

# ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2025

## PORTSMOUTH DIOCESAN BOARD OF FINANCE



Company number - 226466

Registered charity number – 249256

*Jesus-centred, Kingdom-seeking*

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## Foreword

The Portsmouth Diocesan Board of Finance (PDBF) is in good heart, well aware of its challenges and exercised by 'life after Darlow' – an ongoing aspect of relationship with the national church which continues to impact the day-to-day life of the diocese. More of that below. At audit, the DBF is a going concern. It oversees and governs the life of a vibrant diocese. It has an effective executive, a clear vision and strategy (REJUVENATE), and oversees a community of communities in which over 13,000 people actively engage every week in the life, service and mission of its parish churches, chaplaincies, church plants, and Cathedral Church. The DBF has established sound financial monitoring and control. In 2025, from only 129 parishes, the best part of £5m was given in parish share (voluntary contributions) in support of Christian ministry and mission in communities across East Hampshire, the City of Portsmouth, and the Isle of Wight.



Though growing numerically and seeing annual increases in voluntary giving, the diocese lives with structural deficits which cannot be sustained in the longer term. Pruning our operation is an active part of our response as a DBF. But we will also need to be arguing for a new funding settlement between the national church and the dioceses. A settlement which supports the *whole* mixed ecology of the Church's ministry and work, including provision for the stipends of clergy, and not simply part of that mixed ecology.

The PDBF oversees the allocation of resource to enable a distinctively Anglican expression of Christian life, mission and ministry in East Hampshire, the City of Portsmouth, and the Isle of Wight. In this diocese a 'mixed ecology' approach to Christian ministry is the norm. By this we mean that to participate fully and faithfully in God's mission we will need church planters and pioneers, chaplains and cathedral clergy, enabling lay disciples to live their faith in every kind of network, neighborhood and community. And, vitally, we will need parish clergy: so often in my experience the prayerful, holy, inspiring and enabling presence underpinning the church's ministry and mission locally.

Some background is salient. In the years prior to 2015, the PDBF received a grant from the national church to support the cost of clergy stipends, a disbursement calculated by what was known as the Darlow formula. Alongside income from parish share, investments and fees of various kinds, income through Darlow enabled the diocese to sustain a level of ordained and stipendiary ministry in places and contexts unable to afford or sustain it. However 'Darlow' received, in my view valid, criticism for requiring insufficient accountability on the part of recipient dioceses: in relation to return on investment and whether funds were being used effectively in the service of mission. So 'Darlow' was replaced.

In 'life after Darlow', dioceses have been, for the most part, unable to secure funding for the deployment of stipendiary priests.

Rather, dioceses have been invited to apply for grants for projects designed to foster numerical growth, projects with an enhanced accountability regime. In this era, Low Income Community Funding (LINC) has brought welcome support to some of our most financially stretched communities. Project funding, administered through two schemes (Strategic Development Funding (SDF) and latterly, through the oversight of the Church of England's Strategic Ministry and Mission Investment Board (SMMIB)), have seen missional life and energy breathed through a host of projects and communities across the diocese, for which we are truly thankful. But these funds are made available to support only part of the mixed ecology: typically, projects that are new and innovative, rather than, for example, the day-day pastoral and missional work of priests in parishes. With the exception of a handful of cases (where whole dioceses have received eye-

watering levels of funding which have included funds for stipends), these funds are for projects and not parish priests. I would argue that we need a funding settlement between the national church and the dioceses that brings mutual accountability, and which makes available financial support for *every* part of the mixed ecology.

I trust a very brief outline of the national Church of England context, as it frames and impacts upon the financial life and work of the Portsmouth Diocesan Board of Finance (DBF) will first, widen understanding of the financial context navigated so effectively by the PDBF. I hope, second, to encourage readers within and beyond the diocese to participate in the urgent national conversation now underway which will shape policy around disbursements to dioceses in the triennium 2029-31.

Surely it's a mixed ecology financial settlement we need for a mixed ecology Church.

A handwritten signature in black ink that reads "Jonathan Portsmouth". The signature is written in a cursive style with a small cross at the beginning of the first word. Below the signature is a horizontal line.

The Right Revd Jonathan Frost  
Bishops of Portsmouth

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 report in their capacity as directors. This combined report satisfies the legal requirements for:

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

### Legal Objects

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

The Diocese of Portsmouth covers principally South East Hampshire and the Isle of Wight.

### Strategic Aims

During 2025, we continued to implement our Vision and Strategy for the future. Our Vision is for our diocese to become **a rejuvenating community** *[one that rejuvenates itself and seeks to rejuvenate others]* **of Jesus-centred** *[learners and followers of Jesus, with our actions shaped by him]*, **Kingdom-seeking** *[including our devotion to God, our passion for social justice, our care for Creation and fellowship with each other]* **disciples.** *[we are committed to our faith and want to keep on becoming more like Jesus].*

Our Strategy (which we refer to as our **REJUVENATE** strategy) aims to place children and young people at the heart of our planning, and to reduce the age profile of our congregations. It also seeks to achieve three things:

- To **REVIVE** the spiritual leadership of the diocese, so our lay and clergy leaders are vibrant disciples, whose faith is deep and attractive to others;
- To **REVITALISE** our parishes, developing a culture where there are clear pathways for the unchurched to become new disciples; and
- To **RENEW** the Church, seeking to plant new congregations and create new worshipping communities in areas where we have little effective presence currently.

This Strategy is effectively communicated in the following diagram:



## Activities & Achievements for the Year

The year 2025 involved the implementation of this strategy, which is partially funded by a £1m-a-year allocation from the national Church of England. Among other things, that involved the recruitment of a 'Lead for Revive' and a 'Lead for Revitalise' to head up some of this work.

Among the specific areas of development were

- Under REVIVE: the launch and development of a network of Cairns, local networks of clergy and lay leaders who eat, pray and study together regularly, to help deepen their own faith;
- Under REVIVE: the development of our network of clergy, including the creation of regular 'webinars' to make training easier, and practical support for their wellbeing;
- Under REVIVE: the development of our network of lay ministers, under the leadership of our new Lay Ministry Development Officer;
- Under REVITALISE: the development of mission in specific areas of our diocese, such as Paulsgrove, which aims to revitalise existing congregations with young people and families as the heartbeat of their congregations;
- Under REVITALISE: the launch of a brand new role based in Park Community School in Leigh Park that aims to create a new voluntary worshipping community, based in the school, outside school hours.

- Under REVITALISE: the recruitment of a new children, youth and families officer who can train our existing leaders to minister to children, families and young people, and help to create new posts;
- Under RENEW: work to refurbish and develop the buildings at St Peter and St Paul, Fareham, so that it can host a new church plant that will ultimately spawn its own church plant for the major new development of Welborne.
- Under RENEW: several brand new church congregations were launched during the year, including 'Barn Church' in a guide hut near Swanmore, as well as new congregations at All Saints, Portsmouth, St Alban's, Copnor, and the development of the new congregation at All Saints, Ryde (with associated major refurbishment work also beginning there).

Among other achievements during 2025 were the results of a independent safeguarding audit by INEQE which praised the transformation of safeguarding culture in both our diocese and our cathedral. This progress was evident as our diocese hosted its fourth annual safeguarding conference in September, which examined the issue of 'trauma'. The diocese also organised its first conference devoted to carbon net zero, hosted by our cathedral, and one church installed solar panels on its roof – one of the first listed buildings to be given permission, where the panels can be seen from the road.

The Diocese of Portsmouth was also behind a long-running campaign, from September 2024 to June 2025, to try to save three Church of England schools on the Isle of Wight from proposed closure. Education officers and our bishop successfully argued that the closure process initiated by the Isle of Wight Council was flawed from the start, which an independent adjudicator confirmed to be the case. The three schools remained open in September 2025.

The Church of England and Roman Catholic Bishops of Portsmouth joined forces to argue for a more compassionate and constructive attitude towards asylum seekers in the wake of protests outside a Southsea hotel. And the diocese shared the story of a churchgoing family who lived inside that hotel, and how the protests gave them flashbacks to their life before seeking asylum in the UK.

Our Bishop's Lent Appeal raised £9,000 which went towards relief work by Anglican charity USPG and Tearfund, as well as work to transform the lives of sex workers in Portsmouth, run by Vista based at Harbour Church. Our bishop entered the House of Lords for the first time, as one of the 26 most senior Church of England bishops. And HRH the Princess Royal visited St Mary's Church in Bramshott and Liphook CofE Junior School, to commemorate the involvement of Canadian troops alongside their allies in the First and Second World Wars.

The bishop continued to appoint new clergy to roles throughout 2025, ensuring that the number of vacant parishes remained at a minimum. This is a significant priority, as we believe that having clergy in post makes a huge difference to the Church's mission and ministry. And there were a significant number of ordinations in the summer, with 10 new deacons and 19 new priests ordained during one day in June.

### Education

Portsmouth DBF contributes to the costs for Portsmouth and Winchester Diocesan Board of Education (DBE) which has operated as a separate charity since July 2024 which was a requirement under the National Diocesan Board of Education Measure.

The DBE is linked to the DBF through shared members but is independent of its governance, finance management and policies. Alongside Winchester DBF, the PDBF is a grant giving body into the DBE and supports with office space and other services under Service Level Agreements. The team's statutory work

continues, and this is formally reported to the DBF and Diocesan Synod annually. Particular challenges and areas of focus over the past year have been addressing falling roll numbers (which is a national issue) which then impacts on school budgets, and school closures. School organisation continues to require our work, relating to Federations, Academisation and informal cooperatives. Recruitment of Headteachers in our Diocese matches the regional and national challenge, where on occasions there is only one applicant or none.

The Education Team takes a leading regional and national role and has been successful in securing grant funding from the Church of England and another national trust for specific areas of work.

### Ministry and Discipleship

2025 saw the recruitment and expansion of the Ministry and Discipleship Team, led by the now permanent Director, Revd Andrew Hargreaves. We now have permanent team positions of 'Lead for Revive' (Clergy Wellbeing, Continuing Ministerial Development and Lay Discipleship), 'Lead for Revitalise' (Parish Mission and Discipleship), 'Lead for Renew' (New Worshipping Communities, Church Planting and Pioneer Ministry), a 'Children's Youth and Families Officer', a 'Growing Faith Enabler', a 'Lay Ministry Discipleship Officer' and a 'Team Executive Assistant', to add to our 'Lead for Vocations', 'Assistant Lead for Vocations' and 'Anna Chaplaincy co-ordinator'. These have been funded by the successful December 2024 £5.3million Strategic Ministry and Mission Investment Board (SMMIB) grant with generous assistance from the PDBF to supplement the successful grant.

This team is helping us to implement our vision to be 'A rejuvenating community of Jesus-centred, Kingdom-seeking disciples' and roll out our 'Rejuvenate' strategy across the diocese, with children and young people, as the intentional focus of everything we do. Our primary strategy to have congregations full of children and young people is to have flourishing churches, with our strategy themes of 'Revive', 'Revitalise' and 'Renew' to help us to do this.

Highlights in the 'Revive' part of our strategy include 15 support Cairns for clergy, a new CME & wellbeing programme, increased coaching capacity, 10 new Pastoral Supervisors, Vocational Support, New Lay Ministry Training and Development pathways and a renewed sense of purpose and confidence for our Readers.

Highlights in the 'Revitalise' part of our strategy include; recruiting and equipping our 64 Anna Chaplains, our first cohort of 10 clergy participating in Youthscape Launchpad training, the roll out of Children's Essentials training to every parish in the diocese, 10 Vision & Mission Action Planning days for parishes, the start of our Mustard Seed & Rural Strategies, 5 choir churches started and two projects in Urban Priority Areas with children and young people in Leigh Park and Paulsgrove.

Highlights in the 'Renew' part of our strategy include; our first rural church plant of Barn Church in the Meon Valley, the growth of 3 'New Worshipping Communities' in schools under the Flourish programme, the expansion of Harbour Church to Copnor & All Saints sites and the start of a major church revitalisation in Cosham.

As ever, we continue to see the hard work of our vocations team bear fruit under God as He raises up ordinands and lay leaders alike. It is a privilege to serve to see God at work and Jesus known across our diocese and we are grateful to our finance and other service teams in enabling us to continue with God's mission here.

### Community Engagement & Impact

Churches continued to offer support in a variety of ways including food banks, cafés, coffee mornings, friendship groups, bereavement support groups, toddler groups community hubs etc. Chaplains have also been active across a variety of sectors in our diocese in a variety of work settings including hospitals, hospices, the prison, university, further education, schools, retail, and Portsmouth port. The PDBF's partnership with CSR meant support continued through the Good Neighbours' Network, serving the diocese but more widely in Hampshire also. CSR also supports community development programmes in parishes in areas of disadvantage with its rapid development programme and is engaged in running two counselling services and supporting children and young people's mental health.

### Future Plans

As we look to the future, we continue our focus on growth in mission towards becoming a rejuvenating community of Jesus-centred, Kingdom-seeking disciples, entering the third year of our diocesan vision and strategy. The work that commenced during 2025 under our Rejuvenate strategy will continue as we enter the second year of our SMMI funding.

Many of the activities noted above are subject to five-year funding and therefore will continue to grow in strength, with learning from the first year helping to direct the work moving forwards.

During 2026 we will also be working towards our next bid for SMMI funding which we plan to submit at the end of the year and have been working with deaneries to identify strategic priorities for 2027-31. These include further support for existing initiatives such as Cairns, Flourish, and Choir Church, as well as the development of a 'war chest' of funding under Revitalise for smaller parish mission projects that require a smaller financial catalyst to be launched.

The SMMI bid may also include funding to create or develop worshipping communities in areas of new housing development such as in Berewood, Boorley Green and Welborne, as well as extra support for existing church plants. We should know the outcome of this bid at the end of the year, with a view to commencing the work early in 2027.

We have also been awarded funding to develop our lay ministry provision and look forward to commencing this work during 2026. This includes the creation of a new strata of Authorised Lay Ministers (ALMs), alongside those who are licensed and those who are parish-based, with a new training course for ALMs being launched in September 2026.

There has been a significant change in the financial support from Archbishop's Council for the 2026-2028 triennium. We expect to benefit from a significant increase in our Low Income Communities Funding which will enable us to provide greater ministry support to some of our most challenged communities.

## Financial Review

### Financial Performance

The results for 2025 reflect another challenging year financially, with the overall deficit of £1,349k across all funds before taking into account revaluation of property assets and investments.

Inflationary pressures have continued to impact, and in particular we have experienced above inflationary increase in property costs where we continue to catch up with the programme of repairs delayed due to COVID. As each property is subject to a 5 year cycle of quinquennial inspection, this catch up is nearing completion.

Early figures suggest that parish attendances for 2025 have increased by c1% however as new disciples often don't begin giving to their parish immediately, pressures on parish finances continue and coupled with the desire for parishes to invest in local ministry, we experience continued pressure on parish share payments.

We wish to express our gratitude to all parishes for their engagement with their parish share payments; during 2025. We have received a payment or a commitment to pay from each and every parish in the diocese.

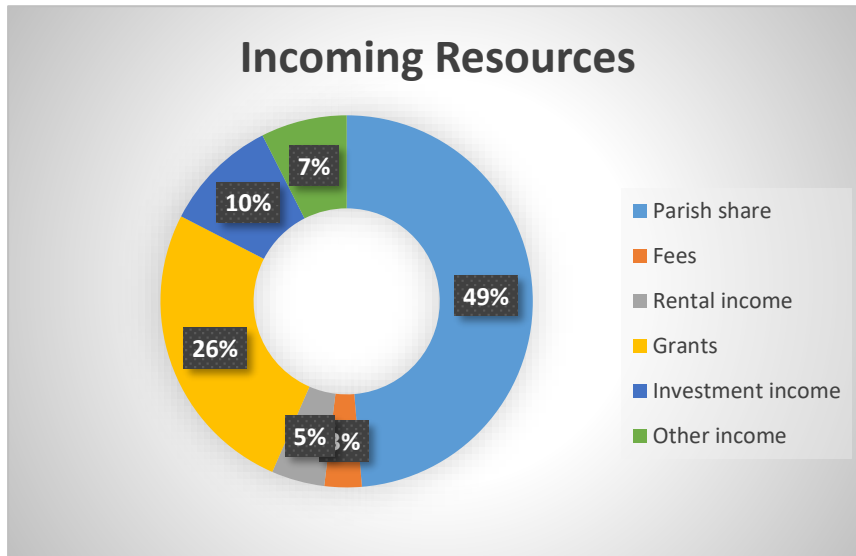
The new parish share formula was in place during 2025 and the move to the new calculations is being phased in to prevent any significant increases (or reductions) for any individual parish in one year. Parishes have been encouraged to share any concern and challenges around the payment of share with the diocese and whilst there has been just a small improvement in parish share received, there has been increased engagement with parishes and greater understanding of the challenges faced by both parishes and the diocese.

We have continued to invest in mission and ministry with the appointment of clergy to some further key posts, which has been underway since 2023. Planned recruitment was largely completed by the end of the year and we are already starting to see growth in disciples where appointments have been made.

There has been an agreed use of designated funds to support with operations through the general fund during the year. This has led to a reduction of £368k of designated funds.

Across all funds, the overall surplus was £1,841k after revaluations (2024: £1,667k). Much of the surplus is driven by the revaluation of glebe land in Wickham which is expected to be sold for redevelopment during 2026.

Income for 2025:



During the year there was an increase of £1,076k of income to £9,413k (2024: £8,337k) across all funds.

The majority of the increase was through restricted funds with the commencement of SMMI funding for the Rejuvenate strategy, for which £406k was received during the year.

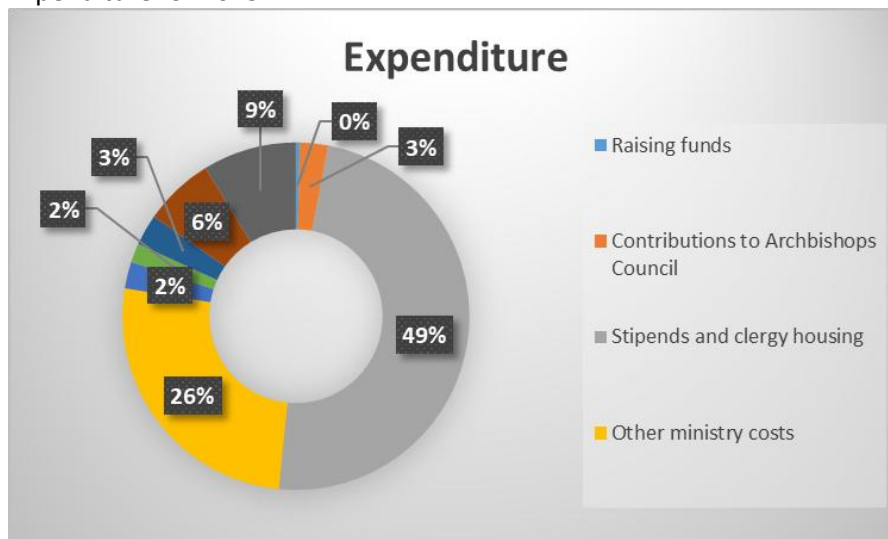
There was a modest increase in parish share receipts of £38k.

We also received an increase of £21k in Low Income Community (LINC) grant. This is directed towards those parishes with the highest levels of deprivation to support with mission and ministry.

In addition, new grants awarded during the year included £30k for curacy funding and net zero carbon projects have progressed with national church funding supporting this work.

We have continued to generate rental income from properties during clergy vacancies although a combination of clergy appointments and change in rental legislation have resulted in a reduction in this income of £173k. Investment income (including dividends and interest) has increased by £14k. This is reflective of a small increase to investment income rates despite the fall in investment values. All grant income received in advance is placed on deposit until spent and therefore we have benefitted from interest rates remaining higher than expected throughout the year

Expenditure for 2025:



Resources expended across all funds before any transfers, gains and losses on disposal or revaluations, increased by £1,937k to £10,763k (2024: £8,825k).

Recruitment of stipendiary clergy to key posts continued throughout the year, and investment in training and welfare continued with the new Ministerial Development Review (MDR) process. As well as an

increase in headcount, both stipends and lay staff salaries were uplifted to enable both staff and clergy to manage the impact of the inflationary pressures.

Catch up of property repairs has continued, and property costs have been subject to above inflationary cost increases. Where possible restricted funds have been used to support with this or works capitalised where they result in an enhancement to the property.

As a result of the continued challenge on parish share collection and the ongoing cost pressures impacting from inflation, the operating result on the general fund was a deficit of £1,521k (2024: £783k).

As with income above, the increase in the total costs across all funds reflects the activity under the Rejuvenate project.

#### Balance sheet position

The Trustees consider that the balance sheet, together with details in note 20, show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £100,779k (2024: £98,938k) it must be remembered that included in this total are properties and other fixed assets, mostly in use for the ministry, whose value amounted to £70,339k (2024: £68,832k). Much of the remainder of the assets shown in the balance sheet are held in restricted and endowment funds and cannot necessarily be used for the general purposes of the PDBF.

#### Reserves policy

The free reserves, being the unrestricted general fund net of tangible assets and long term financing totalled £2,516k (2024: £3,017k) which represented 5.5 months (2024: 6.9 months) of parish share requested. The Trustees aim to maintain between 3 and 6 months.

Having considered financial risk, liquidity requirements and the timing of cash flows throughout the year, the Trustees' policy is to hold not more than 6 weeks' normal expenditure in cash or on deposit, this being around £1,145k based on the budgeted expenditure for 2026. The reserves at 31 December 2025 equated to around 13 weeks expenditure. It has been considered appropriate to hold this increased level of cash and free reserves for the short to medium term whilst parish funds remain under pressure (impacting on parish share collection levels) and we manage challenges in the investment market.

#### Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequately justified for their retention.

A description of each reserve together with the intended use of the reserve is set out in note 21. The total value of designated funds at the end of 2025 reduced by £351k to £2,068k (2024: £2,418k), reflecting the strategic use of these funds to support operations, and particularly to support our SDF and SMMIB funded projects.

#### Restricted and endowment funds

As set out in note 20 PDBF also holds and administers many restricted and endowment funds. As at 31 December 2025 restricted funds totalled £5,363k (2024: £6,274k) and endowment funds totalled £68,828k (2024: £66,581k). Neither are available for the general purposes of the PDBF.

#### Grant making policy

The Memorandum of Association of the PDBF explicitly permits the PDBF to make grants in pursuance of its objects, and the nature of grants made in 2025 is indicated in note 11.

#### Investment policy and report

In managing its investments, the PDBF continues to receive guidance from its Investment Advisory Group (IAG), and the fund managers, CCLA Investment Management. The level of cash held remains under scrutiny and in principal amounts in cash and deposit are kept as low as possible, allowing for the short term operational requirements,

The investment income relied upon for the underpinning of the mission work of the Diocese can only be achieved through an active investment strategy that delivers real growth in total return. The IAG continue to encourage a similar approach in relation to parish funds and members of the group continue to engage with parishes to provide support and guidance in this important area.

Funds are only held in the property fund where they are held for the longer term due to the notice period on the fund.

The investment policy of the IAG as set out in the terms of reference for this group are:

1. A minimum of 6 weeks normal expenditure is to be held in cash and deposit for routine purposes. This money (currently about £1.1m) is to be held in the CBF Deposit fund (or such other bank deposit account as may be deemed suitable by the Board from time to time). It being understood that the bank current account is maintained in credit.
2. The Diocesan Secretary following discussion with the IAG is authorised to switch investments managed by CCLA from time to time in order to achieve the Board's required total return.
3. Any fund managed by CCLA may be used for the Board's investments, but no other types of investment may be used without the Board's prior approval.
4. The investment managers are instructed to achieve a total return of CPI plus 4% pa net of fees over a 10 year rolling period.
5. Funds are to be invested in line with the Statement of Ethical Investment Policy, issued by the Church of England Investment Advisory Group.
6. This policy will be reviewed at least annually by the IAG and any changes approved by the Board

The income from financial investments in 2025 was £912k (2024: £898k) and reflected a 3.4% yield. For the year ended 31 December 2025 the investment portfolio achieved an overall total return of 1.0% (being the increase in market value and the actual income received) (2024: 6.44%).

The benchmark against which each of the individual CCLA funds is compared is disclosed in their quarterly report. The property funds outperformed the selected benchmark in for the year. The investment fund and global equity fund have performed below the benchmark throughout the year as well as the benchmark on an annualised 5 year basis. The performance has been disappointing and the IAG continue to monitor this.

The PDBF's investment strategy continues to be, to maintain a high level of income, and to concentrate on good quality companies and properties with long term growth potential. The property fund's performance improved to 7.70% (2024: 6.14%) whilst the global equity fund produced a total return of -3.12% (2024: 8.82%). The investment fund resulted in a reduced return of -1.17% (2024: 5.09%). The % allocation of assets to funds was as follows (the decision was made during the year to reduce the holding in global equity

funds due to the risk profile:

	<b>2025</b>	<b>2024</b>
Investment fund	92%	80%
Property Fund	8%	12%
Global Equity Fund	0%	8%
	100%	100%

## Principal Risks & Uncertainties

The Trustees and management of PDBF are responsible for the identification, mitigation and management of risks. To manage this, a risk register is updated and maintained by the diocesan staff team and subject to regular review by Trustees and the subcommittees noted below to ensure that any changes to risks are identified. Responsibility for the management of strategies to mitigate these risks is delegated to the Diocesan Secretary.

Key risks and mitigating actions are as follows:

<b>Key risks</b>	<b>How managed</b>
<p><b>Growth in congregations:</b> the number and age profile of worshipping communities and of ministers remains a concern, with a high proportion in the upper age brackets. This has potentially far-reaching implications for the aims and objectives of both the PDBF and each PCC in the medium to long term.</p> <p>The diocesan strategy is designed specifically to address and mitigate these key risks and uncertainties and, in this way, to continue to fulfil its charitable aims.</p>	<p>Significant clergy appointments have continued during 2025 and we are beginning to see the impact of these, alongside those made during 2024, with areas of growth and revitalisation throughout the diocese. As we move into 2026, appointments are expected to stabilise as we look to maintain the current levels of stipendiary ministry.</p> <p>As part of our Rejuvenation strategy we have received national funding for the formation of cairns which have been meeting throughout 2025. These Cairns are now seeking funding from the diocese to support ministry at a local level.</p> <p>PDBF continues to seek opportunities for significant funding investment to ensure that the relevant resources are available to meet the desired plans for growth and revitalisation.</p>
<p><b>Finances:</b> We continue to experience pressure on costs including stipend and salary levels, especially in light of recent decisions at General Synod to set a national stipend level.</p> <p>Property costs continue to increase at above inflationary levels.</p> <p>The impact is also felt by parishes which has an</p>	<p>Management accounts are reported monthly to Bishops Staff Team and Audit, Risk &amp; Finance Committee and finances are discussed at each Bishop’s Council meeting to enable detailed oversight of the diocesan finances. Cash flow forecasts are also updated regularly to aid early identification of pressure points.</p> <p>We are undertaking a project to review all funds</p>

Key risks	How managed
<p>impact on parish share payments and subsequently the diocesan income.</p>	<p>held as custodian to ensure that these are available to parishes and the diocese to support with mission plans where possible.</p> <p>We continually seek to manage diocesan costs where possible, including by tendering significant contracts. For example, our IT provision will be reviewed in early 2026 with anticipated costs savings following the initial implementation.</p>
<p><b>Parish share:</b> Parish share accounts for around 66% of the diocese’s general income therefore any reduction in this can have significant impact on the future finances and the ability to deliver mission longer term and support the growth and revitalisation of parishes.</p>	<p>A review of parish share was undertaken during 2024 which included a consultation with parishes to encourage direct engagement with both PCCs and individuals. As a result of the review, some small changes were made to the basis for the allocation of share, and a comprehensive document detailing what parish share contributes to was shared. 2025 was the first year of the new calculations.</p> <p>Receipts are closely monitored on a monthly basis and parish treasurers are supported by diocesan staff and the Diocesan Deanery Finance Committee to understand the budgets and why regular payment of the parish share is preferable.</p> <p>Parishes are assisted to promote the Parish Giving Scheme to aid income generation and enable them to allocate resources to the payment of the parish share. Generosity week has also become established as an annual event in the diocese to encourage stewardship and giving to support parishes.</p> <p>Diocesan finances are reviewed monthly by Bishops Staff Team, Diocesan Deanery Finance Committee, Audit Committee and Bishops Council to ensure the impact of any shortfall in parish share payments can be identified on a timely basis.</p>
<p><b>People:</b> The clergy and lay staff employed by the diocese are critical to the ability to meet the diocesan mission.</p> <p>If the staff teams and clergy are not adequately</p>	<p>Robust recruitment procedures are in place to ensure that all those employed have the sufficient skills and training to undertake their roles.</p> <p>An induction programme is in place for staff and</p>

Key risks	How managed
<p>supported then they will be unable to meet the needs of the parishes and the wider needs of the communities we serve. There is a risk of parishes feeling unsupported when clergy vacancies occur.</p>	<p>clergy joining the diocese.</p> <p>During 2025, Ministerial Development Reviews have been reinstated for clergy to ensure opportunity to identify any training or support needs.</p> <p>The HR advisory Board reviews key policies to ensure that they remain up to date and relevant for the support and wellbeing of staff and clergy.</p>
<p><b>Funding:</b> The diocese receives significant grant funding from National church which underpins operations. Any reduction in these grants places additional reliance on parish share and use of reserves to meet any shortfall.</p>	<p>PDBF engaged fully with the national review of diocesan finances which fed into the triennium spending plans and have continued to share the impact of the outcomes of these plans.</p> <p>Key members of staff maintain open communication with grantors to ensure that they can feed into any consultations around changes to funding and access any additional grants as and when they become available.</p>
<p><b>Governance:</b> The work of the diocese is dependent on good governance, trust and transparency, and confidence in the culture and decision making.</p>	<p>Committee membership is reviewed regularly to ensure that decision making groups are appropriately skilled and training is provided where necessary. A skills audit is undertaken when new trustees are appointed to ensure that key skills or gaps can be identified.</p> <p>Each sub-committee has a Trustee (as representative of Bishop’s Council) either as a full member or observer.</p> <p>Terms of reference and membership of committees are regularly reviewed to ensure all areas of Diocesan life are appropriately addressed and considered.</p> <p>PDBF is committed to openness and consultation around budgets and sharing of financial information, and wider communication and engagement.</p>
<p><b>Safeguarding:</b> The care of children and vulnerable adults remains a key priority to the diocese as it is a Gospel imperative and at the heart of who we are</p>	<p>The DBF was audited by INEQE during 2025 which is part of the 5-year audit programme commissioned by Archbishop’s Council. The</p>

Key risks	How managed
and what we do.	<p>results of the audit were encouraging, and agreed recommendations are being implemented.</p> <p>Safeguarding is discussed at each Bishops Council meeting as well as at each meeting of Bishops Staff Team and at Diocesan Synods. The team are also supported by the independent Diocesan Safeguarding Advisory Panel.</p> <p>The diocese invests in suitable trained officers and training and support of parishes and schools. In recent years the staffing level within the team has been increased to enable the team to better support parishes.</p> <p>Systems are in place to ensure that all personnel are trained at the appropriate level for their roles and that this training is renewed regularly.</p>

## Structure & Governance

Summary Information about the structure of the Church of England

The Church of England is the established church, and HM The King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a See under the care of a Bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within the benefices and parishes which together make up 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 enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers.

Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that leadership assisted by the governance functions of the Diocesan Synod. The Diocese of Portsmouth has seven deaneries, each with its own deanery 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 parish.

### Organisational structure

The Portsmouth Diocesan Board of Finance is constituted under the provisions of the Diocesan Boards of Finance Measure 1925. It is a registered charitable company and has responsibility for conducting the financial affairs of the Diocese.

The Board of Directors is the main governing body of the charity. Its members are the Directors and Trustees. The Diocesan Synod, however, agrees the overall annual budget, including the overall level of

parish contributions to be sought from parishes under the Parish Share system. The Directors also form the Bishop's Council (Standing Committee of the Diocesan Synod), the Diocesan Mission and Pastoral Committee, and the Diocesan Parsonages Board. These arrangements achieve the uniting of the Diocese's policy-setting and finance-controlling responsibilities. Membership comprises ex-officio members, clergy and lay members elected by their respective Diocesan Synod houses, and one member nominated by the bishop. Bishop's Council is also supported by employed staff as appropriate.

#### 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 induction at the outset of the triennium and at other times as appropriate. A skills audit at the start of the triennium informs future training needs also. Those likely to stand for election are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee.

#### 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 Portsmouth are set by the Diocesan Synod, and the PDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary. The company meets once a year in general meeting to receive and consider 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 PDBF.

The Trustees, meeting within the context of the Bishop's Council and Standing Committee, normally hold eight meetings during the year to:

- plan the business of the synod, to prepare the agenda for its sessions, and to circulate to members, information about matters for discussion.
- initiate proposals for action by the synod and to advise it on matters of policy which are placed before it.
- advise the president on any matters which he may refer to the council.
- transact the business of the synod when it is not in session.
- undertake the responsibilities of the Diocesan Board of Finance
- undertake the responsibilities of the Diocesan Mission and Pastoral Committee (DMPC)
- to hold all boards and committees accountable for their work and to provide an annual report to synod of that work.
- to work with deanery standing committees on the communication of diocesan issues and the understanding of deanery issues.
- carry out such other functions as the Synod delegates to it.

The Trustees are assisted in their work by several sub-committees and there is a flow of work through those groups thus making effective recommendations to the trustees in Bishop's Council: -

- **Diocesan Deanery Finance Committee** reviews and reports on the finances of individual parishes and their ability to meet their parish share commitments. The committee plays a crucial role in communication between parishes, deaneries and the dioceses, as well as providing feedback to the Diocesan Secretary and Head of Finance on specific parish matters.
- **Diocesan Audit, Risk & Finance Committee** scrutinises matters of financial management and governance including budgets, management accounts and cashflows, annual report and accounts,

risk management as well as considering each of those aspects in the light of recommendations from the Investment Advisory Group. Taking into account all these different interlinking aspects, the Diocesan Audit, Risk & Finance Committee bring recommendations to Bishop's Council.

- **Investment Advisory Group** provides advice (the sub-committee has no executive authority) on PDBF's investments and funds available for investment and the PDBF's overall investment strategy.
- **Property Sub Committee** reports to the Trustees; it oversees repairs to parsonages, glebe property, properties held for the charity's own use, and the disposal and purchase of property.
- **Diocesan Synod Agenda Group supports Bishop's Council** by planning the annual business of Synod for approval.
- **HR Advisory Board** meets to review the pay, conditions and policies affecting the lay members of staff employed by the DBF.

**Diocesan Advisory Committee** for the Care of Churches and Churchyards provide advice to the Chancellor, parishes, the Bishop and the Diocese in general concerning proposals for the maintenance of and alterations to churches and churchyards in the Diocese.

#### 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 their colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the PDBF in accordance with the policies framed by the Trustees.

#### Related Parties

The PDBF is required to comply with Measures passed by the General Synod of the Church of England and is required to make annual payments to the Archbishops' Council towards the costs and the national arrangements for training clergy. Details of these costs can be found in note 8. The PDBF currently receives annual grants from the Church Commissioners in the form of Lowest Income Community Funding and an annual grant from The Benefact Trust, as well as other project related grant funding such as Net Zero Carbon and SMMI. Further details of these receipts can be found in notes 2b and 2c.

#### Fundraising

The Diocese provides guidance to the parishes with regards to fundraising but does not engage in fundraising activities itself and therefore we have not received any complaints regarding our fundraising activities. Due regard is given to the Fundraising Code of Practice set by the Fundraising Regulator when providing guidance to the parishes.

#### Remuneration of key management personnel

The Board operates a set salary scale and employees are placed on this benchmarked where possible against comparable roles in other dioceses, and the external employment market. The salary scale is reviewed each year by the HR Advisory Board with reference to cost-of-living, movements in clergy and national church staff pay. Emoluments of higher-paid employees are determined in consultation with our HR advisors based on the relevant job descriptions.

#### Funds held as Custodian Trustee

The PDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 (as amended) and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the PDBF does not control them. They are segregated from the PDBF's own

assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £9,788k at 31 December 2025 (2024: £10,193k), are available from the PDBF on request, and are summarised in note 26. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the PDBF's solicitor, Messrs Batt Broadbent.

#### Funds held on behalf of schools

The PDBF, on behalf of the joint Portsmouth and Winchester Diocesan Board of Education receives contributions from governors of church schools within the Dioceses in connection with major repair and capital projects to church schools and government grants in connection with the same. The staff of the Board of Education administer these monies as managing agent and make appropriate payments to contractors for work carried out. The monies do not belong to the PDBF or 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 2025 is £2,062k (2024: £1,237k). The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £2,066,608 and £1,404,822 respectively in 2025 (2024: £1,887,696 and £1,782,584).

## Trustees' Responsibilities

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

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the PDBF and of the surplus or deficit of the PDBF for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently.
- observe methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the DBF and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the PDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the PDBF's website. Legislation in England and Wales governing the preparation and

dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

Following the change to the Charity Governance Code in November 2025, we are in the process of reviewing all activities and processes to ensure that we remain fully compliant with the Charity Governance Code which covers eight areas:

- Foundation
- Organisational Purpose
- Leadership
- Ethics and Culture
- Decision Making
- Managing Resources and Risks
- Equity, Diversity and Inclusion
- Board Effectiveness

Trustees confirm that they have referred and had due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the DBF's aims and objectives and in planning future activities.

#### Statement of Disclosure to the Auditors

So far as the Trustees are aware:

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

#### Appointment of Auditors

On 17 September 2025, Crowe UK LLP were appointed as auditors. The re-appointment of Crowe will be proposed at the Annual General Meeting,

## Administrative Details

### Trustees

No Trustee had any beneficial interest in the company during 2025.

General Synod Members can be in attendance at all meetings of Bishop's Council; Portsmouth has 6 members of General Synod at any one time (3 lay and 3 ordained).

The following are the Trustees who served at any time during 2025 and those that are now serving from the start of 2026 covering the period up to the date of this report along with details of those in attendance:

-

### Trustees serving since 1<sup>st</sup> January 2025 and up to the date of this report:

#### a) Ex Officio Members

Chair:	The Rt Rev Dr Jonathan Frost (Bishop of Portsmouth)
Dean of Portsmouth:	The Very Revd Dr Anthony Cane
Archdeacons:	The Ven Kathryn Percival (Archdeacon of the Meon) The Revd Canon Robert White (Archdeacon of Portsdown, appointed 7 September 2025) The Ven Steve Daughtery (Archdeacon of Isle of Wight, resigned 20 April 2025)
Chairs of the Houses:	The Revd Canon Robert White (Chair of the House of Clergy) Canon Debbie Sutton (Chair of the House of Laity)
Diocesan Secretary:	Canon Philip Poulter

#### b) Elected by House of Clergy

Revd Amy Adeniran	Revd Ray Driscoll (appointed 27 January 2025)
Revd James Hunt	Revd Dr Coleen Jackson
Revd David Morgan	Revd Adam Tams (resigned 19 October 2025)

#### c) Elected by House of Laity

Oyinlolu Alonge (appointed 24 March 2025)	Mr Neil Chrimes
Canon Lucy Docherty	Mrs Bethan Fogell (resigned 9 April 2025)
Canon John Gwynn (appointed 1 April 2025)	Mr Martin How
Canon Adrian Jordan	Mr Simon Lemieux
Mr Steven Smart	

**d) Members in Attendance**

From 1<sup>st</sup> January 2025 to the date of this report, 2 General Synod members are also voting members of Council in either ex officio or elected capacities (Rev Canon R White, Canon Lucy Docherty). Therefore, 4 members of General Synod (Mrs Rebecca Hunt, Mr Ian Johnston, Revd Andrew Hargreaves and Revd Dr Paul Chamberlain) are in attendance.

Senior staff and advisers

Diocesan Secretary	Philip Poulter
Director of Ministry and Discipleship	Andrew Hargreaves
Executive Director, CSR	Nick Ralph
Director of Communications	Neil Pugmire
Head of Safeguarding	Emily Hassan
Head of Finance	Elaine Coe

Registered Office

Diocesan Office, 1<sup>st</sup> Floor, Peninsular House, Wharf Road, Portsmouth, PO2 8HB

Key Advisers and Agents

<b>Bankers</b>	Barclays PLC, PO Box 165, Crawley, RH10 1YX
<b>Auditors</b>	Crowe UK LLP, Black Country House, Rounds Green Road, Oldbury B69 2DG
<b>Solicitors &amp; registrar</b>	Batt Broadbent LLP, Minster Chambers, 42-44 Castle Street, Salisbury, SP1 3TX
<b>Investment Advisers</b>	CCLA, 80 Senator House, 85 Queen Victoria Street, London, EC4V 4ET
<b>Glebe Agents</b>	Carter Jonas LLP, 9-10 Jewry Street, Winchester SO23 8RZ
<b>Insurers</b>	ELG, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
<b>HR Advisers</b>	Kane HR, Westpoint House, 32-34 Albert Street, Fleet, Hampshire, GU51 3RW

ON BEHALF OF THE TRUSTEES

**The Right Revd Jonathan Frost**

Chairman

**18 May 2026**

**Philip Poulter**

Diocesan Secretary

**18 May 2026**

## **Independent Auditor's Report to the Members of Portsmouth Diocesan Board of Finance**

### **Opinion**

We have audited the financial statements of Portsmouth Diocesan Board of Finance for the year ended 31 December 2025 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

### **Use of our report**

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

**[This report has not yet been signed]**

**Helen Blundell LLB FCA FCIE DChA**

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

**Date:**

Company No: 226466

STATEMENT OF FINANCIAL ACTIVITIES

At 31 December 2025

	Note	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025	Total funds 2024
		General	Designated			2025	2024
		£	£	£	£	£	£
<b>Income and endowments from</b>							
<b>Donations</b>							
Parish contributions	2a	4,548,139	-	-	-	4,548,139	4,510,614
Archbishops' Council	2b	618,178	-	1,811,563	-	2,429,741	1,301,688
Other donations	2c	74,565	-	214,000	-	288,565	153,260
Charitable activities	3	671,740	25,082	3,681	-	700,503	665,892
Other trading activities	4	395,565	-	35,650	-	431,215	604,038
Investments	5	565,983	108,020	218,094	112,878	1,004,975	1,004,343
Other	6	10,000	-	-	-	10,000	97,354
<b>Total</b>		<b>6,884,170</b>	<b>133,102</b>	<b>2,282,988</b>	<b>112,878</b>	<b>9,413,138</b>	<b>8,337,189</b>
<b>Expenditure on:</b>							
Raising funds	7	38,714	-	-	-	38,714	55,350
Charitable activities	8	8,366,104	295,162	2,062,535	-	10,723,801	8,769,777
<b>Total</b>	9	<b>8,404,818</b>	<b>295,162</b>	<b>2,062,535</b>	<b>-</b>	<b>10,762,515</b>	<b>8,825,127</b>
<b>Net (expenditure)/income before investment gains/(losses)</b>		<b>(1,520,648)</b>	<b>(162,060)</b>	<b>220,453</b>	<b>112,878</b>	<b>(1,349,377)</b>	<b>(487,938)</b>
Net gains on investments	15	(56,892)	(32,341)	(160,703)	2,555,347	2,305,411	529,427
<b>Net income</b>		<b>(1,577,540)</b>	<b>(194,401)</b>	<b>59,750</b>	<b>2,668,225</b>	<b>956,034</b>	<b>41,489</b>
Transfers between funds	13	2,235,148	(140,698)	(996,868)	(1,097,582)	-	-
<b>Other recognised gains/(losses)</b>							
Gains on revaluation of fixed assets	14	255,294	-	-	653,941	909,235	1,577,877
(Loss)/gain on disposal of investments		(57,732)	(16,190)	26,644	22,568	(24,710)	47,163
		<b>197,562</b>	<b>(16,190)</b>	<b>26,644</b>	<b>676,509</b>	<b>884,525</b>	<b>1,625,040</b>
<b>Net movement in funds</b>		<b>855,170</b>	<b>(351,289)</b>	<b>(910,474)</b>	<b>2,247,152</b>	<b>1,840,559</b>	<b>1,666,529</b>
<b>Total funds at 1 January</b>		<b>23,664,063</b>	<b>2,418,985</b>	<b>6,273,771</b>	<b>66,581,192</b>	<b>98,938,011</b>	<b>97,271,482</b>
<b>Total funds at 31 December</b>	19	<b>24,519,233</b>	<b>2,067,696</b>	<b>5,363,297</b>	<b>68,828,344</b>	<b>100,778,570</b>	<b>98,938,011</b>

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

The comparative data for year ended 31 December 2024 is included in note 27.

The notes on pages 31 to 60 form part of the financial statements.

PORTSMOUTH DIOCESAN BOARD OF FINANCE

Company No: 226466

BALANCE SHEET

At 31 December 2025

	Note	2025	2024
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	14	70,339,265	68,832,105
Investments	15	<u>25,710,523</u>	<u>25,681,472</u>
		96,049,788	94,513,577
<b>CURRENT ASSETS</b>			
Debtors	16	639,800	532,241
Cash on Deposit		6,632,681	5,338,513
Cash at bank and in hand		<u>248,948</u>	<u>548,456</u>
		7,521,429	6,419,210
<b>CREDITORS: amounts falling due within one year</b>	17	<u>2,505,147</u>	<u>1,707,276</u>
<b>NET CURRENT ASSETS</b>		5,016,282	4,711,934
<b>Total assets less current liabilities</b>		<u>101,066,070</u>	<u>99,225,511</u>
<b>CREDITORS amounts falling due after more than one year</b>	18		
Loans and long term provisions		<u>287,500</u>	<u>287,500</u>
		287,500	287,500
<b>NET ASSETS</b>		<u>100,778,570</u>	<u>98,938,011</u>
<b>FUNDS</b>			
<b>Unrestricted income funds:</b>			
General funds		24,519,233	23,664,063
Designated funds		<u>2,067,696</u>	<u>2,418,985</u>
		26,586,929	26,083,048
<b>Restricted funds</b>		5,363,297	6,273,771
<b>Endowment funds</b>		68,828,344	66,581,192
<b>TOTAL FUNDS</b>	19/20	<u>100,778,570</u>	<u>98,938,011</u>

Revaluation reserves of the following amounts are included within the above funds: endowment funds £28.0m (2024: £25.0m), restricted funds £1.8m (2024: £2.0m), designated funds £1.5m (2024: £1.5m), general funds £5.3m (2024: £5.3m).

The Notes on pages 31 to 60 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 18<sup>th</sup> May 2026 and signed on behalf of the Board by:

**The Right Revd Jonathan Frost**

**PORTSMOUTH DIOCESAN BOARD OF FINANCE**

Company No: 226466

**STATEMENT OF CASHFLOWS**

At 31 December 2025

	2025	2024
<b>Net cash flow from operating activities</b>		
<b>Net cash used in operating activities</b>	(1,661,961)	(1,944,846)
<b>Cash flows from investing activities</b>		
Dividends, interest and rent from investments	1,004,975	928,296
Purchase of property and equipment	(1,009,714)	(726,698)
Purchase of investments	(1,470,232)	(637,039)
Sale of property and equipment	385,000	611,074
Sale of investments	3,746,592	1,489,183
<b>Net cash provided by investing activities</b>	2,656,621	1,664,816
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	-	287,500
<b>Net cash used in financing</b>	-	287,500
<b>Change in cash and cash equivalents in the reporting period</b>	994,660	7,470
<b>Cash and cash equivalents at 1 January</b>	5,886,969	5,879,499
<b>Cash and cash equivalents at 31 December</b>	<u>6,881,629</u>	<u>5,886,969</u>
<b><u>Reconciliation of net income to net cash flow from operating activities</u></b>		
	2025	2024
<b>Net income for the year ended 31 December</b>	956,034	41,489
<b>Adjustments for:</b>		
Depreciation charges	36,789	51,233
Gains on investments	(2,305,411)	(529,427)
Dividends, interest and rent from investments	(1,004,975)	(1,004,343)
Gain on sale of functional assets	(10,000)	(97,354)
(Gain)/loss on disposal of investments	(24,710)	47,163
(Increase)/decrease in operating debtors	(107,559)	207,976
Increase/(decrease) in operating creditors	797,871	(661,583)
<b>Net cash provided by operating activities</b>	<u>(1,661,961)</u>	<u>(1,944,846)</u>
<b><u>Analysis of net debt</u></b>		
Cash at bank and in hand	248,948	548,456
Cash on deposit	6,632,681	5,338,513
Bank/other loan	(287,500)	(287,500)
<b>Total net debt</b>	<u>6,594,129</u>	<u>5,599,469</u>

1. **ACCOUNTING POLICIES**

Portsmouth DBF is a company limited by guarantee, incorporated in England and Wales, and is a Public Benefit Entity as defined by FRS102. The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included at their fair value as determined under the applicable valuation method as detailed in e), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (Second Edition, effective 1 January 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The Trustees consider that there are no material uncertainties that could cast doubt on the charity's ability to continue as a going concern. After reviewing the charity's forecasts and projections, the Trustees have a reasonable expectation that the charity has adequate resources to continue as a going concern for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing this Annual Report and Financial Statements.

The principal accounting policies and estimation techniques are as follows.

**a) Income**

All income is included in the Statement of Financial Activities (SOFA) when the PDBF 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 received, plus an accrual for any late payments received in January of the following year.
- ii) **Rent** is recognised as income when receivable.
- 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 in the year in which it is received, plus an accrual for any late payments received in the following year.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the PDBF'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 Activities category.

- i) **Costs of raising funds** are constrained to costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.

**1. ACCOUNTING POLICIES (CONTINUED)**

- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, and expenditure on resourcing mission and ministry within 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 PDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration, and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** The majority of PDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 24). The pension costs charged as resources expended represent both the PDBF's contributions payable in respect of the accounting period, in accordance with FRS102 and the funding of any deficit. Deficit funding for the pension schemes to which PDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

**c) Tangible fixed assets and depreciation**

Properties are accounted for at their fair value and are reviewed annually and revalued accordingly. Each property is subject to a full revaluation review on at least a five-year cycle. This review is led by our internal property specialist and is used as the basis of assessing the valuation of the remainder of the portfolio. The fair value assessment is reviewed by management and the Board of Trustees.

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 PDBF 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.

*Parsonage houses*

The PDBF 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.

**1. ACCOUNTING POLICIES (CONTINUED)**

The PDBF 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 fair value, using the same valuation methodology as for freehold properties as noted above. This treatment is also applied to any property where the title will revert to the PCC in the event that it should no longer be required as a parsonage.

Due to the length of time properties have been held by the Board and the unavailability of historical accounting records it is not possible to provide a historical cost valuation for Board and benefice houses

*Computer equipment*

Items of computer equipment are stated at cost, being the purchase price and any incidental acquisition costs.

**d) Depreciation**

Depreciation is provided on leasehold properties over the lesser of 50 years or the life of the lease.

Depreciation is provided on computer equipment over a period of 3 years.

**e) Other accounting policies**

i) **Fixed asset investments** are included in the balance sheet at bid value and the gain or loss taken to the Statement of Financial Activities. Property held as an investment is revalued by the Diocesan surveyor on a five-year cycle alongside all other properties.

Glebe land is accounted for at fair value and is reviewed on a five-year cycle and revalued accordingly.

ii) **Leases.** The PDBF 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 lease term.

iii) **Financial instruments** are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. The charity only has financial assets and liabilities which qualify as basic financial instruments.

Financial assets and liabilities measured at amortised cost, which includes parish share receivable and other debtors, bank loans and creditors, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest rate method.

Financial assets held at fair value comprise the listed and unlisted investments disclosed in note 15.

**f) Fund balances**

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

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

**1. ACCOUNTING POLICIES (CONTINUED)**

- **General funds** which the PDBF intends to use for the general purposes of the PDBF and
- **Designated funds** set aside out of unrestricted funds by the PDBF 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 PDBF (Stipends Fund Capital, Parsonage Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

“Special trusts” (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company’s own financial statements. Trusts where the PDBF 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) Key Judgements**

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

- Basis for non-depreciation of functional residential property
- Assumptions underpinning the clergy and church workers’ pension scheme liabilities.
- Fair value of properties

**2 DONATIONS**

**2a Parish Contributions**

2025	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025
	General	Designated			
	£	£			
Parish share requested	5,379,471	-	-	-	5,379,471
Short fall against cash received	(853,539)	-	-	-	(853,539)
Payments received	4,525,932	-	-	-	4,525,932
Amounts received for prior year	22,207	-	-	-	22,207
Parish share receivable	4,548,139	-	-	-	4,548,139

2024	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
	General	Designated			
	£	£			
Parish share requested	5,222,779	-	-	-	5,222,779
Short fall against cash received	(745,463)	-	-	-	(745,463)
Payments received	4,477,316	-	-	-	4,477,316
Amounts received for prior year	33,298	-	-	-	33,298
Parish share receivable	4,510,614	-	-	-	4,510,614

The majority of donations are collected from parishes of the diocese through the parish share system. Current year parish share receipts represent 84.1% of the total apportioned (2024: 85.7%) or when receipts for previous years are included, 84.5% (2024: 86.4%) of the amount requested.

**2b Archbishops' Council**

2025	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025
	General	Designated			
	£	£			
Lowest income community funding	618,178	-	-	-	618,178
Church Commission grant for Resourcing Ministerial Education	-	-	26,900	-	26,900
Strategic Development Fund	-	-	714,725	-	714,725
Strategic Ministry and Mission Investment funds	-	-	859,863	-	859,863
Net Zero Carbon Funding	-	-	35,500	-	35,500
Other Archbishops' Council Grants	-	-	174,575	-	174,575
	618,178	-	1,811,563	-	2,429,741

2024	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
	General	Designated			
	£	£			
Lowest income community funding	597,563	-	-	-	597,563
Church Commission grant for Resourcing Ministerial Education	-	-	21,700	-	21,700
Strategic Development Fund	-	-	521,335	-	521,335
Net Zero Carbon Funding	-	-	42,100	-	42,100
Other Archbishops' Council Grants	-	-	118,990	-	118,990
	597,563	-	704,125	-	1,301,688

**2c Other donations**

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			
	£	£			
<b>2025</b>					<b>2025</b>
					£
Benefact Trust	70,795	-	-	-	70,795
Donations	3,770	-	214,000	-	217,770
	<b>74,565</b>	<b>-</b>	<b>214,000</b>	<b>-</b>	<b>288,565</b>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			
	£	£			
<b>2024</b>					<b>2024</b>
					£
Benefact Trust	84,280	-	-	-	84,280
Donations	1,980	-	67,000	-	68,980
	<b>86,260</b>	<b>-</b>	<b>67,000</b>	<b>-</b>	<b>153,260</b>

**3 CHARITABLE ACTIVITIES**

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			
	£	£			
<b>2025</b>					<b>2025</b>
					£
Statutory fees and chaplaincy income	301,639	-	-	-	301,639
Miscellaneous income	81,542	25,082	3,681	-	110,305
Section income:					
Education	15,535	-	-	-	15,535
Ministry Support	67,592	-	-	-	67,592
Social Transformation	205,432	-	-	-	205,432
	<b>671,740</b>	<b>25,082</b>	<b>3,681</b>	<b>-</b>	<b>700,503</b>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			
	£	£			
<b>2024</b>					<b>2024</b>
					£
Statutory fees and chaplaincy income	325,245	-	-	-	325,245
Miscellaneous income	50,803	23,217	10,000	-	84,020
Section income:					
Education	60,050	-	-	-	60,050
Ministry support	61,448	-	-	-	61,448
Social Transformation	135,129	-	-	-	135,129
	<b>632,675</b>	<b>23,217</b>	<b>10,000</b>	<b>-</b>	<b>665,892</b>

**4 OTHER TRADING ACTIVITIES**

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025
	General	Designated			
	£	£			
Rental income from properties	395,565	-	35,650	-	431,215
	<b>395,565</b>	<b>-</b>	<b>35,650</b>	<b>-</b>	<b>431,215</b>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
	General	Designated			
	£	£			
Rental income from properties	559,539	-	44,499	-	604,038
	<b>559,539</b>	<b>-</b>	<b>44,499</b>	<b>-</b>	<b>604,038</b>

**5 INVESTMENT INCOME**

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025
	General	Designated			
	£	£			
Dividends receivable	370,693	27,429	157,658	92,035	647,815
Interest receivable	102,582	80,591	60,436	20,843	264,452
Rents receivable	92,708	-	-	-	92,708
	<b>565,983</b>	<b>108,020</b>	<b>218,094</b>	<b>112,878</b>	<b>1,004,975</b>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
	General	Designated			
	£	£			
Dividends receivable	378,691	43,362	177,712	86,041	685,806
Interest receivable	129,090	37,756	33,875	11,835	212,556
Rents receivable	105,981	-	-	-	105,981
	<b>613,762</b>	<b>81,118</b>	<b>211,587</b>	<b>97,876</b>	<b>1,004,343</b>

**6 OTHER INCOME**

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025
	General	Designated			
	£	£			
Gain on sale of properties	10,000	-	-	-	10,000
	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
	General	Designated			
	£	£			
Gain on sale of properties	97,354	-	-	-	97,354
	<b>97,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,354</b>

**7 FUND RAISING COSTS**

2025	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025
	General	Designated			
	£	£	£	£	£
Glebe agent's fees and repairs	13,770	-	-	-	13,770
Management fees of rentals	24,944	-	-	-	24,944
	<b>38,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,714</b>

2024	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
	General	Designated			
	£	£	£	£	£
Glebe agent's fees and repairs	11,866	-	-	-	11,866
Management fees of rentals	43,484	-	-	-	43,484
	<b>55,350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,350</b>

**8 CHARITABLE ACTIVITIES**

2025	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025
	General	Designated			
	£	£	£	£	£
<b>Contributions to Archbishops' Council</b>					
Training for ministry	58,319	-	-	-	58,319
National church responsibilities	113,831	-	-	-	113,831
Grants and provisions	20,060	-	-	-	20,060
Mission agency pension contributions	6,490	-	-	-	6,490
Retired clergy housing costs	82,936	-	-	-	82,936
	<b>281,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>281,636</b>
<b>Resourcing ministry and mission</b>					
Training for ministry	167,384	-	27,848	-	195,232
Parish ministry:					
Stipends and national insurance	2,992,847	-	72,928	-	3,065,775
Pension costs	524,138	-	16,847	-	540,985
Housing costs	1,574,489	36,897	2,094	-	1,613,480
Removal, resettlement & other grants	167,654	-	-	-	167,654
Other expenses	259,612	258,265	1,927,998	-	2,445,875
	<b>5,686,124</b>	<b>295,162</b>	<b>2,047,715</b>	<b>-</b>	<b>8,029,001</b>
<b>Support for ministry and mission</b>					
Ministry and Discipleship	266,036	-	-	-	266,036
Education	190,468	-	-	-	190,468
Mission development	701,762	-	-	-	701,762
Mission Support	766,288	-	-	-	766,288
Social transformation	311,134	-	-	-	311,134
Governance	35,631	-	-	-	35,631
Legal and registrar	127,024	-	14,820	-	141,844
	<b>2,398,344</b>	<b>-</b>	<b>14,820</b>	<b>-</b>	<b>2,413,164</b>
	<b>8,366,104</b>	<b>295,162</b>	<b>2,062,535</b>	<b>-</b>	<b>10,723,801</b>

**8 CHARITABLE ACTIVITIES (CONTINUED)**

2024	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
	General	Designated			
	£	£	£	£	£
<b>Contributions to Archbishops' Council</b>					
Training for ministry	168,051	-	-	-	168,051
National church responsibilities	111,233	-	-	-	111,233
Grants and provisions	19,162	-	-	-	19,162
Mission agency pension contributions	-	-	-	-	-
Retired clergy housing costs	77,498	-	-	-	77,498
	<b>375,944</b>	-	-	-	<b>375,944</b>
<b>Resourcing ministry and mission</b>					
Training for ministry	169,828	-	19,598	-	189,426
Parish ministry:					-
Stipends and national insurance	2,695,679	-	22,713	-	2,718,392
Pension costs	546,290	-	4,466	-	550,756
Housing costs	1,312,875	36,139	2,438	-	1,351,452
Removal, resettlement & other grants	158,696	-	-	-	158,696
Other expenses	168,883	189,967	669,301	-	1,028,151
	<b>5,052,251</b>	<b>226,106</b>	<b>718,516</b>	-	<b>5,996,873</b>
<b>Support for ministry and mission</b>					
Ministry and Discipleship	240,846	-	-	-	240,846
Education	194,895	-	-	-	194,895
Mission development	691,885	-	-	-	691,885
Mission Support	882,883	-	-	-	882,883
Social transformation	239,826	-	-	-	239,826
Governance	33,894	-	-	-	33,894
Legal and registrar	112,731	-	-	-	112,731
	<b>2,396,960</b>	-	-	-	<b>2,396,960</b>
	<b>7,825,155</b>	<b>226,106</b>	<b>718,516</b>	-	<b>8,769,777</b>

**9 ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS**

2025	Activities	Grant	Support	TOTAL
	Undertaken	Funding of		
	Directly	Activities	Costs	2025
	£	£	£	£
Raising funds	38,714	-	-	38,714
Contributions to Archbishops' Council	-	281,636	-	281,636
Parish Ministry	7,860,358	168,643	-	8,029,001
Support for Ministry and Mission	2,150,274	-	72,422	2,222,696
Education	-	190,468	-	190,468
	<b>10,049,346</b>	<b>640,747</b>	<b>72,422</b>	<b>10,762,515</b>

2024	Activities	Grant	Support	TOTAL
	Undertaken	Funding of		
	Directly	Activities	Costs	2024
	£	£	£	£
Raising funds	55,350	-	-	55,350
Contributions to Archbishops' Council	-	375,944	-	375,944
Parish Ministry	5,829,282	167,591	-	5,996,873
Support for Ministry and Mission	2,266,225	-	70,684	2,336,910
Education	60,050	-	-	60,050
	<b>8,210,907</b>	<b>543,535</b>	<b>70,684</b>	<b>8,825,126</b>

**10 ANALYSIS OF SUPPORT COSTS**

2025	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			
	£	£	£	£	£
Central administration	36,790	-	-	-	36,790
Governance	35,632	-	-	-	35,632
	<b>72,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,422</b>

2024	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated			
	£	£	£	£	£
Central administration	36,790	-	-	-	36,790
Governance	33,894	-	-	-	33,894
	<b>70,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,684</b>

Auditors' remuneration for the year was £27,000 (2024: £20,490) and the cost of operating lease rentals was £9,615 (2024: £25,256).

**11 ANALYSIS OF GRANTS**

2025	Number	Individuals £	Institutions £	Total £
<b>From unrestricted funds for national Church responsibilities:</b>				
Contributions to Archbishop's Council	1	-	281,636	281,636
<b>From unrestricted funds:</b>				
Removal and resettlement grants	30	168,643	-	168,643
Ordinand maintenance grants	7	106,198	-	106,198
Financial support grant	1	-	825	825
Alpha grant to PCCs	1	-	110	110
	39	274,841	935	275,776
<b>From restricted funds for various purposes:</b>				
Minor repairs and improvements grant to	22	-	13,552	13,552
Ordinand maintenance grants	20	29,848	-	29,848
Quick wins grant to PCCs	11	-	9,908	9,908
Clergy welfare grant	1	500	-	500
	54	30,348	23,460	53,808
	94	305,189	306,031	611,220
2024 - restated	Number	Individuals £	Institutions £	Total £
<b>From unrestricted funds for national Church responsibilities:</b>				
Contributions to Archbishop's Council	1	-	375,944	375,944
<b>From unrestricted funds:</b>				
Retired Lay Worker Pension Grant	1	1,241	-	1,241
Ordinand maintenance grants	9	123,724	-	123,724
Alpha grant to PCCs	13	-	1,430	1,430
Removal and resettlement grants	36	166,350	-	166,350
	59	291,315	1,430	292,745
<b>From restricted funds for various purposes:</b>				
Youth development grant to PCCs	1	-	1,700	1,700
Minor repairs and improvements grant to	2	-	13,552	13,552
Ordinand maintenance grants	17	19,598	-	19,598
Quick wins grant to PCCs	6	-	9,908	9,908
Energy grants to PCCs	1	-	500	500
	27	19,598	25,660	45,258
	87	310,913	403,034	713,947

**12 STAFF COSTS**

Employee costs during the year were as follows:

	2025 £	2024 £
Wages and salaries	1,553,951	1,329,796
National insurance contributions	178,481	134,763
Pension costs	45,350	95,522
	<u>1,777,782</u>	<u>1,560,081</u>

Included in the above are settlement payments totalling £12,717 (2024: £2,500).

**12 STAFF COSTS (CONTINUED)**

PDBF continues to use the historical surplus on the lay staff DBS to offset current pension contributions for lay staff. The monies are held by the Church of England Pension Board.

The average number of persons employed during the year:

	2025 fte	2024 fte
Property and parish support	8.2	6.7
Education	0.0	2.2
Ministry and discipleship	5.9	3.1
Safeguarding	6.1	5.7
Communications	1.6	1.6
Strategic projects	2.3	2.2
Social Transformation	6.1	3.3
Administrative and finance support	5.3	4.7
	35.5	29.5
Parochial Assistants	3.1	2.7
	38.6	32.2

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

	2025 no.	2024 no.
Property and parish support	9.6	8.3
Education	0.0	7.0
Ministry and discipleship	7.8	3.8
Safeguarding	7.8	7.8
Communications	2.0	2.0
Strategic projects	2.6	2.3
Social Transformation	7.0	4.3
Administrative and finance support	6.8	5.0
	43.6	40.5
Parochial Assistants	2.8	3.0
	46.4	43.5

Included in the figures above are a small number of staff who work within the deaneries including the PA's to the Archdeacons, as well as those in central diocesan support roles. In addition, 6 members of staff are funded under the Strategic Development and Strategic Ministry and Mission funds, 2 funded under the Net Zero Carbon funds and 1 funded under the Church Building Support Officer funds.

The finance team for the PDBF are a shared team with Winchester Diocesan Board of Finance (WDBF). The majority are employed by WDBF and the costs of these team members are charged from WDBF to PDBF on the basis of time spent providing support to each diocese. The average FTE for these staff is included in the headcount above, based on the time spent supporting PDBF.

During the prior year, the staff team included above under Education were also shared with the WDBF. Two thirds of the cost of this team were recharged to the WDBF based on the number of schools in each diocese and the FTE head count reflects the average headcount paid for by PDBF. From 1<sup>st</sup> July 2024 these staff were TUPE'd to the Portsmouth and Winchester Diocesan Board of Education (P&WDBE). The figures above include their costs for the first 6 months of the year only.

**12 STAFF COSTS (CONTINUED)**

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

	2025	2024
	no.	no.
£60,000 - £70,000	2	2
£70,000 - £80,000	1	-
£80,000 - £90,000	1	1

Pension payments of £4,352 (2024: £17,862) were made for these employees.

**Remuneration of key management personnel**

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

Diocesan Secretary	Philip Poulter
Director of Ministry and Discipleship	Revd Andrew Hargreaves
Head of Social Transformation	Nick Ralph (10%)
Director of Communications	Neil Pugmire
Head of Safeguarding	Emily Hassan
Head of Finance	Elaine Coe

Remuneration, pensions and expenses for these 6 employees (2024: 8) amounted to £392,281 (2024: £406,876).

**Trustees' emoluments**

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses totalling £5,767 (2024: £15,726) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as Trustees. During the year, no trustees were in receipt of resettlement grants (2024: nil).

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

	Stipend	Housing
Archdeacon of the Isle of Wight (Daughtery)	Yes	Yes
Archdeacon of the Meon (Percival)	Yes	Yes
Archdeacon of Portsdown (Canon R C White)	Yes	Yes
The Revd James Hunt	Yes	Yes
The Revd Amy Adeniran	Yes	Yes
The Revd Adam Tams	Yes	Yes
The Revd David Morgan	Yes	Yes
Revd Ray Driscoll	Yes	Yes

The following Trustees are also members of the PDBF staff team and were in receipt of a salary for these roles during the year:

Philip Poulter

**12 STAFF COSTS (CONTINUED)**

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

The PDBF paid an average of 84.0 (2024: 78.5) stipendiary clergy as officeholders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2025	2024
	£	£
Stipends	2,768,155	2,403,709
National insurance contributions	300,049	217,425
Pension costs	540,985	550,756
	<u>3,609,189</u>	<u>3,171,890</u>

**13 ANALYSIS OF TRANSFERS BETWEEN FUNDS**

2025	Unrestricted funds		Restricted funds	Endowment funds
	General	Designated		
	£	£	£	£
Transfer of investment income to support operating costs	116,521	-	(116,521)	-
Agreed use of designated funds to support with operating costs	154,529	(154,529)	-	-
To support costs of choir church	16,254	(16,254)	-	-
Transfer of assets after pastoral scheme	523,341	-	-	(523,341)
Transfer for purchase of property	990,000	-	(990,000)	-
Transfer for sale of property	(385,000)	-	385,000	-
Portsmouth share of Interest earned by P&WCSG Fund	-	-	-	7,420
	-	-	-	(7,420)
Transfer for previous years costs	574,703	-	-	(574,703)
For ordinand costs	11,660	-	(11,660)	-
Reflect demonstrator project costs included in property repairs	26,355	-	(26,355)	-
Transfer to diocesan conference fund	(8,000)	8,000	-	-
Transfer cost of education team activities	233,801	-	(233,801)	-
Transfer for office repair costs	(20,000)	20,000	-	-
Transfer for property enhancements	-	-	-	19,711
	-	-	-	(19,711)
Other small fund transfers and amalgamations	984	2,085	(3,532)	462
	<u>2,235,148</u>	<u>(140,698)</u>	<u>(996,868)</u>	<u>(1,097,582)</u>

Further details of the transfers are included in note 19.

**13 ANALYSIS OF TRANSFERS BETWEEN FUNDS (CONTINUED)**

2024	Unrestricted funds		Restricted funds	Endowment funds
	General	Designated		
	£	£	£	£
Transfer of investment income to support operating costs	50,779	(86,802)	-	36,023
Transfer of parsonage assets to DBF property	741,421	-	-	(741,421)
Portsmouth share of Interest earned by P&WCSG Fund	11,339	-	(11,339)	-
Transfer for previous years costs	95,078	(95,078)	-	-
Transfer to diocesan conference fund	(8,000)	8,000	-	-
Transfer cost of education team activities	171,501	-	(171,501)	-
Transfer of matched funding commitments (sustainability fund to mission fund)	-	240,630	-	-
	-	(240,630)	-	-
Transfer for parsonage repairs	261,060	-	(261,060)	-
Transfer for office repair costs	13,758	(13,758)	-	-
Transfer of SDF costs not claimed	(3,312)	-	3,312	-
Transfer for property enhancements (capital stipends fund to parsonage house)	-	-	-	(151,698)
	-	-	-	151,698
Transfer towards stipends	2,540	(2,540)	-	-
	<u>1,336,164</u>	<u>(190,178)</u>	<u>(440,588)</u>	<u>(705,398)</u>

**14 TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings	Leasehold Buildings	Computer Equipment	Total 2025
	£	£	£	£
<b>At Cost or Valuation</b>				
At 1 January 2025	67,618,032	1,851,443	47,249	69,516,724
Additions	1,009,714	-	-	1,009,714
Disposals	(375,000)	-	-	(375,000)
Revaluation	909,235	-	-	909,235
At 31 December 2025	<u>69,161,981</u>	<u>1,851,443</u>	<u>47,249</u>	<u>71,060,673</u>
<b>Accumulated depreciation</b>				
At 1 January 2025	-	637,370	47,249	684,619
Charge for the year	-	36,789	-	36,789
At 31 December 2025	-	<u>674,159</u>	<u>47,249</u>	<u>721,408</u>
<b>Net book value at 31 December 2025</b>	<u>69,161,981</u>	<u>1,177,284</u>	<u>-</u>	<u>70,339,265</u>
Net book value at 31 December 2024	<u>67,618,032</u>	<u>1,214,073</u>	<u>-</u>	<u>68,832,105</u>

All of the properties in the balance sheet are freehold and are vested in the PDBF, except for benefice houses which are vested in the incumbent. All properties are held at market value and are subject to a five-year cycle of survey and consequent repairs are charged as expenditure, unless they demonstrate enhancement to the property value, in which case they are capitalised.

**14 TANGIBLE FIXED ASSETS (continued)**

The Diocesan Office at Peninsular House is a leasehold property for which the premium is being amortised over 50 years. Just under half of the office space is sublet as it is not required for diocesan use. The carrying value of this property valued on a part functional, part investment basis would not be materially different from that quoted above.

**15 FIXED ASSETS INVESTMENTS**

	At 1st January 2025 £	Additions £	Disposals £	Change in Market Value £	At 31st December 2025 £
<b>Unrestricted General Funds</b>					
Unlisted investments	2,844,114	1,173,061	(1,705,343)	(56,892)	2,254,940
<b>Designated Funds</b>					
Unlisted investments	1,343,195	2,935	(554,416)	(32,341)	759,373
<b>Restricted Funds</b>					
Unlisted investments	4,818,668	294,236	(1,337,994)	(160,703)	3,614,208
<b>Endowment Funds</b>					
Unlisted investments	12,500,495	-	(148,839)	(446,653)	11,905,003
Investment Property	462,000	-	-	-	462,000
Investment Land	3,713,000	-	-	3,002,000	6,715,000
<b>Total Funds</b>	<b>25,681,472</b>	<b>1,470,232</b>	<b>(3,746,592)</b>	<b>2,305,412</b>	<b>25,710,523</b>

**16 DEBTORS**

	2025 £	2024 £
Parish share receivable	49,188	56,468
Prepayments and accrued income	354,445	329,745
Parish loans	130,000	-
Other debtors	106,167	146,028
	<b>639,800</b>	<b>532,241</b>

The parish share receivable relates to amounts received in January 2025 relating to 2024 parish share requests and are treated as accrued income in the accounts. Any payments against arrears received after this date will be recorded as 2026 income.

**17 CREDITORS: amounts falling due within one year**

	2025	2024
	£	£
Accruals	135,384	113,086
Other creditors	173,413	162,900
* P&WCSG Fund Creditors	2,062,173	1,236,505
Deferred income	92,783	73,552
Provision for repairs	-	93,492
Tax and social security	41,393	27,741
	<u>2,505,147</u>	<u>1,707,276</u>

\* The P&WCSG Fund holds £2,112,621 (2024: £1,286,951) on deposit with CCLA and Barclays.

Deferred income relates to rental income received in advance which is fully released in the subsequent year, and Strategic Ministry and Mission funding received in advance which has not been fully spent at the end of the year. This is expected to be spent in the coming year.

Analysis of movement in deferred income:

	2025	2024
	£	£
Brought forward deferred income	73,552	30,579
Amounts deferred in the current year	(73,552)	(30,579)
Amounts released from previous periods	92,783	73,552
Carried forward deferred income	<u>92,783</u>	<u>73,552</u>

**18 CREDITORS: amounts falling due after more than one year**

	2025	2024
	£	£
Loan repayment instalments due after more than one year		
Over 5 years	287,500	287,500
	<u>287,500</u>	<u>287,500</u>

The loan balance is an amount due to the Warblington with Emsworth parish in relation to the purchase of a property during the year. There is no interest due and the property is to be held on trust for three years. The loan will be settled from the proceeds of the sale of the property when this arises.

19 SUMMARY OF FUND MOVEMENTS

2025	Balances at					Balances at	
	1 January						31 December
	2025	Income	Expenditure	Transfers	Gains and losses		2025
£	£	£	£	£	£	£	
<b>Unrestricted funds - General</b>	23,664,063	6,884,170	(8,404,818)	2,235,148	140,670	<b>24,519,233</b>	
<b>Unrestricted funds - Designated</b>							
Brown, Doig, Silver Bequest	65,824	-	-	(8,625)	(2,583)	<b>54,616</b>	
Diocesan Conference Fund	65,539	3,374	-	8,000	-	<b>76,913</b>	
Diocesan Loan Fund	338,002	9,055	-	(2,653)	(13,349)	<b>331,055</b>	
Parsonages Repairs Fund	292,107	12,496	(35,587)	(50,000)	(645)	<b>218,371</b>	
CME Fund	146,122	10,675	(1,266)	-	-	<b>155,531</b>	
Valpy Bequest	37,016	-	-	(35,636)	(1,380)	-	
Winterbotham Legacy	150,774	5,797	-	(27,530)	(4,235)	<b>124,806</b>	
Office Repair Fund	107,276	3,192	(31,969)	20,000	(2,532)	<b>95,967</b>	
Mission Fund	407,880	51,196	(201,851)	(16,254)	-	<b>240,971</b>	
Lambeth Conference Fund	8,715	-	-	-	-	<b>8,715</b>	
Evangelism Fund	110	-	(110)	-	-	-	
Catherington House Fund	695,156	22,225	(8,616)	-	(23,808)	<b>684,957</b>	
Sustainability Fund	86,191	4,565	-	(28,000)	-	<b>62,756</b>	
Reader board	18,273	10,527	(15,763)	-	-	<b>13,037</b>	
	<b>2,418,985</b>	<b>133,102</b>	<b>(295,162)</b>	<b>(140,698)</b>	<b>(48,531)</b>	<b>2,067,696</b>	

19 SUMMARY OF FUND MOVEMENTS (CONTINUED)

	Balances at 1 January 2025 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balances at 31 December 2025 £
<b>Restricted funds</b>						
Barclay Bequest	8,238	300	-	-	(231)	8,307
Ben Aug Fund	115,090	-	-	-	(4,601)	110,489
Bishop's Lent Appeal	3,970	22	(453)	(3,532)	-	7
Christian Healing Fund	272	14	-	-	-	286
Harrison Parochial Loan Fund	19,731	1,065	-	-	-	20,796
Huckstepp Legacy	125,374	-	(2,000)	-	(2,991)	120,383
James Legacy	25,235	-	-	-	(1,003)	24,232
New Churches Fund	1,404,793	52,687	-	-	(49,758)	1,407,722
Turret House Fund	139,472	4,956	-	-	(5,646)	138,782
Surrexit Fund	15,740	48,382	(34,501)	-	-	29,621
Pastoral Fund	2,216,028	57,431	(7,094)	(721,521)	(42,117)	1,502,727
P&WCSGF	39,107	22,610	(15,190)	(7,420)	-	39,107
Corban Fund	53,301	1,689	-	-	(1,857)	53,133
Eckersley Clergy families	510,650	16,985	(500)	-	(16,686)	510,449
Education Restricted	1,391,553	87,041	(16,516)	(226,381)	(9,168)	1,226,529
Resourcing Ministerial Education	105,047	26,900	(106,270)	(11,660)	-	14,017
Strategic Development	(452)	714,724	(733,499)	-	-	(19,227)
Energy Grant	14,834	-	-	-	-	14,834
Net Carbon Zero	(1,207)	39,807	(39,949)	9,179	-	7,830
Church Building Support Officer	9,845	28,088	(20,614)	-	-	17,319
Minor Repairs and Improvements	62,857	38,728	(85,662)	(1,082)	-	14,841
Flourish	20,134	90,234	(71,806)	-	-	38,562
Quick Wins	10,873	24,906	(26,671)	(297)	-	8,811
Strategic Mission and Ministry - Rejuvenation	(16,713)	860,046	(843,333)	-	-	-
Additional stipendiary ministry Demonstrator	-	81,785	(8,775)	-	-	73,010
Demonstrator	-	54,000	(19,125)	(34,155)	-	720
Curacy funding	-	30,588	(30,577)	-	-	11
	6,273,771	2,282,988	(2,062,535)	(996,868)	(134,059)	5,363,297
<b>Expendable Endowment funds</b>						
Parsonage Houses	45,565,497	-	-	(503,630)	435,233	45,497,100
Education Endowment	1,891,200	28,853	-	-	(29,235)	1,890,818
<b>Permanent Endowment funds</b>						
Stipends Capital Fund	9,387,714	-	-	(594,414)	(305,080)	8,488,220
Bells Loan Fund	587,415	16,829	-	-	(18,743)	585,501
Boyd Richardson Trust	200,448	-	-	-	(8,402)	192,046
Constance Trust	37,548	-	-	-	(1,574)	35,974
Cowes St M Ben Aug	1,153	-	-	10	(44)	1,119
Diocesan House Trust	270,804	-	-	-	(10,459)	260,345
Fawdry Bequest	46,822	-	-	397	(1,860)	45,359
Glebe Fund	1,290,041	59,775	-	-	(8,637)	1,341,179
Glebe Property	6,940,924	-	-	-	3,220,708	10,161,632
Glebe House Cottage Trust	5,357	-	-	44	(213)	5,188
Hayling St M Curacy End	1,502	-	-	11	(57)	1,456
Lambert Loan Fund	225,980	7,420	-	-	(6,570)	226,830
Glebe Capital	128,787	-	-	-	(33,210)	95,577
	66,581,192	112,877	-	(1,097,582)	3,231,857	68,828,344
<b>Total Funds</b>	98,938,011	9,413,137	(10,762,516)	1	3,189,937	100,778,570

The overdrawn fund balance on the Strategic development fund reflects additional grant due to be claimed.

19 SUMMARY OF FUND MOVEMENTS (CONTINUED)

2024	Balances at				Gains and losses	Balances at
	1 January 2024	Income	Expenditure	Transfers		
	£	£	£	£	£	£
<b>Unrestricted funds - General</b>	22,413,352	7,097,767	(7,880,505)	1,336,163	697,286	23,664,063
<b>Unrestricted funds - Designated</b>						
Brown, Doig, Silver Bequest	68,393	-	(6,630)	1,904	2,157	65,824
Circus Charity Fund	2,487	-	-	(2,540)	53	-
Diocesan Conference Fund	55,905	1,634	-	8,000	-	65,539
Diocesan Loan Fund	346,067	6,740	-	(31,450)	16,644	338,001
Parsonages Repairs Fund	304,042	16,211	(34,754)	-	6,607	292,106
CME Fund	145,039	1,083	-	-	-	146,122
Valpy Bequest	36,148	-	-	-	869	37,017
Winterbotham Legacy	168,970	6,208	-	(28,446)	4,042	150,774
Office Repair Fund	121,886	3,541	(5,809)	(13,758)	1,418	107,278
Mission Fund	334,379	14,726	(173,849)	232,626	-	407,882
Lambeth Conference Fund	8,715	-	-	-	-	8,715
Evangelism Fund	1,495	-	(1,385)	-	-	110
Building Repair Fund	80,494	-	-	(80,494)	-	-
Catherington House Fund	714,052	19,189	(1,293)	(52,415)	15,621	695,154
Sustainability Fund	326,817	9,276	-	(249,906)	5	86,192
CBIL repayment fund	(26,985)	1,738	-	26,302	(1,055)	-
Reader board	(3,331)	23,990	(2,386)	-	-	18,273
	2,684,572	104,336	(226,106)	(190,177)	46,361	2,418,985
<b>Restricted funds</b>						
Barclay Bequest	7,864	245	-	-	129	8,238
Ben Aug Fund	112,240	-	-	-	2,850	115,090
Bishop's Lent Appeal	4,342	17	(389)	-	-	3,970
Christian Healing Fund	261	10	-	-	-	271
Harrison Parochial Loan Fund	19,150	581	-	-	-	19,731
Huckstepp Legacy	123,412	-	-	-	1,962	125,374
James Legacy	24,673	-	-	-	561	25,234
New Churches Fund	1,336,943	40,120	-	-	27,729	1,404,792
Turret House Fund	132,729	3,728	-	-	3,014	139,471
Surrexit Fund	5,195	23,744	(13,199)	-	-	15,740
Pastoral Fund	2,371,045	69,076	(7,438)	(261,060)	44,404	2,216,027
P&WCSGF	39,107	34,399	(23,060)	(11,339)	-	39,107
Corban Fund	50,784	1,478	-	-	1,039	53,301
Eckersley Clergy families	486,669	14,642	-	-	9,339	510,650
Education Restricted	1,439,320	100,473	(4,111)	(171,501)	27,374	1,391,555
Resourcing Ministerial Education	102,946	21,700	(19,598)	-	-	105,048
Strategic Development	(391)	521,335	(524,708)	3,312	-	(452)
Energy Grant	15,334	-	(500)	-	-	14,834
Net Carbon Zero	5,640	42,673	(49,519)	-	-	(1,206)
Church Building Support Officer	-	21,800	(11,955)	-	-	9,845
Minor Repairs and Improvement	-	72,765	(9,908)	-	-	62,857
Flourish	-	44,000	(23,866)	-	-	20,134
Quick Wins	-	24,425	(13,552)	-	-	10,873
Strategic Mission and Ministry - Rejuvenation	-	-	(16,713)	-	-	(16,713)
	6,277,263	1,037,211	(718,516)	(440,588)	118,401	6,273,772

19 SUMMARY OF FUND MOVEMENTS (CONTINUED)

	Balances at 1 January 2024 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balances at 31 December 2024 £
<b>Expendable Endowment funds</b>						
Parsonage Houses	45,157,130	-	-	(589,723)	998,091	45,565,498
Education Endowment	1,844,541	28,203	-	-	18,456	1,891,200
<b>Permanent Endowment funds</b>						
Stipends Capital Fund	9,350,205	-	-	(151,698)	189,206	9,387,713
Bells Loan Fund	525,475	14,124	-	26,900	20,916	587,415
Boyd Richardson Trust	195,746	-	-	-	4,702	200,448
Constance Trust	36,667	-	-	-	881	37,548
Cowes St M Ben Aug	1,128	-	-	-	24	1,153
Diocesan House Trust	264,710	-	-	-	6,094	270,804
Fawdry Bequest	45,821	(41)	-	-	1,042	46,822
Glebe Fund	1,218,193	49,384	-	-	22,464	1,290,041
Glebe Property	6,932,799	-	-	-	8,126	6,940,925
Glebe House Cottage Trust	5,238	-	-	-	119	5,357
Hayling St M Curacy End	1,470	-	-	-	32	1,502
Lambert Loan Fund	206,973	6,206	-	9,123	3,677	225,980
Glebe Capital	110,199	-	-	-	18,589	128,787
	<b>65,896,296</b>	<b>97,876</b>	<b>-</b>	<b>(705,398)</b>	<b>1,292,419</b>	<b>66,581,192</b>
<b>Total Funds</b>	<b>97,271,482</b>	<b>8,337,189</b>	<b>(8,825,127)</b>	<b>-</b>	<b>2,154,468</b>	<b>98,938,011</b>

20 SUMMARY OF ASSETS BY FUND

2025	Fixed Assets		Current	Liabilities	Net
	Tangible £	Investments £	Assets £	£	Assets £
<b>Unrestricted funds - General</b>	<b>22,003,579</b>	<b>2,254,940</b>	<b>906,637</b>	<b>(645,923)</b>	<b>24,519,233</b>
<b>Unrestricted funds - Designated</b>					
Brown, Doig, Silver Bequest	-	54,616	-	-	54,616
Diocesan Conference Fund	-	-	76,913	-	76,913
Diocesan Loan Fund	-	-	331,055	-	331,055
Parsonages Repair Fund	-	18,756	199,615	-	218,371
CME Fund	-	-	155,531	-	155,531
Valpy Bequest	-	-	-	-	-
Winterbotham Legacy	-	103,222	21,584	-	124,806
Office Repair Fund	-	60,798	35,169	-	95,967
Mission Fund	-	-	240,971	-	240,971
Lambeth Conference Fund	-	-	8,715	-	8,715
Evangelism Fund	-	-	-	-	-
Catherington House Fund	-	521,980	162,977	-	684,957
Sustainability Fund	-	-	62,756	-	62,756
Reader board	-	-	13,037	-	13,037
	-	<b>759,373</b>	<b>1,308,323</b>	<b>-</b>	<b>2,067,696</b>

20 SUMMARY OF ASSETS BY FUND (CONTINUED)

	Fixed Assets		Current	Liabilities	Net
	Tangible	Investments	Assets		Assets
	£	£	£	£	£
<b>Restricted funds</b>					
Barclay Bequest	-	5,542	2,765	-	8,307
Ben Aug Fund	-	110,489	-	-	110,489
Bishop's Lent Appeal	-	-	649	(642)	7
Christian Healing Fund	-	-	286	-	286
Harrison Parochial Loan Fund	-	-	20,796	-	20,796
Huckstepp Legacy	-	72,869	47,514	-	120,383
James Legacy	-	24,079	153	-	24,232
New Churches Fund	-	1,314,567	93,155	-	1,407,722
Turret House Fund	-	137,147	1,635	-	138,782
Surrexit Fund	-	-	29,621	-	29,621
Pastoral Fund	-	825,374	677,353	-	1,502,727
P&WCSGF	-	-	2,101,280	(2,062,173)	39,107
Corban Trust	-	44,582	8,551	-	53,133
Eckersley Clergy families	-	400,688	109,761	-	510,449
Education Restricted	-	678,871	547,658	-	1,226,529
Resourcing Ministerial Education	-	-	14,017	-	14,017
Strategic Development	-	-	(19,227)	-	(19,227)
Ministry Hardship Fund	-	-	-	-	-
Energy grant	-	-	14,834	-	14,834
Net Carbon Zero	-	-	7,830	-	7,830
Church Building Support Officer	-	-	17,319	-	17,319
Minor Repairs and Improvements	-	-	14,841	-	14,841
Flourish	-	-	38,562	-	38,562
Quick Wins	-	-	8,811	-	8,811
Strategic Mission and Ministry - Rejuvenation	-	-	83,908	(83,908)	-
Additional stipendiary ministry	-	-	73,010	-	73,010
Demonstrator funding	-	-	720	-	720
Curacy funding	-	-	11	-	11
	-	3,614,207	3,895,813	(2,146,723)	5,363,297
<b>Expendable Endowment funds</b>					
Parsonage Houses	45,614,923	-	(117,823)	-	45,497,100
Education Endowment	-	1,047,271	843,547	-	1,890,818
<b>Permanent Endowment funds</b>					
Stipends Capital Fund	-	8,488,220	-	-	8,488,220
Bells Loan Fund	-	450,084	135,417	-	585,501
Boyd Richardson Trust	-	201,753	(9,707)	-	192,046
Constance Trust	-	37,793	(1,819)	-	35,974
Cowes St M Ben Aug	-	1,048	71	-	1,119
Diocesan House Trust	-	272,198	(11,853)	-	260,345
Fawdry Bequest	-	44,686	673	-	45,359
Glebe Fund	-	1,267,942	73,238	-	1,341,179
Glebe Property	2,720,762	7,015,000	425,870	-	10,161,632
Glebe House Cottage Trust	-	5,105	83	-	5,188
Hayling St M Curacy End	-	1,364	92	-	1,456
Lambert Loan Fund	-	157,758	69,072	-	226,830
Glebe Capital	-	91,782	3,795	-	95,577
	48,335,686	19,082,002	1,410,656	-	68,828,344
<b>Total Funds</b>	<b>70,339,265</b>	<b>25,710,523</b>	<b>7,521,429</b>	<b>(2,792,647)</b>	<b>100,778,570</b>

20 SUMMARY OF ASSETS BY FUND (CONTINUED)

2024	Fixed Assets		Current	Liabilities	Net
	Tangible	Investments	Assets		Assets
	£	£	£	£	£
General Fund	1,766,421	1,276,211	(96,214)	(702,740)	2,243,678
Leasehold Property	1,214,074	-	(14,474)	-	1,199,600
Freehold Property	17,666,239	223,513	816,218	-	18,705,970
FHP Capital Fund	-	1,344,390	170,424	-	1,514,814
<b>Unrestricted funds - General</b>	<b>20,646,734</b>	<b>2,844,114</b>	<b>875,947</b>	<b>(702,732)</b>	<b>23,664,063</b>
<b>Unrestricted funds - Designated</b>					
Brown, Doig, Silver Bequest	-	65,824	-	-	65,824
Diocesan Conference Fund	-	-	65,539	-	65,539
Diocesan Loan Fund	-	282,575	55,426	-	338,001
Parsonages Repair Fund	-	169,981	122,125	-	292,106
CME Fund	-	-	146,122	-	146,122
Valpy Bequest	-	38,808	(1,791)	-	37,017
Winterbotham Legacy	-	120,296	30,478	-	150,774
Office Repair Fund	-	63,330	43,948	-	107,278
Mission Fund	-	-	407,882	-	407,882
Lambeth Conference Fund	-	-	8,715	-	8,715
Evangelism Fund	-	-	110	-	110
Catherington House Fund	-	602,382	92,772	-	695,154
Sustainability Fund	-	-	86,192	-	86,192
Reader Board	-	-	18,273	-	18,273
	-	1,343,196	1,075,791	-	2,418,985
<b>Restricted funds</b>					
Barclay Bequest	-	5,773	2,465	-	8,238
Ben Aug Fund	-	115,090	-	-	115,090
Bishop's Lent Appeal	-	-	5,159	(1,189)	3,970
Christian Healing Fund	-	-	271	-	271
Harrison Parochial Loan Fund	-	-	19,731	-	19,731
Huckstepp Legacy	-	123,534	1,840	-	125,374
James Legacy	-	25,081	153	-	25,234
New Churches Fund	-	1,328,936	75,856	-	1,404,792
Turret House Fund	-	138,893	578	-	139,471
Surrexit Fund	-	-	15,740	-	15,740
Pastoral Fund	-	1,929,510	286,517	-	2,216,027
P&WCSGF	-	-	1,275,612	(1,236,505)	39,107
Youth Development	-	-	-	-	-
Corban Trust	-	46,439	6,862	-	53,301
Eckersley Clergy families	-	417,374	93,276	-	510,650
Education Restricted	-	688,039	699,264	4,252	1,391,555
Resourcing Ministerial Education	-	-	105,048	-	105,048
Strategic Development	-	-	58,146	(58,598)	(452)
Energy grant	-	-	14,834	-	14,834
Net Carbon Zero	-	-	(1,206)	-	(1,206)
Church Building Support Officer	-	-	9,845	-	9,845
Minor Repairs and Improvements	-	-	62,857	-	62,857
Flourish	-	-	20,134	-	20,134
Quick Wins	-	-	10,873	-	10,873
Strategic Mission and Ministry - Rejuvenation	-	-	(16,713)	-	(16,713)
	-	4,818,669	2,747,142	(1,292,040)	6,273,771

**20 SUMMARY OF ASSETS BY FUND (CONTINUED)**

	Fixed Assets		Current Assets	Liabilities	Net Assets
	Tangible	Investments			
	£	£	£	£	£
<b>Expendable Endowment funds</b>					
Parsonage Houses	45,683,320	-	(117,822)	-	45,565,498
Education Endowment	-	1,076,505	814,694	-	1,891,199
<b>Permanent Endowment funds</b>					
Stipends Capital Fund	-	8,964,708	423,006	-	9,387,714
Bells Loan Fund	-	468,826	118,589	-	587,415
Boyd Richardson Trust	-	210,155	(9,707)	-	200,448
Constance Trust	-	39,367	(1,819)	-	37,548
Cowes St M Ben Aug	-	1,091	61	-	1,153
Diocesan House Trust	-	282,657	(11,853)	-	270,804
Fawdry Bequest	-	46,546	276	-	46,822
Glebe Fund	-	1,276,578	13,463	-	1,290,041
Glebe Property	2,502,051	4,013,003	425,871	-	6,940,925
Glebe House Cottage Trust	-	5,317	40	-	5,357
Hayling St M Curacy End	-	1,421	81	-	1,503
Lambert Loan Fund	-	164,327	61,652	-	225,979
Glebe Capital	-	124,992	3,796	-	128,788
	<b>48,185,371</b>	<b>16,675,493</b>	<b>1,720,328</b>	<b>-</b>	<b>66,581,192</b>
<b>Total Funds</b>	<b>68,832,105</b>	<b>25,681,472</b>	<b>6,419,210</b>	<b>(1,994,772)</b>	<b>98,938,011</b>

**21 DESCRIPTION OF FUNDS**

<u>Fund</u>	<u>Purpose</u>
<b>Unrestricted funds - General</b>	
FHP Capital Fund	Provision of clergy housing
Freehold Property	Housing other clergy
General Fund	DBF's revenue operations
Leasehold Property	Property for the Charity's own use
<b>Unrestricted funds - Designated</b>	
Brown, Doig, Silver Bequest	To offset DBF office costs
Catherington House Fund	For work of the Diocesan Spirituality Adviser
CME Fund	Continuing ministerial education
Diocesan Conference Fund	To offset cost of diocesan Clergy Conference
Diocesan Loan Fund	Loans to Parishes
Evangelism Fund	For evangelism within the diocese
Lambeth Conference Fund	To offset the next Lambeth conference costs
Mission Fund	For outward focussed mission activities
Office Repair Fund	Repair and maintenance of Office Equipment
Parsonages Repairs Fund	Repair and maintenance of parsonages
Sustainability Fund	To aid transition
Valpy Bequest	For stipends
Winterbotham Legacy	For DBF's own purposes
Reader Board	For the activities of the Reader Board

**21 DESCRIPTION OF FUNDS (CONTINUED)**

<b>Restricted funds</b>	
Barclay Bequest	For 'new churches' buildings
Ben Aug Fund	For stipends
Bishop's Lent Appeal	Bishop's annual charity appeal
Christian Healing Fund	For Christian healing work
Corban Trust Fund	For Poor and needy in Portsmouth St Albans parish
Eckersley Clergy Families	For the support of clergy and their families
Education Restricted Fund	Education within the diocese of Portsmouth
Harrison Parochial Loan Fund	Loans to Parishes
Huckstepp Legacy	Support Ordinands
James Legacy	Support Ordinands
New Churches Fund	For 'new churches' buildings
P&WCSGF	Income from school governors' funds
Pastoral Fund	Management of money in accordance with the Mission and Pastoral Measure 2011
Resourcing Ministerial Education	Grants received to fund ordinand training
Strategic Development Fund	For activities specifically identified in the strategic plan
Surrexit Fund	For youth development
Turret House Fund	For church building projects
Energy Grant fund	To support Parochial Church Councils with increased energy costs
Net Carbon Zero	To support work towards net carbon zero initiatives
Church Building Support Officer	Towards costs of Church Buildings Support Officer in delivering support for church buildings
Minor Repairs and Improvements	For small scale repairs and improvements for church buildings
Flourish	For school partnerships to develop new worshipping communities.
Quick Wins	For small grants to parishes to support net zero projects
Strategic Mission and Ministry - Rejuvenation	For activities specifically identified in the strategic plan
Additional stipendiary ministry	To support costs of stipendiary ministry
Demonstrator funding	To support the Net Zero Carbon demonstrator housing project
Curacy funding	To support the costs of a training curate
<b>Expendable Endowment funds</b>	
Parsonage Houses	Housing incumbents/priests in charge
Education Endowment	To fund education

	<u>Original Capital</u>	
<b>Permanent Endowment funds</b>	<b>£</b>	
Bells Loan Fund	14,563	Loans to parishes in Portsmouth Deanery
Boyd Richardson Trust	2,500	For DBF's own purposes
Constance Trust	500	To offset DBF office costs
Cowes St M Ben Aug	679	For stipend (Cowes:St Mary)
Diocesan House Trust	4,800	Upkeep of DBF offices & payment of staff
Fawdry Bequest	12,001	For clergy widows & DBF general purposes
Glebe Fund		Glebe funds held on deposit
Glebe Capital Fund		
Glebe House Cottage Trust	2,200	For DBF's own purposes
Glebe Property		Glebe held for investment and housing
Hayling St M Curacy Ed	630	For stipend (Hayling Island)
Lambert Loan Fund	21,300	Loans to clergy and PCCs
Stipends Capital Fund		For stipends

## 22 OPERATING LEASES

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

	2025 £	2024 £
<b>Operating leases payable:</b>		
Within 1 year	7,922	9,324
In 1-5 years	29,255	6,386
	37,177	15,710

## 23 ANALYSIS OF CHANGES IN NET DEBT

	As at 1st January 2025 £	Cashflows £	Other £	As at 31st December 2025 £
Cash and cash equivalents	5,886,969	994,661	-	6,881,629
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	(287,500)	-	-	(287,500)
<b>TOTAL</b>	5,599,469	994,661	-	6,594,129

## 24 PENSIONS

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year which were £584,232 (2024: £566,346), plus any figures arising from contributions in respect of the Scheme's deficit (see below).

A valuation of the Scheme is carried out once every three years. The 2021 valuation showed the Scheme to be fully funded. The most recent Scheme valuation completed was carried out at as 31 December 2024 and also showed the Scheme to be fully funded; as such in 2025, the deficit contributions paid were £0 (2024: £0).

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

- An average discount rate of 6.0% pa;
- RPI inflation of 3.4% pa (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.7% pa pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increases in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S4NA\_L tables, with allowance for improvements in mortality rates from 2017 in line with the CMI2023 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 and 2021 data of 20% (i.e. w = 20%).

## 24 PENSIONS (CONTINUED)

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 are no agreed 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, Portsmouth DBF could become responsible for paying a share of that Responsible Body's pension liabilities.

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

CWPF has two sections:

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

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2025: £nil, 2024: £51,917).

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 next valuation is being carried out as of 31 December 2025.

## 24 PENSIONS (CONTINUED)

### Pension Builder Scheme

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

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

CWPF has two sections:

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

### Defined Benefits Scheme

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the General Reserve, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2025: £nil, 2024: £nil) plus the figures in relation to the DBS deficit as being recognised in the SoFA, giving a total credit of £nil (2024: £nil).

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

A valuation of DBS is carried out once every three years. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

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

Over the year to 31 December 2025, £213,032 of surplus assets from DBS has been used to fund contributions in Pensions Builder Classic for Portsmouth DBF (DBS).

**24 PENSIONS (CONTINUED)**

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer’s financial statements as at 31 December 2024 or 31 December 2025.

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

**25 RELATED PARTY TRANSACTIONS**

The Portsmouth Diocesan Council for Social Responsibility (PDCSR) is a separate charitable limited company. Staff engaged in the activities of PDCSR are employed by the PDBF and a contribution towards their staff costs was made by the PDCSR for £203,337 (2024: £132,967). The PDBF has also supported the work of the PDCSR for several years and in 2025 provided free use of office space, and IT Cloud functionality.

The Portsmouth and Winchester Diocesan Board of Education (DBE) shares trustees with PDBF and provides funding to the charity for its operations. Funding provided in the year totalled £190,468 (2024: £86,666). The PDBF provided free use of office space to the DBE.

During the year, PDBF incurred costs of £175 for the provision of expertise in relation to the appointment of new auditors by John Gwynn, a trustee. This amount was outstanding at 31 December 2025 and is included in accruals.

**26 FUNDS HELD AS CUSTODIAN TRUSTEE**

The PDBF acts as Diocesan Authority or custodian trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. Assets held in this way are not aggregated in these financial statements as the PDBF does not control them. The financial assets held in this way may be summarised as follows:

	2025	2024
	£	£
CBF Investment Fund income shares	5,746,287	6,062,905
CBF Investment Fund accumulation shares	470,368	486,052
CBF Property Fund income shares	687,561	691,076
CBF Global Equity Fund	168,811	330,783
CBF Fixed Interest Securities Fund Shares	481,187	553,632
CBF COIF Investments	175,955	172,025
Other unit trust units	10,538	8,982
UK Equity holdings	16,666	15,201
UK Gilt-edged stocks	79,000	79,320
Other Fixed interest stock	0	11,320
Foreign Equities	8,108	10,876
Deposits & Cash at Bank	1,946,707	1,773,993
Net Creditors	(2,780)	(2,780)
<b>Total assets held as custodian trustee</b>	<b>9,788,408</b>	<b>10,193,386</b>

27 STATEMENT OF FINANCIAL ACTIVITIES PRIOR YEAR

	Note	Unrestricted funds		Restricted funds	Endowment funds	Total funds
		General	Designated	funds	funds	2024
		£	£	£	£	£
<b>Income and endowments from</b>						
<b>Donations</b>						
Parish contributions	2a	4,510,614	-	-	-	4,510,614
Archbishops' Council	2b	597,563	-	704,125	-	1,301,688
Other donations	2c	86,260	-	67,000	-	153,260
<b>Charitable activities</b>	3	632,675	23,217	10,000	-	665,892
<b>Other trading activities</b>	4	559,539	-	44,499	-	604,038
<b>Investments</b>	5	613,762	81,118	211,587	97,876	1,004,343
<b>Other</b>	6	97,354	-	-	-	97,354
<b>Total</b>		<b>7,097,767</b>	<b>104,336</b>	<b>1,037,211</b>	<b>97,876</b>	<b>8,337,189</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>	7	55,350	-	-	-	55,350
<b>Charitable activities</b>	8	7,825,155	226,106	718,516	-	8,769,777
<b>Total</b>	9	<b>7,880,505</b>	<b>226,106</b>	<b>718,516</b>	<b>-</b>	<b>8,825,127</b>
<b>Net income/(expenditure) before investment gains/(losses)</b>		<b>(782,738)</b>	<b>(121,771)</b>	<b>318,695</b>	<b>97,876</b>	<b>(487,938)</b>
Net gains on investments	15	100,625	47,359	118,401	263,042	529,427
<b>Net income</b>		<b>(682,113)</b>	<b>(74,412)</b>	<b>437,096</b>	<b>360,918</b>	<b>41,489</b>
Transfers between funds	13	1,336,163	(190,177)	(440,588)	(705,398)	-
<b>Other recognised gains/(losses)</b>						
Gains on revaluation of fixed assets	14	596,661	-	-	981,216	1,577,877
Gain/(loss) on disposal of investments		-	(998)	-	48,161	47,163
Remeasurement of pension scheme provision		-	-	-	-	-
		<b>596,661</b>	<b>(998)</b>	<b>-</b>	<b>1,029,377</b>	<b>1,625,040</b>
<b>Net movement in funds</b>		<b>1,250,711</b>	<b>(265,587)</b>	<b>(3,492)</b>	<b>684,897</b>	<b>1,666,529</b>
<b>Total funds at 1 January</b>		<b>22,413,352</b>	<b>2,684,572</b>	<b>6,277,263</b>	<b>65,896,295</b>	<b>97,271,482</b>
<b>Total funds at 31 December</b>	19	<b>23,664,063</b>	<b>2,418,985</b>	<b>6,273,771</b>	<b>66,581,192</b>	<b>98,938,011</b>