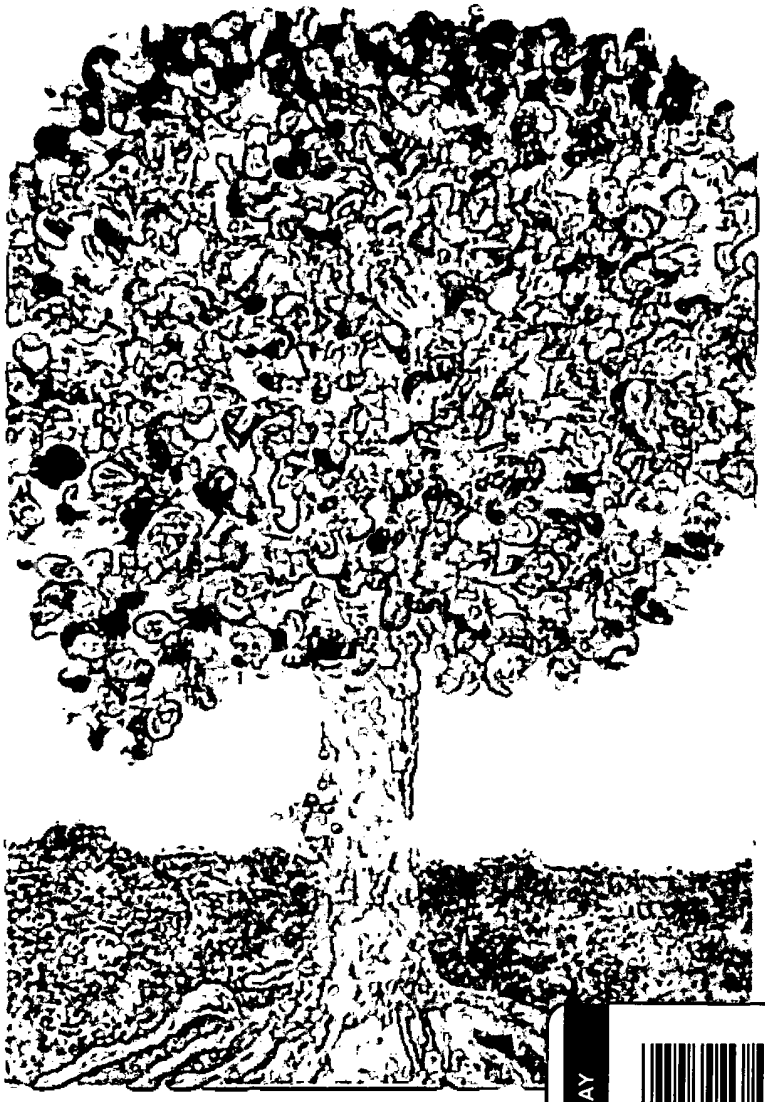
SOUTHWARK DIOCESAN BOARD OF EDUCATION INCORPORATED

SOUTHWARK DIOCESAN BOARD OF EDUCATION



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COMPANIES HOUSE

ANNUAL REPORT 2025

Company number 00086641

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Trustees *who served during the year and up to the date of approval of the annual report and financial statements.*	The Rt Revd Christopher Chessun (President) The Rt Revd Dr Rosemarie Mallett (Chair) Dr Anthony Adeloye (appointed 1 January 2025) Revd Dr Charlie Bell (appointed 1 January 2025) Martin Brecknell Elizabeth Broad (until 19 October 2025) Revd Ruth Chapman (appointed 1 January 2025) Andrew Christie (appointed 1 January 2025, resigned 19 June 2025) Sarah Collymore (appointed 2 July 2026) Revd Dr Daniel Eshun (appointed 1 January 2025) Ven. Simon Gates Vasantha Gnanadoss (appointed 9 January 2026) Revd Dr Melanie Harrington-Haynes (appointed 1 January 2025) Michael Hartley (appointed 1 January 2025) Cheryl Payne Helen Poyton Matthew Sossick (appointed 1 January 2025) Dr Catharina Stibe Hickson Mtr Ariadne Van den Hof Revd Dr Benjamin Vertannes Miles Winter Irene Wolstenholme MVO
Senior leadership team	Roz Cordner (Director of Education) Pia Longman (Assistant Director of Education)
Company secretary	Roz Cordner
Registered office	48 Union Street London SE1 1TD
Charity registration number	313001
Company registration number	00086641
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc P.O. Box 3038 57 Victoria Street London SW1H 0HN
Solicitors	Winckworth Sherwood Arbor 255 Blackfriars Road London SE1 9AX

Acronyms, abbreviations and definitions

CCLA	Central Board of Finance of the Church of England
CEFEL	Church of England Foundation for Educational Leadership
CofE	Church of England
CPD	Continuing Professional Development
DFC	Devolved Formula Capital
DfE	Department for Education
Diocese	The Anglican Diocese of Southwark
EDIB	Equity, Diversity, Inclusion and Belonging
FE	Further Education
FTE	Full time equivalent
F/HE	Further & Higher Education
GMH	Global Majority Heritage
HE	Higher Education
LA	Local Authority
MAT	Multi-Academy Trust
MOU	Memorandum of Understanding
NPQ	National Professional Qualification
NSE	National Society for Education (formerly CEFEL)
OFSTED	Office for Standards in Education
PA	Partnership Agreement
RAFT	Retrofit Action for Tomorrow
RE	Religious Education
RI	Requires Improvement
SACRE	Standing Advisory Council on Religious Education
SAT	Stand-Alone Academy Trust
SDBE	Southwark Diocesan Board of Education
SDBE MAT	Southwark Diocesan Board of Education Multi-Academy Trust
SDES	Southwark Diocesan Education Services
SDHTA	Southwark Diocesan Head Teachers' Association
SIAMS	Statutory Inspection of Anglican and Methodist
Schools SLA	Schools Service Level Agreement
SLT	Senior Leadership Team
SMITF	St Martin-in-the-Fields
SMNUFT	St Mary Newington United Foundation Trust
SOFA	Statement of Financial Activities
VA	Voluntary Aided
VASCA	Voluntary Aided Schools Condition Allocation

Directors' Annual Report

The Board members, who are also Trustees and Directors for the purposes of charity and company law, have pleasure in presenting their annual report, together with the audited financial statements, for the year ended 31 December 2025.

OBJECTIVES AND ACTIVITIES

Background

The SDBE Charity exists to fulfil the statutory duties of the Diocese of Southwark for the education of the 34,000 children and young people attending its 99 schools. Within the diocesan family of schools, the SDBE provides advice, support and offers development of the distinctively Christian ethos in schools which remain inclusive and are here to serve their local communities. In addition, the SDBE provides support to chaplaincy in the FE/HE colleges and universities across the diocese.

Objectives

The purpose and objects of the Charity are set out in its two main constitutional documents:

i) The Diocesan Boards of Education Measure 2021; and

ii) The Articles of Association of the Southwark Diocesan Board of Education.

Shaped by these, the Charity's vision is expressed below:

- To enable the mission of God through the work of the Board;
- To be a high-performing Diocesan Board of Education, promoting excellence in education both locally and nationally;
- To develop and grow highly effective, inclusive Church of England schools rooted in Christian values;
- To celebrate and share the richness, quality and success of our schools and chaplaincies; and
- To offer exemplary service to our schools and chaplaincies.

During 2025, work began on a new SDBE Vision, details of which can be found on page 21.



Activities

The work of the SDBE runs within three key areas; Church School Effectiveness, Development of Chaplaincy in schools, colleges and universities, and development and growth. As such, the charity advises governors of all its schools (VA, Foundation, MAT and SAT) on any matter affecting church schools in the diocese including, but not limited to development in the following areas:

1. Supporting school improvement, professional development of teachers and school leaders, CPD for staff and governors, professional advice and pastoral care;
2. Providing advice to any proposed changes to the status, viability and future of all schools (including significant changes);
3. Approving all building, alterations and refurbishments to Church School buildings;
4. Appointing and supporting Diocesan foundation governors for all church schools;
5. Advising and supporting governing bodies on the appointment of headteachers and senior staff;
6. Receiving and considering the reports of all formal inspections (SIAMS and Ofsted) at all church schools, which are required to be carried out under the Education Act 2005;
7. Providing Chaplaincy Development support across the seven HE and five FE institutions, in addition to the chaplaincy development and support that is given to our schools;
8. Ensuring CofE representation at the 11 SACREs across the diocese; representation on LA Committees for Overview and Scrutiny (or equivalent democratic services meeting);
9. Providing a comprehensive professional offer via The Partnership Agreement to all schools, including headteacher and senior leader meetings and annual conference;
10. Structuring the advisory team to enable flexibility in offering additional support, training and development from year-to-year to meet any immediate needs in addition to the core offer;

Beyond the partnership agreement offer (please see below), other areas of business for SDBE in 2025 included:

- Development of chaplaincy;
- Investment properties;
- Diocesan Strategy for Schools Organisation (DSSO); and
- The SDBE Vision.



Partnership agreement for schools offer:

The key areas of work under the partnership agreement for 2025 were:

1. *Church school effectiveness –*
   - Christian distinctiveness;
   - Leadership;
   - Religious education;
   - Collective worship; and
   - Growing faith.

2. *School Business –*
   - Admissions;
   - Governance; and
   - Human Resources.

3. *Connections –*
   - Professional advice;
   - Staff and governor development (CPD);
   - Networking;
   - Bespoke services;
   - Communications; and
   - Artificial Intelligence (A.I.).

4. *Ethics –*
   - Equality, diversity, inclusion and belonging;
   - Climate justice; and
   - Wellbeing.

5. *Estates and finance –*
   - School buildings & estate management;
   - Funding streams;
   - Insurance; and
   - Sustainability

Public benefit

In pursuit of its operations and activities, the Trustees have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the Charity should undertake. Our principal beneficiaries and service users are the Church of England schools and the students and staff of the universities and colleges located within the Diocese of Southwark. In practice, the relationship with our thirty-four thousand children and young people in the maintained education sector throughout the Diocese of Southwark, in real terms we achieve this through the regular contact with school leaders and governors and in response to requests for advice and support via our Partnership Agreement for Church of England schools and academies and our relationship with the Southwark Diocesan Board of Education Headteacher Association.

The charity does not undertake external fundraising so is not registered with the Fundraising Regulator. No complaints have been received in respect of fundraising in the current or prior year.



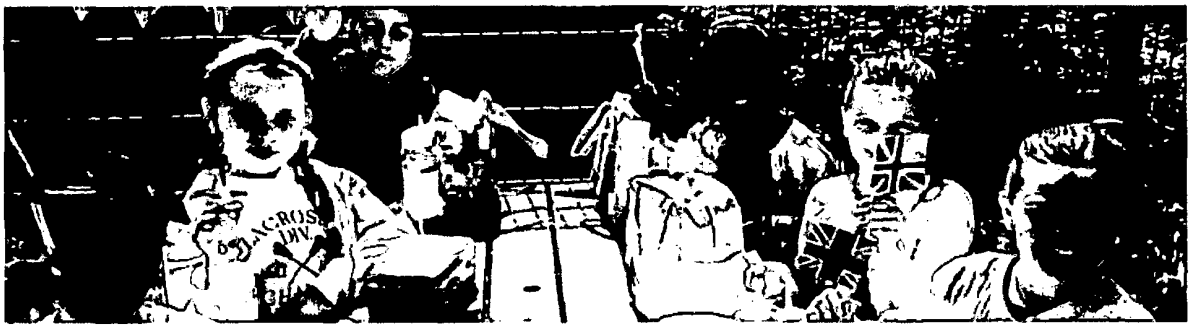
ACHIEVEMENTS AND PERFORMANCE

Church school effectiveness – Christian distinctiveness

Statutory inspection of Anglican and Methodist Schools (SIAMS)

The national catch-up with SIAMS inspections has continued. Inspections have been taking place approximately two years after they were originally due, resulting from the suspension of inspections during the COVID-19 pandemic. SIAMS inspections carried out in the diocese through 2025 awarded all schools the outcome of J1: 'The inspection findings indicate that the school is living up to its foundation as a Church school, and is enabling pupils and adults to flourish.' SDBE have advised on the national process at a diocesan level and have met with the national SIAMS team to ensure consistent messaging, discuss latest developments and receive briefings on different aspects of SIAMS. The SDBE has advised, encouraged and supported schools to continue with their school self-evaluation of their Christian distinctiveness, which will be drawn upon when they have their next SIAMS inspection. Diocesan SIAMS training has been led centrally and in schools for different stakeholders. The programme of Diocesan SIAMS Visits has continued at the approximate mid-point between a school's SIAMS inspections, serving as a specific opportunity for a school to evaluate their Christian distinctiveness journey with SDBE and to jointly focus on next steps and support needed.

In 2026 The post-inspection process will be formalised to support schools with a closer focus on analysing, in detail, each school's SIAMS report to ensure there is a clear direction for their continual development as a Church school.



Church school effectiveness – Religious Education (RE)

Primary Religious Education (RE)

Schools have been continually supported pastorally and on individual concerns as they arise, including legal matters, curriculum requirements, religious and sensitivity issues and topical subjects. 2025 saw the full introduction of the new diocesan primary syllabus for Religious Education. The new syllabus reflects the latest pedagogy and developments in education and RE. It is aimed to reflect the current times and context. Schools have received training in several areas including support with the new syllabus, in house, via INSET days and in bespoke sessions.

This year saw the introduction of Diocesan Cluster RE meetings. These are network meetings for Primary RE Subject Leaders across a Local Authority area to come together with others from local diocesan schools.



Church school effectiveness – Religious Education (RE) (continued)

Primary Religious Education (RE) (continued)
The aim has been to provide additional time to support schools with planning and strengthening or supporting the setting up of local RE networks in addition to the Diocesan wide RE network. There was the chance for RE Subject Leaders to share how they are implementing the new syllabus in their school and to discuss and to work together to help schools further in implementing it.

Looking forward, SDBE will continue to support schools in using the new Diocesan Primary Syllabus for RE through ongoing training, including with specialist background knowledge, guidance sheets and another round of Diocesan Cluster RE Meetings. The new series of training sessions called 'RE Teaching at Teatime' will continue to explore different religious concepts and topics of faith offering background specialist knowledge for teachers.

Work will continue in 2026 in partnership with Southwark Cathedral Learning Centre to review and develop their offer of cathedral trails and workshops to support RE learning in both diocesan and other schools.

Secondary Religious Education (RE)
Support for Religious Education continues to be enhanced through regular school visits and network meetings for RE leaders. This facilitates opportunities for RE leads to keep up to date with new developments and supports colleagues in school through the sharing of good practice. One secondary school so far this year has received their SIAMS inspection, highlighting the strong contribution that religious education makes to the flourishing of pupils. A further three secondary schools are due to be inspected this academic year 2025-26. In December, the RE network meeting was hosted by The Learning Centre at Southwark Cathedral. This engaged RE leads in exploring the learning opportunities available through the Learning Centre. This also provided a welcome opportunity to share ideas and good practice on the teaching of KS5 Core RE.

2026 will see the introduction of the new Statement of Entitlement for both Primary and Secondary RE from September. Schools will be supported with the implementation of this with relevant training and curriculum support. We will monitor and assist with professional responses to the Curriculum and Assessment Review with regards to RE, both through our professional networks and within Standing Advisory Councils on Religious Education, including supporting our Church of England (Group B) representatives



Church school effectiveness – collective worship
Specific training on Collective Worship has been offered to school staff, governors and clergy.

'Journey to the Manger,' our interactive and reflective day exploring Advent and the Christmas story for Year 2 children from our Diocesan Church of England schools took place again. This joint venture between the SDBE and Southwark Cathedral Learning Centre saw schools bringing a life-sized model of a character from the Nativity story that they had each made. These figures formed the 'Big Crib' around which Collective Worship took place. The 'Big Crib' then remained on display throughout Christmas for visitors to the cathedral to see and enjoy.

Church school effectiveness – Collective Worship (continued)

Resources were produced for schools to use in RE and Collective Worship to support 'The Bishop of Southwark's Lent Call 2025.' These were added to the wider diocesan materials and sent to all schools, chaplaincies and parishes. The theme this year was 'Jesus said; "Let the little children come to me, and do not stop them; for it is to such as these that the kingdom of heaven belongs."' Matthew 19:14.

The Bishop of Southwark's Lent Call Thanksgiving Service in Southwark Cathedral took place on Wednesday 07 May. Bishop Martin blessed schools' offerings of money that they had managed to collect during Lent and received them with thanks, on behalf of Bishop Christopher.

A series of Leavers' Services on the theme of 'Belonging' was held in June and July for Year 6 pupils attending one of our diocesan Church of England primary schools moving onto secondary school. The services were a chance for the pupils to join with other Year 6s from the diocesan Church School family to give thanks to God for their time in their Church of England primary school and to ask God to travel with them as they moved onto secondary school and beyond.

The theme of the services was 'Belonging.' This was explored in the context of equity, diversity and inclusion, in its fullest sense. Schools contributed by offering music, words or liturgical dance around this theme to our worship.

Future plans are responsive to world events for which we will write and/or signpost schools to resources, as appropriate. This will include a Collective Worship in 2026 to mark The Installation of The Right Rev'd and Right Honourable Dame Sarah Mullally DBE as The Archbishop of Canterbury, particularly recognising that she is the first woman to hold the role of Archbishop.

The SDBE and Diocesan Lay Ministry and Discipleship departments will also work together to jointly plan and lead Collective Worship training for both school staff and clergy / laity leading worship in schools.

Church school effectiveness – growing faith



SDBE continues to work closely with colleagues at Southwark Diocese to ensure building on the work which has been developed to encourage churches, schools and homes to work together to nurture the spirituality of children and young people. During 2025, the key elements which comprised Growing Faith were Flourish Workers, Archbishop of York Young Leaders Award and Difference. This year, there were three areas which benefitted from a Flourish worker: St Stephen's Church of England Primary School with St Mark Kennington church, Trinity School with The Good Shepherd, and St Matthew's Church of England Primary School with St Matthew's Redhill church. As well as schools signing up to the Archbishop of York Young Leaders Award, schools in the Southwark Diocese took part as pilots for Difference. On Tuesday 23 September, five staff members and ten pupils from St Bartholomew's Primary School, Sydenham were honoured to attend and present the official launch of Difference for Primary at Lambeth Palace.

School business – governance

In the context of an ongoing national governor recruitment crisis, a key area of work continued to be the recruitment of strong SDBE Foundation governors to school governing boards.

School business – governance (continued)

SDBE assisted in 25 appointments in 2025 and reduced vacancies to 40, which is a reduction of 4% from 20% to 16% vacancies. Governors were appointed who ensure our schools maintain their distinctive Christian character and ethos, whilst fulfilling their core governance duties such as strategic direction setting, financial oversight and holding leaders to account. SDBE supported schools to ensure their boards have a diverse range of people and skills so that they can make robust, transparent decisions that benefit pupils and the community.



The comprehensive Governor training package was well received and shaped by national and local priorities which this year included recruitment and retention of staff and pupils, financial sustainability, managing complaints and SEND provision. Strengthening governor effectiveness was an ongoing priority to ensure governors add value to their schools and maximise their impact.



The Bishop's Certificate course continued to be popular and fourteen of our schools undertook and completed all 11 modules this year. The targeted approach to recruiting schools proved fruitful and will continue to ensure maximum reach of expertise and resources.

In 2026 the governor recruitment strategy will be revisited to include marketing and promotional activities and share best practice across our schools with the intention of creating a pool of SDBE governors for schools to draw on.

The governor training offer is reviewed annually to ensure that it is responsive and relevant and shaped by local and national priorities.

Work will continue to provide further opportunities for networking and fellowship of governors including promoting our Annual Foundation Governor Conference.

School business – admissions

The SDBE continues to provide governors with guidance and training on admissions. In 2025, fourteen schools formally consulted on changes to their admissions arrangements, largely due to falling rolls and local population changes.

Some schools have reviewed their open/foundation place admissions model in light of the reduced number of pupils in some boroughs, making changes to ensure theirs is the school of choice for local families, whilst retaining their Christian distinctiveness. In some boroughs church schools continue to be oversubscribed, and those schools have required support with managing the appeals process.

Work will continue in 2026 on providing bespoke support and guidance for governing boards on admissions issues that are local and contextual. The general training package will also be reviewed to ensure that it meets the diversity of needs of schools, including those that are oversubscribed as well as those that are managing falling rolls.

The diocesan admissions guidance will have a wholesale review in 2026.

Guidance on the Admissions Consultation process will be updated to reflect best practice shared by the OSA (Office of the Schools Adjudicator) in their annual report.

School business – HR

SDBE schools welcomed 7 new Headteachers in September 2025 and brokered 8 school partnerships.



Work continued with schools on restructures, reorganisations and re-shaping of their teams and, with deepening their understanding of the 'reasonable employer expectations' through training and coaching around casework. This year saw a significant increase in the number of grievances being raised by school staff, as well as a rising tide of complex ill health cases to be managed, the most common context being 'stress/mental health'.

There was little turnover of SDBE staff with just one team member vacating two posts in the summer to join another diocesan board for a promotion. The two posts were successfully filled by the end of the year, again by just one individual. 2025 was the first year of all rolling SDBE staff records being held digitally, with an aim to dispense with any historical hard copy files by the end of 2026.

All SDBE staff completed the first module of Hemisphere training, a racial literacy project, funded by the Racial Justice fund from the Archbishops' Council.

The new SDBE staff handbook 'Guidance and Information for Staff' was created and will be distributed in its final form in the first quarter of 2026. This will provide the team with even greater clarity about internal processes, procedures and standards and enable more alignment and consistency in individuals' approach to support and service delivery to our schools and colleagues.

Once the data is shared with all schools from the 2024 SDBE EDI Staff Survey, a refreshed model will be published as the 2026 survey in the summer term, with a view to outcomes being shared at the start of 2027.

There will be increasing HR involvement in the new School Business Manager network meetings in order to upskill SBMs on matters pertaining to school sustainability and the effective, compliant application of contracts, terms and conditions. A bi-annual review of the current SDBE staffing structure, roles and responsibilities will be undertaken to ensure that the team is fit for future, sustainable and offering appropriate opportunities, remuneration and development to attract and retain the talent we require.

Work is already underway to recruit great professionals to the key posts in the new SDBE Trust. Additionally, a programme of induction will be designed, monitored and reviewed to ensure that the new team are well-equipped and advised to launch this new enterprise to the standards expected and in a way that reflects the shared values of the new Trust and the SDBE.

Connections – communications

Over 2025, the SDBE communications strategy significantly strengthened the connection with schools, stakeholders and partners. A blend of social media, SDBE Spotlight as well as traditional routes, such as the mailing, supported consistent and clear messaging. As part of the developing approach, earlier in 2025, the SDBE Business Bulletin was launched. A timely initiative tailored to meet the needs of statutory responsibilities, finance and buildings.

Looking ahead, communications and marketing will continue to grow and strengthen to ensure the message remains impactful, inclusive and aligned with strategic priorities. Investing in innovative communication tools, enhanced analytics and data driven insights.

Connections – SDBE training offer

Processes for evaluating each SDBE training session were updated in 2024-25.



The Bishop's Certificate programme was praised for its highly suitable, practical and confidence-building content, strong presenter expertise, and the value of sharing experiences with other governors. Participants highlighted learning about the importance of clear policies and procedures, constructive challenge, governor–leader relationships, and maintaining openness and trust. Many valued insights into HR governance, admissions, vision and values, and understanding the real impact on learners. The modules strengthened awareness of governors' roles, the need for ongoing training, teamwork, and the significance of evidence-based decision-making, leaving most participants feeling better equipped and more assured in their governance practice. Across 2025, school staff, Governors and chaplains attended over 150 SDBE courses or network sessions, and fourteen schools completed the Bishops Certificate in School Governance.

The SDBE seeks to adapt the CPD offer for 2026, acknowledging the capacity of our school leaders and utilising technological delivery methods by moving more sessions online and developing a suite of webinars to be made available for viewing at any time. Alongside our valuable in-person networks and courses, which will have their content reviewed to ensure suitability for all types of school and leadership models.

Connections – National Professional Qualifications (NPQs)

In 2025, the SDBE completed delivery of the NPQ (National Professional Qualifications) programmes as a partner for the Church of England Education Office's Foundation for Educational Leadership (CEFEL).

There were 131 participants across the programmes: NPQSL (Senior Leadership), Leading Teaching (NPQLT), Behaviour and Culture (NPQLBC), Leading Teacher Development (NPQLTD), Leading Primary Mathematics (NPQLPM) and Headship (NPQH). There were strong assessment outcomes, with a 95% pass rate.

Evaluations from participants were overwhelmingly positive, with many highlighting the strong knowledge and engagement of the coaches and facilitators. They also praised the high-quality face-to-face experience, the way sessions expanded their professional understanding, the increased research prompted by the teaching cycles, and the fact that most participants felt better equipped to lead others.

Through QA, the SDBE's NPQ provision is highly regarded, with strong leadership, robust systems and committed facilitators and coaches who deliver consistently high-quality professional learning. Participants value the programme greatly, praising expert staff, positive learning experiences and responsive administrative support that helps them navigate their courses with confidence.

In 2026, the NPQSENCo programme, delivered in partnership with the London Diocese, will bring together a cohort of 19 participants who will be supported by five experienced coaches and a facilitator with a proven track record of successfully leading the NPQSENCo programme for the SDBE MAT. This structured 18-month programme is a mandatory qualification for SENCos and anyone working as a SENCo must have completed the NPQSENCo within the first 3 years of being in post (unless they have the NASENCO award).



Connections – Artificial Intelligence (AI)

The AI working party, established in July 2025, brings together 15 members including headteachers, senior leaders, curriculum leaders and an AI strategy governor. Meeting regularly, the group explores the theological and ethical principles that should underpin the use of AI in church schools. Its work includes examining ethical and policy issues across the AI landscape, understanding how existing AI policies have been shaped through a Christian lens, and identifying both risks and opportunities for church schools. The group aims to develop theologically grounded guiding principles, alongside a model AI policy framework, while also sharing effective practice and raising key questions for wider diocesan reflection.



As a rapidly evolving topic, meetings and training sessions on this theme will continue into and beyond 2026 to shape best practice within SDBE and in schools.

Ethics – Equity, Diversity, Inclusion and Belonging (EDIB)

Over the course of 2025 the representation of individuals with a GMH or mixed GMH background within the SDBE staff team increased from 14% to 28%. Alongside this, as the new Board was formed, there was an increase in GMH representation here too, with more members now identifying with this characteristic. This increase is heartening and hopefully, at least in part due to the proactive approach taken towards encouraging applications and interest from under-represented groups within the community.

In 2025, EDIB remained a key priority for SDBE, with continued progress in embedding racial justice intentionally and consistently across schools. Schools shared examples of good practice and pupil-led work, demonstrating engagement with the Diocese of Southwark's Anti-Racism Charter through curriculum development, pupil leadership and whole-school activities celebrating diversity. The EDIB Steering Committee developed a self-evaluation tool to support schools in reflecting on current practice and identifying next steps.

Partnership working continued to strengthen, including close collaboration with the Southwark Diocesan Racial Justice Team and the second year of the Palace for Life racial justice programme for schools, where pupils reported increased confidence in challenging unfair treatment of others. This work was further strengthened by SDBE securing grant funding to support delivery of its EDIB strategic plan, enabling additional capacity and a new three-year partnership with Hemisphere Education, a specialist racial literacy training provider. Through this funding, SDBE has been able to offer this programme to all schools.

The training is designed to build racial literacy, challenge bias and support sustained cultural change, strengthening confidence and shared understanding in addressing race and inclusion in schools. EDIB training also continued to be delivered in-house for governors as part of the Bishop's Certificate, supporting leadership and governance to engage more confidently and consistently with this agenda.

In 2026, the SDBE team will continue to deepen and extend this work. Priorities include supporting more schools to embed the Anti-Racism Charter within their settings, alongside the development of practical resources to help schools put it into practice; sharing the self-evaluation tool widely and using the data to inform future strategic planning, and creating further opportunities for schools, leaders and partners to share learning and expertise through networks and events. Racial literacy training will remain central, with many schools beginning the first year of the three-year programme. Collaboration will continue with the Southwark Diocesan Racial Justice Team, Palace for Life, the EDIB Steering Committee, the National Society and Leaders Like Us programme, supporting progress towards our strategic aims of embedding and deepening understanding of EDIB, building strong partnerships, and increasing and sustaining diversity through the education and empowerment of future school and system leaders.

Ethics – wellbeing

The second Headteacher and Leader Wellbeing Conference took place in June and was hosted once more by Whiteland's College and their College Guild. Claudia Smith, Counsellor and Church Lead at Thrive Worldwide took the group on a journey from the wellbeing wisdom of Winnie the Pooh to the intricacies of Polyvagal Theory, before delegates were invited to re explore motivation theory and engage in guided contemplative practices or coaching sessions. There was a 50% increase in attendee numbers on the previous year and feedback strongly suggested that this conference is a welcome addition to SDBE support for headteachers.

The need for the provision of sign-posted coaching, supervision and counselling support continued to grow and during the year several school leaders were matched with professionals who have supported their wellbeing, resilience and growth. Preparations are underway for the 2026 Headteacher & Leader Wellbeing Conference, and work will continue to strengthen the support SDBE can offer in challenging times for school leaders.



Ethics – Global Neighbours

'Global Neighbours' has been promoted with schools individually and through central training. It is hoped that in 2026 the diocese will become a 'Global Neighbours Partner Diocese.'

Ethics – climate justice

During 2025 SDBE has continued to encourage more schools to become actively aware of climate justice and sustainability in all its forms.

A termly Eco/Sustainability Forum has provided structured support and discussion for schools. The forum has enabled schools to share effective practice, explore available (particularly free) support, and develop sustainability within the curriculum. Recent work has included collaboration with Let's Go Zero supporting several schools in developing climate action plans, alongside SDBE-led action planning.

Schools are encouraged to complete 'Count Your Carbon' to establish a baseline for carbon emissions. This enables targeted support, starting with quick wins and progressing to more complex, longer-term actions.

Following the collapse of heat pump installation contractor in November 2022, the final commissioning of the heat pump element of the project was severely delayed, affecting 62 schools. The SDBE team has been meeting regularly with the main contractor JCI and their subcontractor, Toshiba Carrier, to monitor and assist. Where works remained incomplete, fossil fuel use was not reduced in 2024, but most were operational for winter 2025. Schools have been patient and accommodating throughout this long process.

The table below shows the progress on heat pump remedials, as of January 2026:

Southwark	Mech complete	Practically complete	Handed over
Total Schools (out of 63)	62	53	35
% Complete	98.4%	84.1%	55.6%

Ethics – climate justice (continued)

Over the last three years, as part of the VA-SCA annual buildings maintenance programme, complimentary condition-related works have been undertaken in schools. This has included new pipework and radiators running at lower temperatures; replacement of gas boilers; electrical infrastructure and insulation across 23 projects:

- Efficient heating (boiler replacement and/or heating distribution) – 9 projects;
- Warmer roofing & roof lights – 9 projects;
- Window/door replacement – 3 projects; and
- Energy efficiency – 2 projects.

St Bede's C of E School, the largest SDBE school and largest school in Surrey was awarded £600,000 of Salix grant funding to begin the process of decarbonisation block-by-block. In 2023 this school was previously awarded Salix grant funding for a Heat Decarbonisation Plan.

2026 will see a continued drive in supporting schools to commit to count your carbon and to ensure that the actions on their climate action plan are both achievable and manageable. SDBE will be working with the growing number of community energy groups to explore any cross over work which will mutually benefit schools and the community. An application is in place for a pilot scheme in 2026 with Energy Sparkes, who run several schemes monitoring energy usage.

Two schools used their own funds to install LED lighting in 2025:

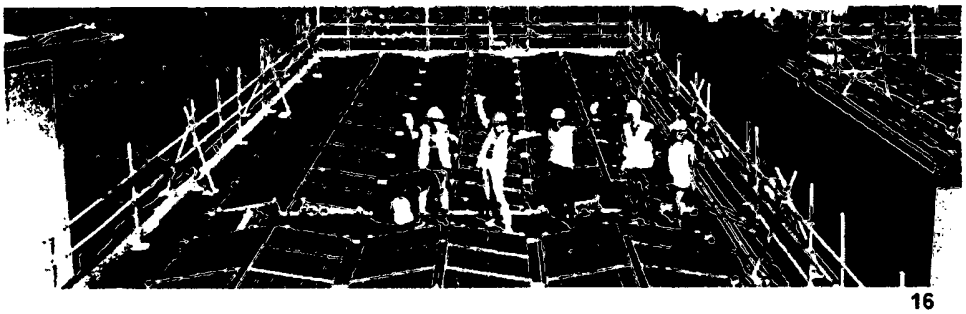
- St Margaret's Lee C of E School, Lewisham; and
- St Matthew's C of E Primary, Merton.

Small awards have been received from Councils and the Mayor's office, including:

- Southwark – funding for feasibility work to reduce energy use in the language lab of St Saviour's & St Olave's C of E School (ongoing);
- Mayor's office – funding for four schools to pilot use of energy monitoring sensors and software to reduce energy use; and
- Lewisham – in collaboration the local community energy group SELCE – bids are being submitted for two solar projects that would potentially involve several diocesan primary schools.

In 2025, with SDBE assistance, Archbishop Tenison's & Croydon Community Energy installed a solar array that will generate circa 222,038 kWh annually.

For 2026, Bacon's College (part of the United Learning Multi Academy Trust), is planning a similar solar project with SE24, a south-London based Community Benefit Company, subject to Department for Education approval. Bacon's College had previously been identified as a priority C of E school for funding by the National Society's Schools Team.



Ethics – climate justice (continued)

Responsibility for decarbonisation sits with United Learning, as the Board has no means to fund works, so this was a welcome development.

SDBE is also in contact with and discussion with two other volunteer-led community energy cooperatives, regarding potential solar projects in other schools.

Estates & finance

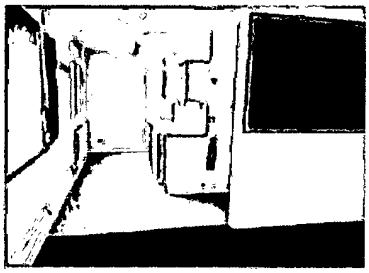
Voluntary-Aided School Condition Allocation – DfE grant spend in 2025

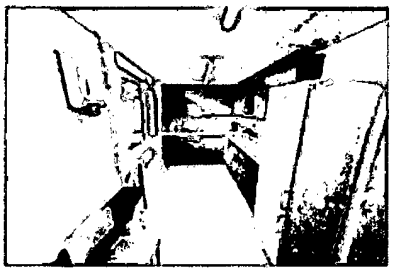
With an award of £5.3m in 2025, a programme of 41 projects was approved. With a similar number expected in 2026. Heating and roof replacement remained key priorities. For the former, lower carbon heating systems are being installed (often in a 'bi-valent' combination of high-efficiency gas boiler & air source heat pumps).

The high cost of retrofitting building fabric is the main barrier to removing fossil fuels altogether. By taking a two-pronged approach and treating heating replacement as an opportunity to insulate as well, progress is being made. The gradual replacement of doors, roofs and windows also contributes to decarbonisation, by reducing heat loss. Warm roofing is installed by default (it is a regulatory requirement) in some cases installed to a higher standard than is required.

St Matthew's Primary and Nursery School, Cottenham Park, London, SW20

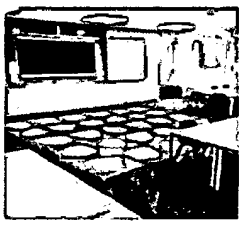
This project in a 1970s single storey school located in Cottenham Park, London, SW20, involved transforming the main entrance to include a visitors' area to create a more welcoming and secure approach for visitors. The scheme also included the full refurbishment of the administrative offices, headteacher's office, deputy headteacher's office, staff WCs, accessible WC and staffroom.



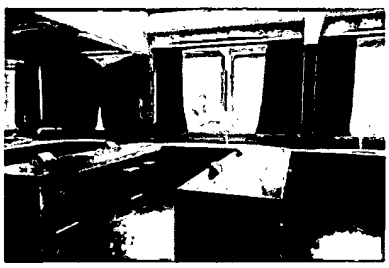




The project also comprised the refurbishment and internal reconfiguration of three open plan KS1 classrooms which were constrained by inadequate acoustics and poor layout. The scheme provided three uniformly sized classrooms incorporating new LED lighting, solid partitions, upgraded floor finishes and integrated teaching walls to optimize storage and teaching provision.

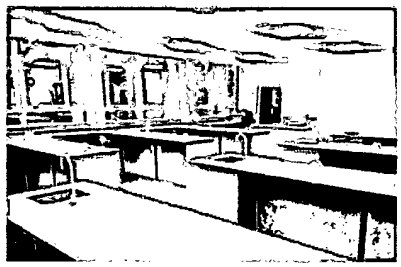


A new group room was formed within the existing footprint, and the adjoining corridor was re-configured to accommodate fixed coat racks, inset sink units and bookcases enhancing circulation and functional use of the space.



Archbishop Tenison Church of England High School, Croydon

This 1970s science laboratory at an expanding secondary school in Croydon has been transformed into a state of the art, cutting edge learning environment designed to inspire the next generation of innovators.



Other SDBE business – the Diocesan Strategy for Schools Organisation (DSSO)

Pupil Place Planning

Throughout 2025, the SDBE continued to respond proactively to the significant fall in pupil numbers across the diocese. Supporting schools to navigate the impact of declining rolls remained a core priority, with the team working closely with headteachers, governing bodies, and local authorities to develop sustainable, long-term strategies. Strengthened pupil place planning work included detailed capacity analyses, refreshed options papers, and coordinated multi-agency discussions to ensure any structural changes were educationally and financially sound. SDBE also continued to facilitate partnerships and collaborative models that enabled schools to share leadership, staffing and resources, and supported several schools to reconfigure or repurpose their buildings to maximise their sites.

This year significant support was provided to schools where local authorities proposed closure, including preparing and managing appeals to the Office of the Schools Adjudicator (OSA) and advising governing bodies throughout the process. Where closure was ultimately the required course of action, SDBE supported the dignified and well-managed closure of two schools: St Anne's, Wandsworth (a governor-led proposal), and St Mary Magdalene, Peckham (local authority-led). The ongoing engagement with local authorities ensured diocesan schools remained fully integrated into wider strategic planning, and that decisions taken were coherent, timely and in the best interests of pupils and their communities.

Financial sustainability

Throughout 2025, the SDBE has maintained a strong focus on supporting schools to achieve long-term financial sustainability against a backdrop of falling rolls and rising cost pressures. This has included direct support for individual schools in producing realistic and forward-looking budget plans, as well as attending and advising during local authority finance meetings where schools required additional challenge or advocacy. The SDBE has also supported schools in developing licensed deficit plans, ensuring that financial recovery pathways were robust, compliant and achievable. Alongside this school-level work, training for governors and senior leaders on managing financial risk, future-proofing provision, and understanding the implications of demographic change has continued. Collaborative working across the diocese remains a key strategy for resilience. The team has helped schools explore partnerships, and shared leadership arrangements and joint commissioning opportunities. Work this year has ensured that governing bodies are well equipped with the information, tools and confidence needed to take financially responsible decisions in the best interests of their pupils, staff and communities.

Staffing for Falling Pupil Rolls (JR)

During 2025, SDBE have provided a good deal of proactive HR support to schools who are working on re-shaping, right sizing their staffing structures and/or leadership teams in light of changes to pupil numbers; safeguarding employment wherever possible and avoiding those schools becoming unnecessarily vulnerable to local authority reorganization

Managing school estate in a period of declining roll

SDBE continued to monitor and work closely with VA schools and Local Authorities to actively manage the school estate to ensure meeting changing needs and demand, planning strategically for vacant sites, whilst benefitting from lessons learned. The decline in roll reduces the income of both schools and the SDBE, making it more challenging for both partners to offer the same range and quality of service. The SDBE continues to actively look for partnership opportunities at the local and national level by:

- Brokering suitable co-location partnerships with stakeholders in the public and private sector;
- Working with the DfE to identify suitable sites for the co-location of Private, Voluntary and Independent nursery providers;
- Where there is a robust business plan and funding available, working with schools to establish or extend nursery provision;

Other SDBE business – the Diocesan Strategy for Schools Organisation (DSSO) (continued)

Managing school estate in a period of declining roll (continued)

- Working with the Diocesan Board of Finance to explore opportunities for the synergistic rationalisation of church and school buildings and, potentially, to address collective aspiration for a "net zero" estate;
- Working with Local Authority partners to help schools broker agreements to extend Special Educational Needs and Disabilities (SEND) provision;
- Finding suitable partners to occupy closed school sites at low or no net cost, on a short-term interim use basis;
- Exploring opportunities to redevelop or rationalise land use in schools with falling roll with a suitable development partner. This might include a combination of new housing and interim use; and
- Assisting trustees with the sale or transition of sites.

Partnerships and Secondments

In 2025, the SDBE continued to strengthen and expand the use of school partnerships as a key mechanism for supporting resilience across the diocese. Partnerships have enabled schools to collaborate more strategically, pooling expertise, leadership capacity and curriculum strengths, while also offering a practical way to respond to increasing budget pressures and the challenges created by falling rolls. This year, 18 schools have been working within 8 established partnerships, each with a slightly different model that has evolved to reflect the needs of the schools involved.



Alongside responding to requests from schools seeking to explore or formalise partnerships, the SDBE has taken a more proactive approach in 2025, identifying potential groupings where collaboration could enhance sustainability or improve outcomes. Work also continued in supporting schools to make effective use of secondments, which have again proven valuable in helping schools reduce staffing costs, retain high-quality staff and avoid redundancies during periods of declining pupil numbers. The strategic use of secondments has supported leadership stability and preserved capacity within the system at a time of ongoing demographic challenge.

Closed Schools

- **Christ Church C of E School, Battersea, SW11 2TH:** This one form entry Victorian primary and nursery school closed on 31 August 2024 and was sold by the Board of Education in August 2025, to Kedleston Group Ltd for £3.5 million, to a provider of independent, specialist day and residential schools who provide education, care and support for autistic children and young people with social, emotional and mental health needs. An area of land to the rear which was unregistered at the time of the sale is now in the process of being registered by HM Land Registry and then it will be sold to Kedelston for the sum of £25,000.
- **St Mary Magdalene C of E School, Peckham, SE15 3RA:** This modern one form entry primary school closed on 31 August 2025 at the request of the London Borough of Southwark. The SDBE are assisting the Trustees financially and professionally with disposal. The freehold is owned by the Trustees of the school; the parish Vicar and Church Wardens. However, ownership is complicated as there is 'public value' in the land the DfE provided funding for the current building, and the Council provided the land to build on. Southwark Council have shown a strong interest in taking back the building and negotiations are ongoing, although ultimately any final decision rests with the Secretary of State at the Department for Education. In the meantime, the school is covered by Lowe Guardians with effect from 01 September 2025 and occupied by fourteen residential guardians on short term licences.

Other SDBE business – the Diocesan Strategy for Schools Organisation (DSSO) (continued)

Closed Schools (continued)

- **St Anne's C of E School, Wandsworth, SW18 2RU:** This one form entry Victorian primary and nursery school closed on 31 August 2025 at the request of the governors. The freehold, of three out of the four, school buildings is owned by the Trustees of the school; the parish Vicar and Church Wardens. The fourth building continues to be owned by the London Borough of Wandsworth. The Board of Education assisted the Trustees financially and professionally with the sale of the building. The Trustee's interest was sold on the 22 December 2025, for £3.375 million, to Tirley Securities Ltd, for development as nursery provision. The Board recently received Counsel's Opinion which determined that the land to the rear housing the assembly hall/ kitchen is subject to reverter. Winckworth Sherwood are now advertising the sale in the London Gazette to see whether any relatives of the benefactor come forward to lay claim on this parcel of land.

Other SDBE business – chaplaincy development

Significant progress was made in strengthening Chaplaincy provision across Further and Higher Education settings within the Diocese in 2025.

Following two rounds of recruitment, Revd. Daniel French was appointed as the full-time Chaplain at Greenwich University, further increasing Chaplaincy capacity within university contexts and enhancing presence in a key diocesan institution. Engagement across the Chaplaincy community continued to grow. There was excellent attendance from Chaplains at the SDBE Start-of-Year Eucharist in September, contributing to the energy, participation, and overall vibrancy of the service. This strong turnout reflects the commitment of Chaplains to shared diocesan life and the growing sense of identity within the network.

Towards the end of the year, following the departure of Fiona Foreman to LDBS, SDBE appointed Leondre Douglas as Chaplaincy Development Officer. Leondre brings extensive experience to the role, including over 12 years of middle and senior leadership in Church of England secondary schools across London and Southwark. His expertise will play a central role in strengthening relationships, expanding provision, and supporting Chaplaincy practice across the FE/HE landscape. Looking ahead to 2026, the focus will be on ensuring every college within the Diocese has access to Chaplaincy provision by the end of the year. This will involve strategic engagement with college leadership, mapping current provision, and identifying opportunities for new or expanded Chaplaincy roles.

The SDBE will also support the re-establishment of a Further and Higher Education Chaplaincy Network. Early discussions will explore the most effective structure for this network, ensuring that it promotes active engagement, peer support, professional development, and strong collaboration between Chaplains serving in diverse settings.

In addition, work will continue on understanding and responding to the rise of Black Majority Church (BMC) university campus fellowships. Conversations will be revisited regarding our relationship with these groups, with an emphasis on partnership, mutual understanding, and identifying opportunities where local parishes can support Chaplaincy activity within colleges and universities in their parish boundaries.

Collectively, these priorities will strengthen the Diocese's commitment to ensuring that young adults in further and higher education experience meaningful pastoral, spiritual, and missional support.

Other SDBE business – investment properties

The Old School, 4 Exton Street, London, SE1



This former Edwardian four-storey primary school located opposite St John's Church, Waterloo, was converted into studios/offices in the 1980s. Following a short marketing campaign, the third floor was successfully let in February 2025 to a firm of architects complementing the existing architectural practices already occupying the ground, first and second floors. Subsequently in November 2025, the tenants of the ground and second floors completed lease renewals, each securing further five year terms, thereby strengthening the building's occupancy and enhancing the rental stream

48a Union Street, London, SE1



This self contained ground floor studio accommodation, comprising a private gated courtyard, open plan studio, kitchen, shower room and separate WC, forms part of the SDBE's office building. The property was let in October 2025 to a firm of interior designers on a five-year term.

Other SDBE business – the SDBE Vision

The schools remain at the heart of the SDBE vision. Illuminating their communities and the wider diocese.

This year SDBE renewed and unveiled the vision. The collaborative process, led by a working group of Board and staff members, included feedback from school leaders and governors. The group considered aspirations for the future as well as shared values and beliefs. The vision builds on all that is done and seeks to respond to what staff and trustees are called to do now and in the future. Aligned with the Diocesan vision, the Board of Education also seeks to be Christ-Centred, Outward-Focused, supporting schools in their delivery of education that is inspiring and transformational, equipping children and young people for a life in which they thrive. This next evolution and fresh articulation of the vision comes as opportunities are offered to meet the challenges of education now and beyond. SDBE walks together with our schools, knowing God's love and wisdom can inspire what a school is, does and achieves: the transforming of childrens' and young peoples' lives.

The vision invites all to belong, serve and thrive. Through prayerful consideration, this verse from Philippians resonated with the Board as it sought to capture the hope for education for the future.

'Whatever is true, whatever is noble, whatever is right, whatever is pure, whatever is lovely, whatever is admirable; if anything is excellent or praiseworthy, think about such things. Whatever you have learned or received or heard from me, or seen in me, put it into practice. And the God of peace will be with you'.
Philippians 4: 8-9.

Using the theme of 'Belonging' from the new vision, an art competition for schools was run concurrently with the Year 6 Leaver's services which provided artwork for the Order of Service and a bookmark which was given to all pupils. High quality, creative and spiritual artwork was produced, with the winner blessed at the service attended by the winning pupil's school. The same artwork has also been used in the vision documents and on the cover of this 2025 Annual Report.

This work will continue through 2026, in line with the communications strategy, to develop the vision and identity and reflect SDBE aims for all to belong, serve and thrive.

FINANCE REVIEW

Investment Policy and Performance

The Board of Trustees' investment powers fall under the Trustee Act 2000 and the Memorandum and Articles of Association in which clause 3.21 states: 'Trustees may deposit or invest funds in any manner including without limitation with a view to:

(a) Directly furthering the charity's purpose;

(b) Achieving a financial return for the charity; or

(c) Achieving both of the objectives described at (a) and (b) above in accordance with and provided that the Trustees comply with their duties under part 14A of the Charities Act (but to invest wholly or partly with a view to achieving a financial return only after obtaining such advice from a Financial Expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification)'

2025 Overview

Global equity markets ended 2025 on a strong footing, with major indices hitting record highs despite volatility driven by the longest U.S. government shutdown in history and limited economic data. Signs of a late cycle economy—rising unemployment and uncertain inflation—were partially offset by a softer year-end CPI reading, reinforcing expectations for further rate cuts in 2026.

Equities continued to be supported by strong earnings and heavy capital expenditure, especially in artificial intelligence, though concerns over the sustainability of this spending rose. Geopolitical tensions boosted gold to new highs. Bond markets saw long-term yields rise due to fiscal worries and persistent inflation expectations, while global central banks diverged in policy directions.

Key Themes

1 **U.S. Federal Reserve Policy:**

- The Fed cut rates by 25 bps in December 2025 amid internal divisions.
- Markets expect two rate cuts in 2026, versus the Fed's guidance for one.
- Economic risks include tariff driven inflation and potential fiscal stimulus from the Trump administration.
- A new Fed chair in May could shift policy direction.
- Fed policy is expected to remain a major driver of both risk assets and bond yields.

2 **UK Economic Outlook:**

- November's Budget reduced fears of a major fiscal shortfall but still included tax increases.
- UK economic data remains weak: falling GDP, rising unemployment, and softening retail sales.
- Gilt yields stabilised after volatility, aided by Bank of England rate cuts.
- With 70% of FTSE large cap revenues sourced overseas, a weaker pound may boost earnings.
- Selectivity is key, with opportunities in defensive sectors and income strategies.

Investment Policy and Performance (continued)

Key Themes (continued)

3 **The Dominance and Risks of AI:**

- AI investment drove strong equity gains, particularly in U.S. tech.
- Concerns increased over high valuations and excessive capex.
- Retail flows into concentrated strategies raised the risk of sharp corrections.
- AI capex contributed more to U.S. GDP growth than consumer spending in early 2025.
- Diversified exposure is essential to avoid over-concentration

4 **Broader Global Equity Strength**

- The MSCI ACWI rose nearly 20% for a third straight year.
- Gains became more geographically and sectorally diverse, with Europe, the UK, Japan, and emerging markets all advancing strongly.
- Sector leadership rotated, widening opportunities beyond U.S. mega-cap tech.
- Diversification across regions and industries enhanced portfolio resilience.

5 **Portfolio Performance**

- Low risk: +6.28%, driven by high quality, short duration fixed income.
- Low–Medium risk: +6.92%, held back slightly by sustainable investments under pressure due to reduced U.S. responsible energy spending.
- Medium–High risk: +10.27%, benefiting from early year U.S. tech and AI exposure, plus UK equity strength.

Low Risk:	+6.28% (2024: +6.05%)	**Comparative benchmark:**	+8.13% (2024: +7.14%)
Low to Medium Risk:	+ 6.92% (2024: +3.18%)	**Comparative benchmark:**	+9.36% (2024: +6.39%)
Medium to High Risk:	+10.27% (2024: +10.62%)	**Comparative benchmark:**	+12.20% (2024: +11.39%)

2026 Outlook

Forecasting remains challenging, but disciplined, valuation aware diversification is essential. After several years of strong gains, investment opportunities appear more limited, and returns may moderate.

The U.S. economy shows late cycle characteristics, but monetary easing and fiscal stimulus should prevent a deep recession. The main risk is that stimulus and tariffs could reignite inflation.

Global central banks are out of sync, creating both risks and opportunities. Bonds look attractive given higher starting yields and the prospect of further rate cuts.

Equities remain supported by structural themes like AI but face elevated valuations and concentration risks. Diversification across geographies, sectors, and fixed income will be crucial. Precious metal valuations appear stretched, suggesting limited upside in that area.

Financial review

The SDBE is established as a charitable incorporated body to fulfil a range of duties and responsibilities. Total income of £8,809,794 (2024 – £8,393,499) was received during the year. During 2025, income included £5,326,334 (2024 – £5,146,803) of Voluntary-Aided School Condition Allocation (VASCA) grant funding from the Department for Education. Including these amounts, operational income for the year was derived from the following sources:

- Schools (Service agreements and related income): £499,023 – 6% (2024: £504,124 – 6%)
- Maintenance scheme subscriptions: £597,356 – 7% (2024: £648,572 – 8%)
- Diocesan Grants: £393,438 – 4% (2024: £386,430 – 4%)
- Lettings and Investments: £1,387,854 – 16% (2024: £1,554,707 – 19%)
- VASCA and other income: £5,932,123 – 67% (2024: £5,299,666 – 63%)

To fund the discharge of its day-to-day outgoings in the delivery of The Diocesan Measure (as distinct from its work connected with building works at the schools), the charity depends on the grants received from the Diocese of Southwark, which amounted to a total grant of £393,438 (2024 – £386,430) for the year, comprising £357,412 (2024 – £350,404) core grant and £36,026 (2024 – £36,026) of other grants.

The charity's operational activities are undertaken within its unrestricted general fund. The operational income of the charity exceeded its operational expenditure, resulting in a surplus of £518,139 (2024 – a surplus of £257,913) before taking into account net gains on listed investments of £150,818 (2024 – net gains of £138,267) and transfers between funds.

Transfers in and out of the unrestricted general fund included a transfer out of £86,887 to the external periodic maintenance scheme restricted fund representing the costs of administering the fund (2024 – £40,000), and other net transfers into the fund totalling £192,807 (2024 – other net transfers out of the fund of £493,650) representing movements in the value of the charity's fixed assets and investment properties. After taking net gains on investments and transfers out of the unrestricted fund into account, this gives a net increase in the unrestricted (operational) funds of the charity for the year of £774,877 (2024 – a net decrease of £137,468).

Overall, there was a net increase in total funds of £931,709 (2024 – a net decrease of £2,120,456), being comprised of a decrease in restricted funds of £31,690 (2024 – a decrease of £1,464,012), an increase in the property fund of £180,315 (2024 – decrease of £534,550) an increase of £8,207 in the value of endowment funds (2024 – an increase of £15,574) and an increase in the unrestricted fund of £774,877 (2024 – a decrease of £137,468).

Reserves policy

The General Synod of the Church of England, at its meeting in November 1999, affirmed two principal roles for the Diocesan Boards of Education in their support of Church of England schools in their Diocese:

- to provide an advisory service to schools; and
- to maintain and improve school buildings.

The reserves policy of the Trustees has been determined in the light of these objectives. The reserves policy is monitored and reviewed annually.

Reserves policy (continued)

Its main features are:

(a) To maintain a margin of working capital sufficient to enable all aspects of the charity's work to be conducted in an orderly and efficient way and additionally to deal with the management of the schools' building and maintenance programme where the timing of the cash flow from receipts and payments may require temporary bridging from internal resources of up to £500,000.

(b) Current income and expenditure of the charity should be in balance, and every effort will be made to maintain this, but a liquid reserve is necessary to provide for any unexpected but unavoidable items of expenditure which cannot be funded from current income. In this respect, it is important to realise that some of the charity's reserves are in the form of fixed assets which would take time to realise and which in any case provide income which is part of the monies used to fund the current work of the Board.

(c) In addition to (a) and (b) above, the trustees consider it desirable that the charity retains additional liquidity (including cash and market investments) reserves to allow it to finance 'business as usual' operations for a temporary period of up to eighteen months due to an unforeseen shutdown of ordinary operations e.g. terrorist attack or health pandemic with an additional six months to take advantage of the opportunities afforded by changes in the educational system, to expand and strengthen Church of England education in the Diocese.

In accordance with Charity Commission guidance, the following are not considered as reserves for the above purposes: endowment funds; restricted funds; designated funds and income funds represented by fixed assets held for the charity's use. In order to meet the criteria in (a), (b) and (c) above, the Trustees consider that the minimum level of reserves required are equivalent to two times average annual operational expenditure, of which one year should be represented by cash held on interest bearing deposit.

Reserves

The level of free reserves at 31 December 2025 was £3,901,025 (2024 – £3,126,148) which comprises unrestricted funds excluding fixed assets and other designated funds. This represents approximately 22 months (2024 – 18 months) of unrestricted expenditure. The charity's policy implies a minimum level of reserves of £4.2m (including £2.1m in cash) (2024 – £4.1m including £2m as cash). The current level of reserves is slightly below the target figure, and the trustees intend to set aside funds during the next three years to achieve the required level.

Southwark Diocesan Education Services Limited SDES

The charity operates a wholly owned subsidiary company, SDES Ltd. The company carries out a number of the charity's activities including the provision of services for schools in the diocese of Southwark and the provision of administrative services for the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese of Southwark

The Southwark Diocesan Board of Education Incorporated is a separate registered charity, but it is an integral part of the Diocese of Southwark as a whole, fulfilling the diocesan statutory duty in respect of children's education and its commitment to chaplaincy development. It receives an annual grant from the Diocese through the DBF to fund the work of delivering the Diocesan Measure in the Board's schools.

Board and Committee structure

The members meet three times a year. There is an Executive Committee (Policy and Strategy) which meets more frequently comprising of the Chair of the Board and Chairs of the sub-committees and, on occasion, the Chair of the SDBE MAT alongside other senior members of the Board's senior officers.

The Board has four further committees:

- Finance and Development Committee;
- Schools Committee;
- Further and Higher Education Committee; and
- Audit Committee.

Key management personnel

Together with the Board members, the Diocesan Director of Education, Assistant Diocesan Director of Education, Financial Controller, Buildings and Capital Programmes Manager, and Office Manager are considered key management personnel by virtue of the fact that they are responsible for the day-to-day running of the Charity.

The Staffing Reference Group inform the Policy and Strategy Committee with regard to the annual pay award to staff.

Directors of the Board

The directors who served during the year and up to the date of approval of the annual report and financial statements were as follows:

Bishop of the Diocese (President)	The Rt Revd Christopher Chessun *(until 4 August 2026)* The Rt Revd Dr Rosemarie Mallett *(from 5 August 2026)*
Chair of the Board of Education	The Rt Revd Dr Rosemarie Mallett until *(31 August 2026)* The Rt Revd Dr Martin Gainsborough *(from 1 September 2026)*
Members appointed by the Bishop (up to 4)	*One must be a Bishop of an episcopal area within the Diocese:* The Rt Revd Dr Rosemarie Mallett *(until 31 August 2026)* The Rt Revd Dr Martin Gainsborough *(from 1 September 2026)* *One must be an Archdeacon of an archdeaconry in the diocese:* The Ven Simon Gates Martin Brecknell Dr Catharina Stibe-Hickson

Directors of the Board (continued)

The directors who served during the year and up to the date of approval of the annual report and financial statements were as follows:

SYNOD APPOINTMENTS: *Between 6 and 9 members with a minimum of 2 members from each episcopal area within the Diocese*	
Croydon episcopal area	Revd Ruth Chapman *(from 1 January 2025)* Anthony Adeloye *(from 1 January 2025)*
Kingston Episcopal area	Revd Dr Charlie Bell Andrew Christie *(from 1 January 2025 until 19 June 2025)* Vasantha Gnanados *(from 9 January 2026)* Revd Dr Benjamin Vertannes Revd Dr Melanie Harrington Haynes *(from 1 January 2025)*
Woolwich Episcopal area	Michael Hartley *(from 1 January 2025)* Miles Winter Mtr Ariadne Van den Hof
CO-OPTED MEMBERS:	
Principal of Whiteland's College (or deputy)	Matthew Sossick *(from 1 January 2025)*
Co-Chairs of the Southwark Diocesan Head Teachers Association	Cheryl Payne Helen Poyton
Chair of the Further & Higher Education Committee	Rev Dr Daniel Eshun *(from 1 January 2025)*
Elected from Schools Committee	Elizabeth Broad *(until 19 October 2025)*
Elected from Finance and Development Committee	Irene Wolstenholme MVO
Elected from Further and Higher Education Committee	Vacancy
Headteacher representative	Sarah Collymore *(from 02 July 2026)*

Relationships with other charities and foundations

The SDBE has the opportunity to nominate a representative to the following educational charitable foundations, which support the provision and promotion of educational opportunity for children and young people through grants to organisations and individuals within the area of the Diocese of Southwark;

- Greenwich Bluecoat Foundation – Colin Powell
- Culham St Gabriel's Trust – Gwynn Bassan
- St Mary Newington United Foundation Trust (SMNUFT) – Roz Cordner

Relationships with other charities and foundations (continued)

It also has representation at:

- Saint Cecilia's – Roz Cordner
- St Martin-in-the-Fields High School for Girls (SMITF) – The Ven Simon Gates
- Bacon's – The Ven Jonathan Sedgwick
- REAch2 – Roz Cordner
- Anthem Trust – Dr Rachael Norman

Principal risks and uncertainties

The Trustees have overall responsibility for ensuring the charity has an effective system of control and for maintaining appropriate accounting procedures and records that comply with legislative requirements and good practice. To this end the risk register is updated annually with any key actions followed through via the appropriate committees. It is reviewed by Trustees at least annually as part of corporate risk management. The principal risks faced by the charity include falling pupil numbers, closure of schools and management of empty buildings.

Declining pupil numbers

Pupil numbers continue to fall across the majority of the London Boroughs served by SDBE. With the closure of St John's CofE Primary school in Walworth, Southwark in July 2021, the DBE has reviewed its categorisation register for schools. It now includes additional information regarding the published admission number (PAN), the actual number of pupils on roll and the number of vacancies across the school. This, along with increased detail regarding the school's financial status, more information gathered regarding the state of the school estate ensures that the DBE has a sound database to rely on. This included a significant trawl to clarify landownership of all VA schools. This piece of work will continue across the year.

Pioneering work is underway with DfE partners to explore creative solutions to both respond to empty school buildings, address housing need and a need for flexible social space to meet the needs of community priorities now and to be responsive to need should pupil numbers plateau or grow again. A new sub-committee has been set up out of Finance and Development Committee to focus on steering property management and development in response to the new challenges and ensure any risk to the charity is minimised. The preferred use of an empty school building is for continued educational use. However, given the current landscape with falling birthrates across London, it is unlikely that this will be possible to achieve.

The Board recognises that in order to reduce the risk, and to reduce any significant financial liability on the charity, where an empty school building belongs to the SDBE or for whatever reason may be transferred to the Board at the point of closure, and options to utilise the space for educational purposes have been exhausted, then the building will be prepared for sale with due regard for appropriate management, valuation and notification to relevant parties.

The Board of Education has a very clear understanding that there will be fewer schools across the diocese over the next 10 years. However, it is confident that in having up to date data and in dialogue with colleagues across the sector, decisions regarding changes to school organisation, be that through amalgamations, partnerships and where there is no other option, a closure, will be made with the needs of the communities being served shaping the discussion. It is crucial that all stakeholders understand the implications of falling rolls for their school and the wider community. Episcopal area meetings with headteachers, chairs of governors, local clergy, Board members and SDBE team are being piloted Summer 2025 to extend the knowledge base; support and training for incumbents who may themselves be trustees with their church wardens of school buildings has been raised as a priority for both the Board and the Diocese. This will be added to the 2025 CPD programme.

Principal risks and uncertainties (continued)

Declining pupil numbers (continued)
What remains in a growing need for SEND provision and the SDBE continues to look for ways to work in partnership with LAs to identify any suitable estate for development for SEND provision. The Board continues to explore how best to partner with any alternative provision (AP) provider and is following up contacts within the independent sector as potential interested parties who may utilise the space for educational purposes, which also reduces the risk to the charity.

Government policy changes
Given the removal of the academy conversion grant, the Board is aware that the growth for the current SDBE MAT is likely to slow down; although interest in the new Trust is greater than expected, the additional cost for schools to fund academisation may delay early adopters. As has been the case since the inception of the current Trust, academisation remains an offer that is open to schools but is not subject to a hard sell to schools. However, as local authority funding is reduced, the school improvement offer is also reducing and there needs to be a credible SDBE offer for VA schools who wish to join an SDBE Trust. There is no expectation that any new funding will be offered. In the meantime, the SDBE continues to develop and promote existing school to school networks and partnerships across all diocesan schools, VA, Academy, Stand Alone Trusts to support school improvement.

Loss of data through cyber attack
The SDBE's IT system is provided and protected via a service level agreement with Southwark Diocese. The service has been thoroughly reviewed and is Cyber Secure Certified. Regular reminders and updates are shared regarding cyber security via monthly staff meetings and there is a shared understanding and expectation that each member of the staff team is responsible for being vigilant and alert to potential scams and phishing activity. The IT department conducts cyber security tests and feedback with updated CPD/lesson learnt where users miss a training cue or highlight where there is a potential threat. Further work on a cyber recovery plan is a priority during the year ahead, with support from a secondary school who experienced a cyber-attack during 2024.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Southwark Diocesan Board of Education Incorporated for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- 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; and

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

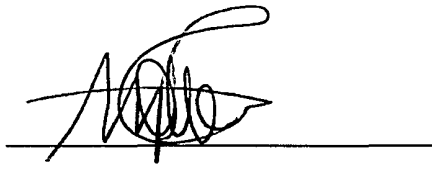
- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

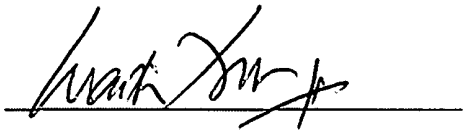
The above report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

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

Signed on behalf of the Board of Trustees:



Rt Revd Dr Rosemarie Mallett, Trustee



Martin Brecknell, Trustee

Approved by the board on: 28 July 2026

Independent auditor's report to the members of Southwark Diocesan Board of Education Incorporated

Opinion

We have audited the financial statements of Southwark Diocesan Board of Education Incorporated (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the consolidated 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 group's and the charitable parent company's affairs as at 31 December 2025 and the group'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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. 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 group's or the charitable parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records or returns;
- 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;
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement on page 29, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the charitable parent 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 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 recognize non-compliance with applicable laws and regulations;

Auditor's responsibilities for the audit of the financial statements (continued)

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the charitable parent company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the group's and the charitable parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to 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 relationships.*
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- tested authorization controls on expenditure items, including staff expense claims, to check that all expenditure was approved in line with the group's and the parent charitable company's financial procedures;
- tested expenditure passing through the off-balance sheet conduit fund to check that it had been incurred in line with the funding agreement and had been appropriately authorized; and
- considered the controls and processes in place relating to the conduit fund, in particular those relating to the receipt and use of the Voluntary-Aided Schools Capital Allocation funding stream.

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 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 the trustees and other 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.

Buzzacott Audit LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street, London, EC2V 6DL

29 July 2026

Southwark Diocesan Board of Education Incorporated

Statement of Financial Activities

For the Year Ended 31 December 2025

	Notes	Unrestricted funds: General funds	Unrestricted funds: Designated funds	Restricted funds	Endowment funds	Total 2025	Total 2024
		£	£	£	£	£	£
Income and endowments from:							
Grants and donations	1	380,006	—	5,422,649	—	5,802,655	5,541,800
Charitable activities	2	496,326	—	597,356	—	1,093,682	719,658
Other trading activities	3	525,603	—	—	—	525,603	577,334
Investments	4	1,221,874	—	139,776	26,204	1,387,854	1,554,707
Total income		2,623,809	—	6,159,781	26,204	8,809,794	8,393,499
Expenditure on:							
Raising funds	5	512,392	—	—	—	512,392	425,561
Charitable activities	6	1,593,278	191,878	6,278,358	17,997	8,081,511	9,390,340
Total expenditure	7	2,105,670	191,878	6,278,358	17,997	8,593,903	9,815,901
Net income/ (expenditure) before investment gains and losses		518,139	(191,878)	(118,577)	8,207	215,891	(1,422,402)
Unrealised gains/ (losses) on investment properties	11b	—	565,000	—	—	565,000	(836,321)
Net gains/ (losses) on listed investments	11a	150,818	—	—	—	150,818	138,267
Net income/ (expenditure) before transfers		668,957	373,122	(118,577)	8,207	931,709	(2,120,456)
Transfers between funds	15	105,920	(192,807)	86,887	—	—	—
Net movement in funds	8	774,877	180,315	(31,690)	8,207	931,709	(2,120,456)
Reconciliation of funds:							
Funds brought forward at 1 January 2025		3,126,148	16,575,251	3,427,797	280,663	23,409,859	25,530,315
Funds carried forward at 31 December 2025	15	3,901,025	16,755,566	3,396,107	288,870	24,341,568	23,409,859

All of the group's activities derived from continuing operations during the above financial years.

All recognised gains and losses for the year are included in the above statement of financial activities.

Comparative information by fund class for the year ended 31 December 2024 is given in note 22.

No summary income and expenditure account has been produced as the only difference to the statement of financial activities would be the omission of endowed income of £26,204 (2024 – £16,574); endowed expenditure of £17,997 (2024 – £1,000).

Southwark Diocesan Board of Education Incorporated

Balance Sheet

For the Year Ended 31 December 2025

	Notes	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Fixed assets					
Tangible assets	10	664,166	660,566	859,645	852,444
Investments	11	22,416,808	22,416,809	21,550,016	21,550,016
		23,080,974	23,077,375	22,409,661	22,402,460
Current assets					
Debtors	13	778,268	742,355	863,776	687,618
Cash at bank and in hand		9,049,142	8,978,468	2,065,845	1,984,508
		9,827,410	9,720,823	2,929,621	2,672,126
Creditors: amounts falling due within one year	14	(7,646,816)	(7,548,385)	(1,001,423)	(748,480)
Net current assets		2,180,594	2,172,438	1,928,198	1,923,646
Creditors: amounts falling due after more than one year	14	(920,000)	(920,000)	(928,000)	(928,000)
Net assets		24,341,568	24,329,813	23,409,859	23,398,106
The funds of the charity	15				
Unrestricted funds					
. General funds		3,901,025	3,889,270	3,126,148	3,114,395
. Designated funds		16,755,566	16,755,566	16,575,251	16,575,251
Restricted funds		3,396,107	3,396,107	3,427,797	3,427,797
Endowment funds		288,870	288,870	280,663	280,663
		24,341,568	24,329,813	23,409,859	23,398,106

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

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

Rt Revd Dr Rosemarie Mallett, Trustee

Martin Brecknell, Trustee

Approved by the board on: 28 July 2026

Southwark Diocesan Board of Education Incorporated
Company limited by guarantee
Registration Number: 00086641 (England and Wales)

The notes on pages 43 to 58 form part of the financial statements.

Southwark Diocesan Board of Education Incorporated

Cashflow statement — For the Year Ended 31 December 2025

	Notes	2025 £	2024 £
Cash flows from operating activities:			
Net cash used in operating activities	A	5,747,092	(4,305,112)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,387,179	1,554,707
Additions to investment properties		—	(736,321)
Purchase of tangible fixed assets		—	—
Proceeds from the disposal of listed investments		537,591	845,974
Purchase of listed investments		(498,061)	(398,557)
Net cash provided by investing activities		1,426,709	1,265,803
Change in cash and cash equivalents in the year		7,173,801	(3,039,309)
Cash and cash equivalents at 1 January 2025	B	3,613,640	6,652,949
Cash and cash equivalents at 31 December 2025	B	10,787,441	3,613,640

Notes to the cash flow statement for the year to 31 December 2025:

A.) Reconciliation of net movement in funds to net cash flows from operating activities

	2025 £	2024 £
Net movement in funds (as per the statement of financial activities)	931,709	(2,120,456)
Adjustments for:		
Depreciation charge	195,479	195,478
Gains on listed investments	(150,818)	(138,267)
(Gains)/ Losses on investment properties	(565,000)	836,321
Dividends, interest and rents from investments	(1,387,854)	(1,554,707)
Amortisation of lease premium	(8,000)	(8,000)
Increase/ (decrease) in creditors	6,645,393	(1,318,654)
Decrease/ (increase) in debtors	86,183	(196,827)
Net cash used in operating activities	5,747,092	(4,305,112)

B.) Analysis of changes in net debt

	At 1 January 2025 £	Cash flows £	At 31 December 2025 £
Cash at bank and in hand	2,065,845	6,983,297	9,049,142
Cash held by investment managers	1,547,795	190,504	1,738,299
	3,613,640	7,173,801	10,787,441

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation
These financial statements have been prepared for the year to 31 December 2025.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), and the Charities Act 2022.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories; and
- determining the basis of valuation for the charity's investment property portfolio.

Assessment of going concern
The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

As in the previous year extensive financial modelling has been carried out to cover different scenarios. Rents and other income streams (e.g. grants) have remained steady, however the spectre of falling pupil demographics leading to potential school closures, of which the Board has now suffered five, looms large. In a worst-case scenario, the Board may not be in operational surplus at the end of the coming year, however the Board has significant free reserves and also has access to an overdraft facility should it be required. The Trustees are therefore of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2026, the most significant areas that will affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment and property markets (please see the investment policy and the risk management sections of the Trustees' report for more information).

Income recognition
Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably, and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises grants, maintenance subscriptions, rental and investment income and the income from the charity's trading subsidiary. Income from other trading activities carried out by the trading subsidiary comprises, in the main, charges made for service agreement subscriptions, educational consultancy and other services provided to schools, and conduit project management fees.

Grants and donations are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Maintenance and service level subscriptions are recognised in the financial year to which the subscription relates and is deferred if received in advance of that financial year.

Income derived from the letting of the charity's investment properties is recognised in the period to which the tenancy relates, when it is probable that the funds will be received.

Dividends are recognised when they have been earned and credited to the investment portfolio.

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

Income from educational consultancy services is accounted for on an accruals basis with the income being recognised when due contractually.

Conduit project management fees are recognised on the date of completion of the relevant project.

The charity is responsible on behalf of school governors for the financial administration of capital projects funded by the Department for Education (DfE) and Local Authorities. The statutory legal agreement between the charity, the schools and the government department gives the charity ultimate control over the application of the Voluntary Aided Schools Condition Allocation grants to specific schools, therefore, these are recognised as restricted income by the charity.

Other amounts derived from capital and maintenance project activities where the charity acts as an agent, administering projects funded principally by the Department for Education on behalf of the school governors are excluded from these financial statements, as they constitute conduit funds. Details of these funds are set out in note 16.

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure recognition (continued)
All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating rental income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity.

Tangible fixed assets
The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

The following depreciation rates are used:

Freehold properties and property improvements	–	2% straight line
Office equipment	–	25% straight line

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 as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The charity does not acquire put options, derivatives or other complex financial instruments.

Investment properties are included in the financial statements at the estimated current market value of the properties based on open market value. The valuation has been determined by the Trustees after consultation with professional property advisers.

Former school sites
In the course of administering a capital scheme under the Education Acts 1944 to 1973, the charity acts as Trustee to a number of former schools, whose former property may be sold or leased as part of the implementation of the scheme. These proceeds are generally "free monies" in the hands of the charity to use under the provisions of the Education Acts 1944 to 1973, subject to the restrictions applying under Section 86 of the 1944 Act and Section 2 of the 1973 Act. The Trustees do not consider that it is practicable to place a value on such assets and, accordingly, they are not included in the financial statements.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Subsidiary undertaking
The charity owns the whole of the issued share capital of Southwark Diocesan Education Services Limited. The principal activity of the subsidiary undertaking is the provision of services for schools in Southwark Diocese and administrative services for its parent undertaking. The consolidated financial statements include the financial statements of SDBE and its subsidiary Southwark Diocesan Education Services Limited.

Funds
The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds
Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Designated funds
Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. The balance on the designated property fund represents the net book value of the fixed assets and the value of investment properties shown on the balance sheet at that date.

Restricted funds
These are funds subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure. Income and expenditure on restricted funds is taken directly to those funds in the statement of financial activities except to the extent that income is freely available to the charity.

Endowment funds
These are funds subject to the condition that they be held as permanent capital. Unexpended income is included in the relevant funds in accordance with the terms of the trust.

Custodian trusts
Trusts, where the charity acts merely as custodian Trustee with no control over the management or use of the funds, are not included in the statement of financial activities or balance sheet.

Conduit Funds – capital projects
The charity is responsible on behalf of school governors for the financial administration of capital projects funded by the Department for Education (DfE) and Local Authorities. The statutory legal agreement between the charity, the schools and the government department gives the charity ultimate control over the application of the Voluntary Aided Schools Condition Allocation grants to specific schools, therefore, these are recognised as restricted income by the charity. Details of these funds are set out in note 16.

The agreement grants no decision-making authority to the charity over the schools' funds, including Devolved Formula Capital grants and governors' funds, and therefore the charity acts as administrative agent in respect of these. Accordingly, these funds represent conduit funding and are therefore excluded from the charity's financial statements.

Pension contributions
Contributions are made for full-time staff to the Church of England Church Workers' Pension Fund and to the Teachers' Pension Scheme. The pension costs charged by the schemes are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially consistent percentage of the current and future payroll. Variations from regular cost are spread over the remaining service lives of the current employees are therefore accounted for as if they were defined contribution schemes. Further details are set out in note 17.

1 Grants and donations

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2025 £
Diocesan grant	357,412	—	36,026	—	393,438
VASCA grants	—	—	5,326,334	—	5,326,334
Racial justice grant	—	—	60,289	—	60,289
Other grants	22,594	—	—	—	22,594
2025 Total funds	380,006	—	5,422,649	—	5,802,655

	Unrestricted funds				
	General funds £	*Designated funds £*	*Restricted funds £*	*Endowment funds £*	*2024 £*
Diocesan grant	*350,404*	—	*36,026*	—	*386,430*
VASCA Grants	—	—	*5,146,803*	—	*5,146,803*
Other grants	*8,567*	—	—	—	*8,567*
2024 Total funds	*358,971*	—	*5,182,829*	—	*5,541,800*

The Charity assists voluntary aided schools with school building projects. It historically acted as the agent of school governors in helping to arrange funding through the DfE and Local Authorities and in paying professional fees and building costs on behalf of school governors. The VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced in April 2020 and gives the charity ultimate control over the application of the VASCA grants to specific schools. Since the use of the VASCA grant funding is at the discretion of the Board it is included in the SOFA as restricted income along with the related expenditure. The unspent balance at the end of the year is committed to projects or returned to the DfE if not committed within two years of the grant date.

2 Charitable activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2025 £
Maintenance subscriptions	—	—	597,356	—	597,356
Other educational income					
. Advisory and consultancy fees	22,217	—	—	—	22,217
. Bishop's certificate in church school governance	3,493	—	—	—	3,493
. Recoverable costs from the sale of former school sites	297,363	—	—	—	297,363
. Other sundry income	173,253	—	—	—	173,253
2025 Total funds	496,326	—	597,356	—	1,093,682

	Unrestricted funds				
	General funds £	*Designated funds £*	*Restricted funds £*	*Endowment funds £*	*2024 £*
Maintenance subscriptions	—	—	*648,572*	—	*648,572*
Other educational income					
. Advisory and consultancy fees	*27,450*	—	—	—	*27,450*
. Bishop's certificate in church school governance	*6,930*	—	—	—	*6,930*
. Other sundry income	*36,706*	—	—	—	*36,706*
2024 Total funds	*71,086*	—	*648,572*	—	*719,658*

3 Other trading activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2025 £
Service Agreement Subscriptions	499,023	—	—	—	499,023
Training events	14,043	—	—	—	14,043
Other trading income	12,537	—	—	—	12,537
2025 Total funds	525,603	—	—	—	525,603

	Unrestricted funds				
	General funds £	*Designated funds £*	*Restricted funds £*	*Endowment funds £*	*2024 £*
Service Agreement Subscriptions	*504,124*	—	—	—	*504,124*
Management fees					
. Capital projects	*1,191*	—	—	—	*1,191*
. Maintenance projects	*13,382*	—	—	—	*13,382*
Training events	*41,328*	—	—	—	*41,328*
Other trading income	*17,309*	—	—	—	*17,309*
2024 Total funds	*577,334*	—	—	—	*577,334*

4 Income from investments

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2025 £
Listed and unlisted investments	375,673	—	139,776	26,204	541,653
Rental and lettings income	846,201	—	—	—	846,201
2025 Total funds	1,221,874	—	139,776	26,204	1,387,854

	Unrestricted funds				
	General funds £	*Designated funds £*	*Restricted funds £*	*Endowment funds £*	*2024 £*
Listed and unlisted investments	*386,212*	—	*202,775*	*16,574*	*605,561*
Rental and lettings income	*949,146*	—	—	—	*949,146*
2024 Total funds	*1,335,358*	—	*202,775*	*16,574*	*1,554,707*

5 Expenditure on raising funds

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2025 £
Lettings expenses	488,023	—	—	—	488,023
Investment management fees	20,970	—	—	—	20,970
Bank charges	3,399	—	—	—	3,399
2025 Total funds	512,392	—	—	—	512,392

	Unrestricted funds				
	General funds £	*Designated funds £*	*Restricted funds £*	*Endowment funds £*	*2024 £*
Lettings expenses	*398,921*	—	—	—	*398,921*
Investment management fees	*22,031*	—	—	—	*22,031*
Bank charges	*4,609*	—	—	—	*4,609*
2024 Total funds	*425,561*	—	—	—	*425,561*

6 Expenditure on charitable activities

	Unrestricted funds				
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	2025 £
School maintenance expenditure	—	—	644,084	—	644,084
VASCA grant expenditure	—	—	5,417,842	—	5,417,842
Advice and guidance	1,182,453	142,403	—	—	1,324,856
Training and development	267,803	32,251	216,432	17,997	534,483
Project management	143,022	17,224	—	—	160,246
2025 Total funds	1,593,278	191,878	6,278,358	17,997	8,081,511

	Unrestricted funds				
	General funds £	*Designated funds £*	*Restricted funds £*	*Endowment funds £*	*2024 £*
School maintenance expenditure	—	—	*904,234*	—	*904,234*
VASCA grant expenditure	—	—	*6,419,209*	—	*6,419,209*
Advice and guidance	*1,256,963*	*145,356*	—	—	*1,402,319*
Training and development	*291,287*	*33,684*	*214,745*	*1,000*	*540,716*
Project management	*111,023*	*12,839*	—	—	*123,862*
2024 Total funds	*1,659,273*	*191,879*	*7,538,188*	*1,000*	*9,390,340*

7 Analysis of total expenditure

	Direct costs £	Other directly allocated costs £	Support costs £	2025 £
Raising funds (note 5)	510,937	1,455	—	512,392
Charitable activities (note 6)				
. School maintenance expenditure	644,084	—	—	644,084
. VASCA grant expenditure	5,417,842	—	—	5,417,842
. Advice and guidance	665,696	422,450	236,710	1,324,856
. Training and development	166,376	312,108	55,999	534,483
. Project management	—	51,097	109,149	160,246
2025 total funds	7,404,935	787,110	401,858	8,593,903

	Direct costs £	*Other directly allocated costs £*	*Support costs £*	*2024 £*
Raising funds (note 5)	*425,348*	*213*	—	*425,561*
Charitable activities (note 6)				
. School maintenance expenditure	*904,234*	—	—	*904,234*
.VASCA grant expenditure	*6,419,209*	—	—	*6,419,209*
. Advice and guidance	*649,363*	*598,976*	*153,979*	*1,402,318*
. Training and development	*145,405*	*353,550*	*41,760*	*540,715*
. Project management	*3,450*	*6,472,116*	*67,507*	*6,543,073*
2024 total funds	*8,547,009*	*7,424,855*	*263,246*	*16,235,110*

Support costs are analysed as follows:

	Expenditure on charitable activities			
	Advice and guidance £	Training and development £	Project management £	Total 2025 £
Finance and HR	70,949	4,057	64,242	139,248
Administration	28,372	22,163	30,949	81,484
Governance	137,389	29,779	13,958	181,126
2025 Total funds	236,710	55,999	109,149	401,858

	Expenditure on charitable activities			
	Advice and guidance £	*Training and development £*	*Project management £*	*Total 2024 £*
Finance and HR	*78,172*	*2,329*	*30,284*	*110,785*
Administration	*44,741*	*32,232*	*34,479*	*111,452*
Governance	*31,066*	*7,199*	*2,744*	*41,009*
2024 Total funds	*153,979*	*41,760*	*67,507*	*263,246*

All costs allocations are made on the basis of estimated time spent by staff.

8 Net movement in funds

Net movement in funds is stated after charging:

	2025 £	2024 £
Staff costs (note 9)	1,297,944	1,339,235
Depreciation (note 10)	195,479	195,478
Auditor's remuneration (including VAT)		
. Audit work	29,200	30,690
. Other services	2,300	5,220
Bank charges and interest on bank loans and overdrafts	3,399	4,609

9 Employee and key management personnel remuneration

(a) Staff costs

	2025 £	2024 £
Wages and salaries	926,542	931,375
Social security costs	112,058	102,910
Pension costs	162,024	207,280
	1,200,624	1,241,565
Consultancy costs	97,320	97,670
	1,297,944	1,339,235

(b) Staff numbers

The number of employees during the year, calculated on an average headcount basis, was 14 (2024 – 16).

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2025 number	2024 number
£60,000 - £70,000	1	1
£70,001 – £80,000	2	4
£80,001 – £90,000	2	1
£90,001 - £100,000	2	2
£100,001 - £110,000	1	2

Six of the above higher paid employees participated in the Teachers' Pension Scheme, while two participated in the Church Workers' Pension Scheme. Aggregate employer pension contributions for the above employees during the year amounted to £151,174 (2024 – £154,279). Details of the Teachers' Pension Scheme are given in note 17.

9 Employee and key management personnel remuneration (continued)

(d) Key management personnel

Key management personnel comprise the Trustees together with the Director of Education, Assistant Director of Education, Financial Controller, Building and Capital Programmes Manager and the Office Manager.

No trustee received any remuneration from the charity in the current or prior year.

The aggregate remuneration and benefits received by key management personnel during the year was as follows:

	2025 £	2024 £
Remuneration, including employer's National Insurance contributions	443,453	431,004
Pension contributions	57,373	81,425
	500,826	512,429

10 Tangible fixed assets

	Freehold land and buildings £	Property improvements £	Charity total £	Group office and computer equipment £	Group total £
Cost					
At 1 January 2025 and 31 December 2025	2,864,050	95,834	2,959,884	36,882	2,996,766
Depreciation					
At 1 January 2025	2,100,670	6,770	2,107,440	29,681	2,137,121
Charge for the year	190,937	941	191,878	3,601	195,479
At 31 December 2025	2,291,607	7,711	2,299,318	33,282	2,332,600
Net book value					
At 31 December 2025	572,443	88,123	660,566	3,600	664,166
At 31 December 2024	763,380	89,064	852,444	7,201	859,645

11 Investments

Group and charity		2025 £	2024 £
Listed investments	*(a)*	5,321,808	5,020,016
Investment properties	*(b)*	16,530,000	16,630,000
Investment property additions	*(b)*	—	736,321
Investment property revaluations	*(b)*	565,000	(836,321)
		22,416,808	21,550,016

In addition to the above investments, the charity also holds a £1 investment in the called-up share capital of its wholly owned trading subsidiary, Southwark Diocesan Education Services Limited (note 12).

11 Investments (continued)

(a) Listed investments

Group and charity	2025 £	2024 £
Market value at 1 January 2025	3,472,221	3,781,372
Additions	498,061	398,557
Disposals (realised gains: £3,356)	(512,370)	(876,139)
Movement in cash	(28,577)	30,164
Unrealised gains on revaluation	154,174	138,267
Market value at 31 December 2025	3,583,509	3,472,221
Cash held by investment managers	1,738,299	1,547,795
	5,321,808	5,020,016
Cost of listed investments at 31 December 2025	4,003,731	3,913,865

All listed investments were dealt in on a recognised stock exchange and comprised UK equities and UK managed funds. No individual holding comprised more than 5% of the portfolio in either the current or prior year.

(b) Investment properties

Group and charity	Charity and Group freehold properties	
	2025 £	2024 £
Valuation at 1 January 2025	16,530,000	16,630,000
Additions	—	736,321
Revaluation in the year	565,000	(836,321)
Valuation at 31 December 2025	17,095,000	16,530,000
Historic cost at 31 December 2025	5,034,482	5,034,482

Additions to investment properties of £736,321 during 2024 related to works on the Exton Street property.

The Trustees have completed an internal review of the charity's investment property portfolio and determined that the aggregate fair value of the properties has increased by £565,000 since the previous year end; this amount is therefore reflected as an unrealised gain (2024 - an external valuation of the charity's investment property on Exton Street by Rapleys LLP resulted in an unrealised loss of £836,321).

12 Investment in subsidiary undertaking

The charity owns 100% of the issued ordinary share capital of a subsidiary undertaking, Southwark Diocesan Education Services Limited (amounting to £1), which is registered in England & Wales and supplies administrative services to the charity and to Schools in the Diocese. The company began trading on 1 April 1996 and its results for the period and assets and liabilities have been consolidated into the charity's financial statements.

Total income for the year was £582,265 (2024 – £646,447), gross profit was £552,503 (2024 – £619,621) and total administrative expenditure was £217,556 (2024 – £191,768). The net profit after taxation was £nil (2024 – £nil) after recognising gift aided donations payable to the parent charity under the conditions of its Memorandum and Articles of Association of £334,947 (2024 – £427,853).

13 Debtors

Amounts falling due within one year:

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Other debtors	448,950	365,914	517,604	359,629
Amounts due from group undertakings	—	87,215	—	28,128
Conduit fund debtor (prior year adjustment)	—	—	266,706	266,706
Prepayments and accrued income	329,318	289,226	79,466	33,155
	778,268	742,355	863,776	687,618

14 Creditors

Amounts falling due within one year:

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Trade creditors	178,842	71,425	174,958	135,444
Other creditors	341,856	401,254	531,933	523,269
Other creditors - Property sale proceeds	6,875,000	6,875,000	—	—
Accruals and deferred income	237,617	102,051	200,822	59,106
Amounts due to group undertakings	—	90,655	73,450	22,661
VAT payable	5,501	—	12,260	—
Deferred lease premium (see below)	8,000	8,000	8,000	8,000
	7,646,816	7,548,385	1,001,423	748,480

'Other creditors - property sale proceeds' relates to the sale proceeds from two former school sites currently held by the board pending a final resolution on the future use of the funds.

Amounts falling due in more than one year:

	Group and Charity 2025 £	Group and Charity 2024 £
Deferred Highshore lease premium	920,000	928,000
	920,000	928,000

The deferred Highshore lease premium represents the remaining balance on a premium of £1,000,000 received by the charity during the year ended 31 December 2017 in respect of a 125 year lease of the Highshore School site to the Mayor and Burgess of the London Borough of Southwark. The premium is being released to the Statement of Financial Activities over the life of the lease. As such, £8,000 is included under accruals and deferred income falling due within one year, with the remainder falling due in more than one year.

14 Creditors (continued)

The movements on deferred income during the year may be analysed as follows:

	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Brought forward as at 1 January 2025	1,117,912	992,096	1,135,022	1,008,347
Released in the year	(189,912)	(64,096)	(199,022)	(72,347)
New deferrals in the year	166,986	42,870	181,912	56,096
Carried forward as at 31 December 2025	1,094,986	970,870	1,117,912	992,096

The deferred income balance represents:

- Service agreement income relating to periods after 31 December 2025 of £124,116 (2024 – £125,816) (Group only);
- Rental income relating to periods after 31 December 2025 of £42,870 (2024 – £56,096); and
- Deferred lease premium income relating to the Highshore lease, split between £8,000 included in creditors falling due within less than one year (2024 – £8,000) and £920,000 included in creditors falling due in more than one year (2024 – £928,000).

15 Analysis of group funds

(a) Analysis of group net assets between funds

	General funds £	Designated property fund £	Restricted funds £	Endowment funds £	2025 Total funds £
Tangible fixed assets	3,600	660,566	–	–	664,166
Listed investments	4,311,390	–	829,719	180,699	5,321,808
Investment properties	–	16,095,000	–	1,000,000	17,095,000
Net current (liabilities) assets	(413,965)	–	2,566,388	28,171	2,180,594
Non-current liabilities	–	–	–	(920,000)	(920,000)
	3,901,025	16,755,566	3,396,107	288,870	24,341,568

	General funds £	*Designated property fund £*	*Restricted funds £*	*Endowment funds £*	*2024 Total funds £*
Tangible fixed assets	–	*859,645*	–	–	*859,645*
Listed investments	*4,035,243*	–	*814,688*	*170,085*	*5,020,016*
Investment properties	–	*16,264,911*	–	*265,089*	*16,530,000*
Net current (liabilities) assets	*(909,095)*	*(549,305)*	*2,613,109*	*773,489*	*1,928,198*
Non-current liabilities	–	–	–	*(928,000)*	*(928,000)*
	3,126,148	*16,575,251*	*3,427,797*	*280,663*	*23,409,859*

15 Analysis of group funds (continued)

(b) Reconciliation of funds

	Balance at 1 January 2025 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Balance at 31 December 2025 £
Endowment funds	280,663	26,204	(17,997)	—	—	288,870
Restricted funds						
External maintenance scheme	(40,159)	597,356	(644,084)	—	86,887	—
VASCA capital funds	1,571,257	5,326,334	(5,417,842)	—	—	1,479,749
Racial justice fund	—	60,289	(36,838)	—	—	23,451
Other restricted funds	1,896,699	175,802	(179,594)	—	—	1,892,907
	3,427,797	6,159,781	(6,278,358)	—	86,887	3,396,107
Designated funds						
Property fund	16,575,251	—	(191,878)	565,000	(192,807)	16,755,566
	16,575,251	—	(191,878)	565,000	(192,807)	16,755,566
General funds (including trading funds of £11,755)	3,126,148	2,623,809	(2,105,670)	150,818	105,920	3,901,025
Total unrestricted funds	19,701,399	2,623,809	(2,297,548)	715,818	(86,887)	20,656,591
Total funds	23,409,859	8,809,794	(8,593,903)	715,818	—	24,341,568

	Balance at 1 January 2024 £	*Income £*	*Expenditure £*	*Gains/ (losses) £*	*Transfers £*	*Balance at 31 December 2024 £*
Endowment funds	*265,089*	*16,574*	*(1,000)*	—	—	*280,663*
Restricted funds						
External maintenance scheme	*175,503*	*648,572*	*(904,234)*	—	*40,000*	*(40,159)*
VASCA capital funds	*2,843,662*	*5,146,803*	*(6,419,208)*	—	—	*1,571,257*
Other restricted funds	*1,872,644*	*238,801*	*(214,746)*	—	—	*1,896,699*
	4,891,809	*6,034,176*	*(7,538,188)*	—	*40,000*	*3,427,797*
Designated funds						
Property fund	*16,867,130*	—	*(191,879)*	*(836,321)*	*736,321*	*16,575,251*
Croydon St Andrews Fund	*242,671*	—	—	—	*(242,671)*	—
	17,109,801	—	*(191,879)*	*(836,321)*	*493,650*	*16,575,251*
General funds (including trading funds of £11,753)	*3,263,616*	*2,342,749*	*(2,084,834)*	*138,267*	*(533,650)*	*3,126,148*
Total unrestricted funds	*20,373,417*	*2,342,749*	*(2,276,713)*	*(698,054)*	*(40,000)*	*19,701,399*
Total funds	*25,530,315*	*8,393,499*	*(9,815,901)*	*(698,054)*	—	*23,409,859*

15 Analysis of group funds (continued)

The **Endowment funds** represent a fund held under a Section 86 order, and a fund set aside under a charity order to develop Church of England Education.

The **External Periodic Maintenance Scheme** is a scheme developed by the charity on a voluntary subscription basis to ensure that all the schools in the Diocese can maintain the external fabric and structural elements of their buildings. The fund balance carried forward represents the accumulation of income over expenditure which is available to meet the Governors' 10% liability for ongoing schemes of maintenance works.

The **Diocesan grant fund** relates to funding provided by the Diocese of Southwark to fund a specific post and chaplaincy support.

VASCA Capital funds represent the income received from the VASCA grant from the Department for Education and the associated commitment on the fund. The funds are restricted to capital and maintenance projects at the schools. VASCA funds must be committed to projects or returned to the DfE if not committed within two years of the grant date.

The **Racial justice fund** represents grant funding received to ensure that equality of opportunity is fully reflected in and forms an integral part of all structures and processes within Southwark Diocese, and that the concerns regarding racial justice are addressed.

Other restricted funds represent assets arising from the disposal of redundant school buildings to be deployed by the Southwark Diocesan Board of Education under Section 554 of the Education Act 1996. Such funds can be deployed (directly and indirectly) for the development of existing schools or the provision of new schools within the Diocese of Southwark. Such Schools are to follow the tenets of the Church of England.

The **designated property fund** represents the net book value of the fixed assets and investment properties at the balance sheet date.

The **designated Croydon St Andrew's fund** represented income received from the rental of the St Andrew's school building. Responsibility for the school was passed to the London Borough of Croydon during 2024 and the accumulated balance (£242,671) accrued was moved to the unrestricted fund.

16 Conduit funds – capital projects

	2025 £	2024 £
Income	3,428,235	2,243,257
Expenditure	3,428,235	(2,243,257)
	—	—

The income figure represents funds receivable from Devolved Formula Capital from schools and Governor and Local Authority Contributions to building projects, while the expenditure figure represents supplier and contractor costs incurred and committed during the year. Unspent committed costs are realised in the forthcoming financial year and represent timing differences in acquiring the funds with their related expenditure. These funds are not included in the charity's balances; the charity acts as agent of school governors and local authorities, managing the funds on their behalf.

The Conduit Fund exists to channel funds sourced from the public sector into capital and maintenance projects in schools; it posts no profit and all its funds are committed. Separately, amounts held on behalf of schools as part of the Devolved Formula Capital Scheme (which are ultimately destined for the conduit fund) were £3,270,790 at 31 December 2025 (2024 – £3,277,680). These funds represent agency cash balances in the charity and are not included in the charity's fund balances.

17 Pension and similar obligations

The Group's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Church of England Church Workers Pension Fund (CWPF), which are of the hybrid type, the assets of the schemes being held in separate Trustee administered funds. Both the TPS and CWPF fund assets are not apportioned to individual employing bodies in the fund and therefore both constitute collective defined benefit pension/hybrid schemes under Financial Reporting Standard 102: Section 28 – Employee Benefits. The total pension cost was £162,024 (2024 – £207,280). There were no creditors falling due within one year at either 31 December 2025 or 31 December 2024.

(a) Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers and lecturers who are or have previously been employed at eligible institutions. Teachers and lecturers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has therefore accounted for its contributions to the scheme as if it were a defined contribution scheme.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recongised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome were:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy.) This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.

- Total scheme liabilities (pensions currently in payment and the estimate cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with notiona investments held at the valuation date) of £222,000 million, giving a notional past service deficit of £39,800 million.

The result of this valuation was implemented on 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £162,024 (2024 – £154,278).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website.

17 Pension and similar obligations (continued)

(b) Church of England Church Workers Pension Fund (CWPF)

Valuation of the Church of England Church Workers Pension Fund
Southwark Diocesan Board of Education participates in the Defined Benefits Scheme section of the CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The CWPF has two sections:

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

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2024 – £nil; 2023 – £47,601). There was no additional charge in relation to the DBS deficit in either 2025 or 2024.

From July 2024 as the DBS closed to new accruals in July 2024 and the Pension Builder Classic ('PBC') took over for all employees on the scheme, the employer contribution (30% of pensionable salary) along with administrative charges were deducted from the surplus within the Employer's section of the PBC fund. The Board has chosen to set aside an equivalent employer's contribution to build a reserve such that when the scheme surplus is exhausted, the employer contribution can be funded with cash contributions in a phased way. If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

17 Pension and similar obligations

Pension Builder Scheme
Both sections of the Pension Builder Scheme are classed as hybrid 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. A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022. For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used.

At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time. The next valuation is due as at 31 December 2025.

18 Related party transactions

The Southwark Diocesan Board of Education Incorporated is a company limited by guarantee. The results and balance sheet of Southwark Diocesan Education Services Limited (SDES) are consolidated into these financial statements. The Southwark Diocesan Board of Education has taken advantage of the exemptions in FRS 102 and has not reported transactions between it and SDES.

During the year ended 31 December 2025, the group received grant funding amounting to £393,438 (2024 – £386,430) in respect of the Diocesan Measure and lettings income of £nil (2024 – £12,253) from the Southwark Diocesan Board of Finance and South London Church Fund, which is a related party as a result of sharing a number of Trustees with the charity. £nil was owing at 31 December 2025 (2024 – £nil).

During the year ended 31 December 2025, the group received income of £12,552 (2024 – £12,186), including VAT, from Bacons College in respect of the provision of a service level agreement. £nil was owing at 31 December 2025 (2024 – £nil). Bacon's College is a related party as a result of sharing a number of Trustees with the charity.

During the year ended 31 December 2025, the group received income of £88,470 (2024 – £92,351) including VAT from the SDBE Multi-Academy Trust in respect of the provision of a service level agreement. As at 31 December 2025, £71,592 remained to be received (2024 – £6,425). SDBE Multi-Academy Trust is a related party by virtue of the fact that it shares a number of trustees with the charity.

19 Funds held as agent

During the year, the charity acted as an agent, with interest receivable of £7,874 (2024 – £6,553) being paid into accounts held on behalf of various Schools under the aegis of the Diocese of Southwark. No amounts were paid over to these schools in either year. At the year end, balances of £181,851 were held in designated bank accounts separate from the charity and trading subsidiary's designated bank accounts (2024 – £173,978). As the Trustees have no responsibility for the application of these funds, the income and bank balances have been excluded from the financial statements.

20 Members

The company is limited by guarantee and the liability of the members is limited to an amount not exceeding £1.

21 Consolidated statement of financial activities – Year to 31 December 2024

		Unrestricted funds				
		General funds	Designated funds	Restricted funds	Endowment funds	Total 2024
	Notes	£	£	£	£	£
Income and endowments from:						
Grants and donations	1	358,971	—	5,182,829	—	5,541,800
Charitable activities	2	71,086	—	648,572	—	719,658
Other trading activities	3	577,334	—	—	—	577,334
Investments	4	1,335,358	—	202,775	16,574	1,554,707
Total income		2,342,749	—	6,034,176	16,574	8,393,499
Expenditure on:						
Raising funds	5	425,561	—	—	—	425,561
Charitable activities	6	1,659,273	191,879	7,538,188	1,000	9,390,340
Total expenditure	7	2,084,834	191,879	7,538,188	1,000	9,815,901
Net income/ (expenditure) before investment gains and losses		257,915	(191,879)	(1,504,012)	15,574	(1,422,402)
Unrealised losses on investment properties	11b	—	(836,321)	—	—	(836,321)
Net (losses)/gains on listed investments	11a	138,267	—	—	—	138,267
Net income/ (expenditure) before transfers		396,182	(1,028,200)	(1,504,012)	15,574	(2,120,456)
Transfers between funds	15	(533,650)	493,650	40,000	—	—
Net movement in funds	8	(137,468)	(534,550)	(1,464,012)	15,574	(2,120,456)
Reconciliation of funds:						
Funds brought forward at 1 January 2024 as previously stated		3,263,616	17,109,801	4,625,103	265,089	25,263,609
Prior year adjustment	20	-	-	266,706	-	266,706
Funds brought forward at 1 January 2024 as restated		3,263,616	17,109,801	4,891,809	265,089	25,530,315
Funds carried forward at 31 December 2024	15	3,126,148	16,575,251	3,427,797	280,663	23,409,859

SOUTHWARK DIOCESAN BOARD OF EDUCATION
Developing Church of England Education

Company limited by guarantee (00086641 England and Wales)
Registered charity (No. 313001)