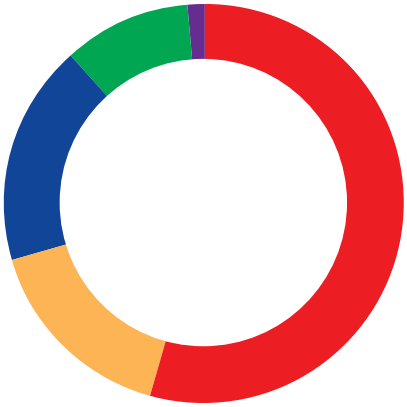
A deficit of £0.8m (2024: £0.4m surplus) is reported before property revaluations and gains on investments. In 2025 there continued to be significantly higher inflation than CPI relating to property costs, both in terms of repairs and council tax and water rates. We have increased budgets for 2025, but these costs will require further close monitoring in 2026.

The donations made by parishes through the PSF are our principal source of income. Income from the PSF in 2025 was £16.4m (2024: £16.4m). The collection rate for 2025 was 99.2%, compared to 99.7% in 2024, an exceptional result in both years, though the small reduction in 2025 does show the financial pressures that many parishes are facing.

The collection rate is testament to the partnership working between parishes and the diocese, and the strength of our pledge system based on informed generosity.

Gains on asset disposals were ahead of budget and aside from this our other sources of income overall were on budget.

Contributions from the Archbishops' Council were £3.3m (2024: £2.9m) with the increase attributable to a higher level of Diocesan Investment Programme income as the project entered its second year. Other donations remained stable at £1.6m (2024: £1.5m). We are expecting a gradual decline in coming years as Benefact have advised us of a reduction in their grant and Trust for London will distribute less to Dioceses as they move a proportion of their investments to a historic slavery reparations fund. Income from charitable activities increased to £2.4m (2024: £2.1m). This reflects an increased level of stipend recharge as stipends have risen.



2025 Income vs (Budget)

- Parish share: £16.41m (£16.25m)
- Funding from outside Diocese: £4.90m (£6.72m)
- Gain on asset disposal: £5.34m (£3.60m)
- Funding from Diocesan assets: £3.14m (£3.13m)
- Parochial fees: £0.35m (£0.40m)

£30.14m (£30.10m)



2025 Expenditure vs (Budget)

- Ministry stipends: £13.75m (£13.46m)
- Ministry housing, training & support: £8.82m (£7.14m)
- Area Mission & JPIC: £1.50m (£1.58m)
- Board of Education: £0.38m (£0.38m)
- Strategic Development & Fresh Expressions: £2.65m (£4.06m)
- Governance and administration: £2.04m (£1.90m)
- National Church: £1.83m (£1.83m)

£30.97m (£30.35m)

Costs rose to £31.0m (2024: £28.2m). This reflects a rise in stipends, and the increased Diocesan Investment Programme expenditure. The amount spent on administration as a proportion of the total expenditure of the SDBF amounted to 6.5% (2024: 6.5%). This expenditure continues to be monitored rigorously. It is comparable to other dioceses and other charities of a similar size and complexity.

The SDBF appointed a new valuer for the property portfolio in 2025. The increase in the value of Diocesan Stipendiary Fund property was £2.8m (2024: £6.2m increase). The decrease in the value of Board Property was £6.0m (2024: £4.4m increase). Whilst the vast majority of our properties are

residential, we do have one commercial property, Trinity House, and the new valuers assessed a significant reduction in the value of commercial property in 2025.

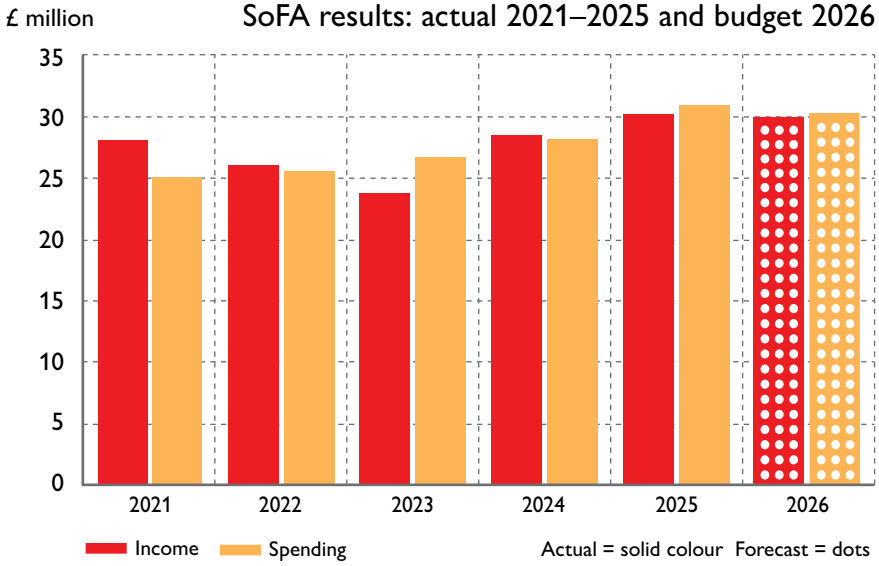
The value of investments increased by £2.0m (2024: £1.1m). During the year the SDBF sold all investments (except for a small amount of non fossil fuel CCLA investments held in trust by the Diocese of St Albans) to divest entirely from holdings in fossil fuel investments. The SDBF has two new investment managers, Rathbones and Cazenove Capital, with non fossil fuel portfolios. The transfers were made at the beginning of the financial year and further details on the investments and their performance can be found in the investment policy section on page 21.

There was no impairment to the value of parsonages in the year. Properties are held for the long term and our experience has been that sale prices exceed the carrying value of the asset.

The capital value of non parsonage properties decreased by £3.2m (2024: £10.6m increase), a decrease of 0.26% (2024: 8.6% increase). As noted above, this was driven by the reduction in value of the one commercial property owned by the SDBF. Following the decision taken by Trustees in 2016, whereby properties other than benefice houses were to be valued on a five-yearly cycle, one-fifth of the portfolio was revalued during the year by the SDBF's appointed firm of chartered surveyors, and the average change in the value of the properties revalued was applied to the remainder of the portfolio.

Financial history and plan

SoFA results: actual 2021–2025 and budget 2026



Significant property transactions

A summary of property transactions that took place during the year is shown in the table on page 20. Expenditure on property development and improvements continues to take place, to ensure that parsonage houses are fit for purpose and that the correct numbers and placement of properties are available for curates and other church workers. This is in line with the property strategy endorsed by Diocesan Synod and to support Southwark Vision.

Three Parsonages were sold in 2025, deemed not fit for purpose, and three Parsonages were purchased.

Our policy continues to be:

- to accommodate the changing geographical deployment of clergy within the diocese
- to release the development and refurbishment potential in some properties to enable more effective use of funds for the ministry of the church and to house curates
- to replace unsuitable properties to ensure that each parish/benefice has a benefice house.

Under the Mission and Pastoral Measure 2011, the Diocesan Pastoral Account is available for the purchase and/or improvement of benefice houses. To the extent that any remaining funds are not required, or are not likely to be required, for these purposes then the Account may be applied to any general purpose of the SDBF. The policy of the SDBF is to use the Account for property expenditure and for property staff costs where they are principally engaged in the purchase, sale and maintenance of the property portfolio.

Financial review *(continued)*

Balance sheet position

The Trustees consider that the balance sheet, together with Note 19 (pages 74–75), show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. The net assets as at the balance sheet date totalled £300.0m (2024: £302.0m). Included in this total are properties, mostly in use for ministry, whose value amounted to £275.7m (2024: £275.8m).

Reserves policy

Free reserves are deemed to be the total of the unrestricted General Fund. Having considered financial risk, liquidity requirements and the timing of cash flows throughout the year, the Trustees reviewed and amended the policy in 2019. The Trustees' policy was gradually to grow working financial reserves in the General Fund such that it was equivalent to three months' budgeted unrestricted expenditure by the end of 2020, with an aspiration to achieve six months' budgeted unrestricted expenditure by the end of 2025. These targets have not been achieved. The policy was set just before the Covid pandemic adversely affected giving from parishes, and only in 2025 has the amount of PSF collected exceeded the pre Covid level in cash terms. Over that period CPI inflation has risen by 28%. The SDBF from 2026 is reviewing all expenditure, including the level of provision of stipendiary priests. Without significant increases in income over the coming years cost reduction measures will be implemented. This will have the effect of removing an operating deficit. With potential reductions in property holding these capital receipts can be used to increase the level of investments and reserves.

	2025 Number	2025 £'000	2024 Number	2024 £'000
Property development and improvement:				
Parsonage	24	1,327	25	1,564
Glebe property	4	226	2	34
DBF property	4	335	3	183
Total	**32**	**1,888**	**30**	**1,781**
Purchases at book value:				
Parsonage	3	4,670	1	734
Board	1	500	–	–
Total	**4**	**5,170**	**1**	**734**
Sales at book value:				
Parsonage	3	2,280	4	2,632
DBF property	3	1,695	3	1,970
Total	**6**	**3,975**	**7**	**4,602**

Reserves invested in fixed assets

The General Fund comprises net assets amounting to £1.5m (2024: £3.0m), of which £3.1m (2024: £3.0m) relates to tangible fixed assets, principally freehold and leasehold property, and a further £3.4m (2024: £3.2m) is held in pooled investments. The other net liabilities amount to £5m (2024: £3.2m).

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is prudent. Such designated reserves are reviewed on an annual basis and returned to the General Fund if the purpose of their designation is no longer considered to be adequate justification for their retention.

A description of each reserve, together with the intended use of the reserve, is set out in Note 20 (see page 76). At 31 December 2025, total designated reserves were £36.3m (2024: £43.6m). The policy of the Trustees is to gradually return as many of these funds as possible to the General Fund.

Restricted and endowment funds

As set out in Note 19 (see pages 74–75), the SDBF holds and administers a number of restricted and endowment funds. As at 31 December 2025, restricted funds totalled £4.7m (2024: £4.8m) and endowment funds totalled £257.6m (2024: £250.6m). Neither are available for the general purposes of the SDBF.

Grant-making policy

The Articles of Association of the SDBF allow for the making of grants in pursuance of its objects. The grants made in the current and previous year are disclosed in Note 10 (see pages 62–63). All grants are made from budgets set aside for specific purposes and are subject to authorisation policies and criteria.

	Funds at 31 December 2025	Proportion of portfolio	Income yield in year	Total return in year
	£'000	%	%	%
Managed funds:				
Rathbone Investment Management	14,250	48.93	3.60	9.90
Cazenove Capital	14,712	50.52	3.80	7.90
CCLA	160	0.55	2.92	-1.17
Total	**29,122**	**100.0**		

Investment policy

The SDBF is permitted by its Articles of Association to make investments. Note 19 (see pages 74–75) provides details of the assets of each fund, together with the related purposes. Note 14 (see page 69) summarises the movements in investments during the year. The investment principles were reviewed towards the end of 2018.

With most of its capital assets in residential housing, the focus of the Trustees is on the selection and review of investment funds to provide additional income to the diocese whilst aiming to maintain the inflation-adjusted value of capital. The investment policy and principles in this align with the property strategy and Southwark Vision 2024–35.

The investment objectives are:

- to seek the best possible overall return on investments, having due regard to the preservation of capital and subject to agreed risk tolerance
- for the Diocesan Stipendiary Fund and Ministry Fund, the aim is to maximise the growth of income in the longer term whilst maintaining the inflation-adjusted value of the capital
- for Board of Finance investments, the aim is to maximise capital and income in the longer term.

Excluding purchases, sales, and transfers, the value of investments has increased by 7.3%. Total distributions decreased to £1.1m (2024: £1.2m).

The SDBF does not adopt a total return policy for its investments but looks to identify investment managers who can produce income growth whilst preserving capital subject to agreed risk tolerances.

The capital growth and income achieved in the year are in line with the investment objectives.

Objectives and plans



Students from Southwark Diocese schools take part in a *Glaziers* education project.

Annual objectives

Review of 2025 annual objectives

Southwark Vision (2024–2035) was at the heart of our strategy, with plans and annual objectives in 2025 flowing directly from its outcomes. The diocese maintained a firm commitment to parish structures as well as support for innovation, new projects and initiatives through the Diocesan Investment Programme (DIP) and other projects.

The 2025 Annual Objectives which were approved by the Diocesan Synod in November 2024 have four themes:

- Implementing Southwark Vision 2024–2035
- Valuing all our Parishes
- Enable Mission and Ministry
- Outward-Focused Governance Centred on Christ

Together, the 2025 Annual Objectives work towards the major synodical priorities from which they were drawn, i.e.:

- Racial Justice
- Environment (including Net Zero Carbon)
- Parish focus and engagement
- Missional resources and support of discipleship
- Property and church buildings
- Good governance, stewardship and diocesan office infrastructure.

Objective	Progress made
Implement Southwark Vision 2024–2035	
Diocesan Investment Programme: to begin effective implementation of the Programme including setting up appropriate governance, safeguarding, monitoring and tracking frameworks working with the national church, developing pilots and commissioning research for some of the strands and launching the first Hub and Resourcing Churches.	Implementation of the Diocesan Investment Programme (DIP) was well underway in 2025, supported by established internal governance and close collaboration with the National Church. Towards the end of the year, 43 parishes were directly engaged and a further third of parishes were benefiting from associated DIP and Strategic Development Fund workstreams. The first Hub and Resourcing Churches were fully operational, with all projects being assessed as on track with visible momentum across the initiatives. The first cohort of CYP apprentices had been placed in parishes and a new cohort were being recruited ahead of schedule. The Parish Development and Renewal Programme began strongly, with five parishes participating in its first training weekend.
Racial Justice: working with Area Racial Justice Groups, continue to implement Anti-Racism Charter, develop and improve cultural diversity in vocations and ministry through carrying out research and acting on findings, and through the work of the Dean of Cultural Diversity and the Dean of Estates Ministry.	Parish study guides were rolled out across the Diocese in 2025, accompanied by a presentation to Diocesan Synod, to embed the Anti Racism Charter into parish life. Unconscious bias training continued to be delivered widely, both within Trinity House and across parishes and deaneries, supporting the cultural shift towards greater equity, awareness and inclusion. There was a concerted effort to develop and improve cultural diversity in vocations and ministry. The Encouraging Diverse Vocations research programme completed 46 of the planned 74 interviews which spanned a broad range of voices to ensure the findings will meaningfully shape future actions. These developments demonstrate steady and deliberate progress in embedding the Anti Racism Charter, strengthening diocesan understanding of racial justice issues, and gathering the evidence needed to inform long term cultural and vocational change across the Diocese.

Annual objectives *(continued)*

Objective	Progress made
To continue working with high CO_2 emitting churches, and develop work within the property strategy, to work Towards Net Zero in the Diocese.	There has been substantial progress towards Net Zero by supporting high emitting churches and expanding practical tools, training, and funding. Eleven Eco Champions had been appointed across all archdeaconries, and participation in the Give to Go Green match funding scheme grew to one of the highest levels nationally. The Energy Footprint Tool completion rate had risen to 75%, with early data showing emissions beginning to fall in several high emitting churches, and 42 churches received free energy audits with grant support to implement recommendations. Trinity House also adopted an environmental policy and action plan, supported by initiatives such as Eco Lunch and Learns. The Net Zero Quick Wins initiative launched nationally, offering grants of up to £10k for emission reduction projects. Training webinars, Carbon Literacy courses, and the Eco Pilgrimage for Big Green Week helped build a culture of environmental action. With national funding secured for future years, the Diocese is well positioned to continue reducing emissions and embed Net Zero within its wider property strategy and parish support structures.
Value all our Parishes	
Parish conversations, listening, learning and sharing opportunities with parishes including representatives from departments such as Mission and safeguarding joining conversations to engage with parishes.	Parish conversations began in earnest and progressed steadily throughout the year, with nearly a third of parishes having had their conversations or having dates scheduled. Extremely positive feedback has been received from both the parishes and from those who have taken part in the conversations.
Sharing good news and celebrating success in parishes, the Diocesan offices and wider church.	The Diocese continued to strengthen communications by actively sharing positive stories through established channels such as the Eco Newsletter, the Bridge, and the Southwark Digest. Helping ensure good news from parishes and diocesan teams was regularly highlighted. The Diocese also provides careful guidance to parishes on managing sensitive local issues.
Enable Mission and Ministry	
To continue to implement the developments in the provision of clergy well-being, especially the new programme of clergy well-being sessions ('9-in-12' reflecting 9 sessions in a 12-month period).	The Diocese continued its commitment to clergy wellbeing, supported by the Dean of Clergy Wellbeing, through the rollout of the 9-in-12 wellbeing programme, wider wellbeing support with a revised anti bullying policy, and a new wellbeing webpage. Signposting to external resources such as Hub of Hope increased, ensuring wellbeing remains a regular and visible priority in meetings and parish engagement.
To agree the outcomes of the Lay Council review and to manage their successful implementation.	The Diocese has successfully completed the Lay Council Review, with the reconstituted Lay Council's first meeting in July 2025. The terms of reference for the Council had been fully updated and approved by the Diocesan Council of Trustees, and the refreshed membership now places stronger emphasis on discernment, mission, and diversity across lay ministry and discipleship.
To continue to grow the resources available, in person and online, which encourage deepening discipleship for all, especially those resources which help people to live out their faith every day.	The Diocese has continued to expand the range of resources that support everyday discipleship by growing both in person and online materials and resources. Key offerings such as Everyday Faith, Follow the Star, Thy Kingdom Come, and Everyday Justice have been further developed, alongside continued investment in children and young people's discipleship through the CYP resource library and Godly Play resources.

Objective	Progress made
Implement the Property Strategy so we can continue to be able to resource Mission and Ministry, including close stewardship and effective use and management of Diocesan Property and finance resources.	Work continues in implementing the Property Strategy, through to 2035, with comprehensive mapping data, to allow for more strategic and informed decisions about property stewardship and strategic development. Alongside this, glebe land reviews are underway and being closely aligned with Net Zero and environmental work, ensuring that property decisions contribute both to mission and long term sustainability.
Church buildings: Using the post funded by the Church Commissioners, provide advice and support to churches to ensure their buildings are fit for mission.	Church Buildings support continued to provide high quality advice to parishes, including honest guidance around funding and fundraising which was widely recognised as a valued resource. Efforts are now focused on securing funding for a continuation of the fundraising post into 2026 to ensure this support could continue, working with the giving and fundraising team to help parishes apply for grants, and staying engaged with national developments.
Outward-Focused Governance Centred on Christ	
Ensuring that we have sound governance, robust financial systems, strong safeguarding practices, and the agility to respond to unexpected challenges.	The Diocese has maintained strong and reliable governance at all levels, and has shown this through external audits, robust financial policies. 2025 was, however, challenging with significant pressures arising from a difficult financial climate and increased workloads linked to the APCS data breach, data subject access requests (DSARs), Charity Commission engagement, and statutory incident reporting. Safeguarding systems remained in place but were affected by staff sickness, personnel changes, and ongoing developments from the national church which include the 2026 INEQE audit and Charity Commission engagement. Despite these challenges, the Diocese has continued to uphold sound processes and resilient safeguarding practices, demonstrating the agility required to manage an exceptionally demanding year.
Review and update office infrastructure, including IT, to ensure effective working practices for all staff as we seek to implement Southwark Vision with a particular focus on staff health and wellbeing including access to training.	The Diocese has continued to update workspaces to maximise efficiency and support effective working practices and staff wellbeing which has included arranging for the Kingston Area Office to be incorporated into Trinity House. IT improvements also included upgrading all laptops and completing the full SharePoint migration, as well as aligning systems with the Board of Education and the Cathedral. There was a particular focus on cyber security which is an area of concern for all organisations.
Good stewardship of assets, maintaining a balanced budget, encouraging generosity in giving (working towards more parishes fully covering their own ministry costs).	Diocesan finances and assets had been managed carefully, by maintaining strong financial governance as evidenced by repeated clean audits and robust financial policies. The Diocese has continued to demonstrate strong stewardship of its assets. Ongoing support has been provided to parishes to strengthen their financial processes and to promote generous giving. Parish Support Fund contributions increased in 2025, though the number of parishes covering their full ministry costs had not yet grown. Work to encourage financial giving in parishes expanded through a wide range of practical support, including advice on discipleship based giving, digital giving, Gift Aid, hall hire income, and the additional community grant and fundraising expertise provided through the DIP programme. Together, these efforts aim to build financial resilience across parishes and sustain ministry for the long term.

Annual objectives *(continued)*

Annual Objectives for 2026 and into the future.

In December 2025, Southwark Diocesan Synod agreed the Annual Objectives for 2026. As with previous years' objectives, these reflect the work needed to deliver Southwark Vision and we continue to aim for all objectives to be clear, achievable, yet challenging and to benefit the wider Diocese served by all our parishes and deaneries.

Our annual objectives do not labour the things we do every day and sometimes behind the scenes to support mission and ministry – but this day-to-day support, which includes paying clergy, maintaining their homes, providing HR, safeguarding and buildings advice to parishes, ensuring that the DBF is governed appropriately, is most of what we do. These future objectives focus on the work needed to go above and beyond this day to day work and ensure that all our parishes and deaneries are supported in their mission of the Church.

It is clear that over the next few years, we need to continue to work hard within limited resources and without diverting money from ministry to central costs. The 2026 objectives reflect this desire to undertake the essential work of the DBF within the available resources while continuing to support parishes and deaneries in their local mission.

The 2026 Annual Objectives were developed with the Senior Management Team and discussed with the Policy & Finance Committee and with the Diocesan Council of Trustees.

Each objective links to at least one of the six Southwark Vision priorities (see page 5) and the objectives below which support these six priorities are grouped in four main areas:

1. Finance and Giving.
2. Implementation of Southwark Vision 2024–2035.
3. Wellbeing.
4. Outward-focused governance centred on Christ.

Objective	Progress made
Finance and Giving	
Ensuing the parishes and the diocese remains on a secure financial footing, is key to enabling successful mission. • Good stewardship of assets, maintaining a balanced budget, encouraging generosity in giving (working towards more parishes fully covering their own ministry costs). • Review and propose a sustainable financial plan to 2030 to support Southwark Vision and beyond. • Serving and engaging with parishes, including advice and support for: – Continue Volunteering review – Giving – Parish conversations, listening, learning and sharing opportunities with those serving in our parishes – Sharing good news and celebrating success in parishes, the Diocesan offices and wider church.	The focus for these objectives are on sustainability to 2030 and beyond. The majority of diocesan spend is, rightly, on the deployment of clergy in parishes. This spend is largely enabled by the generosity of parishes through the Parish Support Fund and by careful budgeting and planning of the use of available funds. To ensure the continued provision of ministry in all parts of our diocese, developing a financial plan is a key part of achieving this first objective. Recognising the challenges parishes face, we work hard to provide the support parishes need to enable them to focus on mission in their local area. This includes offering specialist support such as advice on fundraising or on employment issues. A key part of demonstrating support for parishes is the celebration of successes and gaining a better understanding of the various issues faced in a local context through the parish conversations.

Objective	Progress made
Implement Southwark Vision 2024–2035	
• To continue scaling up the reach and impact of the Diocesan Investment Programme (DIP), delivering growth in key areas aligned with the Southwark Vision, delivering growing church attendance across DIP-funded churches, successfully sharing models developed within our Hub Churches and pilots and using them in new contexts, and supporting more churches to sustainably support themselves and their wider mission. • Racial Justice: we will support our Area Racial Justice Groups to drive forward implementation of the Anti-Racism Charter, equipping these groups and our parishes with the resources, people, and networks to champion racial justice in their context. We will further embed cultural diversity into our mission, ministry, vocations, and practices, listening and acting on outcomes from our research, and working through our Deans of Cultural Diversity and Estates Ministry. • To continue working with high CO_2 emitting churches, and develop work within the property strategy, to work Towards Net Zero in the Diocese.	The Diocesan Investment Programme is now moving from the implementation phase to the delivery phase. We are starting to see a real impact of this funding on church growth and in preparing the ground for future growth. The racial justice work continues to develop and bear fruit. In 2026 the plans include specific events, further delivery of the unconscious bias training across our diocese as well as use of the parish study pack. The Net Zero Carbon work in our parishes will continue to be supported by the nationally funded NZC Programme Manager who provides advice and support to churches looking to reduce their carbon emissions. Promotion of the *A Roche* Eco-Awards continues with a significant number of churches now working towards their bronze level award or to the level about their current award.
Wellbeing	
• Ensure effective working practices for all diocesan staff as we seek to implement Southwark Vision with a particular focus on staff health and well-being including access to necessary training. • To keep under review the work spaces for Trinity House, and the need for substantial works to the structure and fabric of the building.	We have been successful in being awarded national funding for a number of posts, mostly in the DIP and so have needed to accommodate more staff in Trinity House. This has been achieved with minimum expenditure and with a focus on staff wellbeing and will continue to be reviewed throughout 2026.
Outward-focused governance centred on Christ	
• To continue to provide effective support for parishes and deaneries to enable their local mission in the places where they are, and to maintain the highest level of statutory provision.	This is a broad and overarching objective which takes into account all the other objective with a reminder that this is largely the purpose of the DBF. The DBF is a medium-sized charity which must be managed within a legal framework, while tasked with enabling mission and ministry across the diocese. All of which much be carried out while holding Christ at the centre of all we do.

Principal risks and uncertainties

The Senior Management Team considers, evaluates and records the major areas of risk to which the Diocesan Board of Finance is exposed, assessing both the likelihood and impact of those risks being realised, together with the measures in place to manage and mitigate such risks. These are discussed and scrutinised through the Audit and Risk Committee and the principal risks are submitted annually to the Diocesan Council of Trustees (DCT) for discussion, feedback and approval.

As part of the process of identification and assessment of risk, each risk identified and the measures for mitigation are reviewed at least annually by the Audit and Risk Committee, with at least one area of principal risk reviewed in detail at each meeting. Responsibility for delivery of the mitigation measures identified is delegated to the Diocesan Secretary.

The Risk Register is a living document which is used to track and update areas of concern.

The Risk Register for 2025 identified eight areas where the risk of either failure to act or the impact of the events was considered significant. The principal risks below reflect these eight risks approved by Trustees for 2025 and the associated mitigation measures, listed in alphabetical order.

1. Data and data protection

Ongoing development of the integrated database for our diocese continues to ensure much more effective collection of data and that the data collected is robust and fit for purpose. The integrity of the data collected is essential for good strategic decision-making.

The principal risks for this area remain largely unaltered and are that incomplete, inaccurate or misinterpreted data leads to poor decision-making, wasted resources and reputational damage.

Mitigation measures include:

- ensuring that IT systems and processes are capable of collecting and reporting the data required
- maintaining close contact with parishes so that reporting is timely and accurate
- working closely with the National Church Institutions' systems to ensure that collection systems are compatible
- continuing to build diocesan capability in data to support strategic decisions, for example with effective use of mapping tools
- keeping the processes of data collection under review to ensure that the data available meets the needs of decision-making processes.

The diocese and all parishes must comply with data protection legislation or risk both legal and reputational consequences.

Mitigation measures include:

- providing a helpline for clergy and parish officers to deal with ad hoc queries and taking additional advice from the Diocesan Registrar, where necessary
- training all staff on data protection and offering data protection training in events such as the PCC Secretaries' conference, churchwardens' training and courses for new Incumbents.
- carrying out Data Protection Impact Assessments for all new processes

The diocese has seen an increase in the number and complexity of Data Subject Access Requests (DSARs) which can take a considerable time to complete, meaning staff may be diverted from other tasks or that there is a financial impact if the completion of a DSAR is outsourced.

Mitigation measures include:

- making effective use of the Information Manager recruited to take a significant role in this area of work
- additional staff trained to complete DSARs and how to identify a DSAR request
- use of specialist software.

2. Diocesan growth

Our Southwark Vision (2024–2035) sets six priorities for the future, which include growth, youth and diversity and deepening our discipleship. Together making parishes a priority for the future, we believe these priorities together will lead to growth. The risk, exacerbated by the current economic climate, and the level of trust in the Church of England, is that progress towards achieving sustainable growth is impeded.

Mitigation measures include:

- ensuring effective use of national church funding awarded as part of the Diocesan Investment Programme
- rigorous monitoring of progress against agreed targets for funding by the Project Board

- continued development of Hub and Resourcing Churches, Fresh Expressions of Church as well as lay and ordained pioneer posts
- continued focus on equipping parishes for work with children and young people
- estates ministry work further developed.

3. Financial risks

World events and the continuing economic uncertainty may result in lower income and cash flow difficulties for many of our parishes which will have the consequential risk of a reduction in both PSF pledges and payments. The legacy impact of the pandemic continues to affect congregation numbers and income for some parishes. Those parishes with halls have seen a reduction in income from hall hire, including from the nursery sector and for the weight loss sector, which is under pressure especially in the north of our diocese.

Mitigation measures include:

- ensuring effective communication with parishes to support them through challenging circumstances, with specific support through archdeacons where this is useful
- regular monitoring by the Finance and Giving Teams with reports
- a more strategic approach to deployment, taking into account the financial context and any specific issues in particular parishes
- the Parish Giving Scheme (PGS) continues to be promoted to enable up-to-date methods of reliable giving
- promotion of digital giving
- ongoing support from the Giving Team on other income streams for halls.

4. Governance

The compliance and regulatory framework for large charities is increasing and evolving and the key risk here is a lack of accountability and transparency in decision-making with decisions not taken at the right level and/or without sufficient scrutiny.

Mitigation measures include:

- ensuring full scrutiny of decisions taken at the right level
- ensuring the Scheme of Delegation is followed
- training sessions for new trustees on roles and responsibilities covering church and charity duties
- strict adherence to the agreed Terms of Reference for each of the constituent bodies, sub-committees, working groups and any advisory groups ensuring transparent reporting by the Management Team through the Chair of the DBF, Policy & Finance Committee and the Diocesan Council of Trustees (DCT) maintaining strong links between Diocesan Synod and DCT and between the Southwark Diocesan Board of Education and Diocesan Synod
- synodically approve any updates to the Handbook of Governance.

5. IT

The loss of access to adequate IT provision would affect the ability of diocesan staff to fulfil their responsibilities.

Mitigation measures include:

- ongoing investment in IT hardware and software infrastructure
- frequent snapshots of data taken and copies securely stored
- regular training of staff (through *Lunch and Learns*) and ad hoc training where needed
- full use of SharePoint and Microsoft packages
- a robust disaster recovery plan and mandatory use of multi-factor authentication (MFA) for email and IT access
- all staff required to work only on diocesan devices to access diocesan data

The risk of malicious cyber-attacks and phishing scams which would affect diocesan IT systems continues to be a concern as this could lead to the loss of data, possible reputational damage and possibly a financial impact.

Mitigation measures include:

- enrolment with the National Cyber Security Centre
- penetration security scans
- approval to obtain cyber security insurance
- mandatory training for staff and awareness tested using phishing security tests

6. Living in Love & Faith

The General Synod's decision to approve Prayers of Love and Faith for same-sex couples leads to risks and difficulties which result from the differences in theological perspectives across our diocesan family. This is a changing risk area, causing deep levels of anxiety for many and is being constantly monitored by senior staff, bishops and archdeacons. Risks and impacts may come from both those in favour and those against General Synod's recommendations – which in themselves continue to evolve.

Our diocese is committed to speaking well of each other notwithstanding differences of conviction which are held in good faith. It is recognised that this is a difficult area for many, but there are

Principal risks and uncertainties *(continued)*

opportunities to serve, minister and evangelise regardless of the outcome and any associated risks should be understood in that context.

Mitigation measures include:

- continuing to work in partnership and engage in open dialogue with all parishes
- senior clergy continuing to build trust with parishes and the wider diocese through successful communications at all levels – including publications and face to face contact
- ensuring an intentional focus on clergy and laity wellbeing
- working with the Ephesian Fund to enable parishes to contribute in this way to the PSF
- engaging with the national expertise and Registrar in matters of legalities
- Diocesan Synod consultation in July 2025.

7. Reputational risk

There is the potential for reputational damage, for example as the result of bad news stories, such as safeguarding cases which could impact relationships within the diocese and with national partners – all leading to a negative impact on mission, church growth and income. The primary impact is that insufficient funds are generated through the PSF and that mutual support across the Diocese is weakened.

There is a risk that the DIP does not achieve the targeted outcomes and that the reputation of the diocese nationally and locally is not enhanced.

Mitigation measures include:

- maintaining a Communications Department that is experienced so it can successfully manage this risk by being both pro-active and re-active in their approach
- maintaining good networks with media colleagues and other dioceses
- creating a clear culture of good disagreement and speaking well of each other
- sharing good news and achievement openly
- continuing to work in partnership and engage in open dialogue with all parishes
- rigorous attention to the press agenda and social media trends and, in particular, the careful management of communications around safeguarding issues.

8. Safeguarding

Safeguarding policies and procedures continue to be a priority. Therefore, there is continued focus on this risk area. The publicity around national cases has underlined the importance of this approach.

Any occurrences of abuse by someone working for or on behalf of the Church will have significant consequences for those directly affected and there is also a reputational risk in the event of poor safeguarding practices.

The risk areas for safeguarding have been aligned to link with the National Church's Risk Audit categories of Culture, Leadership & Capacity, Prevention, Recognising and Managing Risk, Victims and Survivors, Learning, Supervision & Support

Mitigation measures include:

- the Bishop's Lead for Safeguarding is the Diocesan Secretary, enabling close attention to be paid to the resources needed as well as the impact of national policies and practices at both a parish and diocesan level
- ensuring that the Safeguarding team is fully resourced, including a Safeguarding Performance Manager in place to lead on preparation for the audit in 2026
- annual reporting in place to the Audit and Risk Committee and to trustees
- independently chaired Safeguarding Case Management Group established and includes an Archdeacon and a representative of the Communications Team
- effective staff and volunteer recruitment and training at parish and deanery level, with a focus on prevention
- the maintenance and implementation of up-to-date diocesan policies and procedures in line with national Church guidance
- ensuring that transparency and accountability is maintained at all levels
- ensuring regular parish safeguarding self-audits form part of the archdeacons' annual parish inspections.

Governance



All Saints, Benhilton's new 'Bread of Life' window.

Structure and governance

Summary information about the structure of the Church of England

The Church of England is the established Church and HM The King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that area. This charge is shared with priests within benefices and parishes which are separate charitable entities – but also part of the diocese, served by the diocese and accountable to it.

The National Church's General Synod comprises ex-officio and elected representatives from each diocese. It agrees and lays before Parliament Measures for the governance of the Church's affairs which, if enacted, have the force of statute law. Additionally, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers pension schemes for clergy and lay workers.

Within each diocese, overall leadership lies with the Diocesan Bishop. The Diocese of Southwark is divided into 25 deaneries, each with its own Deanery Synod. Each parish has its own Parochial Church Council (PCC). The PCC shares responsibility with the parish priest for the mission of the local Church, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod. Whilst each diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each diocese to seek support from and work in partnership with other dioceses and national bodies.

Organisational structure

The South London Church Fund & Southwark Diocesan Board of Finance (SDBF) is a company limited by guarantee (No 236594) and a registered charity (No 249678) governed by its Articles of Association. It was incorporated in 1929. The Articles were updated and modernised during 2017. The Company Secretary is the Diocesan Secretary.

The governance and policy of the SDBF is the responsibility of the Trustees, who are also members and directors of the company and trustees for the purposes of charity law. Since November 2015, the Diocesan Council of Trustees (DCT) has been the standing committee of the Diocesan Synod, and its members are members of the Diocesan Board of Finance (DBF), the Bishop's Council and the Diocesan Mission and Pastoral Committee (DMPC). In November 2022, the Parsonages Board was incorporated within the DBF and so became the Parsonages Committee with the same co-terminous membership of the DCT. As with most other dioceses, it did not hold separate bank accounts or financial accounting. The Parsonages Committee sits within the DBF.

The DCT comprises the Diocesan Bishop (President of the Diocesan Synod), Chair and Vice Chair of the Board of Finance (both laity), Area Bishops, Archdeacons, Chairs of the Houses of Clergy and Laity of the Diocesan Synod, six clergy (two from each Episcopal Area), 12 members of the laity elected (including three from each Area) and up to six further lay members with financial or other relevant expertise formally elected by the House of Laity of the Diocesan Synod. The implementation of this revised governance structure was reviewed by an external consultant during 2018 and was found to be successful and robust. The Handbook of Governance was revised for the new triennium, 2024–2027, and approved by the Diocesan Synod in July 2024.

The Diocesan Synod, the statutory governing body of our diocese, is an elected body drawn from across the diocese with responsibility for setting our vision and strategy of the diocese. The Synod membership is elected every three years, the last elections having been in 2024. The Synod elects from its members 12 of the lay trustees of the SDBF and six of the clergy members. The SDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with governing documents or statutory regulations. Since the DBF developed coterminous membership with the Bishop's Council and DMPC membership, trusteeship and directorship of the SDBF also includes membership of those other bodies, all part of the DCT. Chairs of sub-committees are usually appointed to the DCT and/or Synod to ensure transparent accountability at all areas of governance. The Diocesan Secretary is Secretary to each of these, except that the Deputy Diocesan Secretary is Secretary to the DMPC.

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 Southwark, are set by Diocesan Synod and the SDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary who reports to the Bishop of Southwark and is accountable to Trustees through the Chair of the SDBF. The Policy and Finance Committee, which is the standing committee of the Council of Trustees, holds the work of the Diocesan Secretary to account. The company meets once a year in a General Meeting to receive and approve the Annual Report and Financial Statements, appoint auditors and elect a Chair and Vice Chair, nominated by the Bishop of Southwark.

Each year the Diocesan Synod receives and agrees the annual budget, prepared and approved by the Board. The Diocesan Council of Trustees holds five meetings each year, including a contingency meeting, and one all-day meeting to consider the annual budget and objectives. Trustees formulate and co-ordinate policies on mission, ministry and finance by:

- initiating proposals for action by the Synod and advising it on matters of policy
- delegating, where appropriate, policy and review of decisions to its Policy and Finance Committee and Audit and Risk Committee and the Investment Sub-Committee
- transacting the business of the Synod between meetings, subject to the directions of the Synod and in accordance with Standing Orders
- acting as Trustees of the Board establishing review groups, their terms of reference and membership and carrying out such other functions as delegated to it
- appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

The Trustees are assisted in their work by two committees:

The Policy and Finance Committee (PFC) is the standing committee of the DCT and monitors management accounts and budgets, the use of assets and investment policies and exercises the authority delegated to it by the Trustees. It also undertakes the Board's operational responsibilities under the Parsonages Measures 1938 and 1947; the Repair of Benefice Buildings Measure 1972; the Parochial Church Councils (Powers) Measure 1956, as amended, and the Incumbents and Churchwardens (Trusts) Measure 1964 (with respect to parochial property); the Endowment and Glebe Measure 1976 (with regard to property assets); and the Mission and Pastoral Measure 2011 (with regard to redundant churches).

In addition, it considers and initiates strategic policy where proposals are at an early stage of development prior to submission to the SDBF. It meets five times a year including a budget meeting that addresses work plans and annual objectives. It holds the work of the Diocesan Secretary – and through them the executive team – to account.

The Audit and Risk Committee scrutinises performance, oversees issues of financial probity, reviews the work of external audit, prepares the response to the external auditor's management letter, scrutinises the effectiveness of governance, and reviews the risk register. It meets four times a year.

In addition, the SDBF is advised by its **Investment Sub-Committee**, which provides advice to the PFC and to the Diocesan Secretary on the SDBF's investments and funds available for investment. This meets five times a year. The Board is advised by its **Remuneration Committee**, which normally meets annually.

Trustee recruitment, selection and induction

Board Trustees of the Diocesan Board of Finance are also members of the Bishop's Council and DMPC, and are selected as set out above. Potential Trustees complete skills audits, there is a role description and Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed, before seeking membership and at all other relevant times, of the role and function of each committee and constituent element of the DCT. 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. All Trustees are required to sign the Diocesan Declaration of Eligibility, Responsibility and Conflicts of Interest statement forms. A Handbook of Governance is given to each Trustee.

From 2026, trustees are required to undertake Leadership level Safeguarding training and appropriate DBS checks.

Remuneration of key management personnel

Remuneration of the Diocesan Secretary is determined annually by the Remuneration Committee, which also receives the Diocesan Secretary's remuneration recommendations for members of the Senior Management Team, which the Remuneration Committee then considers for approval. The committee is a sub-committee of the PFC, formally reporting through it to the DBF. It is chaired by the Bishop of Southwark and includes the Chair and Vice-Chair of the SDBF and any external consultants, as they determine. The committee also includes the Chair of the PFC.

Delegation of day-to-day delivery

The Trustees and the committees which assist them in the fulfilment of their responsibilities delegate management to the Diocesan Secretary who, with the Senior Management Team, delivers the activities of the company in accordance with the policies of the Trustees. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the Board.

Funds held as Diocesan Authority

The Board acts as Diocesan Authority or Custodian Trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956, as amended, and the Incumbents and Churchwardens (Trusts) Measure 1964 where the Managing Trustees are PCCs and others. These assets are not aggregated in the financial statements as the SDBF does not control them, and they are segregated from the SDBF's own assets by means of a separate bank account, separately identified investment

Structure and governance
(continued)

holdings and a separate accounting system. Further details of financial trust assets, whose market value amounted to £17.0m at 31 December 2025 (2024: £17.4m), are available from the SDBF on request, and are summarised in Note 27 (see page 81). Where properties are held as Diocesan Authority, the deeds are identified as such and held in safe custody by the SDBF's solicitor, Winckworth Sherwood LLP.

Section 172 statement

This section serves as our Section 172 statement and should be read in conjunction with the Review on pages 8–30. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision-making. The directors continue to have regard to the interests of the company's employees and other stakeholders, including the impact of its activities on the community, the environment and the company's reputation, when making decisions.

Most directors are elected from the parishes and communities served by the diocese, ensuring coverage geographically through elections from the Diocesan Synod. The presentations by the Chair of the Board to Diocesan Synod, covering budgets, objectives and the Annual Report, are examples of this.

Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company in the context of being a DBF among some 40 others across the Church of England, and also in being a charity with charitable objectives focused on mission and ministry. Whilst the importance of giving due consideration to our stakeholders is not new, we wish to explain how the Board engages with our stakeholders to comply with the requirement to include a statement setting out how our Directors have discharged this duty.

- The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172 of the Companies Act 2006
- The Board regularly reviews how we engage with the parishes and Deaneries across the Diocese which comprise the electing body of Synod. In effect, the Directors through the DBF are the standing committee of Synod, and the Chairs of the Houses of Laity and Clergy are on the Board, as are representatives of both clergy and lay people in parishes
- The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and by direct engagement with stakeholders themselves. In our Review (pages 8–30), we set out some of our other principal stakeholders, how and why we engage, and detail outcomes. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision-making
- The SDBF has good relationships with its suppliers, parishes and others. Committees of the DBF include members who hold roles in parishes; and engagement with parishes, including with volunteer lay officers and clergy, includes annual meetings across the Diocese, organised on an archdeaconry and deanery basis
- The Diocesan Secretary is effectively the Chief Executive Officer and is held accountable to the Board through regular meetings at least monthly with the Chair and Vice Chair, and through the Policy and Finance Committee where a range of employees attend, and through the Board meetings, any of which can be attended by employees from the Senior Management Team
- Directors of the Board include the six archdeacons and four bishops and they have regular and open contact with employees at all levels of the organisation. All heads of departments have team meetings and individual meetings with staff and there are all-staff meetings
- The Senior Management Team has been designated as "senior management" for the purposes of the 2018 Code but not for the purposes of section 414C(8) of the Companies Act 2006. It comprises the senior functional management roles and is made up of those with responsibility for interacting with the charitable company's principal stakeholders. The Board has had in place, since 2015, measures to ensure that stakeholder interests are always taken into account. Where external legal advice is required, the Directors can consult with the Diocesan Registrar or ask senior staff such as the Diocesan Secretary or Deputy Diocesan Secretary to do so on their behalf.

Southwark Diocese receives funds through the PSF, other donations and grants. We aim to achieve best practice and align with the Code of Fundraising Practice, especially in how we communicate with parishes, donors and other supporters and train our staff, so that we minimise pressure upon the public to donate and protect vulnerable people. We do not employ the services of professional fundraisers. The trustees undertake to react to and investigate any complaints regarding our activities for raising funds and to learn from them and improve our work. No formal complaints were received about our fundraising activities during 2025.

Trustees' responsibilities



The Bishop of Croydon, the Rt Revd Dr Rosemarie Mallett, addresses delegates at Diocesan Synod.

The Trustees are responsible for preparing the Annual Report, which incorporates the Review, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit 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 the methods and principles in the Charities SORP (FRS 102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the diocesan website.

Statement of disclosure to the auditor

So far as each Trustee is aware:

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

b) each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Appointment of auditor

Buzzacott Audit LLP was appointed as the auditor in June 2021 and re-elected each year, most recently in May 2025.

Legal objects

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

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

This combined report satisfies the legal requirements for:

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

Legal objects

The objects of the South London Church Fund & Southwark Diocesan Board of Finance (SDBF) are "for the public benefit to assist, promote and further the religious and other charitable work (including but not limited to the educational work) of the South London Church Fund & Southwark Diocesan Board of Finance within the diocese, and any other diocese which shall at any time be formed, wholly or in part out of the diocese, either with or without the addition of any part or parts of other dioceses."

Its function is to serve as the corporate body of the Church of England in the diocese, responsible for the financial stewardship of the diocese through performing, working and transacting business in connection with the Church and diocese. It is the diocese's Board of Finance for the purpose of the Diocesan Boards of Finance Measure 1925 and other legislation. Through its Parsonages Committee, it may act as the Parsonages Board for the diocese within the meaning of the Repair of Benefice Buildings Measure 1972.

The Diocese of Southwark covers most of Greater London south of the Thames and parts of East Surrey. Within the diocesan boundaries are the Royal Borough of Greenwich, the London Boroughs of Croydon, Lambeth, Lewisham, Merton, Southwark, Sutton and Wandsworth, plus parts of the London Boroughs of Richmond upon Thames, Bromley and Bexley and the Royal Borough of Kingston upon Thames. In Surrey, it also includes parts of the Borough of Reigate and Banstead, Tandridge District Council and Mole Valley District Council.

The SDBF has the following responsibilities:

i. the management of glebe property and investments arising from the Endowments and Glebe Measure 1976 to generate income to support the cost of stipends;
ii. managing the repair of benefice houses under the Repair of Benefice Buildings Measure 1972;
iii. to act as custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils (PCCs) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The SDBF is empowered to act as a committee of the Diocesan Synod, responsible for providing the secretariat and other corporate services of the diocese and also for raising and disbursing money and employing staff.

The standing committee of the Diocesan Synod is the Diocesan Council of Trustees (Bishop's Council). Its members are also the members of the SDBF and the Diocesan Mission and Pastoral Committee (DMPC). Each of these three bodies has coterminous membership.

The strategic priorities of the diocese are established by the Diocesan Synod, and its standing committee the Diocesan Council of Trustees (DCT), in consultation with Deanery Synods, PCCs and the Bishop of Southwark (in respect of his responsibility for the provision of the cure of souls).

The DCT (acting as Bishop's Council, the Diocesan Board of Finance (DBF) and the DMPC) fulfils its objectives within this framework, together with the committees and advisory groups of the diocese. To this end, significant time and effort is committed to communication between and with these bodies, as well as with the Church nationally; this includes consultation on specific matters relating to the priorities for the forthcoming year, taking into account the commitments arising from the Diocesan Budget.

Related parties

Related parties include:

- The Southwark Diocesan Board of Education (SDBE), a separate registered charity (No 313001) to which the SDBF makes grants. The SDBE supports 99 Church of England schools educating approximately 34,000 pupils; 80 are primary schools, three junior schools and four infant schools and there are 10 secondary schools, and two all-through schools. Within our family of 99 schools, 78 are Voluntary Aided, one is a Foundation school and 20 are academies. The SDBE supports the provision, effectiveness and development of education in all Church of England schools within the diocese. It specifically seeks to develop the Christian ethos and distinctiveness of Church schools; to promote religious education and collective worship; and to advise School Governors and Trustees. In the voluntary aided schools, the SDBE supports the maintenance and improvement of school buildings and facilities. The SDBE also supports the provision of chaplaincy in higher and further education institutions, a post funded by the SDBF. The SDBF also makes a grant to the SDBE towards the cost of delivering the Diocesan Measure for Education. The Bishop of Southwark is President of the SDBE, and The Rt Revd Dr Rosemarie Mallett is the Chair of the Board. The Ven Simon Gates, Archdeacon of Lambeth, is the Chair of the Schools Committee. The SDBF has delegated the function of Chaplaincy Development Officer to the SDBE and provides a grant for a part time role supporting further and higher education chaplaincy across the diocese.



The Southwark Diocesan Board of Education Year Six Leavers' service 2025, held at Southwark Cathedral.

- SDBE Multi Academy Trust (MAT), which is an exempt charitable company (No 10385920). The SDBF is a member of the MAT and is represented through the Diocesan Secretary. As a member, the SDBF is entitled to nominate one-third of the directors of the MAT. The Ven Jonathan Sedgwick, Archdeacon of Southwark, is Chair of the SDBE MAT.
- Southwark Diocesan Welcare (Welcare), a separate registered charity (No 1107859) to which the SDBF makes a grant. Welcare is a Christian charity working in South London and East Surrey with disadvantaged children and families, irrespective of faith, culture, abilities or life choices. By offering family support, mentoring services and group work with parents and children, Welcare empowers families to rebuild their lives and family ties, helping parents to give their children happier, more confident childhoods. The Board of Welcare includes the Head of JPIC as the DBF nominee.
- Southwark Cathedral (charity No 1200866) to which the SDBF makes a grant. It is the seat of the Bishop of Southwark, and services and special events are held at the Cathedral that are paid for by the SDBF.
- Together Southwark (charity No 1153362) promotes the alleviation of poverty and relief of financial hardship among children, young people and vulnerable families. The diocese is its principal funder. The Rt Revd Dr Rosemarie Mallett, Bishop of Croydon, was among the Directors during the year. Together Southwark is not consolidated in these accounts under section 405 of the Companies Act 2006 as its inclusion is not material. The intention is to close the Charity in 2026 as its functions are now carried out directly by staff at the DBF.

Grants made to these parties are identified in note 10 to the accounts (see page 62). Any further related party transactions are identified in note 25 (see page 79).

Administrative details

Trustees

No Trustee had any beneficial interest in the company during 2025. The following Trustees were in post during the period 1 January 2025 to the date of approval of these financial statements.

President

The Right Revd Christopher Chessun,
The Bishop of Southwark

Ex-officio

The Right Revd Dr Rosemarie Mallett,
The Bishop of Croydon

The Right Revd Dr Martin Gainsborough,
The Bishop of Kingston

The Right Revd Alastair Cutting,
The Bishop of Woolwich

The Venerable Greg Prior,
The Archdeacon of Croydon

The Venerable Simon Gates,
The Archdeacon of Lambeth

The Venerable Dr Chigor Chike,
The Archdeacon of Lewisham & Greenwich

The Venerable Moira Astin,
(to 3 July 2025)
The Archdeacon of Reigate

The Venerable Dr Geoff Dumbreck
(from 11 January 2026)
The Archdeacon of Reigate

The Venerable Jonathan Sedgwick,
The Archdeacon of Southwark

The Venerable John Kiddle,
(to 30 June 2025)
The Archdeacon of Wandsworth

The Venerable Bridget Shepherd,
(from 1 July 2025)
The Archdeacon of Wandsworth

Chair of the House of Clergy of Diocesan Synod

The Revd Captain Nicholas Lebey

Appointed by the Bishop of Southwark

Sir David Beamish
Chair of the Board of Finance

Mrs Sarah Docx
Vice Chair of the Board of Finance

The Revd Helen Cook
(from 12 December 2025)

Elected by Synod (House of Clergy)

The Revd Dr Charlie Baczyk-Bell

The Revd Anne Bennett

The Revd Antonio Garcia Fuerte

The Revd Jonathan MacNeaney

The Revd Dr Nicholas Peacock

The Revd Dr Eddie Scrase-Field

Elected by Synod (House of Laity)

Mrs April Alexander
(to 17 January 2025)

Mrs Rebecca Chapman

Mrs Despina Francois
(to 17 January 2025)

Mr Adrian Greenwood

Miss Vasantha Gnanadoss

Mr Joseph Goswell

Mr Richard Helliwell
(to 17 January 2025)

Roshan Jathanna
(from 22 April 2025)

Mr Marshall Manson

Mr James Murdoch

Miss Solabomi Ogun

Miss Miranda Okon
(to 17 January 2025)

Miss Olusola Oyeleye

Miss Susan Patterson
(to 17 January 2025)

Mr Paul Waddell

Mr David Williams

Miss Rosemary Wilson

Mr Grahame Woods

Lay persons elected as specialists

Dr Nicholas Burt

Mr Michael Hartley
(to 13 January 2025)

Mr Alan Saunders

His Honour Nigel Seed KC
(to 8 July 2025)

Peter Calderbank
(from 28 August 2025)

Senior staff

Mrs Nicola Thomas
Diocesan Secretary

Mrs Jacqueline Pontin
Deputy Diocesan Secretary

Mr Mark Rhodes
Director of Finance and Financial Assets

Ms Ruth Martin
Bishop's Lead for Strategic Development (including Property Strategy)
(to 23 July 2025)

Mr Andrew Bennett
Director of Property Services

Mr David Loft
Director of Human Resources

Mr Devas Palokkaran
Director of Information Technology & Data

The Revd Canon Wendy Robins
Director of Discipleship, Lay Ministry & Continuing Ministerial Education

The Revd Jeremy Clark-King,
Director for Clergy Formation & Initial Ministerial Education

The Revd Anna Drew
Director of Communications

Ms Pamela Chisholm
Diocesan Safeguarding Advisor
(to 15 October 2025)

Mr Michael Browne
Diocesan Safeguarding Officer
(from 17 November 2025)

Mrs Gabby Parikh
Director of Giving and Parish Funding

Registered office

Trinity House, 4 Chapel Court, Borough High Street, London SE1 1HW

Advisers

Bankers

National Westminster Bank plc
91 Westminster Bridge Road,
London SE1 7HW

HSBC UK Bank plc
10 York Road, London SE1 7ND

HSBC Private Bank (UK) Limited
8 Cork Street, London W1S 3LJ

Independent Auditor

Buzzacott Audit LLP
130 Wood Street, London EC2V 6DL

Solicitors

Winckworth Sherwood LLP
Arbor, 255 Blackfriars Road,
London SE1 9AX

Investment Fund Managers

Rathbones Investment Management
30 Gresham Street
London EC2V 7QN

Cazenove Capital
1 London Wall Place
London, EC2Y 5AU

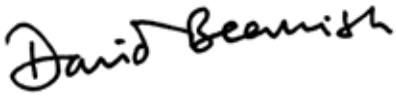
Insurers

Ecclesiastical Insurance Group plc
Beaufort House, Brunswick Road,
Gloucester GL1 1JZ

In approving this Trustees' Report, the Trustees are also approving the Review included on pages 8–30 in their capacity as Company Directors.

By order of the Trustees

Sir David Beamish
Chair of the Board of Finance
21 May 2026



Nicola Thomas
Secretary
21 May 2026



Financial statements



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Croydon Minster.

Independent auditor's report

To the Members of the South London Church Fund and Southwark Diocesan Board of Finance

Opinion

We have audited the financial statements of South London Church Fund & Southwark Diocesan Board of Finance (the "charitable company") for the year ended 31 December 2025, which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of the charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report 2025, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which is also the Director's Report for the purposes of company law and includes the Review, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the Director's Report for the purposes of company law and includes the Review, has been prepared in accordance with applicable legal requirements.

Independent auditor's report *(continued)*

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the Review.

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

- adequate accounting records have not been kept by the charitable company, or 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 in the Trustees' report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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 charitable company through discussions with Trustees and management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011; the Companies Act 2006; Church Assembly and General Synod Measures; and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- we ensured that 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 charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and representatives of those charged with governance 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 risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias;
- performed substantive testing on expenditure; and
- investigated the rationale behind significant or unusual financial 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:

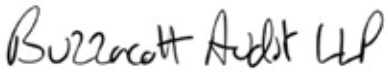
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of Trustees and management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Peter Mackereth
Senior Statutory Auditor

For and on behalf of Buzzacott Audit LLP, Statutory Auditor,
130 Wood Street,
London EC2V 6DL

21 May 2026

Statement of Financial Activities for the year ended 31 December 2025

	Note	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2025 £'000	Total funds 2024 £'000
Income and endowments from:							
Donations	3						
Parish contributions		16,415	–	–	–	16,415	16,408
Archbishops' Council		294	–	3,010	–	3,304	2,879
Other donations		1,597	–	–	–	1,597	1,526
Charitable activities	4	2,408	–	–	–	2,408	2,105
Investments	5	965	–	113	–	1,078	1,154
Gains on disposal of properties	6	326	–	–	5,016	5,342	4,464
Total		**22,005**	**–**	**3,123**	**5,016**	**30,144**	**28,536**
Expenditure on:							
Charitable activities	7	28,162	–	2,809	–	30,971	28,159
Total		**28,162**	**–**	**2,809**	**–**	**30,971**	**28,159**
Net (expenditure)/income before investment gains		**(6,157)**	**–**	**314**	**5,016**	**(827)**	**377**
Net gains on investments	14	216	–	256	1,506	1,978	1,114
Net (expenditure)/income		**(5,941)**	**–**	**570**	**6,522**	**1,151**	**1,491**
Transfers between funds	12	**4,423**	**(1,412)**	**(731)**	**(2,280)**	**–**	**–**
Other recognised gains: Revaluation of property	13	–	(5,956)	–	2,796	(3,160)	10,615
Net movement in funds		**(1,518)**	**(7,368)**	**(161)**	**7,038**	**(2,009)**	**12,106**
Total funds brought forward		2,968	43,635	4,814	250,601	302,018	289,912
Total funds carried forward	19	**1,450**	**36,267**	**4,653**	**257,639**	**300,009**	**302,018**

All activities derive from continuing activities. The notes on pages 49–81 form part of the financial statements. The full prior year Statement of Financial Activities (SoFA) is included at Note 26 (see page 80).

Income and expenditure account for the year ended 31 December 2025

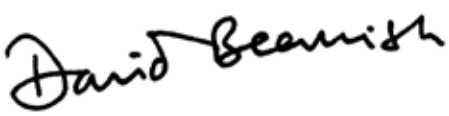
	2025 £'000	2024 £'000
Total incoming resources	25,128	25,544
Resources expended	(30,971)	(28,159)
Operating deficit for the year	**(5,843)**	**(2,615)**
Net gains on investments	472	351
Net expenditure for the year	**(5,371)**	**(2,264)**
Other comprehensive income:		
Revaluation of fixed assets	(5,956)	4,385
Net assets transferred from endowments	2,280	1,897
Total comprehensive (expenditure)/income	**(9,047)**	**4,018**

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

Balance sheet as at 31 December 2025

Company Number 236594	Note	£'000	2025 £'000	£'000	2024 £'000
Fixed assets:					
Tangible assets	13		275,681		275,752
Investments	14		29,122		27,144
Total			**304,803**		**302,896**
Current assets:					
Debtors	15	1,210		1,053	
Cash on deposit		433		2,804	
Cash at bank and in hand		510		1,012	
Total		**2,153**		**4,869**	
Creditors: amounts falling due within one year	16	(1,021)		(884)	
Net current assets			**1,132**		**3,985**
Total assets less current liabilities			**305,935**		**306,881**
Creditors: amounts falling due after more than one year	17		(5,926)		(4,863)
Net assets			**300,009**		**302,018**
Funds:					
Endowment funds			257,639		250,601
Restricted income funds			4,653		4,814
Unrestricted income funds:					
General Fund			1,450		2,968
Designated funds			36,267		43,635
Total funds	**19**		**300,009**		**302,018**

The financial statements were approved by the Board of Trustees and authorised for issue on **21 May 2026** and signed on behalf of the Board by:



Sir David Beamish
Chair of the Board of Finance

Statement of cash flows for the year ended 31 December 2025

		2025		2024
	£'000	£'000	£'000	£'000
Net cash used in operating activities		(7,004)		(5,373)
Cash flows from investing activities:				
Dividends, interest and rent from investments	1,078		1,154	
Proceeds from the sale of:				
Tangible fixed assets	9,317		7,593	
Fixed asset investments	26,977		1,403	
Purchase of:				
Tangible fixed assets	(7,263)		(2,903)	
Fixed asset investments	(26,977)		(2,063)	
Net cash provided by investing activities		**3,131**		**5,184**
Cash flows from financing activities:				
Loans received	1,000		500	
Net cash provided by financing activities		**1,000**		**500**
Change in cash and cash equivalents in the reporting period		(2,873)		311
Cash and cash equivalents at 1 January		3,816		3,505
Cash and cash equivalents at 31 December		**943**		**3,816**

Notes to the statement of cash flows for the year ended 31 December 2025

Reconciliation of net income/(expenditure) to net cash flow from operating activities	2025 £'000	2024 £'000
Net (expenditure)/income before investment gains for the year	(828)	377
Adjustments for:		
Depreciation charges	88	85
Dividends, interest and rent from investments	(1,077)	(1,154)
Increase in value of Value–Linked Loans	112	–
Gains on sale of fixed assets	(5,342)	(4,464)
(Increase)/decrease in debtors	(157)	36
Increase/(decrease) in creditors	200	(253)
Net cash used in operating activities	**(7,004)**	**(5,373)**

Analysis of cash and cash equivalents	2025 £'000	2024 £'000
Cash in hand	510	1,012
Notice deposits (less than three months)	433	2,804
Total	**943**	**3,816**

Analysis of changes in net debt	At 1 January 2025 £'000	Cash flows £'000	At 31 December 2025 £'000
Cash in hand and at bank plus short term deposits	3,816	(2,873)	943
Loans falling due after one year	(4,863)	(1,063)	(5,926)
Total	**(1,047)**	**(3,936)**	**(4,983)**

Notes to the financial statements

1. Accounting policies

a. General information

The South London Church Fund & Southwark Diocesan Board of Finance (SDBF) is a charitable company limited by guarantee, incorporated in England and Wales and registered with the Charity Commission. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1. The SDBF meets the definition of a public benefit entity under FRS 102.

b. Accounting convention and basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, applicable Accounting Standards in the United Kingdom (FRS 102) and the Statement of Recommended Practice for Charities (Charities SORP FRS 102).

The financial statements have been prepared on the historical cost basis with the exception of freehold properties, which are included at their Fair Value as determined under the applicable valuation method as detailed in 1.f, and fixed asset investments, which are included at their Fair Value at the balance sheet date.

c. Going concern

The Directors/Trustees have reviewed forecasts for a period of at least 12 months from the date of the approval of these financial statements and consider that there are no material uncertainties regarding the SDBF's ability to continue as a going concern.

d. Income

Income is recognised in the period in which the charitable company is entitled to receipt, if the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations, including parish contributions and grants receivable, legacies, income from listed investments, interest receivable, income directly related to charitable activities (including rent receivable), the net surplus on disposal of tangible fixed assets and miscellaneous income.

Parish contributions (or parish share) are recognised by the charitable company on receipt. Amounts not received are not recognised as debtors as the pledges represent a commitment that is not legally enforceable.

Other donations and grants are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations and/or grants pledged but not received, the amount is accrued for where the receipt is considered probable. If a donation or grant is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charitable company is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charitable company. Entitlement is taken as the earlier of the date on which either: the charitable company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charitable company that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable company has been notified of the executor's intention to make a distribution.

Investment income is recognised once the dividend or similar income has been declared and notification has been received of the amount due.

Notes to the financial statements

1. Accounting policies (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities includes parochial fees received for occasional offices including baptisms, weddings and funerals. These are recognised as income when receivable.

Gains or losses on the disposal of property assets are calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. They are accounted for once legal completion of the disposal has taken place.

e. ***Expenditure***

Expenditure is recognised on the accruals basis and is classified in the SoFA under headings that aggregate related costs.

i) **Charitable expenditure** comprises expenditure on contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure relating to the running of the Diocesan Retreat House.

ii) **Grants payable** included within charitable expenditure are treated as expenditure in the year in which the grant is awarded. Where the grant is conditional on the recipient meeting performance, or other discretionary requirements to the satisfaction of the SDBF, it is recognised as expenditure when these have been met. Grants made subject to such conditions that have not been met at the year-end are noted as a commitment but not accrued as expenditure.

iii) **Support costs** comprise central management, administration and governance costs. All support costs are included within charitable activities. Costs are charged directly to the activity to which they relate, but where this is not possible, they are apportioned on the basis of staff time cost.

iv) **Pension contributions.** The SDBF participates in two defined benefit pension schemes (see Note 24 on pages 78–79): the Church of England Funded Pensions Scheme for clergy and the Church Workers' Pension Fund (CWPF) for SDBF lay staff. The SDBF closed the Defined Benefit Scheme section of the CWPF to new members in July 2013 and it closed for existing members on 31 December 2022.

SDBF staff joining after July 2013 are members of the Pension Builder section of the CWPF. Contributions to this scheme paid by the SDBF are charged to the SoFA as expenditure on the accruals basis. Former members of the CWPF Defined Benefit Scheme are now members of the Pension Builder Section of the CWPF.

The pension costs for the defined benefit schemes recognised as expenditure represent the SDBF's contributions payable in respect of the accounting period, in accordance with FRS 102.

f. ***Tangible fixed assets and depreciation***

Benefice houses

The SDBF has followed the requirements of FRS 102 in its accounting treatment of benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The SDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at cost. For benefice houses owned at 1 January 2015, the SDBF has adopted the estimated reinstatement cost as at 1 January 2014 as deemed cost. Benefice houses purchased or built after 1 January 2015 are included at purchase or build cost. Benefice houses transferred from the Diocesan Stipendiary Fund are included at the carrying value at the date of transfer. An impairment review is carried out annually.

1. Accounting policies (continued)

Non-benefice freehold and leasehold properties
Freehold and leasehold properties are initially recognised at cost and subsequently measured at Fair Value at each reporting date. Leasehold properties are not amortised over the term of the lease period on the grounds of materiality because of the very long lengths of the leases and the limited number of leasehold properties. The SDBF has appointed a firm of chartered surveyors to undertake a full valuation of its freehold and leasehold properties on a rolling basis over a five-year period. The results of these valuations are extrapolated across the remaining portfolio to ensure that the carrying value of the properties approximates Fair Value. The revaluation gains or losses are reported within other recognised gains and losses in the SoFA.

Properties subject to value-linked loans
Properties that have been bought with the assistance of value-linked loans from the Church Commissioners are included in the financial statements as fixed assets and the associated loans as loan creditors. The properties are stated at Fair Value and are revalued at each reporting date. On disposal the agreed share of the net sale proceeds will be remitted to the Church Commissioners and the related loan liability extinguished.

Depreciation on buildings
Depreciation is not charged on buildings as the Trustees consider that any provision (annual or cumulative) would not be material owing to the very long expected remaining useful economic life in each case, and that their expected residual value is not materially less than their carrying value. The SDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefice 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.

Leasehold improvements
Improvements made to leasehold properties are amortised in the SoFA over the shorter of the term of the lease or the break clause where there is an expectation that this will be exercised.

Capitalisation
Capital expenditure above £25,000 on properties is capitalised.

g. Other tangible fixed assets
Other tangible assets are recognised at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to the SoFA over the expected useful economic life of the asset as follows:

- furniture and equipment, 10–25% per annum, straight-line basis.

h. Operating lease commitments
The SDBF has entered into operating lease arrangements for the use of certain property assets, the rental for which is charged in full as expenditure in the year to which it relates. Rent-free periods given as part of an operating lease are amortised in the SoFA over the lease term or until the break clause where there is an expectation that this will be utilised.

i. Financial instruments: assets and liabilities
Fixed asset investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their Fair Value at the end of each calendar month using the closing quoted bid market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their carrying value or their purchase value if acquired after the latest monthly revaluation. Unrealised gains and losses are calculated as the difference between the Fair Value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Notes to the financial statements

1. Accounting policies (continued)

Concessionary loans
The SDBF makes loans to further its charitable purposes, typically being loans to parishes, at nil interest or at rates below prevailing market rates. It is also in receipt of loans that are interest-free or at rates below prevailing market rates from the Church Commissioners for England and the Central Board of Finance. Such loans are classified as concessionary loans and accounted for in accordance with Section 34 of FRS 102 whereby the loans are initially recognised and measured at the amount paid or received and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairment.

Debtors
Debtors are recognised at the settlement amount due.

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

Creditors and provisions
Creditors and provisions are recognised where the SDBF has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Value-linked loans
The SDBF value-linked loans for which the settlement proceeds are based on the value of the related properties. As this constitutes a non-basic financial instrument under FRS 102, these loans are recognised at Fair Value and are revalued at each reporting date to match the value of the related property.

Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at Fair Value, basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

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

- **Unrestricted funds** are the SDBF's corporate funds and are freely available for any purpose within the SDBF's charitable objects at the discretion of the Trustees. There are two types of unrestricted funds:
  - ***general funds*** which the SDBF intends to use for the general purposes of the SDBF
  - ***designated funds*** set aside out of unrestricted funds by the SDBF for a purpose specified by the Trustees.
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- **Endowment funds** are those held on trust and administered by the SDBF to be retained for the benefit of the charitable company as a capital fund. In the case of the Parsonage Capital Fund, there are discretionary powers to convert capital into income and this fund is classified as expendable endowment. The Ministry Fund and the Diocesan Stipendiary Fund are endowment funds where there is no provision for expenditure of capital and these are classified as permanent endowments.

2. Critical accounting estimates and judgements

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

The key area of estimation is the measurement of the SDBF's property assets at Fair Value. The Charity SORP requires entities that have adopted a policy of revaluation to undertake valuations on a regular basis to ensure that the carrying amount of the revalued assets does not differ materially from Fair Value at the end of the reporting period. The SDBF engages a firm of chartered surveyors for the valuation of its residential freehold properties, excluding benefice houses, on a rolling basis over a five-year period and Trinity House every two years. In order to ensure that the carrying value of the freehold properties excluding benefice houses approximates to Fair Value, the results of the proportion of the properties valued in the year are extrapolated across the remainder of the property portfolio excluding benefice houses to arrive at year-end Fair Value.

Those properties selected for valuation are taken across the SDBF's diverse property portfolio and the trustees consider this to be a reasonable basis for estimating the Fair Value of the SDBF's freehold properties at the balance sheet date. Any variances from actual Fair Value and the estimated Fair Value of the portfolio will affect the value of tangible fixed assets reported on the balance sheet, and other gains and losses reported in the SoFA. Income and expenditure is not impacted except in respect of profit or loss arising on the sale of a freehold property held at estimated Fair Value.

Other key accounting estimates and judgements used in preparing the financial statements include:

- the estimation of the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge or determining no depreciation charge;
- the underlying assumptions in the actuarial valuations of the defined benefit pension schemes;
- the recoverability of debtors and any provision for bad or doubtful debts; and
- the assumptions underlying the assessment of future income and expenditure flows used in the trustees' assessment of the going concern basis of accounting.

Notes to the financial statements

3. Donations

Parish contributions

Donations are made by the parishes of the diocese using an informed generosity system.

	2025	2024
	£'000	£'000
Unrestricted General Fund:		
Current year receipts from parishes	16,410	16,329
Previous year receipts from parishes	5	79
Total income	**16,415**	**16,408**

Church Commissioners and Archbishops' Council

2025	Unrestricted General Fund	Restricted funds	Total funds 2025
	£'000	£'000	£'000
Strategic Development grant	–	1,035	1,035
Strategic Ministry and Capacity grant	–	92	92
Ordinand grant	–	153	153
Area Bishops grant	294	–	294
Diocesan Investment Programme	–	1,278	1,278
Other grants	–	452	452
Total	**294**	**3,010**	**3,304**

2024	Unrestricted General Fund	Restricted funds	Total funds 2024
	£'000	£'000	£'000
Strategic Development grant	–	1,578	1,578
Strategic Ministry and Capacity grant	–	90	90
Ordinand grant	–	221	221
Area Bishops grant	275	–	275
Diocesan Investment Programme	–	437	437
Other grants	–	278	278
Total	**275**	**2,604**	**2,879**

3. Donations (continued)

Other donations

2025	Unrestricted funds			
	General	Designated	Restricted funds	Total funds 2025
	£'000	£'000	£'000	£'000
Benefact grant	163	–	–	163
Trust for London grant	1,067	–	–	1,067
Legacy income	6	–	–	6
Other grants and donations	361	–	–	361
Total	**1,597**	**–**	**–**	**1,597**

2024	Unrestricted funds			
	General	Designated	Restricted funds	Total funds 2024
	£'000	£'000	£'000	£'000
Benefact grant	194	–	–	194
Trust for London grant	1,141	–	–	1,141
Legacy income	157	–	–	157
Other grants and donations	34	–	–	34
Total	**1,526**	**–**	**–**	**1,526**

Notes to the financial statements

4. Charitable activities

	2025 £'000	2024 £'000
Unrestricted General Fund:		
Statutory fees	347	345
Reimbursement of stipends	947	602
Other income	99	88
Rents receivable	854	908
Diocesan Retreat House	161	162
Total income	**2,408**	**2,105**

5. Investment income

2025	Unrestricted General Fund £'000	Restricted funds £'000	Total funds 2025 £'000
Dividends receivable	888	113	1,001
Interest receivable	77	–	77
Total	**965**	**113**	**1,078**

2024	Unrestricted General Fund £'000	Restricted funds £'000	Total funds 2024 £'000
Dividends receivable	962	143	1,105
Interest receivable	49	–	49
Total	**1,011**	**143**	**1,154**

6. Gains on disposal of properties

2025	Unrestricted General Fund	Endowment funds	Total funds 2025
	£'000	£'000	£'000
Net surplus on disposal of parsonages	–	4,599	4,599
Net surplus on disposal of other properties	326	417	743
Total	**326**	**5,016**	**5,342**

2024	Unrestricted General Fund	Endowment funds	Total funds 2024
	£'000	£'000	£'000
Net surplus on disposal of parsonages	–	2,992	2,992
Net surplus on disposal of other properties	1,472	–	1,472
Total	**1,472**	**2,992**	**4,464**

Notes to the financial statements

7. Charitable activities

2025	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council:					
Training for Ministry	997	–	–	–	997
National Church responsibilities	536	–	–	–	536
Retired clergy housing costs	295	–	–	–	295
	1,828	**–**	**–**	**–**	**1,828**
Resourcing mission and ministry:					
Parish ministry:					
Stipends, National Insurance	11,770	–	256	–	12,026
Pension contributions	2,122	–	46	–	2,168
Housing costs	4,518	–	–	–	4,518
Removal and resettlement grants	508	–	–	–	508
Other expenses	3,532	–	13	–	3,545
	22,450	**–**	**315**	**–**	**22,765**
Support for parish ministry	3,519	–	2,494	–	6,013
Diocesan Retreat House	365	–	–	–	365
	26,334	**–**	**2,809**	**–**	**29,143**
Total	**28,162**	**–**	**2,809**	**–**	**30,971**

7. Charitable activities (continued)

2024	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council:					
Training for Ministry	953	–	–	–	953
National Church responsibilities	526	–	–	–	526
Retired clergy housing costs	313	–	–	–	313
	1,792	**–**	**–**	**–**	**1,792**
Resourcing mission and ministry:					
Parish ministry:					
Stipends, National Insurance	10,438	–	632	–	11,070
Pension contributions	2,254	–	25	–	2,279
Housing costs	4,446	–	–	–	4,446
Removal and resettlement grants	506	–	–	–	506
Other expenses	3,379	–	8	–	3,387
	21,023	**–**	**665**	**–**	**21,688**
Support for parish ministry	3,064	20	1,344	–	4,428
Diocesan Retreat House	251	–	–	–	251
	24,338	**20**	**2,009**	**–**	**26,367**
Total	**26,130**	**20**	**2,009**	**–**	**28,159**

Notes to the financial statements

8. Analysis of expenditure on charitable activities including allocation of support costs

2025	Activities undertaken directly	Grant funding of activities	Support costs	Total costs 2025
	£'000	£'000	£'000	£'000
Charitable activities:				
Contributions to Archbishops' Council	–	1,828	–	1,828
Resourcing parish ministry	24,323	849	3,050	28,222
Education and social responsibility	–	556	–	556
Diocesan Retreat House	365	–	–	365
Total	**24,688**	**3,233**	**3,050**	**30,971**

2024	Activities undertaken directly	Grant funding of activities	Support costs	Total costs 2024
	£'000	£'000	£'000	£'000
Charitable activities:				
Contributions to Archbishops' Council	–	1,792	–	1,792
Resourcing parish ministry	21,783	833	3,012	25,628
Education and social responsibility	–	488	–	488
Diocesan Retreat House	251	–	–	251
Total	**22,034**	**3,113**	**3,012**	**28,159**

9. Analysis of support costs

2025	Unrestricted General Fund	Endowment funds	Total funds 2025
	£'000	£'000	£'000
Central administration	2,904	–	2,904
Governance:			
External audit	46	–	46
Registrar and Chancellor	89	–	89
Synodical costs	11	–	11
Total	**3,050**	**–**	**3,050**

2024	Unrestricted General Fund	Endowment funds	Total funds 2024
	£'000	£'000	£'000
Central administration	2,852	–	2,852
Governance:			
External audit	44	–	44
Registrar and Chancellor	86	–	86
Synodical costs	30	–	30
Total	**3,012**	**–**	**3,012**

Notes to the financial statements

10. Analysis of grants made

2025	Individuals	Institutions	2025 total
	£'000	£'000	£'000
From unrestricted funds for National Church responsibilities:			
Contributions to Archbishops' Council	–	1,828	1,828
		1,828	**1,828**
From unrestricted funds:			
Southwark Diocesan Board of Education	–	376	376
Southwark Diocesan Welcare	–	179	179
Southwark Cathedral	–	18	18
Parishes for mission	–	205	205
Other institutions for mission	–	13	13
Individuals for mission	6	–	6
Clergy for settling in/first appointment	265	–	265
Clergy for study/sabbatical	16	–	16
Ordinands in training	315	–	315
	602	**791**	**1,393**
From restricted funds for various purposes within resourcing parish ministry:			
Education and development of women clergy (Gilmore Fund)	12	–	12
	12	**–**	**12**
Total	**614**	**2,619**	**3,233**

10. Analysis of grants made (continued)

2024	Individuals	Institutions	2024 total
	£'000	£'000	£'000
From unrestricted funds for National Church responsibilities:			
Contributions to Archbishops' Council	–	1,792	1,792
		1,792	**1,792**
From unrestricted funds:			
Southwark Diocesan Board of Education	–	359	359
Southwark Diocesan Welcare	–	129	129
Southwark Cathedral	–	18	18
Parishes for mission	–	216	216
Other institutions for mission	–	57	57
Individuals for mission	4	–	4
Clergy for settling in/first appointment	218	–	218
Clergy for study/sabbatical	21	–	21
Ordinands in training	293	–	293
	536	**779**	**1,315**
From restricted funds for various purposes within resourcing parish ministry:			
Education and development of women clergy (Gilmore Fund)	7	–	7
	7	**–**	**7**
Total	**543**	**2,571**	**3,114**

Notes to the financial statements

11. Staff costs

	2025 £'000	2024 £'000
Employee costs during the year were as follows:		
Wages and salaries	3,652	2,988
National Insurance contributions	435	327
Pension costs	4	–
	4,091	**3,315**

The average number of persons employed during the year based on full-time equivalents:	**2025 Number**	**2024 Number**
Administration and financial management	20.00	19.75
Property	13.00	12.00
Vocations, ministry, safeguarding and Diocesan Retreat House	21.25	19.75
Mission and public policy	19.25	19.50
The total average number of persons employed with unrestricted DBF funds	**73.50**	**71.00**
Nationally funded fixed term posts (diocesan and parish)	40.50	24.00
The total average number of persons employed during the year including restricted nationally funded posts	**114.00**	**95.00**

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

	2025 Number	2024 Number
£60,001–£70,000	7	10
£70,001–£80,000	3	1
£80,001–£90,000	2	2
£90,001–£100,000	1	1
Total	**13**	**14**

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary	Mrs Nicola Thomas
Deputy Diocesan Secretary	Mrs Jacqueline Pontin
Director of Finance and Financial Assets	Mr Mark Rhodes
Director of Property Services	Mr Andrew Bennett
Director of Human Resources	Mr David Loft
Director of Information Technology	Mr Devas Palokkaran

11. Staff costs (continued)

Director of Mission	The Revd Canon Will Cookson
Director of Discipleship, Lay Ministry and Continuing Ministerial Education	The Revd Canon Wendy Robins
Director of Communications	The Revd Anna Drew
Director for Clergy Formation and Initial Ministerial Education	The Revd Canon Jeremy Clark-King
Diocesan Safeguarding Advisor	Ms Pamela Chisholm (to 15 October 2025)
Diocesan Safeguarding Advisor	Mr Michael Browne (from 17 November 2025)
Director of Giving and Parish Funding	Mrs Gabby Parikh

Remuneration, employer's National Insurance and pensions contributions in 2025 for these 13 employees and 12 key management posts (2024: 12 employees and 12 posts) was £1,057,777 (2024: £1,021,021).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out-of-pocket expenses totalling £nil (2024: £nil) in respect of General and Diocesan Synod duties and other duties as Trustees. The following table gives details of the Trustees who are ordained and whether in receipt of a stipend and associated allowances and/or housing provided by the SDBF during the year.

	Stipend	Housing
The Right Revd Christopher Chessun	No	No
The Right Revd Dr Martin Gainsborough	No	Yes
The Right Revd Dr Rosemarie Mallett	No	Yes
The Right Revd Alastair Cutting	No	Yes
The Venerable Moira Astin (to 2 July 2025)	Yes	Yes
The Venerable Bridget Shepherd (from 1 July 2025)	Yes	Yes
The Venerable Simon Gates	Yes	Yes
The Venerable John Kiddle (to 30 June 2025)	Yes	Yes
The Venerable Jonathan Sedgwick	Yes	Yes
The Venerable Dr Chigor Chike	Yes	Yes
The Venerable Greg Prior	Yes	Yes
The Revd Dr Eddie Scrase-Field	Yes	Yes
The Revd Nicholas Lebey	Yes	Yes
The Revd Antonio Garcia Fuerte	Yes	Yes
The Revd Dr Nicholas Peacock	Yes	Yes
The Revd Dr Charlie Baczyk-Bell	No	No
The Revd Jonathan MacNeaney	Yes	Yes
The Revd Anne Bennett	Yes	Yes
The Revd Bridget Shepherd (to 30 May 2025)	Yes	Yes
The Revd Helen Cook (from 12 December 2025)	Yes	Yes

Notes to the financial statements

11. Staff costs (continued)

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

The SDBF paid an average of 300 (2024: 299) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2025	2024
	£'000	£'000
Stipends	10,799	10,132
National Insurance contributions	1,145	849
Apprenticeship levy	47	44
Pension costs	2,168	2,279
Total	**14,159**	**13,304**

The stipends of the Diocesan Bishop and Area Bishops are paid and funded by the Church Commissioners and are in the range £43,620–£53,470 (2024 range: £42,350–£51,910). The annual rate of stipend, funded by the SDBF, paid to Archdeacons in 2025 was £43,046 (2024: £41,109) and other clergy who were Trustees were paid £31,686 (2024: £30,684).

12. Analysis of transfers between funds

2025	Unrestricted funds General	Unrestricted funds Designated	Restricted funds	Endowment funds	Total
	£'000	£'000	£'000	£'000	£'000
Unrestricted:					
General (net transfers below)	4,423	–	–	–	4,423
Designated					
From the Diocesan Pastoral Account	–	(788)	–	–	(788)
From the Southwark Vision Development Fund	–	(624)	–	–	(624)
Restricted					
From the Strategic Development Fund to the General Fund for the cost of project work	–	–	(519)	–	(519)
From the Ordinand Training Fund	–	–	(92)	–	(92)
From other restricted funds	–	–	(120)	–	(120)
Endowments					
From the Parsonage Capital Fund net movement from the purchase and sale of benefice houses	–	–	–	(2,280)	(2,280)
Total	**4,423**	**(1,412)**	**(731)**	**(2,280)**	**–**

2024	Unrestricted funds General	Unrestricted funds Designated	Restricted funds	Endowment funds	Total
	£'000	£'000	£'000	£'000	£'000
Unrestricted:					
General (net transfers below)	2,182	–	–	–	2,182
Designated					
From the General Fund to create the Net Zero Carbon Fund	–	100	–	–	100
From the General Fund to the Southwark Vision Development Fund	–	157	–	–	157
Restricted					
From the Strategic Development Fund to the General Fund for the cost of project work	–	–	(542)	–	(542)
Endowments					
From the Parsonage Capital Fund net movement from the purchase and sale of benefice houses	–	–	–	(1,897)	(1,897)
Total	**2,182**	**257**	**(542)**	**(1,897)**	**–**

The release of restricted funds relates to qualifying expenditure originally charged to the unrestricted reserve.

Notes to the financial statements

13. Tangible fixed assets

	Freehold & leasehold properties	Leasehold improvements	Furniture & equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation:				
At 1 January 2025	275,465	381	728	276,574
Additions	7,233	–	31	7,264
Disposals	(3,975)	–	–	(3,975)
Revaluation	(3,272)	–	–	(3,272)
At 31 December 2025	**275,451**	**381**	**759**	**276,591**
Depreciation:				
At 1 January 2025	–	267	555	822
Charge for the year	–	33	55	88
At 31 December 2025	**–**	**300**	**610**	**910**
Net book value at 31 December 2025	**275,451**	**81**	**149**	**275,681**
Net book value at 31 December 2024	**275,465**	**114**	**173**	**275,752**

Freehold and leasehold properties in the balance sheet are all vested in the SDBF, except for benefice houses which are vested in the incumbent. All properties in the current year and prior years are stated at Fair Value, except for benefice houses which are stated at deemed cost. The carrying value of benefice houses held at deemed cost at the balance sheet date is £152,399,000 (2024: £148,683,000).

All properties other than benefice houses were revalued to Fair Value at 31 December 2015 and are subject to revaluation on a five-year cycle. Properties with a Fair Value of £27,278,000 at 31 December 2025 (2024: £21,150,000) were revalued. The revaluation was carried out by CBRE in accordance with Royal Institution of Chartered Surveyors' professional standards and valuation practice statements and resulted in a net decrease in the value of these properties, excluding impairments, of £3,006,000 (2024: increase £1,622,000). The decrease in 2025 mainly related to the commercial property Trinity House. An impairment review was carried out on certain parsonage houses. There was no write down in 2025 (2024: £nil).

To maintain consistency with the SDBF's accounting policy of measuring properties other than benefice houses at Fair Value, the results of this valuation have been extrapolated across those assets not externally revalued at the balance sheet date. This has resulted in a total revaluation loss in the year of £3,272,000 (2024: gain £10,368,000).

The carrying value of leasehold properties included within freehold and leasehold properties amounts to £2,487,000 (2024: £2,429,000). Details of any charges over the tangible fixed assets are shown at note 17.

13. Tangible fixed assets (continued)

Certain properties have been purchased with the help of value-linked loans from the Church Commissioners. The properties are revalued to Fair Value annually. On disposal the agreed share of the net sale proceeds will be remitted to the Church Commissioners and the related loan liability extinguished. The value of these properties included within freehold and leasehold properties amounts to £3,939,000 (2024: £3,974,000). The revaluation loss on these properties amounts to £35,000 (2024: £1,364,000 gain).

14. Fixed assets investments

	At 1 January 2025	Additions	Disposal proceeds	Realised and unrealised gains	At 31 December 2025
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:					
Unit trusts, similar funds and listed investments	3,231	3,230	(3,230)	216	3,447
Restricted funds:					
Unit trusts, similar funds and listed investments	3,207	3,207	(3,207)	256	3,463
Endowment funds:					
Unit trusts, similar funds and listed investments	20,706	20,540	(20,540)	1,506	22,212
Total	**27,144**	**26,977**	**(26,977)**	**1,978**	**29,122**

During the year the DBF divested from its existing funds and reinvested in line with a motion of Diocesan Synod not to hold fossil fuel investments.

Notes to the financial statements

15. Debtors

	2025 £'000	2024 £'000
Due within one year:		
Loans to parishes	47	38
Loans to others	9	6
Other debtors and prepayments	769	542
	825	**586**
Due after more than one year:		
Loans to parishes	385	467
	385	**467**
Total debtors	**1,210**	**1,053**

16. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Other taxes and social security	–	153
Other creditors and accruals	1,021	731
Total creditors: amounts falling due within one year	**1,021**	**884**

17. Creditors: amounts falling due after more than one year

	2025 £'000	2024 £'000
Loans repayable in instalments due after more than one year:		
Bank loan	3,500	2,500
Church Commissioners' value-linked loans	2,426	2,363
Total creditors: amounts falling due after more than one year	**5,926**	**4,863**

	2025 £'000	2024 £'000
The maturity of the above loans may be analysed as follows:		
Between two and five years	5,926	1,000
In five years and more	–	3,863
	5,926	**4,863**

The bank loan includes £1,000,000 loan from NatWest with interest charged at 1.55% above Base Rate. The term of the loan is between two and five years and this loan is charged against the Trinity House Property. £2,500,000 is also loaned from NatWest under a Revolving Credit Facility at 1.55% above Base Rate. The term of the facility is between two and five years and the loan is charged against the Trinity House Property.

Value-linked loans from the Church Commissioners are repayable on the sale of the property to which they relate. On disposal the agreed share of the net sale proceeds will be remitted to the Church Commissioners and the related loan liability extinguished.

Notes to the financial statements

18. Summary of fund movements

2025	Balances at 1 January 2025	Income	Expenditure	Transfers	Gains and losses	Balances at 31 December 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General	2,968	22,005	(28,162)	4,423	216	1,450
	2,968	**22,005**	**(28,162)**	**4,423**	**216**	**1,450**
Designated funds:						
Diocesan Pastoral Account	787	–	–	(787)	–	–
Net Zero Carbon	100	–	–	–	–	100
Board Property Fund	41,614	–	–	–	(5,956)	35,658
Southwark Vision Development Fund	1,134	–	–	(625)	–	509
	43,635	**–**	**–**	**(1,412)**	**(5,956)**	**36,267**
Restricted funds:						
Strategic Development Fund	421	2,765	(2,667)	(519)	–	–
Gilmore Fund	400	11	(12)	–	7	406
Dartmouth House Fund	3,343	102	–	–	264	3,709
Strategic Ministry Fund	–	92	–	(92)	–	–
Ordinand Training Fund	97	153	(130)	(120)	–	–
Other restricted	553	–	–	–	(15)	538
	4,814	**3,123**	**(2,809)**	**(731)**	**256**	**4,653**
Endowment funds:						
Ministry Fund	3,605	–	–	–	219	3,824
Diocesan Stipendiary Fund	101,119	417	–	–	4,083	105,619
Parsonage Capital Fund	145,877	4,599	–	(2,280)	–	148,196
	250,601	**5,016**	**–**	**(2,280)**	**4,302**	**257,639**
Total funds	**302,018**	**30,144**	**(30,971)**	**–**	**(1,182)**	**300,009**

18. Summary of fund movements (continued)

2024	Balances at 1 January 2024	Income	Expenditure	Transfers	Gains and losses	Balances at 31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General	3,278	22,797	(26,130)	2,182	841	2,968
	3,278	**22,797**	**(26,130)**	**2,182**	**841**	**2,968**
Designated funds:						
Diocesan Pastoral Account	787	–	–	–	–	787
Net Zero Carbon	–	–	–	100	–	100
Board Property Fund	37,982	–	–	–	3,632	41,614
Southwark Vision Development Fund	997	–	(20)	157	–	1,134
	39,766	**–**	**(20)**	**257**	**3,632**	**43,635**
Restricted funds:						
Strategic Development Fund	123	2,293	(1,453)	(542)	–	421
Gilmore Fund	365	16	(8)	–	27	400
Dartmouth House Fund	2,992	127	–	–	224	3,343
Strategic Ministry Fund	94	90	(184)	–	–	–
Ordinand Training Fund	240	221	(364)	–	–	97
Other restricted	541	–	–	–	12	553
	4,355	**2,747**	**(2,009)**	**(542)**	**263**	**4,814**
Endowment funds:						
Ministry Fund	3,748	–	–	–	307	4,055
Diocesan Stipendiary Fund	93,982	–	–	–	6,686	100,668
Parsonage Capital Fund	144,783	2,992	–	(1,897)	–	145,878
	242,513	**2,992**	**–**	**(1,897)**	**6,993**	**250,601**
Total funds	**289,912**	**28,536**	**(28,159)**	**–**	**11,729**	**302,018**

Notes to the financial statements

19. Summary of assets by fund

2025	Fixed assets tangible	Investments	Current assets	Creditors	Net assets
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:					
General	3,070	3,447	1,880	(6,947)	1,450
	3,070	**3,447**	**1,880**	**(6,947)**	**1,450**
Designated funds:					
Net Zero Carbon	–	–	100	–	100
Board Property Fund	40,701	–	(5,043)	–	35,658
Southwark Vision Development Fund	–	–	509	–	509
	40,701	**–**	**(4,434)**	**–**	**36,267**
Restricted funds:					
Gilmore Fund	–	345	61	–	406
Dartmouth House Fund	–	2,625	1,084	–	3,709
Other Restricted Fund	–	493	45	–	538
	–	**3,463**	**1,190**	**–**	**4,653**
Endowment funds:					
Ministry Fund	–	3,485	339	–	3,824
Diocesan Stipendiary Fund	79,511	18,727	7,381	–	105,619
Parsonage Capital Fund	152,399	–	(4,203)	–	148,196
	231,910	**22,212**	**3,517**	**–**	**257,639**
Total funds	**275,681**	**29,122**	**2,153**	**(6,947)**	**300,009**

19. Summary of assets by fund (continued)

2024	Fixed assets tangible	Investments	Current assets	Creditors	Net assets
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:					
General	2,950	3,230	2,535	(5,747)	2,968
	2,950	**3,230**	**2,535**	**(5,747)**	**2,968**
Designated funds:					
Diocesan Pastoral Account	–	–	787	–	787
Net Zero Carbon	–	–	100	–	100
Board Property Fund	45,862	–	(4,248)	–	41,614
Southwark Vision Development Fund	–	–	1,134	–	1,134
	45,862	**–**	**(2,227)**	**–**	**43,635**
Restricted funds:					
Strategic Development Fund	–	–	421	–	421
Gilmore Fund	–	338	62	–	400
Dartmouth House Fund	–	2,362	981	–	3,343
Ordinand Training Fund	–	–	97	–	97
Other Restricted Fund	–	508	45	–	553
	–	**3,208**	**1,606**	**–**	**4,814**
Endowment funds:					
Ministry Fund	–	3,266	339	–	3,605
Diocesan Stipendiary Fund	78,257	17,440	5,422	–	101,119
Parsonage Capital Fund	148,683	–	(2,806)	–	145,877
	226,940	**20,706**	**2,955**	**–**	**250,601**
Total funds	**275,752**	**27,144**	**4,869**	**(5,747)**	**302,018**

Notes to the financial statements

20. Description of funds

General Fund	The fund represents the unrestricted, undesignated fund available for any of the SDBF's purposes.
Diocesan Pastoral Account	This is a designated fund for the purposes defined in the Mission and Pastoral Measure 2011. It represents capital receipts released following the sale of benefice houses (parsonages) and redundant churches. To the extent that any remaining funds are not required, or are not likely to be required, for these purposes then the funds may be applied to any general purpose of the SDBF.
Net Zero Carbon Fund	The Net Zero Carbon Fund is to help fund work on parsonages to improve their energy efficiency as part of our plan to achieve Net Zero Carbon in line with the Church of England's Routemap to 2030.
Board Property Fund	This fund is a designated fund. It represents the Fair Value of properties held by the SDBF at the year end, less inter fund balance.
Southwark Vision Development Fund	This is a designated fund to support Southwark Vision 2024–35 across the diocese with significant expenditure expected in the next two years.
Strategic Development Fund	This was a restricted fund. It represented grants received from the Church Commissioners and Archbishops' Council for specific projects to fund mission and growth across the diocese.
Gilmore Fund	The Isabella Gilmore Fund is a restricted fund for the purpose of the education and development of licensed, commissioned or ordained women.
Dartmouth House Fund	This is a restricted fund for the purpose of facilitating clergy and lay training, retreats or conferences to assist and promote the work of the Church of England in the Diocese of Southwark and to use the monies to acquire any buildings which may be necessary to forward such purposes, subject always to the consent in writing of the Bishop of Southwark.
Ordinand Training Fund	This is a restricted fund. It represents the block grant received from the Archbishops' Council to fund Ordinand training.
Other Restricted Funds	This represents other restricted funds held by the diocese. These include amounts gifted for use in the Croydon Episcopal Area and to assist the training of ordinands throughout the diocese.
Ministry Fund	This is a permanent endowment fund held under the Endowments and Glebe Measure 1976 from which the income arising and/or benefit of use of the asset has been passed to the SDBF for the purpose of supporting clergy stipends within the diocese. Investment income from the fund is credited to the General Fund where it is used only to fund clergy stipend payments.
Diocesan Stipendiary Fund	This is a permanent endowment fund. It represents the glebe assets of benefices from which the income arising and/or benefit of use has been passed to the SDBF under the provisions of the Mission and Pastoral Measure 2011. Investment income from the fund is credited to the General Fund where it is used only to fund clergy stipend payments.
Parsonage Capital Fund	This is an expendable endowment fund. It represents the capital assets relating to benefice houses (parsonages) but which under the Repairs of Benefice Buildings Measure 1972 are maintained by the diocese. Under the Mission and Pastoral Measure 2011, capital receipts released following the sale of benefice houses are held in the Diocesan Pastoral Account, a designated fund. To the extent that the funds are not required for future building or improvement works to benefice houses, the funds may be applied to any general purpose of the SDBF.

21. Capital commitments

At 31 December 2025, the SDBF had no capital expenditure commitments authorised but not contracted for (2024: none), and commitments contracted for but not provided for of £229,000 (2024: £194,000).

22. Operating leases

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

	2025 £'000	2024 £'000
Minimum lease payments payable:		
Within one year of the balance sheet date	394	656
In the second to fifth years inclusive of the balance sheet date	151	292
Total	**545**	**948**

Total lease rental payments expensed in the year are £855,000 (2024: £739,000).

	2025 £'000	2024 £'000
Minimum lease payments receivable:		
Within one year of the balance sheet date	453	474
In the second to fifth years inclusive of the balance sheet date	198	229
More than five years from the balance sheet date	580	561
Total	**1,231**	**1,264**

23. Members' liability

The charitable company is a company limited by guarantee, Company Registration Number 236594 (England and Wales). The trustees are the members of the charitable company for company law purposes. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member of the charitable company.

Notes to the financial statements

24. Pensions

The SDBF participates in two pension schemes administered by the Church of England Pensions Board: the **Church of England Funded Pensions Scheme (CEFPS)** for stipendiary clergy and the **Church Workers' Pension Fund (CWPF)** for lay staff.

Church of England Funded Pensions Scheme

The SDBF 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 £2,168,000 in 2025 (2024: £2,279,000), plus any figures arising from contributions in respect of any Scheme deficit.

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

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

- An average discount rate of 6.0% 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 legal structure of the scheme is such that if another Responsible Body fails, the SDBF could become responsible for paying a share of that failed Responsible Body's pension liabilities.

24. Pensions (continued)

Church Workers' Pension Fund

The SDBF participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

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

Pension Builder Scheme

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

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

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

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

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

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

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2026, the Board chose to grant a discretionary bonus of 10% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 1997 service so that the pension increase was also 10% (where usually it would be calculated based on inflation up to an annual cap of 5% for pensions in payment in respect of service prior to April 2006 and 2.5% for pensions in payment in respect of service post April 2006). This followed improvements in the funding position over 2025. There is no requirement for deficit payments at the current time.

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

The Church of England Pensions Board has agreed that some employers could use assets in the DBS of the CWPF in lieu of contributions to Pension Builder Classic and/or Pension Builder 2014. This is detailed separately on the DBS statement of the SDBF.

The next valuation is being carried out as at 31 December 2025.

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

25. Related party transactions

The SDBF has related party relationships with connected organisations as detailed on page 37 of this annual report. Except as disclosed in notes 10 and 11, there are no related party transactions requiring disclosure (2024: none).

Notes to the financial statements

26. Prior year Statement of Financial Activities

2024	Note	Unrestricted funds: General £'000	Unrestricted funds: Designated £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2024 £'000
Income and endowments from:						
Donations	3					
Parish contributions		16,408	–	–	–	16,408
Archbishops' Council		275	–	2,604	–	2,879
Other donations		1,526	–	–	–	1,526
Charitable activities	4	2,105	–	–	–	2,105
Investments	5	1,011	–	143	–	1,154
Gains on disposal of properties	6	1,472	–	–	2,992	4,464
Total		**22,797**	**–**	**2,747**	**2,992**	**28,536**
Expenditure on:						
Charitable activities	7	26,130	20	2,009	–	28,159
Total		**26,130**	**20**	**2,009**	**–**	**28,159**
Net (expenditure)/income before investment gains		**(3,333)**	**(20)**	**738**	**2,992**	**377**
Net gains on investments	14	88	–	263	763	1,114
Net (expenditure)/income		**(3,245)**	**(20)**	**1,001**	**3,755**	**1,491**
Transfers between funds	12	**2,182**	**257**	**(542)**	**(1,897)**	**–**
Other recognised gains: Revaluation of property	13	753	3,632	–	6,230	10,615
Net movement in funds		**(310)**	**3,869**	**459**	**8,088**	**12,106**
Total funds brought forward		3,278	39,766	4,355	242,513	289,912
Total funds carried forward	19	**2,968**	**43,635**	**4,814**	**250,601**	**302,018**

27. Funds held as Diocesan Authority

The SDBF acts as Diocesan Authority or Custodian Trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956, as amended, and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are PCCs and others. Assets held as Diocesan Authority are not controlled by the SDBF and are not included in these financial statements. They are summarised as follows:

	2025 £'000	2024 £'000
CBF Church of England Investment Fund	10,544	11,242
M&G Equities Investment Fund for Charities	1,689	1,443
CBF Church of England Global Equity Income Fund	897	786
Other CBF Church of England Funds	499	757
Other Common Investment and OEIC holdings	514	496
Direct holdings in UK Equities	196	216
CBF Church of England Deposit Fund	2,633	2,471
Cash	6	3
Total assets held as Diocesan Authority	**16,978**	**17,414**

28. Subsidiary undertaking

The SDBF is the beneficial owner of a subsidiary undertaking, Southwark DBF Trading, a company limited by guarantee, which is registered in England and supplies property and administrative services to the SDBF. The company did not trade during the current or prior year and had no assets or liabilities at the Balance Sheet date (2024: £nil).

Glossary of terms

Acronym	Meaning
ADOs	Area Directors of Ordinands
ARC	Anti-Racism Charter
aSa	Average Sunday Attendance
BAP	Bishops' Advisory Panel
CAH	Church at Home
CBF	Central Board of Finance
CEFPS	Church of England Funded Pensions Scheme
CEMES	Church of England Ministry Experience Scheme
CLTG	Cost of Living Task Group
CNC	Crown Nominations Commission
CTBI	Churches Together in Britain and Ireland
CWPF	Church Workers' Pension Fund
CYP	Children and young people
DAC	Diocesan Advisory Committee
DBF	Diocesan Board of Finance
DBS	Disclosure and Barring Service
DCT	Diocesan Council of Trustees
DIP	Diocesan Investment Programme
DMPC	Diocesan Mission and Pastoral Committee
DRG	Diocesan Referrals Group
DSAP	Diocesan Safeguarding Advisory Panel
DST	Diocesan Safeguarding Team
EDWG	Eco Diocese Working Group
FRC	Financial Reporting Council
FRS	Financial Reporting Standard
fxC	Fresh Expression of Church
GDPR	General Data Protection Regulation
GMH	Global Majority Heritage
HR	Human resources

Acronym	Meaning
IICSA	Independent Inquiry into Child Sexual Abuse
IME2	Initial Ministerial Education Phase 2. The (up to) four years of curacy also referred to as IME 4–6.
ISAs (UK)	International Standards on Auditing (UK)
JPIC	Justice, Peace and Integrity of Creation
LLF	Living in Love and Faith
MAP	Mission Action Plan
MAT	Multi Academy Trust
MFA	Multi-factor Authentication
PCC	Parochial Church Council
PCR2	Past Cases Review 2
PFC	Policy and Finance Committee
PGS	Parish Giving Scheme
PSF	Parish Support Fund
RJC	Racial Justice Committee
SDBE	Southwark Diocesan Board of Education
SDBF	South London Church Fund & Southwark Diocesan Board of Finance
SDF	Strategic Development Funding
SDP	Shared Discernment Process
SIR	Serious Incident Reporting
SMT	Senior Management Team
SoFA	Statement of Financial Activities
SORP	Statement of Recommended Practice for Charities
SPA	Southwark Pastoral Auxiliary
SVDF	Southwark Vision Development Fund
UKME	United Kingdom Minority Ethnic
uSa	Usual Sunday Attendance
ViS	Vacancy in See



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