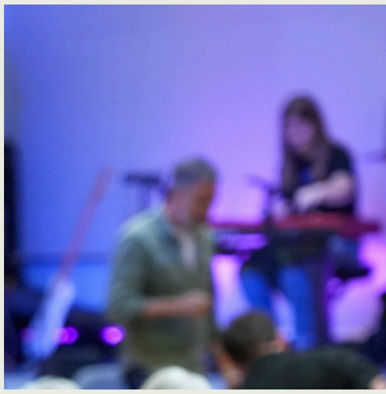
Annual Report

Year End 2025



Growing Disciples - Growing Community - Growing Diversity

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

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

This combined report satisfies the legal requirements for:

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

Legal Objects

The Diocese of Guildford covers most of Surrey and North East Hampshire, one parish in West Sussex and one in the London Borough of Kingston.

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

The GDBF has the following statutory responsibilities:

1. the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976 and the Church Property Measure 2018;
2. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
3. the management of investments and the custodianship of assets relating to church schools under the Diocesan Board of Education Measure 2022; and
4. the custodianship of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils (PCCs) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the GDBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Guildford (in respect of his responsibility for the provision of the cure of souls).

Strategic Aims

The diocesan leadership and staff are committed to progressing towards the vision of a Transforming Church, Transforming Lives that was launched in September 2016 and refreshed in March 2022. It is a vision of a diverse, growing, intergenerational church at the heart of each community, working alongside our chaplaincies and schools in living and proclaiming the Good News of God in Jesus Christ. The three priorities of the vision are; **Growing Disciples, Growing Diversity and Growing Community.**

Growing Disciples - Growing Community - Growing Diversity -

Key Areas of Focus

To help deliver these three priorities at a diocesan and parish level, our staff at Church House focus on seven key strategic objectives:

1 Evangelism and Discipleship

All parishes encourage and provide opportunities to deepen discipleship and connect with unbelievers, the unchurched and the de-churched.

2 Transforming Communities

Worshipping communities are actively seeking opportunities to serve their parish community, to share the love of Jesus and to take the good news into the community.

3 Mixed Ecology

Every parish is implementing at least one new worshipping community by the end of 2027 as a means of reaching those who are not currently engaging with church.

4 Church Vocations

To provide people with a discernment, training and formational pathway that facilitates God's call for everyone on the vocational journey into both lay and ordained service.

5 Children & Young People

The partnership of schools, churches and households enables children and young people to explore and develop their Christian faith and contribute to the life of their church, school, and community.

6 Net Zero Carbon

Guildford Diocesan Board of Finance properties achieve carbon net zero by end 2030 (the Church of England objective) and Church of England Schools are supported in reducing their carbon footprint.

7 Racial Diversity

That our cathedral, churches, schools, Church House and diocesan structures - including their leadership - reflect the racial diversity of their communities.

Bringing the Vision to Life

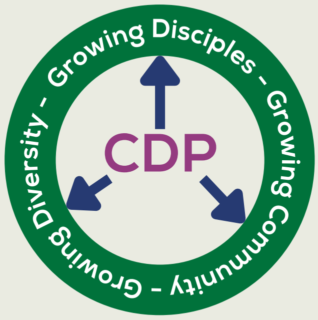
The Church House support to parishes, schools and chaplaincies is delivered in a number of ways including the Parish Needs Process (PNP), through strengthening relationships and links between churches and our schools, investing in missional projects across the parishes, safeguarding support, and training to raise up new leaders and equipping existing leaders to deliver the diocesan vision. Read more about our vision on our website.

Activities and Achievements

Evangelism and Discipleship

43%

43% of churches in PNP 2025 now have effective Church Development Plans (CDP).



70% of CDPs connect with Growing Disciples, Community or Diversity priorities.

58% of CDPs include specific action to deepen discipleship.

Seven churches participated in the Evangelism Hub.

10 parishes progressing to the next phase of Revitalisation (target 8).

Church Vocations

Three in-person ‘Nudge’ (vocations exploration) events held across the diocese.

Transforming Communities

Hear Here

7 New clinics

one more than the 2025 target!

Operational

Church House moved to a new building on Stag Hill, strengthening collaboration with Guildford Cathedral

Schools

Reduction in the number of Church schools judged Requires Improvement or Inadequate.

Ministry Training

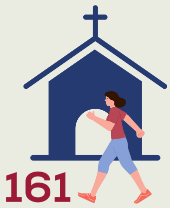
The creation of The Learning Hub for online learning, with funding secured for further development.

The first Caleb students were ordained with nine ordinands becoming deacons.

YOUTH CATALYST

79 young people came to faith (target 30).

161 young people made a connection in some form to their local church (target 100).



18 missional worship events reached 879 young people.

Safeguarding

Safeguarding cases responded to in a timely manner, fully investigated, linking to statutory services, with a victim-focused approach.

Communications

60

Communications provided reactive support to around 60 parishes.

39% year-on-year growth across social media channels, including 50% growth on Facebook.

Twelve media stories linking the church to societal issues. 42 pieces of media coverage in the year.

60% of parishes signed up to the 'See it. Hear it. Report it.' safeguarding campaign

Goals for 2026-2027

Progress against each strategic area was reported to meetings of the Bishop's Leadership Team and the Bishop's Council. Owners of the strategic area were each invited to set new goals for 2026-2027.

Evangelism and Discipleship

- Enable at least 40 new Christians and 100 new connections to church through youth-led and parish-linked mission activity by December 2026

Evangelism and Discipleship

- Publish 5–10 "lives changed" youth stories and 5–10 Quiet Revival / personal faith case studies to evidence and inspire evangelistic impact across the diocese in 2026.

Transforming Communities

- Support the Hear Here Project to deliver 8,000 consultations through 53 clinics, supported by 135 volunteers, and establish 6 new clinics by the end of 2026.
- Deliver around 5 diocesan communications training sessions to parishes, schools, and governors to strengthen confident community engagement.

Parish Needs Process (PNP)

- Complete and review PNP cycle 2, acting on key learning.
- Support the delivery of PNP cycle 3 across 21 churches and 2 deaneries during 2026.
- Maintain rapid response to ad-hoc parish data requests and publish PowerBI reports (mission stats, finance, deprivation, CDP objectives) used in diocesan decision-making.

Mixed Ecology

- Launch PNP3 ("Your Next Steps in Mission") with a clear mixed-ecology focus during 2026.
- Launch one new mixed ecology learning community by the end of 2026 to support mixed ecology development.

Children & Families

- Review, rewrite and enact a growing younger strategy to better enable churches in their work with children, families and schools.
- Prioritise available Mission Enabler capacity to more effectively support growth in the number of children and families worshipping in our churches. This will include launching one new learning community by the end of 2026.

Children & Families

- Integrate children and families ministry more thoroughly into Parish Needs Process cycle 3 and parish revitalisation work across participating churches and deaneries in 2026.

Young People

- Deliver at least 20 worship events engaging around 1,000 young people during 2026.
- Secure £100,000 by year-end to fund youth leader training.
- Agree and communicate Youth Catalyst Project funding change request by July 2026, ensuring staff employment secured to mid-2028.

Church Vocations

- Achieve a 20% increase in candidates attending vocations panels compared with the 2023/24 baseline (from 14 to 17+ candidates).
- Sustain more than 7 incumbent-focused ordinands per year, moving the diocese towards being an “exporting” diocese.
- Deliver 3 in-person “Nudge” vocations events across 3 locations in 2026, including 1 GMH-focused event.

Leadership Training

- Enrol 36 new students on Foundations in Ministry pathways in September 2026.
- Launch the new Elizabeth ordination pathway with 8 students starting September 2026.
- Onboard at least 50% of active students onto the Learning Hub within 1 month, with 50% accessing resources within 2 weeks.

Net Zero Carbon

- Ensure Net Zero plans are in place for all identified churches and deliver at least 5 Net Zero projects during 2026.
- Generate approximately £45,000 per annum through internal project management charges to support sustainable estates and carbon-reduction initiatives.

Racial Diversity

- Increase participation of UKME/GMH candidates in vocations, including delivery of 1 GMH-focused vocations event in 2026.
- Deliver one diocesan racial justice covenant campaign as part of 6 strategic diocesan campaigns in 2026.

Revitalisation

- Review and renew the diocesan revitalisation strategy by October 2026, with a priority on growing younger congregations.
- Support revitalisation activity through PNP, learning communities, and targeted mission interventions across identified parishes in 2026.

Engaging Church Schools & Academies

- Support schools with their Christian distinctiveness and preparations for their SIAMS Inspections (Statutory Inspection of Anglican and Methodist Schools). Covering 26 church schools in 2026, progressing to 26 in 2027 and 30 in 2028.
- Maintain 97% of church schools judged as meeting expectations in their SIAMS inspections and 93% Good or better Ofsted outcomes.

Mission Fund

- Secure £55,000 in external funding to sustain the Hear Here Project beyond 2026.
- Raise £100,000 to support youth leader training by the end of 2026.

Safeguarding

- Respond to 100% of safeguarding cases in a timely, victim and survivor-focused manner, linking appropriately with statutory services throughout 2026.
- Use insights from the independent safeguarding audits conducted by INEQE Safeguarding Group in other dioceses, to improve practice and prepare for the Guildford INEQE audit in March 2027.

FINANCIAL REVIEW

Financial Performance

Total income for the year was £17,343k (2024: £15,731k). Parish share contributions were £11,952k (2024: £11,842k). The collection dropped to 96.0% (2024: 97.1%; 2023: 96.8%; 2022: 97.3% 2021: 95.5%; 2020: 91.8%) against the amount requested. Parishes are reporting that finances are strained and this continues to cast doubt on our ability to return to pre-pandemic giving levels (2019: 98.7%). Income from statutory fees (weddings & funerals) was £267k (2024: £331k).

The GDBF budgets to break even on its general fund before any capital gains/losses. Various external factors continue to contribute to the uncertainty in financial planning that began with Covid-19. Since that time global economics continue to be affected by geopolitical instability in Europe and the Middle East, political changes in the UK and the effects of the administration change in the USA. The result was a net deficit of £581k on the general fund before investment gains (2024: £540k deficit). This is directly attributable to the clergy housing overspend which was not sufficiently offset by savings in other areas.

There was an overall net increase in funds of £3,103k (2024: decrease £1,265k). The value of tangible fixed assets reduced by £224k (2024: £743k reduction) due largely to the sale of 6 properties (2024: 6 properties). Due to late receipts, most of the monies from property sales only arrived at the end of the year and can be seen in the high level of Cash on Deposit £12,986k (2024: £6,566k). Total investment fell due to a combination of expenditure of funds, largely to cover property investments, overspend on repairs and poor investment performance resulting in an overall reduction in the carrying value of investments of £2,452k (2024: £34k gain).

The financial stability of the GDBF depends on the financial strength of its parishes. This applies particularly to Guildford which lacks historic reserves and has the highest dependency on parish share of any Diocese. Across the Diocese, Parish unrestricted income in aggregate has exceeded expenditure for the past 3 years but by less than 1%. At the same time the number of regular givers is in decline and in 2024 was 21% lower than in 2019. Approximately 29% of parishes are spending over 50% of their income on servicing Parish Share. A decrease from the previous year but still a high proportion of our parishes. We continue the review of all our parishes, started in 2021, and work on a significant programme of re-organisations including new plants and growth initiatives to address the long-term sustainability of our parishes and therefore of the GDBF.

Balance sheet position

The balance sheet position remains strong. However, while total net assets at the balance sheet date totalled £215,205k (2024: £212,102k), most of that represents properties in use for ministry whose value amounted to £186,113k (2024: £187,461k). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes. Note 21 gives further detail of the allocation of assets to funds.

Reserves policy

Free reserves

Recognising that the Diocese is heavily reliant on parish share receipts and that the major expenditure is on the clergy and lay staff to keep the organisation in operation, the GDBF has set a minimum level of general free reserves of 25% of budgeted annual expenditure which for 2025 was £3,400k. The balance of reserves on the general fund at 31 December was £1,369k (2024: £1,848k). To meet this target, the intention is to sell houses that are not required for missional purposes and invest income into accessible investment funds.

The GDBF also has a policy of holding on deposit, or otherwise readily available within the Glebe, Pastoral Account or other suitable funds, sufficient cash over and above funds to meet normal cash-flows to be able to purchase two houses of modest value. 'Modest value' will be calculated using the average freehold cost of a house that meets the requirements of the Green Book within the borders of the Diocese which equates to £2,400k (2024: £2,000k).

Designated funds
The Trustees may designate unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. The balances and the intended use of each reserve are set out in notes 21 and 22. At 31 December 2025 total designated reserves were £1,838k (2024: £2,197k).

Restricted and endowment funds
As at 31 December 2025 restricted funds were £1,659k (2024: £1,567k) and endowment funds £210,339k (2024: £206,490k). The balances and purposes of these are set out in notes 21 to 22.

Grant making policy
The GDBF gives grants from funds established in the annual budget which is approved by Synod and is in line with its objectives. The main grants given in the year are set out within note 9.

Investment policy and performance
The GDBF has power to invest funds not immediately required for operational purposes in such concerns, securities or properties as it thinks fit. The GDBF follows the ethical investment policies and guidelines of the Church of England Ethical Investment Advisory Group. Non-property financial investments at 31 December 2025 had a market value of £9,556k (2024: £9,811k) of which £8,730k (2024: £9,093k) were invested within the Central Board of Finance (CBF) Church of England investment funds managed by Church Charity and Local Authority (CCLA) Investment Management Limited. Total return performance for the CBF investment fund for 2025 was -1.17% (2024: +5.09%), considerably below CCLA's comparator weighted index return of 10.97% (2024: 15.3%). This was due largely to the decision not to invest in the big technology stocks whose performance tilted the market upwards. The annualised five-year fund total return is +4.52% p.a. (comparator +8.81% p.a.).

Property investments are primarily in residential property with some glebe land within the Diocese of Guildford. It also includes £3,778k (2024: £3,497k) of disused school sites. The total market value at 31 December 2025 was £7,860k after re-valuation (2024: £10,057k) and the sale of twelve (2024: six) properties realising £9,654k (2024: £4,625k). The Trustees have continued with the policy of moving assets from residential property, when not required for direct ministerial purposes, to financial funds. Financial assets are more liquid, generally earn a better return and do not require maintenance and management effort. The Board of Education, with the GDBF as Custodian Trustees, reviews how best to realise value on the disused school sites to support Diocesan schools and education activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Diocese maintains a structured approach to risk management, recognising its importance in good governance, safeguarding resources, and supporting the delivery of its mission. During 2025, risks were reviewed and updated on a six-monthly basis, with overall oversight provided through annual review by Bishop's Council. This ensured that significant risks were regularly reassessed, prioritised, and managed in a proportionate and timely way, and that Trustees were able to gain assurance that appropriate controls were in place.

Heads of Department are responsible for identifying and reviewing risks within their areas of responsibility. Each risk is clearly defined, with mitigating controls identified and assessed for likelihood and potential impact using a heat map, alongside an indication of the risk trend. This process supports consistent identification and prioritisation of key risks across diocesan activities.

In 2026, a new Risk Committee was established to oversee all risks facing the Diocese, including their identification, assessment, management, mitigation, and ongoing monitoring. The Committee provides a more consistent and holistic approach to risk tolerance and assurance, supporting management and Trustees in maintaining effective oversight across all areas of diocesan life. As the Committee commences its work, it will play a central role in further developing and embedding robust risk management practices.

At the end of 2025, the Diocese's top-rated risks included:

- **Data protection and security**, highlighted by a significant third-party supplier breach in August 2025 that exposed sensitive personal data and resulted in financial, reputational, and operational impacts. Mitigations include retendering IT contracts with an enhanced focus on cyber-security, strengthening data processing agreements, and improving staff and parish awareness through training and clearer protocols.

- **Persistent gradual decline in church attendance**, which remains below pre-pandemic levels and presents a significant existential, financial, and missional risk. Mitigating actions include renewed focus on prayer for growth, church planting, mixed ecology strategies, and parish revitalisation.

- **Prolonged reputational damage**, particularly relating to the use of social media, where incidents at parish, diocesan, or national level could impair trust and hinder the delivery of missional objectives. Mitigating actions include updated toolkits for crisis communication, proactive horizon scanning to identify potential issues and closer working with national communications team's network.

- **The potential closure of church schools**, driven by falling pupil numbers, financial pressures, and occasionally inspection outcomes, with adverse implications for both educational provision and the Diocese's presence and reputation in local communities. The DBE is working with local authorities and the Multi Academy Trusts to mitigate the risk of school closure and has set up a Small Schools steering group of headteachers and governors to monitor the situation to proactively identify schools that are vulnerable.

- **Capacity of leadership at local level**, reflecting upcoming clergy retirements, reduced numbers of stipendiary candidates, and increasing safeguarding and compliance demands on parish leaders. Mitigating actions include the establishment of a working group to consider issues of governance compliance on clergy and parishes, a focus on training interventions and a robust vocations strategy linked to a careful management of recruitment and handover.

The Diocese remains committed to strengthening its approach to risk management to ensure resilience, accountability, and effective stewardship as it looks ahead.

STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England
The Church of England is the established Church with HM The King having the title of supreme governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a see under the care of a bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The national church has a general synod comprising ex-officio and elected representatives from each Diocese and it agrees, and lays before Parliament, measures for the governance of the church's affairs which, if agreed by Parliament, have the force of statute law. In addition to the general synod, the Archbishops' Council has a coordinating role for work authorised by the synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and lay workers. Within each Diocese, overall leadership lies with the Diocesan bishop, who exercises that input as Bishop within the Diocesan synod. The Diocese itself is divided into twelve deaneries, each with its own synod, and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the bishop shares responsibilities with the Diocesan synod.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and act in partnership with neighbouring Dioceses.

Organisational structure
The GDBF is a company limited by guarantee (No. 225289) and a registered charity (No. 248245) governed by its memorandum and articles of association. New Articles of Association were approved in 2025.

The GDBF's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Guildford. It was established in its present form in 1927 and is successor in title to the Guildford Diocesan Trustees.

The governance and policy of the GDBF is the responsibility of the Directors, who are also members of the GDBF and Trustees for the purposes of charity law. The details of Trustees who served during the year are set out on page 18.

The Diocesan synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the bishop's staff team. New Standing Orders for Diocesan synod were approved in 2025. The synod membership is elected every three years; the last elections having been on 12 July 2024. The Synod elects 12 of the Trustees of the GDBF. Whilst the GDBF is a separate legal entity, with clear responsibilities under both company and charity law as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 1998, the GDBF is subject to the direction of the synod in all its activities unless such direction is not in accordance with the governing documents or statutory regulations.

Historical assets arising from unexpended accumulations of sale proceeds of redundant Church of England school properties are accounted for in the restricted Church Schools fund and are managed by the GDBF in consultation with the Diocesan Board of Education.

Decision making structure
Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Guildford, are set by the

Diocesan synod, and the GDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary and Bishop's staff team. Bishop's Council meets once a year in general meeting to approve the annual report and financial statements. The GDBF meets annually at Diocesan Synod to receive the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the Trustees. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold at least eight meetings during the year to formulate and coordinate policies on mission, ministry and finance by:

- Initiating proposals for action by the Synod and advising it on matters of policy.
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders.
- Acting as the Trustees of the GDBF.
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion.
- Advising the Bishop on any matters he may refer to the Trustees.
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and of the establishment of ad hoc review groups, their terms of reference and membership.
- Carrying out such other functions as the Synod delegates to it.
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

The Trustees are assisted in their work by the Finance and Audit Sub Committee which monitors management accounts and budget, the use of assets and investment policies and makes recommendations on areas such as loans. A programme board provides additional scrutiny of GDBF's growth and revitalisation projects and grant funding. The Guildford Diocesan Board of Education (GDBE) (as incorporated under the DBE Measure 2021) is a statutory subcommittee of the GDBF responsible for Church of England schools and academy trusts in the Diocese of Guildford.

Trustee recruitment, selection and induction

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

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by the Bishop of Guildford and the Chair of the GDBF in consultation with GDBF's remuneration committee which includes members of Bishop's Council as relevant. Procedures include regular appraisals and benchmarking of remuneration.

Delegation of day-to-day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and colleagues for the delivery of the day-to-day activities of the GDBF. The Diocesan Secretary and other members of Bishop's staff team are given specific and general delegated authority to deliver the business of the GDBF in accordance with the policies framed by the Trustees.

Funds held as Custodian Trustee

The GDBF is custodian Trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing Trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the GDBF does not control them, and they are segregated from the GDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £7,531k (2024: £7,579k), are summarised in note 24. Where properties are held as custodian Trustee, the deeds are identified as such and held in safe custody by the GDBF's solicitor.

Funds held on behalf of schools

The Diocesan Board of Education administers, on behalf of its schools, government grant funds for major repair and capital projects to church schools. It administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in creditors as at 31 December is £3,741k (2024: £4,530k). The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £1,870k and £2,659k respectively (2024: £1,647k and £1,254k).

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the GDBF for the purposes of company law) are responsible for preparing the Annual 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 incoming resources and application of resources, including 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 apply them consistently;
- observe methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

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

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

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the Trustees are aware:

1) there is no relevant audit information of which the charitable company's auditors are unaware, and
2) the trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the GDBF during 2025. The following Trustees served from 1 January 2025 up to the date of this report:

Ex-officio members

The Bishop of Guildford	The Right Revd A. Watson (until March 2026)
The Bishop of Dorking	The Right Revd R. P. Davies
The Dean of Guildford Cathedral	The Very Revd R. G. Cooper (from Jan 2025)
The Archdeacon of Surrey	The Venerable C. Mabuza
The Archdeacon of Dorking	The Venerable M. Breadmore
Chair of the GDBF	Canon S. Roberts
Vice Chair of the GDBF	Mr G. Everness

Bishop nominees

Guildford DBE	The Revd H. T. Moore (from May to Nov 2025)
	The Revd M. Babatunde (from May 2025)

Co-opted members — The Revd H. T. Moore (from Nov 2025)

Elected by Synod House of Clergy	Elected by Synod House of Laity
The Revd Canon B. Beecroft	Mrs K. Booker (from Feb 2026)
The Revd C. Bessant (until December 2025)	Canon P. N. E. Bruinvels
The Revd A. A. B. Pereira (from Jan 2025)	Mr G. Hampshire
The Revd K. L. Rosslyn-Smith (from Jan 2025)	Mrs E. A. Klintworth
The Revd D. H. Uffindell	Canon K. R. Malcouronne
The Revd Dr S. Vibert (from Feb 2026)	Mr H. G. Mason (from Jan 2025)
	Mr G. McFarland (until December 2025)
	Mrs A. Shaw (from Jan 2025)

Key Management Personnel

Diocesan Secretary	Canon Geraldine Newbold
Head of Governance & Operations	Katherine Darwent
Director of Mission Team	The Revd Canon Dr Peter Harwood (until Sept 2025)
	The Revd Mathew Ineson (from Sept 2025)
Director of Education	Canon Alex Tear
Director of Finance	Inigo Churchill
Director of People & Safeguarding	Andy Morgan

Advisors

Bankers	Lloyds Bank PLC, High Street, Guildford, Surrey, GU1 3AD
Auditors	Forvis Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS (until Jan 2026)
	Saffery LLP, 71 Queen Victoria Street, London EC4V 4BE (from Jan 2026)
Solicitors	Birketts LLP, One London Wall (fifth floor), EC2Y 5EA
Investment Managers	CCLA Investment Management Limited, 1 Angel Lane, London, EC4R 3AB
Insurers	Ecclesiastical Insurance Group, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
Registered Office:	Church House Guildford, 20 Alan Turing Road, Guildford, Surrey, GU2 7YF (to March 2025) Church House Guildford, Stag Hill, Guildford, Surrey, GU2 7UP (from March 2025)

The annual report, which includes the Strategic Report, was approved by the Board of Trustees on 25 June 2026 and is signed on their behalf by:

S. P. Roberts

Canon Steve Roberts
Chairperson

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GUILDFORD DIOCESAN BOARD OF FINANCE
For the year ended 31 December 2025

Opinion

We have audited the financial statements of Guildford Diocesan Board of Finance (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Financial Activities, the Income and Expenditure Account, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic 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 their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

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

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GUILDFORD DIOCESAN BOARD OF FINANCE
For the year ended 31 December 2025

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the 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 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales and the Church of England Measures.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential

material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Wilkie

Helen Wilkie (Senior Statutory Auditor)
for and on behalf of Saffery LLP
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date:

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2025

	Note	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000	Total 2024 £'000
Income and endowments from							
Donations							
Parishes	2	11,952	-	-	-	11,952	11,842
Archbishops' Council	2	322	159	855	-	1,336	1,001
Other	2	83	178	-	-	261	200
	2	12,357	337	855	-	13,549	13,043
Charitable activities	3	510	31	107	1,334	1,982	754
Other trading activities	4	702	-	91	-	793	721
Investments	5	503	-	329	104	936	906
Other	6	-	-	83	-	83	307
		14,072	368	1,465	1,438	17,343	15,731
Expenditure on:							
Raising funds	7	(395)	(2)	-	(135)	(532)	(561)
Charitable activities	8	(14,258)	(646)	(1,382)	(783)	(17,069)	(15,726)
	9	(14,653)	(648)	(1,382)	(918)	(17,601)	(16,287)
Net (expenditure)/income before investment gains		(581)	(280)	83	520	(258)	(556)
Net (loss)/gain on investments		(4)	-	(14)	319	301	34
Net (expenditure)/ income		(585)	(280)	69	839	43	(522)
Transfers between funds	11	106	(79)	23	(50)	-	-
Net income after transfers		(479)	(359)	92	789	43	(522)
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets		-	-	-	3,060	3,060	(743)
Net movement in funds		(479)	(359)	92	3,849	3,103	(1,265)
Total funds brought forward		1,848	2,197	1,567	206,490	212,102	213,367
Total funds carried forward	21	**1,369**	**1,838**	**1,659**	**210,339**	**215,205**	**212,102**

All activities derive from continuing activities. The comparative fund analysis for 2024 is given in note 26.

The Notes form part of the financial statements.

Company Number – 225289

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2025

	2025	2024
	£'000	£'000
Total income	15,905	15,266
Total expenditure	(16,683)	(16,032)
Net (losses)/gains on investments	(18)	10
Transfer from endowment funds	50	50
Net expenditure for the year	**(746)**	**(706)**

This income and expenditure account excludes all movement on the Charity's endowment funds so as to comply with the requirements of the Companies Act 2006.

GUILDFORD DIOCESAN BOARD OF FINANCE

BALANCE SHEETS
As at 31 December 2025

	Notes	Group 2025 £'000	Group 2024 £'000	GDBF 2025 £'000	GDBF 2024 £'000
Fixed assets					
Tangible assets	12	188,520	188,744	188,520	188,744
Investments	13	17,416	19,868	17,416	19,868
		205,936	208,612	205,936	208,612
Current assets					
Debtors	14	4,089	5,718	3,957	5,612
Cash on deposit		12,986	6,566	12,986	6,566
Cash at bank and in hand		301	824	256	771
		17,376	13,108	17,199	12,949
Liabilities					
Creditors: amounts falling due within one year	15	(5,182)	(6,446)	(5,108)	(6,380)
Net current assets		12,194	6,662	12,091	6,569
Total assets less current liabilities		218,130	215,274	218,027	215,181
Creditors: Amounts falling due after more than one year	16	(2,572)	(2,607)	(2,572)	(2,607)
Provisions for Liabilities	17	(353)	(565)	(353)	(565)
Net assets excluding pension scheme liabilities		215,205	212,102	215,102	212,009
Pension scheme liabilities	19	-	-	-	-
Total net assets		**215,205**	**212,102**	**215,102**	**212,009**
The funds of the charity					
Unrestricted income funds:					
General funds		1,369	1,848	1,266	1,755
Designated funds		1,838	2,197	1,838	2,197
		3,207	4,045	3,104	3,952
Restricted funds		1,659	1,567	1,659	1,567
Endowment funds		210,339	206,490	210,339	206,490
Total funds	21	**215,205**	**212,102**	**215,102**	**212,009**

GDBF's company only result (net movement in funds) for the year was £3.1m surplus (2024: £1.2m deficit).

The Notes form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 25 June 2026 and signed on behalf of the Board by:

S. P. Roberts

CANON STEVE ROBERTS
GDBF Chairperson

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2025

	2025	2024
	£'000	£'000
Cash flows from operating activities		
Net cash used in operating activities	(1,796)	(1,269)
Cash flows from investing activities		
Dividends, interest and rents from investments	936	906
Purchase of property and equipment	(2,811)	(3,859)
Purchase of investments	(51)	(74)
Sale of investments	4,106	4,625
Sales of property and equipment	5,548	266
Net cash generated by investing activities	7,728	1,864
Cash flows from financing activities:		
Repayments of borrowing	(35)	(36)
Net cash used in financing activities	(35)	(36)
Change in cash and cash equivalents	5,897	561
Cash and cash equivalents at 1 January	7,390	6,829
Cash and cash equivalents at 31 December	13,287	7,390

Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2025	2024
Net income/ (expenditure) per the Consolidated Statement of Financial Activities	43	(522)
Adjustments for:		
Depreciation charges	31	22
Net losses on disposal of tangible fixed assets	516	307
Asset transferred to the Diocese	(1,302)	-
Gains on investments	(301)	(34)
Dividends, interest and rents from investments	(936)	(906)
Decrease/(Increase) in debtors	1,629	(1,084)
(Decrease)/ Increase in creditors	(1,476)	948
Net cash used in operating activities	(1,796)	(1,269)

Analysis of cash and cash equivalents

	2025	2024
Cash on deposit	12,986	6,566
Cash at bank and in hand	301	824
	13,287	7,390

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

1. ACCOUNTING POLICIES

The Guildford Diocesan Board of Finance is a public benefit entity, a registered charity and company limited by guarantee and registered in England and Wales. Its registered office address is set out on page 19.

Accounting conventions

The financial statements are prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in c), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The financial statements are prepared in pound sterling and rounded to the nearest pound. The financial statements of the charity and its trading subsidiary company are consolidated on a line by line basis.

Going concern

The Trustees have reviewed the 2026 budget and cash-flow forecasts for the foreseeable future, being a period of at least a year from the date of signing. They have concluded that the level of reserves and actions proposed by management are sufficient to create a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

a) Income

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

i) **Parish Share** is recognised as income in the year in which it is receivable.
ii) **Rent** receivable is recognised as income in the period to which it relates.
iii) **Interest and dividends** are recognised as income when receivable.
iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
v) **Parochial fees** are recognised as income of the year in which they are receivable.
vi) **Donations** other than grants are recognised when receivable**.**
vii) **Gains on disposal of fixed assets for the GDBF’s own use** (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
viii) **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends’ Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

b) Expenditure

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

i) **Costs of raising funds** consist of costs relating to the renting out of property and to trading services.
ii) **Charitable expenditure** is analysed between contributions to the Archbishops’ Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure on education and Church of England schools in the Diocese.
iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the GDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment but not accrued as expenditure.
iv) **Support costs** consist of central management, administration and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
v) **Pension contributions**. The GDBF's staff are members of the Church Workers Pension Fund and stipendiary clergy are members of the Church of England Funded Pensions Scheme (see note 19). The pension costs charged as expenditure represent the GDBF's contributions payable in respect of the accounting period, in accordance with FRS102.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

1. ACCOUNTING POLICIES (continued)

c) Tangible fixed assets and depreciation

Freehold properties

Freehold property is held at revalued amounts. Properties are revalued based on changes in local prices with a five-year cycle of specific valuations. Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The GDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972, and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at an index linked current valuation basis.

Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

Parsonage houses

The GDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The GDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value. Parsonage houses are included at fair value.

Assets under construction

New parsonages under construction are included within the functional fixed assets category at the value of costs incurred at the balance sheet date.

d) Other tangible fixed assets

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

Fixtures and fittings	15-30% per annum straight line basis
Leasehold Property	1% - 10% per annum straight line over the life of the lease

e) Other accounting policies

i) **Fixed asset investments** are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.

ii) **Leases**. The GDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the life of the lease.

iii) **Properties held for resale:** when properties are put on the market for sale they are transferred from fixed assets to current assets.

1. ACCOUNTING POLICIES (continued)

f) Fund balances

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

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

"Special trusts" (as defined by the Charities Act 2022) and any other trusts where the company acts as Trustee and controls the management and use of the funds, are included in the company's own financial statements. Trusts where the GDBF acts merely as custodian Trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

g) Judgements and key sources or estimation uncertainty

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

- **Fair value of freehold and investment properties.** Fair market value is based on a 5-year cycle of valuations, the movement of relevant property indices and the provision for any impairments. No depreciation is charged on freehold properties.
- **Pension and other post-employment benefits.** Pension provisions relating to lay staff and clergy are valued every three years on an actuarial basis.

h) Financial Instruments

Financial assets measured at fair value comprise listed investments, unlisted investments, value linked loans to parishes and bank deposits. Financial assets at amortised cost comprise trade debtors, other debtors and loans to parishes. Financial liabilities measured at amortised cost comprise pension liabilities, bank loans, other creditors and amounts held for other bodies.

2. DONATIONS

2025	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000
Parish Contributions					
Current Year Request	12,367	-	-	-	12,367
Shortfall	(499)	-	-	-	(499)
	11,868	-	-	-	11,868
Received in respect of prior years	84	-	-	-	84
Archbishops' Council	322	159	855	-	1,336
Benefact Trust	-	70	-	-	70
City Church Fund	83	-	-	-	83
Other	-	108	-	-	108
Total	12,357	337	855	-	13,549

2024	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000
Parish Contributions					
Current Year Request	12,067	-	-	-	12,067
Shortfall	(356)	-	-	-	(356)
	11,711	-	-	-	11,711
Received in respect of prior years	131	-	-	-	131
Archbishops' Council	263	311	427	-	1,001
Benefact Trust	-	83	-	-	83
City Church Fund	89	-	-	-	89
Other	-	28	-	-	28
Total	12,194	422	427	-	13,043

The majority of the Diocese's mission is funded through the contributions of parishes. In 2025, the Diocese received 95.97% (2024: 97.1% of the total requested.

3. CHARITABLE ACTIVITIES

2025	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000
Statutory fees	267	-	-	-	267
Social Responsibility projects grant income	-	-	46	-	46
Other grants receivable and miscellaneous income	243	31	61	32	367
Transfer of land to charity following school closure	-	-	-	1,302	1,302
	510	31	107	1,334	1,982

2024	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000
Statutory fees	331	-	-	-	331
Social Responsibility projects grant income	-	-	58	-	58
Other grants receivable and miscellaneous income	289	10	66	-	365
Transfer of land to charity following school closure	-	-	-	-	-
	620	10	124	-	754

4. OTHER TRADING ACTIVITIES

2025	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000
School Buildings Project Management	115	-	-	-	115
Training Services to Schools	149	-	-	-	149
Rental income on functional property	438	-	91	-	529
	702	-	91	-	793

2024	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000
School Buildings Project Management	109	-	-	-	109
Training Services to Schools	137	-	-	-	137
Rental income on functional property	477	-	(2)	-	475
	723	-	(2)	-	721

5. INVESTMENT INCOME

2025	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000
Dividends receivable	335	-	123	24	482
Interest receivable	1	-	128	(24)	105
Rents receivable	167	-	78	104	349
	503	-	329	104	936

2024	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000
Dividends receivable	178	-	101	48	327
Interest receivable	28	-	180	(16)	192
Rents receivable on investment property	152	-	109	126	387
	358	-	390	158	906

6. OTHER INCOME

2025	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000
Profit on disposal of fixed assets	-	-	83	-	83

2024	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000
Profit on disposal of fixed assets	-	-	-	307	307

7. EXPENDITURE ON RAISING FUNDS

2025	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000
Schools Building Project Management	86	-	-	-	86
Training Services to Schools	66	-	-	-	66
Rental Management Fees	50	-	-	12	62
Investment Property Costs	79	-	-	123	202
Support Costs	114	2	-	-	116
	395	2	-	135	532

2024	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000
Schools Building Project Management	82	-	-	-	82
Training Services to Schools	63	-	-	-	63
Rental Management Fees	68	-	-	23	91
Investment Property Costs	146	-	8	13	167
Support Costs	153	5	-	-	158
	512	5	8	36	561

8. CHARITABLE ACTIVITIES

2025	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000
National Church					
Training for ministry	755	-	-	-	755
National Church Establishment	307	-	-	-	307
Retired clergy housing costs	224	-	-	-	224
Other	82	-	-	-	82
Indirect Support Costs	19	-	-	-	19
	1,387	-	-	-	1,387
Ministry & Mission					
Parish Ministry					
Stipends & pension	5,933	-	-	-	5,933
Housing costs	3,424	-	2	38	3,464
Loss on housing disposals	13	-	-	512	525
Removal & resettlement grants	188	-	-	28	216
Other expenses	269	335	-	59	663
	9,827	335	2	637	10,801
Ministry Support & Training	1,060	291	1,122	-	2,473
Indirect Support Costs	1,301	16	-	-	1,317
	12,188	642	1,123	637	14,591
Education & Mission					
Schools & Education	414	-	258	146	818
Indirect Support Costs	269	4	-	-	273
	683	4	258	146	1,091
Totals	14,258	646	1,382	783	17,069

8. CHARITABLE ACTIVITIES (continued)

	Unrestricted funds		Restricted	Endowment	Total
2024	General	Designated	Funds	Funds	2024
	£'000	£'000	£'000	£'000	£'000
National Church					
Training for ministry	729	-	-	-	729
National Church Establishment	306	-	-	-	306
Retired clergy housing costs	213	-	-	-	213
Other	74	-	-	-	74
Indirect Support Costs	25	-	-	-	25
	1,347	-	-	-	1,347
Ministry & Mission					
Parish Ministry					
Stipends & pension	5,620	-	-	-	5,620
Housing costs	3,328	-	8	41	3,377
Loss on housing disposals	-	-	-	1	1
Removal & resettlement grants	192	-	-	-	192
Other expenses	339	196	3	58	596
	9,479	196	11	100	9,786
Ministry Support & Training	957	279	909	-	2,145
Indirect Support Costs	1,315	33	3	1	1,352
	11,751	508	923	101	13,283
Education & Mission					
Schools & Education	427	-	139	118	684
Indirect Support Costs	398	14	-	-	412
	825	14	139	118	1,096
Totals	13,923	522	1,062	219	15,726

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

2025	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs £'000	Total 2025 £'000
Raising funds	416	-	116	532
Charitable activities				
National Church	-	1,368	19	1,387
Ministry & Mission	12,808	466	1,317	14,591
Education & Mission	818	-	273	1,091
Total Expenditure	14,043	1,834	1,725	17,601

Grant Funding of Activities 2025	Number	Individuals £'000	Institutions £'000	Total 2025 £'000
From unrestricted funds				
Archbishops' Council	1	-	1,189	1,189
Clergy appointment and resettlement	39	195	-	195
Ordinand Maintenance	33	179	-	179
Parish Support	0	-	-	-
From restricted funds				
Parish Mission & development	10	-	271	271
		374	1,460	1,834

2024	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs £'000	Total 2024 £'000
Raising funds	403	-	158	561
Charitable activities				
National Church	-	1,322	25	1,347
Ministry & Mission	11,466	464	1,353	13,283
Education & Mission	684	-	412	1,096
Total Expenditure	12,553	1,786	1,948	16,287

Grant Funding of Activities 2024	Number	Individuals £'000	Institutions £'000	Total 2024 £'000
From unrestricted funds				
Archbishops' Council	1	-	1,143	1,143
Clergy appointment and resettlement	24	192	-	192
Ordinand Maintenance	15	179	-	179
Parish Support	18		-	-
From restricted funds				
Parish Mission & development	7	-	271	271
		371	1,414	1,785

9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (continued)

Support costs are allocated by the direct allocation of certain costs that relate specifically to activities with the remaining costs allocated based on staff employed in direct activities.

Included within support costs are fees payable to the auditors of £44k (2024 £23k) in respect of audit services.

Support Costs	2025	2024
	£'000	£'000
Diocesan Secretary's Office	131	123
Administration Team	181	179
Communications	138	152
Finance	289	235
Safeguarding	280	246
Human resources	210	183
Diocesan Advisory Committee	81	83
Office Costs	141	398
IT	165	252
Other corporate costs	110	97
	1,725	1,948

10. STAFF & TRUSTEES

Staff Costs	2025	2024
	£'000	£'000
Wages and salaries	3,054	2,653
National insurance contributions	380	281
Pension costs	395	352
Total	3,829	3,286

The average number of full-time equivalent people employed by the group during the year:

	2025	2024
	No.	No.
Mission Team	20	19
Mission Youth Catalyst	11	5
Schools, Colleges & Universities	8	8
Parish Support	4	4
Operational Support	3	3
Safeguarding	4	4
Communications	2	2
Property	4	5
DAC	1	1
Finance	3	3
HR	4	3
IT	-	1
Total	64	58
By Main Funding Source		
Parish Share	41	40
Grants and Trading Income	23	18
	64	58

The average number of individual persons employed by the group during the year:

	2025	2024
	No.	No.
Mission Team	26	28
Mission Youth Catalyst	12	6
Schools, Colleges & Universities	11	11
Parish Support	5	5
Operational Support	3	3
Safeguarding	6	5
Communications	2	2
Property	4	5
DAC	1	1
Finance	5	4
HR	4	3
IT	1	1
Total	80	74

10. STAFF & TRUSTEES (continued)

The number of employees whose total employee benefits (all remuneration, salary, benefits and any termination payments) excluding employer pension costs fell within each band of £10,000 from £60,000 upwards is as follows:

	2025	2024
	No.	No.
£90,001 - £100,000	1	1
£80,001 - £90,000	2	2
£70,001 - £80,000	2	2
£60,001 - £70,000	4	1

The GDBF paid an average of 138.8 (2024: 139.2) full time equivalent stipendiary clergy as office-holders holding parochial or Diocesan appointments in the Diocese.

	2025	2024
	£'000	£'000
Stipends	4,530	4,335
National Insurance	504	376
Pension Contributions	945	976
	5,979	5,687

Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by the Trustees for planning, directing and controlling the activities of the Diocese. Key management personnel are set out on page 18. The emoluments, including all benefits in kind including pensions, for these employees amounted to £603k (2024: £569k)

Trustees

No Trustee received any remuneration for services as Trustee. Eight Trustees received travelling and out of pocket expenses, totalling £14,516 (2024: eight, £14,704) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as Trustees. The following table gives details of the Trustees who were in receipt of a stipend and/or housing provided by the GDBF during the year:

	Stipend	Housing
The Bishop of Dorking	-	✓
The Archdeacon of Dorking	✓	✓
The Archdeacon of Surrey	✓	✓
The Revd M. Babatunde	✓	✓
The Revd B. Beecroft	✓	✓
The Revd C. Bessant	✓	✓
The Revd H. T. Moore	✓	✓
The Revd A. A. B. Pereira	✓	✓
The Revd K. L. Rosslyn-Smith	✓	✓
The Revd D. H. Uffindell	✓	✓

In addition, connected parties to the following trustees were also in receipt of stipend and housing: Mrs A. Shaw and The Right Revd A.J. Watson.

10. STAFF & TRUSTEES (continued)

The GDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. It is also responsible for the provision of housing for stipendiary clergy in the Diocese including the suffragan bishop but excluding Diocesan bishop and cathedral staff. The amount of stipend, funded by the GDBF, for each clergy person who are trustees was £42,932 (2024: £40,705) for Archdeacons and £32,947 (2024: £31,606) for incumbent clergy.

11. TRANSFERS BETWEEN FUNDS

2025	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
From General Fund to School Funds to support education activities	178	-	(178)	-
From Strategic Development to Growth Fund	-	(201)	201	-
From General Fund to Mission Fund	(2)	2	-	-
From General Fund to Strategic Change Fund	(103)	103	-	-
From General Fund to fund triennial clergy conference	(17)	17	-	-
From retirement fund to general fund for clergy housing retirement costs (CHARM)	50	-	-	(50)
	106	(79)	23	(50)

2024	Unrestricted funds General	Unrestricted funds Designated	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000
To fund triennial clergy conference	(17)	17	-	-
To fund parish revitalisation grants	(85)	85	-	-
From retirement fund to general fund for clergy housing retirement costs (CHARM)	50	-	-	(50)
From general fund to fund net zero support	(42)	42	-	-
Transfer School Partnership Advisor grant from Mission Fund 2024	7	(7)	-	-
Funding from Pastoral Fund Farnham Rectory	110	-	(110)	-
Funding from Pastoral Fund Woodham Waye Rectory	90	-	(90)	-
From School Funds to General Fund to support education activities	204	-	(204)	-
From Growth Fund to Strategic Development Fund	-	(189)	189	-
	317	(52)	(215)	(50)

12. TANGIBLE FIXED ASSETS

All of the properties in the balance sheet are freehold and are vested in the GDBF, except for benefice houses which are vested in the incumbent. One property, valued at £618,000 (2024: £606,000), was purchased with the help of a value-linked loan from the Church Commissioners; when disposed of 28% of the net sale proceeds will be remitted to the lender, and the related loan liability extinguished.

	Group and GDBF				
	Freehold Land and Buildings	Leasehold Buildings	Office Equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
Balance at 1 January 2025	187,461	1,809	503	-	189,773
Additions	1,656	1,035	107	13	2,811
Disposals	(6,064)	(433)	-	-	(6,497)
Revaluation/impairment	3,060	-	-	-	3,060
Balance at 31 December 2025	186,113	2,411	610	13	189,147
Accumulated depreciation					
Balance at 1 January 2025	-	(549)	(480)	-	(1,029)
Depreciation charge for year	-	(7)	(21)	(3)	(31)
Disposals	-	433	-	-	433
Balance at 31 December 2025	-	(123)	(501)	(3)	(627)
Net book value					
At 31 December 2025	186,113	2,288	109	10	188,520
At 31 December 2024	187,461	1,260	23	-	188,744

13. INVESTMENTS

Group and GDBF

	1 January 2025 £'000	Additions £'000	Disposals at proceeds £'000	Transfers £'000	Change in market value £'000	31 December 2025 £'000
Investment property	10,057	1,302	(4,106)	-	607	7,860
CBF Investment Fund	9,093	-	-	-	(363)	8,730
Electric & General Income Fund	432	-	-	-	(2)	430
Other Listed investments	226	-	-	-	59	285
Program related	60	51	-	-	-	111
	19,868	1,353	(4,106)	-	301	17,416

The CBF Investment Fund is managed by CCLA. Program related investment is an equity share loan on a property for clergy housing in partnership with the Methodist church. Such investments are made directly in pursuit of the Board's charitable purposes rather than for financial investment purposes. The amount shown represents the sum originally advanced as required under FRS102. The loan is not expected to be repaid in the short term.

Investment in Subsidiary

Guildford Diocesan Board of Finance has one wholly owned subsidiary, Guildford Diocesan Services Limited (GDSL) which has a share capital of £1. The trading activities of GDSL primarily consist of the supply of building project management and training services to church schools in the Diocese. The profits of GDSL are normally wholly gift aided to the GDBF. In accordance with revised guidance issued by the Financial Reporting Council these are now accounted for when paid and not set against the year to which they relate. A summary of the financial results and funds of GDSL which are consolidated in these financial statements is as follows:

2025	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000
Other trading activities	263	-	-	-	263
Fundraising costs	(153)	-	-	-	(153)
Gift to GDBF	(92)	-	-	-	(92)
Net income and net movement in funds	18	-	-	-	18
Funds at 1 January	92	-	-	-	92
Funds at 31 December	110	-	-	-	110

2024	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000
Other trading activities	246	-	-	-	246
Fundraising costs	(151)	-	-	-	(151)
Gift to GDBF	(90)	-	-	-	(90)
Net income and net movement in funds	5	-	-	-	5
Funds at 1 January	87	-	-	-	87
Funds at 31 December	92	-	-	-	92

14. DEBTORS

	Group		GDBF	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Due within one year				
Parish Share	97	118	97	118
Fees	53	87	53	87
Prepayments and accrued income	605	466	596	368
Other debtors	655	2,368	532	2,360
	1,410	3,039	1,278	2,933
Due after more than one year				
Loans to parishes - housing	2,325	2,325	2,325	2,325
Loans to retired clergy	325	325	325	325
Other loans and debtors	29	29	29	29
	2,679	2,679	2,679	2,679
Totals	4,089	5,718	3,957	5,612

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		GDBF	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts held on behalf of school governors	(3,741)	(4,530)	(3,741)	(4,530)
Other creditors and accruals	(1,405)	(1,880)	(1,331)	(1,814)
Loan repayments due within one year	(36)	(36)	(36)	(36)
	(5,182)	(6,446)	(5,108)	(6,380)

Amounts held on behalf of school governors include funding received from the Department for Education under the School Condition Allocation (SCA) programme, together with related balances, which the Board administers for the benefit of voluntary aided school governing bodies within the Diocese. The funding is provided to the Guildford Diocesan Board of Finance as the responsible body and is applied to support capital works to school buildings owned and controlled by the governing bodies.

The Board's role is to coordinate the programme across the diocesan estate, including the collection and assessment of project submissions, oversight of compliance with funding conditions, and the administration of funding received and payments made. The Board does not consider that it receives the economic benefit of this funding, with the underlying benefit of the expenditure residing with the schools.

The balance represents funding received but not yet applied to approved projects at the balance sheet date. Movements in the balance reflect the timing of receipts from the Department for Education and payments made in respect of capital works.

A reconciliation of movements in the year is set out below:

	Group		GDBF	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 January	(4,530)	(4,137)	(4,530)	(4,137)
SCA funding received	(1,870)	(1,647)	(1,870)	(1,647)
Payments in respect of capital works	2,659	1,254	2,659	1,254
At 31 December	(3,741)	(4,530)	(3,741)	(4,530)

The closing balance is represented by cash.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		GDBF	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans in respect of house purchases				
Church Commissioners value-linked loans	(2,510)	(2,508)	(2,510)	(2,508)
Church Commissioners other loans	(62)	(99)	(62)	(99)
	(2,572)	(2,607)	(2,572)	(2,607)
The above loans fall due for repayment:				
Between one and two years	(36)	(36)	(36)	(36)
Between two and five years	(108)	(108)	(108)	(108)
In five years and more	(2,428)	(2,463)	(2,428)	(2,463)
	(2,572)	(2,607)	(2,572)	(2,607)

The loans from the Church Commissioners include £2.3m (2024: £2.3m) used to purchase houses for parishes matched by loans from parishes included in debtors.

17. PROVISIONS FOR LIABILITIES

	Group and GDBF	
	2025	2024
	£'000	£'000
Diocesan Office Dilapidations and Rent Review	158	370
Freehold Property Dilapidations	195	195
	353	565

The Diocesan office provision is in respect of reinstatement obligations related to 20 Alan Turing Road, Guildford, a leasehold property and will be utilised at the end of the lease. The freehold property provision is in respect of rectification work necessary on one of the DBF's properties and will be utilised to demolish the house and restore the graveyard once further permissions have been completed, and retrospective rent review.

18. FINANCIAL INSTRUMENTS

	2025	2024
	£'000	£'000
Financial assets measured at fair value	9,445	9,751
Financial assets measured at amortised cost	16,674	12,253
Financial liabilities measured at amortised cost	(3,789)	(4,126)

The above reflects the figures for the Group. Any difference between Group and GDBF figures is immaterial and consequently separate figures for the GDBF have not been provided.

19. PENSIONS

Church of England Funded Pension Scheme

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

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

19. PENSIONS (continued)

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £944,777 in 2025 (2024: £976,000), plus any figures arising from contributions in respect of any Scheme deficit.

A valuation of the Scheme is carried out once every three years. The 2021 valuation showed the Scheme to be fully funded. The most recent Scheme valuation completed was carried out as at December 2024 and also showed the Scheme to be fully funded; as such in 2025, the deficit contributions paid were £0 (2024: £0).

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

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

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there were no deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2024 and 31 December 2025 is nil.

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

Church Workers Pension Fund (CWPF)

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

CWPF has two sections:

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

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

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

19. PENSIONS (continued)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable 2025: £394,629 **(**2024: £352,000).

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

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

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

The Church of England Pensions Board has agreed that some employers could use assets in the DBS of the CWPF in lieu of contributions to Pension Builder Classic and/or Pension Builder 2014. The GDBF did not do this.

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

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

20. SUMMARY OF FUND MOVEMENTS

2025	1 January 2025	Income	Expenditure	Transfers	Gains and losses	31 December 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
General	1,848	14,072	(14,653)	106	(4)	1,369
Designated						
TCTL growth fund	530	42	(3)	(201)	-	368
Mission Fund	246	210	(289)	2	-	169
Strategic change fund	641	116	(276)	103	-	584
Development fund	764	-	(7)	-	-	757
Clergy conference fund	29	-	(26)	17	-	19
Church fabric repair fund	(13)	-	(47)	-	-	(60)
	2,197	368	(648)	(79)	-	1,838
Restricted income funds						
Pastoral fund	749	84	-	-	(2)	831
Strategic Development Fund	-	698	(898)	202	-	2
Glebe income	362	3	(1)	-	1	365
Clergy Hardship	165	16	(1)	-	-	180
Moor Park Trust	107	4	-	-	(3)	108
Regional Training	5	58	(62)	-	-	1
Community Engagement	58	46	(18)	-	-	86
Church Schools income	(210)	160	(20)	(135)	-	(205)
All Saints Fleet	17	-	(10)	-	-	7
Moss Lane Fund	14	61	(60)	-	-	15
Partridge Fund	119	9	-	(44)	(8)	76
Nugent Income	136	42	-	-	(1)	177
Ministerial Education	(108)	166	(144)	-	(1)	(87)
Church Schools Building Projects	153	118	(168)	-	-	103
	1,567	1,465	(1,382)	23	(14)	1,659
Endowment funds						
Expendable endowment						
Board endowment	11,937	35	(213)	-	126	11,885
Onslow bequest	529	-	-	-	(20)	509
E M Woods trust capital	349	-	-	-	(14)	335
Church schools' capital	4,465	1,311	(146)	-	301	5,931
Retired clergy housing	8,665	63	(18)	(50)	(41)	8,619
Benefice houses fund	149,329	-	(257)	-	2,472	151,544
Nugent fund	3,603	(23)	(17)	-	358	3,921
Permanent endowment						
Glebe capital fund	25,794	47	(267)	-	271	25,845
E Newill trust	284	-	-	-	(11)	273
Budgen legacy	678	5	-	-	(28)	655
G Nash will	396	-	-	-	(16)	380
Power legacy	251	-	-	-	(10)	241
Toulmin will	98	-	-	-	(4)	94
St Agnes Lodge fund	112	-	-	-	(5)	107
	206,490	1,438	(918)	(50)	3,379	210,339
Total funds	212,102	17,343	(17,601)	-	3,361	215,205

20. SUMMARY OF FUND MOVEMENTS (continued)

2024	1 January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	31 December 2024 £'000
Unrestricted funds						
General	2,069	13,895	(14,435)	317	2	1,848
Designated						
TCTL growth fund	757	-	(39)	(188)	-	530
Mission Fund	347	118	(237)	18	-	246
Strategic change fund	432	303	(195)	101	-	641
Development fund	785	-	(21)	-	-	764
Clergy conference fund	12	-	-	17	-	29
Church fabric repair fund	11	11	(35)	-	-	(13)
	2,344	432	(527)	(52)	-	2,197
Restricted income funds						
Pastoral fund	951	1	(2)	(200)	(1)	749
Strategic Development Fund	-	468	(656)	188	-	-
Glebe income	338	23	(1)	-	2	362
Clergy Hardship	156	16	(6)	-	(1)	165
Moor Park Trust	100	4	-	-	3	107
Regional Training	25	57	(77)	-	-	5
Community Engagement	43	58	(44)	-	1	58
Church Schools income	(41)	48	(58)	(159)	-	(210)
All Saints Fleet	16	1	-	-	-	17
Moss Lane Fund	33	68	(86)	-	(1)	14
Partridge Fund	149	9	-	(44)	5	119
Nugent Income	72	72	(8)	-	-	136
Ministerial Education	63	(40)	(131)	-	-	(108)
Church Schools Building Projects	-	154	(1)	-	-	153
	1,905	939	(1,070)	(215)	8	1,567
Endowment funds						
Expendable endowment						
Board endowment	11,876	25	(59)	-	95	11,937
Onslow bequest	518	-	-	-	11	529
E M Woods trust capital	342	-	-	-	7	349
Church schools' capital	4,573	176	(118)	-	(166)	4,465
Retired clergy housing	8,672	138	(52)	(50)	(43)	8,665
Benefice houses fund	150,419	131	-	-	(1,221)	149,329
Nugent fund	3,600	(10)	(19)	-	32	3,603
Permanent endowment						
Glebe capital fund	25,270	5	(7)	-	526	25,794
E Newill trust	278	-	-	-	6	284
Budgen legacy	663	-	-	-	15	678
G Nash will	387	-	-	-	9	396
Power legacy	246	-	-	-	5	251
Toulmin will	96	-	-	-	2	98
St Agnes Lodge fund	109	-	-	-	3	112
	207,049	465	(255)	(50)	(719)	206,490
Total funds	213,367	15,731	(16,287)	-	(709)	212,102

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

21. SUMMARY OF ASSETS BY FUND

As at 31 December 2025	Tangible fixed assets	Investments	Current assets	Creditors	Net assets
	£'000	£'000	£'000	£'000	£'000
Group					
Unrestricted Funds	15	98	2,574	(1,318)	1,369
Designated Funds	50	-	2,100	(312)	1,838
Restricted Income Funds	379	1,113	4,252	(4,085)	1,659
Expendable Endowment Funds	169,593	12,217	3,133	(2,199)	182,744
Permanent Endowment Funds	18,483	3,988	5,317	(193)	27,595
	188,520	17,416	17,376	(8,107)	215,205
GDBF Company					
Unrestricted Funds	15	98	2,397	(1,243)	1,267
Designated Funds	50	-	2,100	(312)	1,838
Restricted Income Funds	379	1,113	4,252	(4,085)	1,659
Expendable Endowment Funds	169,593	12,217	3,133	(2,198)	182,745
Permanent Endowment Funds	18,483	3,988	5,317	(195)	27,593
	188,520	17,416	17,199	(8,033)	215,102

As at 31 December 2024	Tangible fixed assets	Investments	Current assets	Creditors	Net assets
	£'000	£'000	£'000	£'000	£'000
Group					
Unrestricted Funds	25	103	3,986	(2,266)	1,848
Designated Funds	-	-	2,594	(397)	2,197
Restricted Income Funds	373	1,075	4,706	(4,587)	1,567
Expendable Endowment Funds	167,558	14,115	(623)	(2,173)	178,877
Permanent Endowment Funds	20,788	4,575	2,445	(195)	27,613
	188,744	19,868	13,108	(9,618)	212,102
GDBF Company					
Unrestricted Funds	25	103	3,827	(2.200)	1,755
Designated Funds	-	-	2,594	(397)	2,197
Restricted Income Funds	373	1,075	4,706	(4,587)	1,567
Expendable Endowment Funds	167,558	14,115	(623)	(2,173)	178,877
Permanent Endowment Funds	20,788	4,575	2,445	(195)	27,613
	188,744	19,868	12,949	(9,552)	212,009

22. DESCRIPTION OF FUNDS

General fund	The general reserve is the GDBF's unrestricted undesignated fund available for any of the GDBF's purposes without restriction.
Mission fund	Designated fund to help with diocesan and parish growth initiatives.
TCTL Growth fund	Designated fund for *Transforming Church, Transforming Lives* initiatives. The majority of this is allocated as joint funding for projects within the Strategic Development Fund below.
Strategic change fund	Designated fund to implement change processes deriving from T*ransforming church, Transforming lives* initiatives. This was set up from grants received in 2020 from the Church Commissioners and the Trust for London.
Development fund	Designated fund for development projects of the Diocese. The principal designation is to fund a move of Diocesan House up to the Cathedral site.
Diocesan Premises reserve	Designated fund to spread the impact of rent-free periods and costs of refurbishment and dilapidations.
Clergy conference fund	Designated fund for the triennial Diocesan clergy conference.
Church fabric repair fund	Designated fund from which to make grants to parishes for fabric repair.
Pastoral fund	The Diocesan pastoral account is regulated by the provisions of the Pastoral Measure 2011. The restricted purposes for which the account may be used are: • to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular Diocesan employees • to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese • other purposes of the Diocese or any benefice or parish in the Diocese • to make grants or loans to any other Diocese • to transfer funds to other Diocesan funds
Strategic Development Fund	Funds received from the National Church for specific strategic development projects including church growth projects in new housing developments and other church growth projects. Joint funding is being provided from GDBF general funds through the TCTL growth fund.
Ministerial Education	Income and Expenditure on the ministerial education of ordinands.
Glebe income fund	Accumulated income from glebe capital used for clergy stipends and housing costs
Clergy Welfare	Accumulated investment income for needy and retired clergy and their dependants.
Moor Park Trust	Expendable gift from Moor Park College for adult Christian education work.
Regional training	Restricted fund for the activity of the regional training Diocesan partnership.
Community Engagement	Grants and related activity for Community Engagement projects.
Church Schools income	Accumulated income from uniform statutory trusts (church schools fund capital) used for supporting church schools in the Diocese, both buildings and education.
Church Schools Building Projects	Funds for Church School Building Projects.
All Saints Fleet	Funds to support mission in All Saints Fleet.
Moss Lane Fund	Funds to support mission in Godalming.
Partridge Fund	Funds to support Church of England Schools.

22. DESCRIPTION OF FUNDS (continued)

Board endowment	Expendable endowment fund for capital growth. Income is credited to the general fund for the general purposes of the Diocese.
Onslow bequest	Expendable endowment for the support of clergy and building churches in Surrey.
E M Woods trust capital	Expendable endowment for the benefit of needy or retired clergy and their dependants. Income is credited to the Clergy Welfare fund.
Church schools fund capital	Expendable endowment arising from sale proceeds of redundant Church of England School properties. Its use is restricted by law to capital and maintenance work to Church of England schools in the Diocese. Income arising may be used to support education generally in the Diocese. The GDBF is Trustee of these funds, which are managed on a day-to-day basis by and in consultation with the Board of Education
Glebe capital fund	The glebe capital fund was created from the Diocesan stipends fund capital account held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976, and glebe assets, to provide income for clergy stipends. It represents glebe assets, the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. Besides glebe property, the funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit. Income is credited to the general fund for the payment of stipends and benefice house outgoings.
Retired clergy fund	Expendable endowment for the provision of housing for retired clergy. Income is credited to this same fund.
Benefice houses fund	The benefice houses fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in incumbents for the time being of benefices concerned, the GDBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese and receives the sale proceeds of benefice houses surplus to requirements into the Diocesan pastoral account.
Nugent fund	Expendable endowment for general church purposes. Income is credited to the Mission Fund.
E Newill trust	Permanent endowment to provide income for family needs. Income is credited to the general fund.
Budgen legacy	Permanent endowment to provide income for general church purposes. Income is credited to the general fund.
G Nash will	Permanent endowment to provide income for general church purposes. Income is credited to the general fund.
Power legacy	Permanent endowment to provide income for clergy stipends. Income is credited to the general fund.
Toulmin will	Permanent endowment to provide income for the training of ordination candidates. Income is credited to the general fund.
St Agnes Lodge fund	Permanent endowment arising from the sale of St Agnes Lodge, to provide income for social responsibility work in the Diocese. Income is credited to the general fund.

23. CAPITAL AND OTHER COMMITMENTS

At 31 December, the Board had no capital commitments (2024: None).

The GDBF had the following future minimum lease payments under non-cancellable leases for each of the following periods:

	2025	2024
Payment due:	£'000	£'000
Not later than one year	-	72

In addition, the GDBF is required to pay rent each year in respect of the Education Centre/Church House. The GDBF lease on this property runs to 2111. The annual rent is currently £11,795 per annum.

24. FUNDS HELD AS CUSTODIAN TRUSTEE

The GDBF acts as custodian trustee for many parish and other trusts by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing Trustees are parochial church councils and others. Assets held in this capacity are not aggregated in these financial statements as the GDBF does not exercise control over them. The GDBF holds these assets on behalf of other bodies and has no power to make management or investment decisions in relation to them. The financial assets held in this way are as follows:

	2025	2024
	£'000	£'000
CCLA Church of England Investment Fund (income)	4,830	5,048
CCLA Church of England Fixed Interest Securities Fund	71	122
CCLA Property Fund	47	46
Other common investment fund holdings	1,994	1,783
Direct holdings in UK equities	57	58
CCLA Church of England Deposit Fund	523	512
Cash at bank	9	10
Total assets held as custodian trustee	7,531	7,579

25. RELATED PARTY TRANSACTIONS AND BALANCES

The GDBF works closely with trustees and connected and related parties within the Diocese in furtherance of its charitable objectives.

Details of transactions with trustees are set out in note 10. None of the trustees received any remuneration or benefits in respect of their role as trustee of the GDBF.

GDSL is a wholly owned trading subsidiary of GDBF. In the year, GDBF paid GDSL £86k to support its work with schools (2024: £82k) and charged GDSL £86k in respect of costs incurred by the GDBF to support the work of GDSL (2024: £82k). GDSL also distributed profits of £92k to the GDBF (2024: £90k). At year end £72k was due from the GDBF to GDSL (2024: £82k due from the GDBF to GDSL) and £nil was owed to GDSL (2024: £nil due to the GDBF from GDSL).

Certain trustees also hold roles within parish bodies across the Diocese. The GDBF necessarily transacts with such bodies in the ordinary course of its activities. These transactions arise as part of the Board's charitable operations and are not considered to constitute related party transactions for the purposes of these financial statements as they are not under common control. Trustees are mindful of the need to consider any potential conflicts of interest when making decisions as trustees of the GDBF.

There were no other related party transactions in the year.

26. PRIOR YEAR COMPARATIVE SOFA

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2024
	£'000	£'000	£'000	£'000	£'000
Income and endowments from					
Donations					
Parishes	11,842	-	-	-	11,842
Archbishops' Council	263	311	427	-	1,001
Other	89	111	-	-	200
	12,194	422	427	-	13,043
Charitable activities	620	10	124	-	754
Other trading activities	723	-	(2)	-	721
Investments	358	-	390	158	906
Other	-	-	-	307	307
	13,895	432	939	465	15,731
Expenditure on:					
Raising funds	(512)	(5)	(8)	(36)	(561)
Charitable activities	(13,923)	(522)	(1,062)	(219)	(15,726)
	(14,435)	(527)	(1,070)	(255)	(16,287)
Net income/(expenditure) before investment gains	**(540)**	**(95)**	**(131)**	**210**	**(556)**
Net loss on investments	2	-	8	24	34
Net income/(expenditure)	(538)	(95)	(123)	234	(522)
Transfers between funds	317	(52)	(215)	(50)	-
Net income after transfers	(221)	(147)	(338)	184	(522)
Other recognised gains/(losses)					
(Losses)/Gains on revaluation of fixed assets	-	-	-	(743)	(743)
Net movement in funds	(221)	(147)	(338)	(559)	(1,265)
Total funds brought forward	2,069	2,344	1,905	207,049	213,367
Total funds carried forward	**1,848**	**2,197**	**1,567**	**206,490**	**212,102**