



“Diocesan Board of Finance 2025 Year End Financial Results”

Wadham Downing
6th July 2026

Overview of 2025 Financial Year

As Synod members there are at least three aspects we should focus on in a set of accounts...



Performance

Why focus on this?

An indicator of our current financial sustainability

How did we do in 2025?

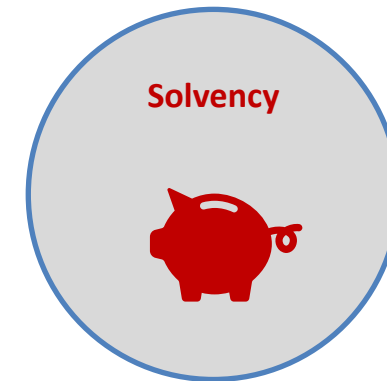
**Net Operational Position.
Deficit £(0.1)m in 2025**



**Balance Sheet
Strength**

An indicator of the resources available to deploy to support activities into the long term (decades and centuries ahead)

**Net assets £89.3m (up
£1.4m or 1.6%)**



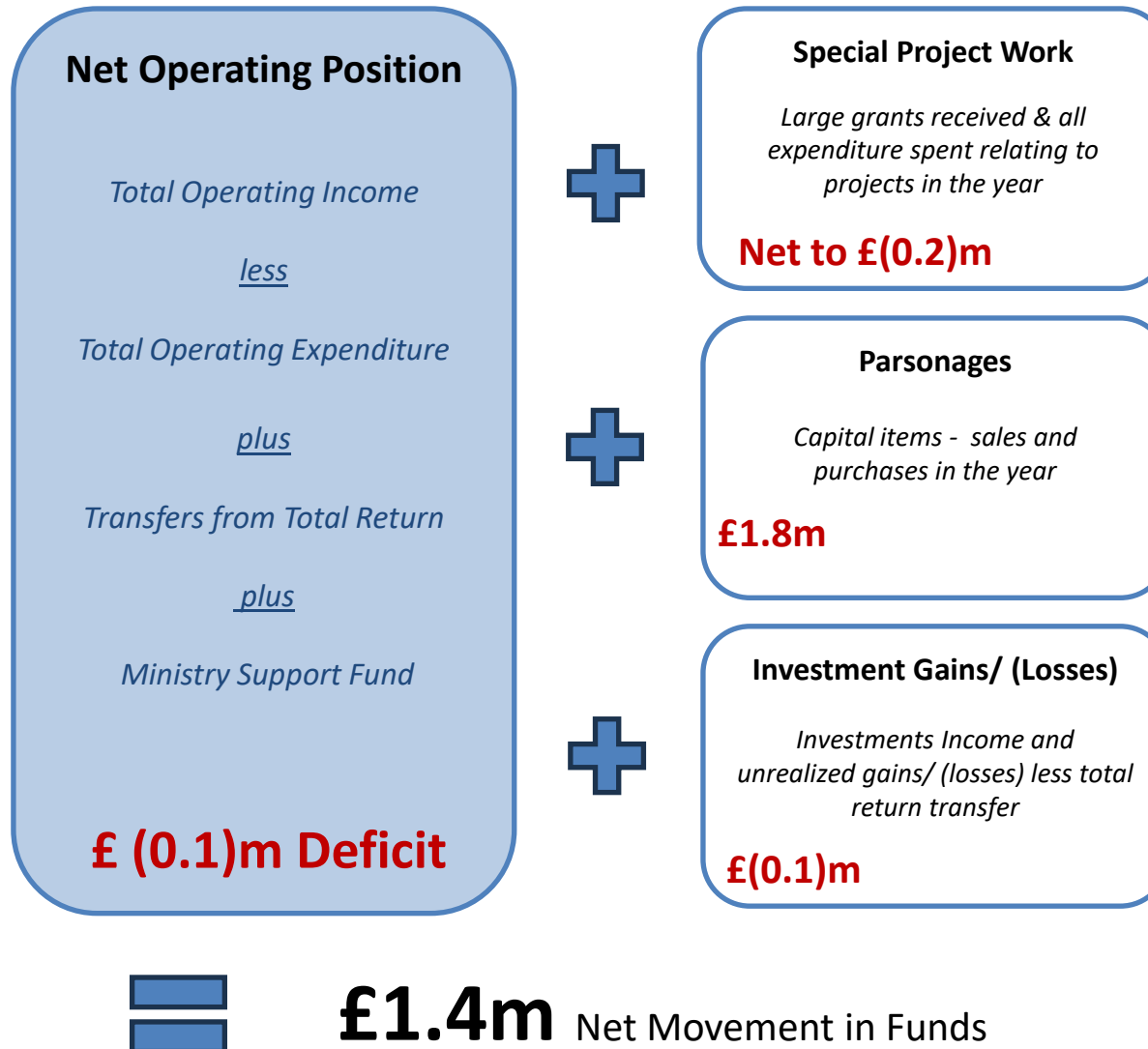
Solvency

An indicator of our ability to meet our financial obligations for the foreseeable future.

£3.3m

Performance in 2025

- The **Statement of Financial Activities (Page 23 of Accounts)** shows the total movement between this years and last years Funds .
- Only part of this is the day-to-day operational performance of the Diocese. This is separated out here.
- We focus on the Net Operational Position as an indicator of our current financial stability.
- A few years ago, this was a £1m deficit and much work has been done to bring central costs down, but it remains a challenge.



Small Deficit Net Operational Position

- Set out below is the Net Operational Position This is explained in detail in the Understanding Our Accounts 2025 Paper.
- The result is after transfers from Total Return, and the transitional support from the Ministry Support fund.

INCOME	£'000	EXPENDITURE	£'000	RESULT £'000
Ministry Share & Ministry Support Fund Donations	£3,971	Parish Ministry	£5,901	
Archbishops' Council Funding	£807	Contributions to Archbishops' Council	£528	
Other Grants and Donations	£274	Support for Ministry	£929	
Fees and Other Income	£673	Support for Schools	£392	
Rental Income	£573	Transformation (unfunded)	£66	
Investment Income (earned on unrestricted general CCLA investments)	£329			
Total	£6,627	Total	£7,816	(£1,188)

TRANSFERS	£'000
Transfer from total return (as per Synod agreed 2025 budgeted transfer)	£1,024
Transfer to special projects (see below)	(£145)
Transfer from Ministry Support Fund	£264
Other transfers between funds	(£56)
Total	£1,087

NET OPERATIONAL POSITION	(£101)
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£ Deficit

Parish Contributions

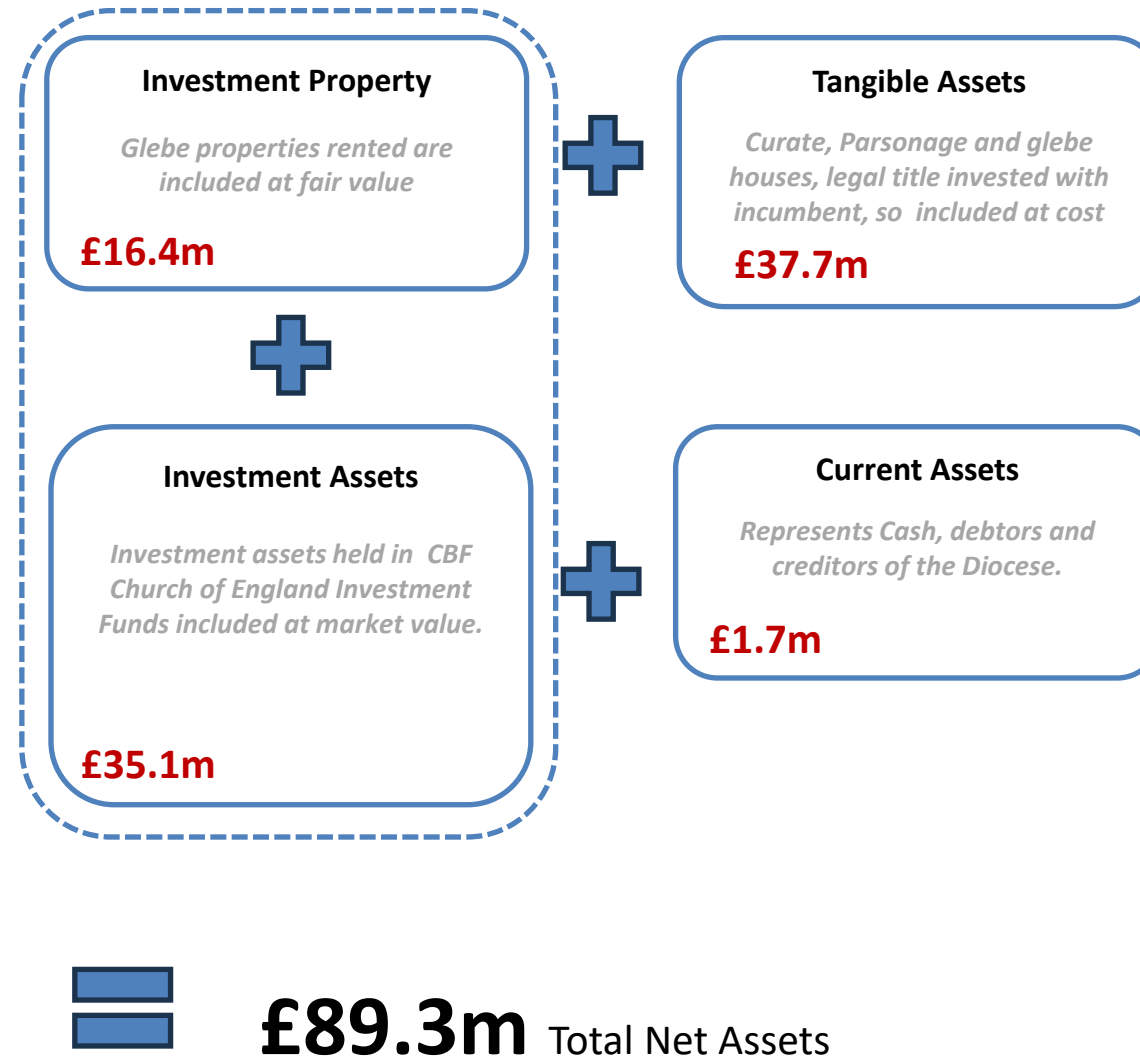
- One of the most important parts of the Net Operational Position, and our future financial sustainability, are cash Contributions from Parishes (Opposite as taken from Page 30 of Accounts)
- In 2025 these were £3,971k up 2.2% from £3,883k in 2024.
- Diocesan support from our reserves continues at unsustainable levels at £562k - or parishes only pay for 64 of our 72 stipendiary clergy.
- This demonstrates that for the financial sustainability of the Diocese we need to grow these parish contributions.
- The challenge is not to be underestimated.

PARISH CONTRIBUTIONS (Note 2 of accounts)	Total Funds 2025 £'000	Total Funds 2024 £'000
Current year's allocation	5,209	5,249
Ministry Support Fund Grants	(308)	(368)
Lowest Income Communities Grant	(696)	(619)
	4,205	4,262
Shortfall in Contributions	(254)	(393)
Arrears for previous years	1	(4)
Ministry Support Fund Donations	19	18
Total	3,971	3,883

Diocesan Support Each Year
2025 £562k
(2024: £(761)k)

Balance Sheet Strength

- The **Balance Sheet (Page 25 of Accounts)** shows the assets and liabilities of the Diocese as at 31st December 2025.
- All the Diocese assets less its liabilities stands at a £89.3m net asset position.
- Tangible Assets of £37.7m represent the “working assets” of the Diocese, its parsonages. We also hold a small working capital of net Current assets position of £1.7m
- In addition, we hold £51.5m of investment property and assets, which we manage within the Diocesan investment policy. These are held for the long-term, and investment markets continue to be volatile.



Solvency

- The **Net Assets** from the previous slide are owned by different "funds" which have been set up or donated to the Diocese for certain purposes.
- The majority of these assets are owned by long term endowment funds. These are very useful to support the Diocese in the long term but have limited use to support us in the case of a crisis.
- These endowment funds have very limited powers to convert capital into income, set within a framework of annual drawdown.
- Other funds are set up on purpose to be more flexible. Such as our Unrestricted General Fund (Page 25 of Accounts). We therefore have a reserves policy for these funds of holding at least 4.5 months of expenditure in liquid or easy realisable assets which could be used in for instance a "liquidity crisis".
- At the end of 2025 we were operating in line with the policy, holding slightly more at 5.1 months expenditure.

Unrestricted General Funds

Illiquid Funds

Illiquid assets such
as Holland House.

£1.5m

Liquid Funds



£3.3m

**Equivalent
to:**

**5.1 months of
expenditure**



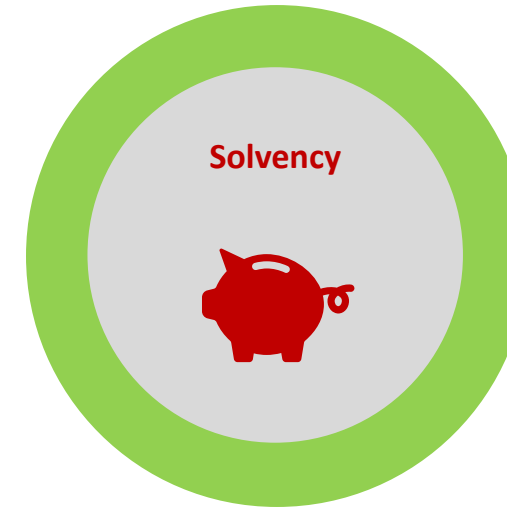
£4.8m Fund balance



- 2025 operating deficit in the year
- Concern for low parish contributions, particularly in some deaneries.



- Balance sheet strong in uncertain investment markets.
- Transformation programme delivery is required to give growth, and financial stability for generations to come



- An indicator of our ability to meet our financial obligations for the foreseeable future.