Gloucester Diocesan Board of Finance

# Annual Report & Accounts 2025

**Board of Trustees**
The Right Reverend Rachel Treweek (President)
Mr David Roberts (Chair)
Reverend Andrew Blyth (resigned 20 July 2025)
Mr Robert Bryant-Pearson (appointed 9 February 2025)
Mr George Collins
Reverend Richard Coombs
The Ven Hilary Dawson (resigned 19 Dec 2025)
Reverend Dr Sarah Haden (resigned 29 May 2025)
Mr Chris Hill
Ms Rachel Jago
Mr Robert McNeil-Wilson
Mr Gerald O'Brien (appointed 9 February 2025)
Mrs Carole O'Donnell
Reverend Jo Pestell
Reverend Ed Sauven
The Ven Canon Katrina Scott (appointed 30 March 2025)
Canon Margaret Sheather (appointed 9 February 2025)
The Right Reverend Robert Springett
Reverend Graham Stacey
Mr Alastair Taylor
Mr Kevan Taylor
The Ven John Whittaker (appointed 6 September 2026)
The Very Reverend Andrew Zihni

**Principal Officers**
Benjamin Preece Smith – *Diocesan Secretary*
Lucy Taylor – *Deputy Diocesan Secretary*
Lisa Gardner – *CFO (resigned 30 September2025)*
Sandra Millar – Director of Mission and Ministry

# Contents


Board of Trustees and Principal Officers.....2

Summary results.....3

Trustees' report.....4-15

Independent Auditors' Report.....16-19

Consolidated statement of financial activities.....20

Consolidated balance sheet.....21

Summary income & expenditure account..... 22

Parent balance sheet.....23

Consolidated cash flow statement.....24

Accounting policies.....25-28

Notes to the financial statements.....29-62


**Solicitor**
Jos Moule; Diocesan Registrar
Veale Wasborough Vizards LLP
Orchard Court, Orchard Lane
Bristol BS1 5WS

**Bankers**
Barclays Bank plc
288 Britannia Warehouse
The Docks Gloucester GL1 2EH

**Registered office**
Church House
5 Denmark Road,
Gloucester. GL1 3HW

**Auditors**
HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

**Investment managers**
CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

Company limited by guarantee
Registered number 00162165
Registered charity number 251234

# How have we done – some highlights

## number of stipendiary clergy funded by the GDBF

2025: **118**

2024: **121**

change: **-2.5%**

Stipendiary vacancies at 31st December 2025 were 19 (2024:16)

## parish share contributions

2025: **£6.53m**

2024: **£6.47m**

change: **+1.0%**

## shortfall of parish share to fund parish ministry:[1]

2025: **£2.3m**

2024: **£2.6m**

change: **-12%**

## balance sheet value (net assets)

2025: **£111m**

2024: **£116m**

change: **-4.1%**

[1] See 'Financial Review' section on page 9.

# Trustees' report

*for the year ended 31 December 2025*

## Structure, Governance and Management

The Gloucester Diocesan Board of Finance (GDBF) is a company limited by guarantee and a registered charity. Its governing instrument is the Articles of Association. The current version was formally adopted by members on 9 March 2019. Printed copies of the Articles of Association are available from the Secretary on request. The GDBF's membership comprises:

- The Bishop of Gloucester as president, ex-officio
- Each member for the time being of the Diocesan Synod
- Members co-opted to ensure that lay members constitute a majority

Elections and co-options take place every three years. The current triennium started in October 2024. The GDBF membership, which meets three times each year as part of Diocesan Synod, is the principal policy making body. In policy matters it takes advice from its Board of Trustees, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council takes executive action in certain matters and deals with day-to-day issues. Members of the Bishop's Council serve as both directors under the Companies Act and trustees under the Charities Act. Membership is as follows:

*Ex-officio members:*

- The Bishop of Gloucester – The Right Reverend Rachel Treweek
- The Chair of the GDBF – David Roberts
- The Bishop of Tewkesbury - The Right Reverend Robert Springett
- The Archdeacon of Gloucester – The Venerable Hilary Dawson (resigned 19 December 2025)
- The Archdeacon of Gloucester – The Venerable John Whittaker (appointed 6 September 2026)
- The Archdeacon of Cheltenham – The Venerable Canon Katrina Scott (appointed 30 March 2025)
- The Dean of Gloucester Cathedral - Very Reverend Andrew Zihni
- The Vice-President of the House of Clergy of the Diocesan Synod – The Reverend Jo Pestell
- The Vice-President of the House of Laity of the Diocesan Synod – Mrs Carole O'Donnell

*Members elected by the GDBF – House of Clergy*

- Two clergy members of the GDBF from the Archdeaconry of Gloucester – the Reverend Graham Stacey and the Reverend Ed Sauven.
- Two clergy members of the GDBF from the Archdeaconry of Cheltenham – Reverend Richard Coombs and Reverend Sarah Haden (resigned 29 May 2025).
- One Proctor in Convocation from among the members of General Synod – vacant.

# Trustees' report

*for the year ended 31 December 2025*

## Structure, Governance and Management cont.

*Members elected by the GDBF – House of Laity*

- Three lay members of the GDBF from the Archdeaconry of Gloucester – Mr Chris Hill, Canon Margaret Sheather (appointed 9 February 2025) and Gerald O'Brien (appointed 9 February 2025).
- Three lay members of the GDBF from the Archdeaconry of Cheltenham – Mr George Collins, Ms Rachel Jago and Mr Kevan Taylor.
- One lay member from among the members of General Synod – Mr Robert McNeil-Wilson.

*Co-opted members and nominations*

- Up to two members may be co-opted by the Bishop's Council – Alastair Taylor and the Chair of the Houses Committee – Robert Bryant-Pearson (appointed 9 February 2025).
- Up to two members may be nominated by the Diocesan Bishop - The Reverend Andrew Blyth (resigned 20 July 2025).

Trustees are recruited, as indicated above, through a mixture of ex-officio positions, elections, and nominations. The Diocesan Secretary oversees Council elections and nominations.

An induction pack is provided to all new trustees, containing key governance documents, recent minutes and information on current strategic matters. In addition, an induction day for new and existing trustees was held in 2025 and was well attended. Trustees were also offered the opportunity to meet individually with the Diocesan Secretary to discuss any questions arising from the induction materials or to explore areas in greater detail.

The GDBF was assisted in its work during the year by the following of committees:

- Audit Committee (Chair: Michael Storey) acts as the risk management group and reports to the GDBF on matters relating to the auditors, the annual accounts and internal controls.
- Glebe Committee (Chair: Colin Smith) acts in all matters relating to the management of glebe property management and the disposal of assets not required for charitable or investment purposes.
- Finance Committee (Chair: David Roberts) acts on matters delegated by the trustees relating to finance, assets, property, staffing and health and safety from 1 January 2025.
- Houses Committee (Chair: Robert Bryant-Pearson) acts on matters delegated by the trustees relating to property (excluding glebe property) from 1 January 2025.

Initial emoluments of higher paid employees are determined by the Bishop's Council unless delegated to the Remuneration Committee. Upon the recruitment of a new Director or Diocesan Secretary, remuneration and salary benchmarking reviews are undertaken and any recommendations for change enacted by either the Bishop's Council or the Diocesan Secretary if within that role's delegated authority.

# Trustees' report

*for the year ended 31 December 2025*

## Structure, Governance and Management cont.

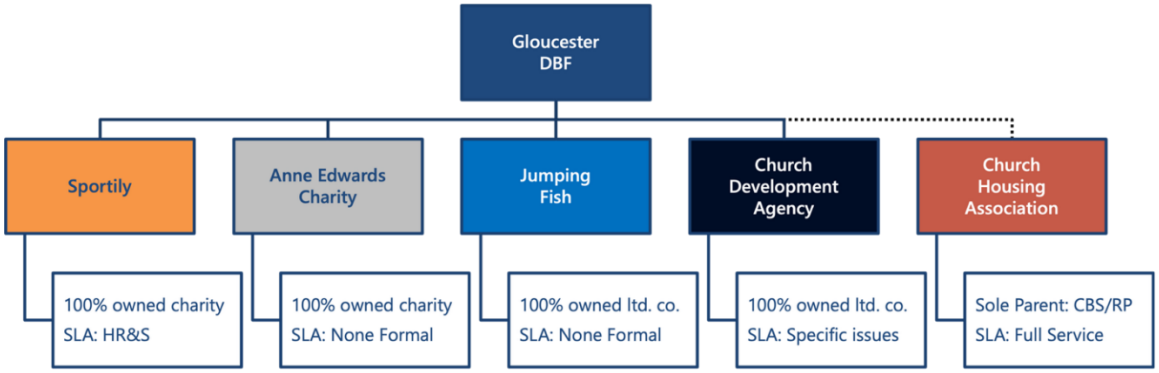
The GDBF is the financial custodian for the Diocese of Gloucester, which is an administrative and pastoral area within the Church of England. The GDBF therefore has important relationships with the national institutions of the Church of England, specifically:

- Archbishops' Council, to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod. This changed part way through 2025 such that in future years there will be a substantial reduction on what the GDBF will pay starting in 2026.
- Church Commissioners, which acts for tax and national insurance purposes as the pseudo-employer of diocesan clergy. The GDBF pays for clergy stipends through the Church Commissioners.
- Church of England Pensions Board, which provide pensions for clergy and GDBF's lay staff.

Locally, the GDBF works with Parochial Church Councils (PCCs) which are legally independent charities that pay contributions, based on an apportionment system, to the GDBF to fund its activities. It also and has a series of financial and missional relationships (including an Service Level Agreement) with Gloucester Cathedral.

## Group Corporate Structure

The GDBF has a group structure to appropriately manage its operations and risk. The group structure throughout the accounting year was as follows:




These accounts consolidate all the entities above except the Church Housing Association (CHA) which is excluded as the legal set-up of the CHA limits the control, risks and rewards of GDBF's parental relationship to such an extent that consolidation is not appropriate. Note CBS is a Community Benefit Society and RP is Registered Provider.

# Public Benefit

The GDBF is a public benefit entity, and the Trustees are aware of the Charity Commission's guidance on public benefit and the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity.

# Trustees' report

*for the year ended 31 December 2025*

## Strategic Aims

The objects of the GDBF, as set out in its Articles of Association, are:

- To promote and assist the work, objects, and purposes of the Church of England for the advancement of the Christian religion in (but not limited to) the Diocese of Gloucester.
- To advance such other objects or purposes which are exclusively charitable according to the law of England and Wales in any part of the world and in such manner as the Trustees may in their absolute discretion consider may be expedient for the better promotion and assistance of the work of the Church of England.

In pursuing these objects, the GDBF acts as the financial executive of and employer for the Gloucester Diocesan Synod. As such it undertakes three principal activities:

- It funds costs associated with the vast majority of Church of England clergy in the Diocese.
- It is responsible for the custody and management of the Diocesan Funds.
- It provides services to other organizations within the Diocese, primarily PCCs and schools.

In pursuing its objectives and undertaking these activities the GDBF is informed by the diocesan vision, LIFE Together. For more information see: https://www.gloucester.anglican.org/about-us/our-vision/

## Strategic Report

### *Vision: LIFE Together*

The LIFE Vision developed during 2022 into "LIFE together" which brings more focus to relationships and gathering as communities, especially worshipping communities.

There are five commitments in LIFE Together:

- Being advocates for flourishing through initiatives which combat injustice, environmental destruction, exclusion and isolation.
- Encouraging new and courageous ways of worshipping in different places which connect with more people.
- Nurturing everyday discipleship.
- Investing in people and programmes which excite young people to explore and grow in faith.
- Developing diverse lay and ordained leaders.

Substantial resourcing has been made available to specific projects working to this vision, notably Deanery Strategic Planning, Sportily, the Grace Network and Church Army Centres of Mission.

### *Strategic Planning*

Strategic Planning for the implementation of the LIFE Together Vision was developed through a series of deanery consultations led by local Deanery Leadership Teams. In late 2024 the GDBF retained a consultant Diocesan Strategic Enabler to work with the Diocesan Secretary and Bishop's Staff Team to turn the individual Deanery Strategic Plans into a corporate Diocesan Strategic Plan.

## *Strategic Report continued*

At a meeting of Council in February 2025, confirmed in a wider leadership symposium in June 2025, a working proposition for a Theory of Change was presented and agreed and an indicative finance plan which identified seven strategic areas for investment over the next seven years, these were:

- Church Buildings Maintenance
- Deanery Operations Leaders
- Housing (development and social provision)
- Children Young People and Families
- Sportily
- Grace Network
- Tithing to support the wider Church

Housing, or more specifically the development and sales aspect of the Housing initiatives, was expected to generate a surplus of just under £12m over the seven years, including a net £3.5m surplus from the sale of a backlog of unsold ex-clergy housing. Net of the Housing surplus but including an additional £3.5m for other workstreams that may require investment, the total cost of the change programme envisaged in the strategy is £9.5m.

It was demonstrated at both meetings that the GDBF could afford to continue to subsidise parish ministry costs at current (unfilled) levels for the whole of this period without digging into the pre-2023 level of Diocesan Stipends Fund (i.e. only using more recent glebe sales). This would cost an additional £22.6m over the next seven years. That is not a part of the strategy and there are insufficient priests available to staff current posts. Extrapolating a no-change scenario indicates an ongoing annual deficit of £4.2m p.a. by 2031 which, unaddressed, would very quickly thereafter expunge the GDBF's historic assets. In noting the relative cost of the change programme to a 'do nothing' approach the entire seven-year strategic change programme would cost the equivalent of extending the current pattern of ministry by only around 2 years, beyond the seven-year change programme framework.

During 2025 the GDBF agreed the following:

- **Church Buildings Maintenance**. In February 2025 approved back-fill funding for the DAC Secretary to explore options.
- **Deanery Operations Leaders**. In June 2025 approved a £4.6m seven-year programme for every deanery to have a dedicated Operations Leader. The first three started in early 2026, with the second three to be recruited by mid-2026.
- **Housing**. No additional funding agreed in 2025, however CHA became a Registered Provider (RP) of social housing in 2025. Its first homes were taken on in December 2025. CDA started building out two developments in the diocese of Gloucester and partnering with 8 other dioceses on their housing strategies using grant funding from Oak Foundation and Archbishop's Council. The Development Director is also pursuing two significant developments with a potential combined land sale value of around £8m, which if achieved would thereby effectively meet the profit target very early in the strategic planning period. The surplus housing stock sale programme is to be completed during 2026, also ahead of schedule.

# Trustees' report

*for the year ended 31 December 2025*

## *Strategic Report continued*

- **Children Young People and Families**

  In September and November 2025 approved £350k of funding support for six Youth Connectors working to connect young people in a secondary school context with their local Church communities. This was however just a first step to a wider focus which will evolve over 2026 into a strategic rewiring of the GDBF's decision making to ensure its ingrained age bias is addressed and to better inform decision making by introducing younger and more diverse voices in governance, in line with the LIFE Vision.

- **Sportily**

  In November 2025 agreed to extend the funding of Sportily for up to 5 years, confirming a grant in 2026 for £567k against a potential total of £2.5m up to the end of 2030.

- **Grace Network**

  In 2025 Grace Network received a grant from the LIFE Development Fund for strategic financial capacity. Following on from the findings of this work, in November 2025 a more substantial grant of £600k was awarded to Grace Network to enable it to successfully implement a change programme in 2026. It is anticipated that further funding will be provided to Grace Network over the next few years to enable it to thrive with its unique brand of social enterprise driven "modern day secular monastery" approach to Christian witness.

## Achievements and performance in the year

### *Financial Review*

The results for 2025 show a 3% decrease in parish ministry costs compared to 2024.

- Clergy numbers decreased by 2.5 % to 118.
- Parish Share increased 1% from £6.47m to £6.53m.
- The Balance Sheet decreased to £111m from £116m

*Fig1: Parish Share Collected compared with Parish Ministry Costs*

| | 2021 £m | 2022 £m | 2023 £m | 2024 £m | 2025 £m |
|---|---|---|---|---|---|
| Parish Share | 6.3 | 6.5 | 6.4 | 6.5 | 6.5 |
| Resourcing Parish Ministry (Direct)[2] | (8.1) | (8.1) | (8.3) | (9.1) | (8.8) |
| Deficit | (1.8) | (1.6) | (1.9) | (2.6) | (2.3) |

[2] See Note 9.

The consistent level of parish share, whilst illustrating resilience also indicates the need for a strategic change in the Church of England's ministry in order to see long term flourishing of the Gospel. The national review of DBF finances by BDO showed all DBFs are significantly below historic levels of congregational numbers and financial income from Parish Share. This would therefore appear to be a systemic issue in the Church of England which the Board can influence but not control.

Financially the Board's property development strategy is strong and will provide resilience for some time, however the availability of stipendiary clergy for the next decade is a real concern. Developing high quality leadership is fundamental to the growth of the Church and is potentially the single most important focus for the next few years.

## Plans for future periods

The Strategic Report (above) sets out the main approach of the Diocese to addressing its core challenges for the next few years. The Board is committed to using the Unapplied Total Return (UTR) built up over many years to cover the deficits necessary to maintain an appropriate deployment of parish ministry. Whilst change may be necessary to ensure the right pattern of ministry in future the Board seeks to ensure the matter of ministerial deployment is addressed as a missional question that is financially informed but not financially driven.

In terms of the indicative aims of the main strategic areas set out above these are as follows:

- **Church Buildings Maintenance**. To develop new mechanisms that make the managing of open Church Buildings easier on local congregations through exploring a comprehensive shared maintenance service and alternative trust structures for ownership where local PCC ownership may not be sustainable. Simultaneously for Churches where, missionally, closure is the only realistic option to ensure alternative use and disposals are carried out efficiently, compassionately and with as much post-closure missional benefit as possible (through enabling shared worship space or social housing for example).
- **Deanery Operations Leaders**. Recognising the centrality of relations and place to the Church's network strength these key roles will help us develop by 2031, a more locally connected diocesan support structure that is less "HQ" focussed and more appropriate to a dispersed structure than we currently have. This will need to become a "Business as Usual" part of the diocesan model for the long term by then, meaning changes elsewhere may be needed.
- **Housing**. We aim, through CDA, for a development support model that works on a multi-diocesan level. This will capture the strengths of our long-term development experience for sharing in the wider Church whilst continuing to produce significant income to the GDBF. Alongside this the GDBF are working through CHA to develop a significant new Housing Association model that partners the Church's community rootedness and long-term vision with alternative funding models to grow Christian witness, presence and social impact. If we demonstrate the success of these two initiatives we will then look to move them into an independent Charity where they will be accessible by the whole Church.

## *Strategic Report continued*

- **Children Young People and Families**

  The strategic weakness of the Church of England in reaching and serving younger and more diverse people is well documented as a national challenge. In this diocese we perceive this to require significant reformation of our customs and practices in governance and decision making if we are to make a meaningful impact on this issue.

  In Q1 2026 Bishop's Staff Team commenced a detailed look at 'Church House' governance, structures and ways of working to ensure that by the end of 2026 GDBF could be confident it was genuinely directing its efforts towards the benefit of ministering to Children, Young People and Families, including giving them a significant voice in our decision making and discernment.

- **Sportily**

  As noted above Sportily has an agreement for funding support until the end of 2030. By then it is hoped their excellent work on outreach and connection will be cemented and replicated more widely around the diocese and its work on discipleship and forming new worshipping communities will be yielding significant fruit, especially in those places where it has achieved a permanent presence.

- **Grace Network**

  In November 2025 Bishop's Council determined that it wished to commit to a long-term partnership with Grace Network to secure and then expand its unique model of blending Christian witness and social action through modern day secular monasteries. The details of what this will involve and where, along with related costs are being agreed as we go through 2026.

## Carbon Net Zero

The Board takes seriously the Synodical motion at both General and Diocesan Synod to reach net zero carbon by 2030, and progress has accelerated rapidly since June 2024. The Board is delivering this through a three-way partnership with Hereford and Worcester DBFs with some grant support from the National Church Institutions (NCI). 2024 has seen the commissioning of a Net Zero Carbon Management Board, responsible for developing the strategic vision and reporting progress. Baseline emissions across all emissions categories are now better understood, and many success stories exist whereby decarbonisation is already occurring at pace.

In the area of clergy housing emissions, the Board has taken a fabric-first approach to energy improvements, thereby improving retrofit readiness. In areas where the Board influences rather than controls, it has nevertheless taken a proactive approach. In support to church PCCs, the Gloucester DAC takes the 2030 Net Zero commitment seriously and operates a firm policy against like for like replacements of fossil fuel boilers, unless there is a very good reason for allowing them, and has assisted in securing some national funding for improvement works. In the schools' space, funding decarbonisation is the responsibility of the DfE but the Board seeks to support all CoE schools in the diocese in readiness of funding becoming available.

# Trustees' report

*for the year ended 31 December 2025*

## Principal risks and uncertainties

The Trustees are responsible for the identification, mitigation and management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is reviewed by the Audit Committee on an annual basis, with exception reporting throughout the year, with the responsibility for delivery of the mitigation strategies identified delegated to the Diocesan Secretary working with appropriate professionally competent managers on the staff of the DBF.

The risk register identifies the following areas where the risk of either failure to act or the impact of the events is considered 'high'. These areas and the associated mitigation strategies are:

*Governance and Management:*

- Over-reliance, stress and loss of key staff: Managed through professional HR resource and contracts.
- Lack of candidates coming forward to train to be ordained leaders leading to shortage of ordained ministers: Managed through the DSPs to reduce the administrative load on existing ordained leaders and training more lay worship leaders.
- Safeguarding: Managed via a properly resourced HR and Safeguarding Department overseen by an independent Safeguarding Board.
- Acting *Ultra-Vires*: Managed by the appropriate use of legal advice and all contracts with significant Church legislative implications being undertaken by the Diocesan Registry.

*Operational Risks*

- Capacity and use of assets: Overseen by a formal Delegation of Authority document with delegations to Committees and the Diocesan Secretary.
- Closure of Church Buildings: The Diocesan Advisory Committee for the Care of Churches (DAC) is resourced and staffed appropriately by the Board and operates to national legislation and guidelines. Additional resource is being invested in exploring alternative management models to make this more sustainable for certain PCCs.

*Financial Risks*

- The biggest financial risk faced by the Board is capacity of Parish Share to fund the current pattern of ministry in the Diocese. A new Parish Share System is being implemented from 2026 which has involved close work and engagement with the deaneries. Alternative models of ministry with different income and cost profiles are being explored and ongoing management of investments and development of glebe supplement Parish Share significantly.

*External Risks*

- Decreased church attendance due to changing public lifestyle choices and the perceived lack of relevance of the church in modern times plus an aging demographic underpins stagnancy in Parish Share. Through investment in proposals coming out of the Deanery Strategic Plans it is hoped to find new ways to share the Gospel afresh in these generations.

# Trustees' report

*for the year ended 31 December 2025*

## Going Concern

The trustees have reviewed the Board's financial position, in the light of its faith in the Risen Christ, its losses from ongoing activities and its long-term balance sheet strength.

Taking account of the satisfactory levels of aggregate reserves (see Reserves Policy note below) and cash, and systems of financial and risk management, it is the trustees' opinion that the charity is well placed to manage operational and financial risks successfully. Accordingly, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and do not believe that there are any material uncertainties as to the going concern of the charity. Therefore, the trustees are content that the charity continues to adopt the going concern basis of accounting in preparing the annual accounts.

## Investment policy

The Board maintains oversight of its investments through the Finance Committee, which monitors performance against market benchmarks and considers the appropriateness of the investment mix.

The Board also seeks to ensure that its investments are managed in accordance with the Church of England Ethical Investment Advisory Group policy. To achieve this, it uses the investment management services of CCLA.

Investment performance in 2025 was disappointing. The CBF Church of England Investment Fund returned -0.59% before fees during the year, compared with 11.00% for its comparator benchmark. The comparator is a blended market benchmark, weighted predominantly towards global equities, and is intended to provide a guide to the fund's performance over shorter periods. While the Trustees recognise that investment performance should be assessed over the longer term, the extent of the underperformance in 2025 was not considered satisfactory.

The Board remains concerned about the fund's relative performance and has asked the Finance Committee and Investment Group to explore whether alternative investment managers may provide a more appropriate approach for the Board's future investment requirements.

The Investment Group has provided assurance to the Board that its assets have been invested in accordance with its ethical investment policies.

# Trustees' report

*for the year ended 31 December 2025*

## Reserves policy

The policy of the GDBF is to maintain: -

- a *free reserve* of between 4 and 8 months of parish share (i.e. between £2.2m and £4.3m) and
- a *general fund* that consists of the budgeted deficit for the year in addition to the free reserves (i.e. for 2026 between £5m and £7m).

This level is considered prudent to manage for the cash flow deficit experienced each year resulting from parish share contributions being remitted irregularly during the year, (whereas the GDBF's expenditure is consistent on a month-by-month basis), and also to allow for unexpected occurrences.

At 31 December 2025, the general fund balance is £6.0m (2025: £4.3m) with free reserves of £2.4m (2024: £1.6m). The general fund and free reserves are within the target level. In addition, funds are held in investments which can be liquidated to ensure the GDBF holds sufficient funds to follow the requirements of the policy. Furthermore, the size of the Unapplied Total Return (UTR) relative to qualifying annual expenditure offers significant comfort that this does not present any operational difficulties.

The GDBF holds designated reserves of £4.7m (2024: £7.2m), restricted reserves of £5.3m (2024: £5.2m) and endowment funds of £95.2m (2024: £99.2m) at 31 December 2025. See notes 21 -23.

## Fundraising activities

The charity undertakes very limited fundraising activities directly with individuals. The majority of the GDBF's income comes from other charitable entities or from property development and investment activity. The GDBF does not use third party professional fundraisers and did not receive any complaints about its fundraising practices during 2025.

## Trustees' responsibilities in respect of the financial statements

The Trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the GDBF and of the income and expenditure for the period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

# Trustees' report

*for the year ended 31 December 2025*

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

## Statements as to disclosure of information to auditors

Each of the Trustees confirms that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all the necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

## Statements as to disclosure of information to auditors cont.

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

Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees on 23 September 2026.

+Rachel Gloucestr:

+Rachel Gloucestr:

President, Gloucester DBF

David Roberts

Mr David Roberts

Chair, Gloucester DBF

# Independent Auditors' Report

## To the Trustees of Gloucester Diocesan Board of Finance

**Opinion**

We have audited the financial statements of the Gloucester Diocesan Board of Finance for the year ended 31 December 2025 which comprise the consolidated Statement of Financial Activities, the Income and Expenditure Account, the consolidated and parent Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of 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 group and of the parent charitable company's affairs as at 31 December 2025 and of the group and parent charitable company's net movement in funds, including the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group'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.

# Independent Auditors' Report

## To the Trustees of Gloucester Diocesan Board of Finance

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Annual Report (which includes the strategic report and the Trustees' 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 Trustees' report included within the Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report (which incorporates the strategic report and 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 by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# Independent Auditors' Report

## To the Trustees of Gloucester Diocesan Board of Finance

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the Trustees 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 group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition.

# Independent Auditors' Report

## To the Trustees of Gloucester Diocesan Board of Finance

Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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.

Adam Halsey (Senior Statutory Auditor)

For and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place

London

EC4R 1AG 18

Date: 28 September 2026

# Consolidated statement of financial activities

*for the year ended 31 December 2025*

| Income & endowments from | Notes | General £'000 | Designated £'000 | Restricted £'000 | Endowment £'000 | 2025 £'000 | 2024 £'000 |
|---|---|---|---|---|---|---|---|
| Donations | | | | | | | |
| parish share contributions | 1 | 6,528 | - | - | - | **6,528** | 6,469 |
| church commissioners | 2 | 60 | - | - | - | **60** | 54 |
| grants and other donations | 3 | 84 | - | 1,160 | - | **1,244** | 915 |
| Charitable activities: statutory fees and licence to occupy income | | 759 | - | - | - | **759** | 932 |
| Other activities | 4 | 267 | - | 121 | - | **388** | 179 |
| Investments | 5 | 1,594 | 6 | 226 | - | **1,826** | 1,430 |
| Other | 6 | 10 | - | - | 1,351 | **1,361** | 14,854 |
| Total | | **9,302** | **6** | **1,507** | **1,351** | **12,166** | 24,833 |
| Expenditure on | | | | | | | |
| Raising funds | 7 | 281 | - | - | - | **281** | 179 |
| Charitable activities | 8 | 11,756 | 1,648 | 2,090 | 29 | **15,523** | 15,341 |
| Total | 9 | **12,037** | **1,648** | **2,090** | **29** | **15,804** | 15,520 |
| | | | | | | | |
| Net (expenditure)/income before investment gains | | **(2,735)** | **(1,642)** | **(583)** | **1,322** | **(3,638)** | 9,313 |
| Net (losses)/ gains on investments | | - | - | (125) | (935) | **(1,060)** | 593 |
| Net (expenditure)/income | | **(2,735)** | **(1,642)** | **(708)** | **387** | **(4,698)** | 9,906 |
| *Total return transfer* | 16c | 4,206 | - | - | (4,206) | **-** | - |
| Net (deficit)/ surplus after total return transfer | | **1,471** | **(1,642)** | **(708)** | **(3,819)** | **(4,698)** | 9,906 |
| *Transfers between funds* | 20 - 23 | 216 | (899) | 900 | (217) | **-** | - |
| **Net movement in funds** | | **1,687** | **(2,541)** | **192** | **(4,036)** | **(4,698)** | 9,906 |
| *Total funds brought forward* | | 4,321 | 7,192 | 5,153 | 99,191 | **115,857** | 105,951 |
| **Total funds carried forward** | | **6,008** | **4,651** | **5,345** | **95,155** | **111,159** | 115,857 |

The statement of financial activities includes all gains and losses recognised in the year

The net income for the parent Charity for the year was a deficit (£4.6m) (2024: a surplus of £10.0m).

All activities relate to continuing operations

*The notes on pages 25 to 62 form part of these financial statements.*

# Consolidated balance sheet

*as at 31 December 2025*

| | Notes | 2025<br>£'000 | 2024<br>£'000 |
|---|---|---|---|
| Tangible assets | 15a | **53,582** | 51,485 |
| Investments | 16a | **33,227** | 34,122 |
| **Fixed Assets** | | **86,809** | 85,607 |
| Stock and work in progress | 17 | **137** | 40 |
| Debtors: amounts falling due after one year | 18a | **836** | 511 |
| Debtors: amounts falling due within one year | 18a | **1,158** | 15,179 |
| Cash at bank and in hand | | **23,284** | 15,921 |
| **Current Assets** | | **25,415** | 31,651 |
| **Creditors:** amounts falling due within one year | 19a | **(716)** | (1,052) |
| **Net Current Assets** *(Current assets less creditors < 1 year)* | | **24,699** | 30,599 |
| **Total Assets less current liabilities** *(Fixed Assets plus NCA)* | | **111,508** | 116,206 |
| **Creditors:** amounts falling due after one year | | | |
| Other creditors | 19a | **(349)** | (349) |
| **Net Assets** | | **111,159** | 115,857 |
| Endowment funds | 20,23 | **95,155** | 99,191 |
| Restricted funds | 20,22 | **5,345** | 5,153 |
| Designated funds (unrestricted) | 20,21 | **4,651** | 7,192 |
| General fund (unrestricted) | 20 | **6,008** | 4,321 |
| **Total funds** | | **111,159** | 115,857 |

Approved by the Board of Trustees on 23 September 2026 and signed on its behalf by

David Roberts

David Roberts, Chair

*The notes on pages 25 to 62 form part of these financial statements.*

*Companies House no. 162165*

# Consolidated summary income & expenditure account

*for the year ended 31 December 2025*

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

| | **2025** | *2024* |
|---|---|---|
| | £'000 | *£'000* |
| Total income | 10,815 | *10,010* |
| Total Expenditure | (15,775) | *(15,491)* |
| *Operating (deficit) for the year* | (4,960) | *(5,481)* |
| Net (loss)/ gain on investments | (125) | *70* |
| **Net (deficit) for the year** | **(5,085)** | *(5,411)* |
| **Other comprehensive income:** | | |
| Net assets transferred from endowments | 4,206 | *6,219* |
| **Total comprehensive income/(expenditure)** | **(879)** | *808* |

All income and expenditure is derived from continuing activities.

Full comparatives for the year to 31 December 2024 are shown in note 29.

*The notes on pages 25 to 62 form part of these financial statements.*

# Parent company balance sheet

*as at 31 December 2025*

| | Notes | 2025<br>£'000 | 2024<br>£'000 |
|---|---|---|---|
| Tangible assets | 15b | **51,725** | 49,767 |
| Investments | 16b | **33,076** | 33,937 |
| **Fixed Assets** | | **84,801** | 83,704 |
| Debtors: amounts falling due after one year | 18b | **1,158** | 511 |
| Debtors: amounts falling due within one year | 18b | **1,036** | 15,186 |
| Cash at bank and in hand | | **21,856** | 14,283 |
| **Current Assets** | | **24,050** | 29,980 |
| **Creditors:** amounts falling due within one year | 19b | **(640)** | (911) |
| | | | |
| *Net Current Assets (Current assets less creditors <1 year)* | | **23,410** | 29,069 |
| **Total Assets less current liabilities** *(Fixed Assets plus NCA)* | | **108,211** | 112,773 |
| **Creditors:** amounts falling due after one year | | | |
| Other creditors | 19b | **(349)** | (349) |
| **Net Assets** | | **107,862** | 112,424 |
| | | | |
| Endowment funds | | **94,259** | 98,260 |
| Restricted funds | | **2,740** | 2,582 |
| Designated funds (unrestricted) | | **4,651** | 7,192 |
| General fund (unrestricted) | | **6,212** | 4,390 |
| **Reserves** | | **107,862** | 112,424 |

Approved by the Board of Trustees on 23 September 2026 and signed on its behalf by

David Roberts

David Roberts, Chair

*The notes on pages 25 to 62 form part of these financial statements.* *Companies House no. 162165*

# Consolidated cash flow statement

*for the year ended 31 December 2025*

| | Notes | 2025<br>£'000 | 2024<br>£'000 |
|---|---|---|---|
| **Net cash generated/ (used) in operating activities** | | **6,557** | *(19,847)* |
| Interest paid | *5* | (1) | *(44)* |
| **Net cash inflow/ (outflow) from operating activities** | | **6,556** | *(19,891)* |
| **Investing activities** | | | |
| Dividends and interest received | *5* | 1,757 | *1,285* |
| Proceeds from sale of tangible fixed assets | | 2,525 | *3,096* |
| Purchase of tangible fixed assets for use by GDBF | *15a* | (3,325) | *(5,082)* |
| Purchase of fixed asset investments | *16a* | (175) | *(26)* |
| Sale of fixed asset investments | *16a* | 10 | *32,752* |
| **Net cash generated from investing activities** | | **792** | *32,025* |
| **Financing activities** | | | |
| Loan repaid to GDBF | | 60 | *60* |
| Loan advanced by GDBF | | (45) | *(45)* |
| **Net cash generated from financing activities** | | **15** | *15* |
| **Net increase in cash and cash equivalents** | | **7,363** | *12,149* |
| **Cash & cash equivalents at beginning of year** | | **15,921** | *3,772* |
| **Cash & cash equivalents at end of year** | | **23,284** | *15,921* |
| *Reconciliation net movement in funds to net cash flow from operating activities:* | | | |
| **Net (expenditure)/ income for the year** | | **(3,638)** | *9,313* |
| **Adjustments for:** | | | |
| Depreciation and amortisation charges | | 72 | *176* |
| Finance costs | | 38 | *43* |
| Dividends, interest & rent from investments | | (1,826) | *(1,430)* |
| Profit on sale of functional assets | | (1,352) | *(1,472)* |
| Profit on sale of investments | | - | *(13,351)* |
| (Increase)/ decrease in stock and work in progress | | (97) | *3* |
| Decrease/ (Increase) in debtors | | 13,696 | *(13,305)* |
| (Decrease)/ increase in creditors | | (336) | *176* |
| **Net cash used in operating activities** | | **6,557** | *(19,847)* |
| **Analysis of cash and cash equivalents** | | | |
| Cash in bank & in hand | | 23,284 | *15,921* |
| **Total cash and cash equivalents** | | **23,284** | *15,921* |

A reconciliation of net debt is provided in Note 26.

# Accounting Policies

*for the year ended 31 December 2025*

The principal accounting policies adopted are as follows:

## *Basis of Accounting*

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd edition, effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line-by-line basis. The subsidiaries are Jumping Fish Limited, The Church Development Agency, Sportily Limited and the Ann Edwards Charity. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The deficit of the parent charity for the year was £4.56 million (2024: deficit of £3.97 million). Gloucester DBF meets the FRS102 definition of a Public Benefit Entity.

The principal accounting policies and estimation techniques are as follows.

## *Income*

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

Parish Share contributions by parishes are included in the financial statements when there is certainty of receipt. Donations are recognised when received. Legacies are recognised when there is reasonable certainty as to both entitlement and amount. Grants from government bodies and other sources are received for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period. Contractual income and performance related grants are included in the SOFA only when the related goods or services have been delivered. Interest and dividends are included in the financial statements when receivable. Rental income is recognised in the period to which the rent relates.

Gifts in kind are accounted for at a reasonable estimate of their value to the Charity or at the amount actually realised. Gifts in kind for use by the Charity are included in the SOFA as income when receivable.

Donated services and facilities are included in income (with an equivalent amount in expenditure) only where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Investment income arising upon the Diocesan Stipends Fund is credited to the unapplied total return in the year in which the income is due.

## *Expenditure*

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

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

ii) Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, expenditure relating to the running of the diocesan retreat centre, and expenditure on education and Church of England schools in the Diocese.

iii) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the GDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

iv) Support costs consist of central management, administration and governance costs. 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.

# Accounting Policies

*for the year ended 31 December 2025*

### *Expenditure (cont.)*

v) Pension contributions. The GDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 27). The pension costs charged as expenditure represent the GDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which GDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

vi) Employee benefits. Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accruals basis and in line with FRS 102.

### *Taxation*

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### *Volunteers*

The value of any voluntary help received is not included in the accounts but is described in the trustees' report.

### *Going Concern*

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of its financial position, levels of reserves and future plans give the Trustees confidence the charity remains a going concern for a period in excess of 12 months from the date of approval of these accounts. This review has included an assessment of cash flow forecasts.

### *Depreciation*

Depreciation on equipment is calculated on a straight-line basis at annual rates estimated to write off the assets over their respective expected useful lives, as follows:

| | | | |
|---|---|---|---|
| Leasehold property improvements | 5% | Assets under construction | 0% |
| Office equipment | 20%-33% | Office and other furniture | 10%-20% |
| Telephone equipment | 20% | Computer equipment | 25%-33% |
| Solar PV panels | 25 years | Sports equipment | 20%-33% |
| Motor Vehicles | 20% | Improvements | 20% |

No depreciation is provided on clergy houses. As the remaining useful life of these assets exceeds 50 years and a programme of planned maintenance ensures that the residual value does not fall below the carrying value, any depreciation would be immaterial. An annual impairment review is carried out in accordance with FRS102.

### *Tangible fixed assets*

Tangible fixed assets with a useful life of over 1 year and costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Clergy houses and other land and buildings owned by the GDBF group as corporate property are included in the financial statements at historical cost. It is the opinion of the Trustees that the cost represents the residual value of the buildings and land, whose useful life exceeds 50 years, and, as a consequence, no depreciation charge has been made.

Clergy houses owned by benefices are included in the financial statements at a carrying value established by the Trustees and based on a professional valuation in December 2000. Houses acquired since that date are included at cost, and any major improvements are capitalised to the extent that the carrying value does not exceed the estimated net realisable value. Although the Board does not own these houses, it has the responsibility for maintaining them and receives any sale proceeds on disposal if the house becomes surplus under a pastoral scheme. Under FRS102 the Board considers that it has access to the benefits of these houses and also the associated risks and therefore needs to recognise them as assets in the financial statements. Solar PV panels installed on clergy houses are included within the asset value of the house and depreciated on a straight-line basis over 25 years.

# Accounting Policies

*for the year ended 31 December 2025*

### *Fixed asset investments*

Listed investments are stated at open market value at the balance sheet date with the gain or loss arising on the investment funds representing the Diocesan Stipends Fund, taken directly to the unapplied total return and others to the Statement of Financial Activities. For units held in managed funds of the Central Board of Finance this is the published bid price. Investment properties, which comprise the glebe portfolio, are stated at Trustees' valuation. The valuation is arrived at after taking appropriate professional advice and is reviewed each year. Certain short-term cash deposits, which are held for long term investment purposes, are included in fixed asset investments.

### *Financial Instruments*

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value as noted below.

### *Stock and Work in progress*

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

### *Debtors*

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired an impairment loss is recognised in the Statement of Financial Activities.

### *Cash*

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short-term maturity.

### *Creditors*

Basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

### *Fund accounting*

The resources of the Board are classified according to restrictions imposed on their use by donors or by legislation, and in accordance with the SORP, as follows:

- Endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment may, however, be spent as income under certain circumstances.
- Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board, or as expressed in the trusts under which the funds are held.
- Unrestricted funds are monies available for use at the discretion of the Board. The General Fund is for the day to day running of the Board and is primarily funded by the parish share. However, certain funds have been earmarked for particular purposes, and these ar termed designated funds. Such funds are kept separate for administrative purposes but do not constitute legally separate funds.

During 2019, Bishops Council approved a total return approach to investment for the investments held as one of the GDBF's permanent endowments – the Diocesan Stipends Fund (DSF). This change in policy took effect from 1st January 2019 and since then GDBF has operated a total return approach to the management of the investment portfolio attributable to the DSF. Using this approach, GDBF is required to analyse the fund between the amount held for investment (non-distributable funds) and the unapplied total return. GDBF is permitted to allocate from the unapplied total return element, such sums as the Board see appropriate, provided that the Board exercise their statutory duty to be even handed as between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive, after having due regard to the volatility of the investment markets. GDBF's objective is also to maintain the value of non-distributable funds in real terms.

# Accounting Policies

*for the year ended 31 December 2025*

### *Operating leases*

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

### *Judgements and estimates*

In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

*Significant judgements:*

Valuation of investment properties - Investment properties are stated at trustees' valuation after taking appropriate professional advice.

Depreciation of clergy houses - The Trustees consider that residual value of freehold properties is equivalent to the carrying value and depreciation would not be material.

*Sources of estimation uncertainty:*

In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

# Notes to the financial statements

*for the year ended 31 December 2025*

## Note 1
## Parish Share

| | *Deanery Confirmed Allocations for 2025* | **2025** | *2024* |
|---|---|---|---|
| | *£'000* | £'000 | *£'000* |
| Gloucester City | 575 | 568 | *562* |
| Severn Vale | 653 | 651 | *617* |
| Forest South | 342 | 350 | *365* |
| Wotton | 679 | 662 | *617* |
| Stroud | 604 | 590 | *580* |
| Cheltenham | 1,339 | 1,214 | *1,327* |
| North Cotswold Deanery | 932 | 919 | *928* |
| Cirencester | 962 | 944 | *923* |
| Tewkesbury & Winchcombe | 640 | 626 | *546* |
| Other | 0 | 4 | *4* |
| **Parish Share contributions** | **6,726** | **6,528** | *6,469* |

The current year and prior year are all general funds.

## Note 2
## Income from the Church Commissioners

| | **2025** | *2024* |
|---|---|---|
| | £'000 | *£'000* |
| Grant re Bishop's share of registrar's retainer | 60 | *54* |
| **Church Commissioner grants received** | **60** | *54* |

The current year and prior year are all general funds.

# Notes to the financial statements

*for the year ended 31 December 2025*

## Note 3
## Grants and other donations

| | *General* | *Designated* | *Restricted* | *Endowment* | **Total 2025** | *Total 2024* |
|---|---|---|---|---|---|---|
| | *£'000* | *£'000* | *£'000* | *£'000* | £'000 | *£'000* |
| Ecclesiastical Insurance Group grant | - | - | - | - | - | *72* |
| Oak Foundation grant | - | - | 420 | - | 420 | *41* |
| Other grants | 84 | - | - | - | 84 | *24* |
| Archbishops' Council grant | - | - | - | - | - | *39* |
| Other restricted grants/donations | - | - | 262 | - | 262 | *558* |
| Sportily grants/donations | - | - | 478 | - | 478 | *122* |
| Other donations | - | - | - | - | - | *59* |
| **Grants and donations** | **84** | **-** | **1,160** | **-** | **1,244** | *915* |

In 2024, £196k of grants and donations income was general and £719k was restricted.

## Note 4
## Other activities

| | *General* | *Designated* | *Restricted* | *Endowment* | **Total 2025** | *Total 2024* |
|---|---|---|---|---|---|---|
| | *£'000* | *£'000* | *£'000* | *£'000* | £'000 | *£'000* |
| Rental of vacant housing | 247 | - | - | - | 247 | *159* |
| Educational services: JF Ltd* | 14 | - | - | - | 14 | *19* |
| Other income | 6 | - | 121 | - | 127 | *1* |
| **Total** | **267** | **-** | **121** | **-** | **388** | *179* |

In 2024, £1k of other activities income was unrestricted.

*The principal activity of Jumping Fish's (JF Ltd) is the publication of educational materials and professional services, for advertisement of the Christian religion.

# Notes to the financial statements

*for the year ended 31 December 2025*

## Note 5
## Investments

| | 2025 | *2024* |
|---|---|---|
| | £'000 | *£'000* |
| Income from fixed asset investments | 1,757 | *1,345* |
| Other interest receivable and similar income | 1 | *45* |
| Rent receivable | 68 | *40* |
| **Investments** | **1,826** | *1,430* |

In 2025, £1,594k (2024: £1,172k) of investment income was unrestricted, £6k (2024: £6k) was designated and £226k (2024: £12k) was restricted.

## Note 6
## Other

| | 2025 | *2024* |
|---|---|---|
| | £'000 | *£'000* |
| Gain on disposal of tangible fixed assets* | 1,352 | *1,472* |
| Gain on investment property | - | *13,351* |
| Miscellaneous income | 9 | *31* |
| **Other** | **1,361** | *14,854* |

In 2025, £10k (2024: £19k) of other income was unrestricted, £nil (2024: £nil) was designated, £nil (2024: £12k) was restricted and £1,351k (2024: £14,823k) was endowed.

* The gain on disposal of tangible fixed assets in 2025 included in endowment funds comprised the sale of five clergy houses (four surplus and one replaced) for the GDBF. The gain on disposal of tangible fixed assets in 2024 comprised the gain on the sale of five clergy houses (three surplus and two replaced) for the GDBF.

## Note 7
## Raising funds

| | 2025 | *2024* |
|---|---|---|
| | £'000 | *£'000* |
| Tenancy costs associated with the letting of vacant properties | 64 | *57* |
| Property development – Church Development Agency Limited | 204 | *110* |
| Educational services – Jumping Fish Limited | 13 | *12* |
| **Raising funds** | **281** | *179* |

Raising funds expenditure for both 2025 and 2024 was all attributed to the general fund.

# Notes to the financial statements

*for the year ended 31 December 2025*

## Note 8
## Charitable activities

| Contributions to Archbishop's Council: | *General* £'000 | *Designated* £'000 | *Restricted* £'000 | *Endowment* £'000 | **2025** £'000 | *2024* *£'000* |
|---|---|---|---|---|---|---|
| National Church responsibilities | 196 | - | - | - | 196 | *214* |
| Training for Ministry | 290 | - | - | - | 290 | *312* |
| Training of Ordinands – support grants | 71 | - | - | - | 71 | *120* |
| Pooling of Ordinands' support costs | (7) | - | - | - | (7) | *(37)* |
| Mission agencies pension contributions | 10 | - | - | - | 10 | *-* |
| Retired clergy housing costs (CHARM) | 176 | - | - | - | 176 | *128* |
| | **736** | **-** | **-** | **-** | **736** | *737* |
| Resourcing Ministry & Mission: | | | | | | |
| Stipends, employed Clergy and National insurance | 3,831 | - | - | - | 3,831 | *3,719* |
| Clergy pension contributions | 671 | - | - | - | 671 | *726* |
| Housing costs including removal and resettlement grants | 1,859 | - | - | - | 1,859 | *2,259* |
| Parochial fees payable to PCCs | 405 | - | - | - | 405 | *343* |
| | **6,766** | **-** | **-** | **-** | **6,766** | *7,047* |
| Support for Parish Ministry | 4,254 | 63 | 257 | 29 | 4,603 | *4,302* |
| | **11,020** | **63** | **257** | **29** | **11,369** | *11,349* |
| Expenditure on Education: | | | | | | |
| Grant to GDBE (note 11) | - | 177 | - | - | 177 | *123* |
| Grant to DGAT (note 11) | - | - | - | - | - | *11* |
| Other Expenditure: | | | | | | |
| Grants awarded (note 11) | - | 1,408 | 165 | - | 1,573 | *2,100* |
| Charitable Activities of the Church Development Agency | - | - | 420 | - | 420 | *-* |
| Charitable activities of Ann Edwards charity | - | - | 74 | - | 74 | *76* |
| Charitable activities of Sportily | - | - | 1,174 | - | 1,174 | *945* |
| | **11,756** | **1,648** | **2,090** | **29** | **15,523** | *15,341* |

| ***Note 8 cont.*** <br> ***Comparative analysis for 2024*** <br> ***Charitable activities*** | *General* | *Designated* | *Restricted* | *Endowment* | *Total 2024* |
|---|---|---|---|---|---|
| *Contributions to Archbishop's Council:* | *£'000* | *£'000* | *£'000* | *£'000* | *£'000* |
| *National Church responsibilities* | *214* | *-* | *-* | *-* | *214* |
| *Training for Ministry* | *312* | *-* | *-* | *-* | *312* |
| *Training of Ordinands – support grants* | *120* | *-* | *-* | *-* | *120* |
| *Pooling of Ordinands' support costs* | *(37)* | *-* | *-* | *-* | *(37)* |
| *Retired clergy housing costs (CHARM)* | *128* | *-* | *-* | *-* | *128* |
| | ***737*** | ***-*** | ***-*** | ***-*** | ***737*** |
| *Resourcing Ministry & Mission:* | | | | | |
| *Stipends, employed Clergy and National insurance* | *3,719* | *-* | *-* | *-* | *3,719* |
| *Clergy pension contributions* | *726* | *-* | *-* | *-* | *726* |
| *Housing costs including removal and resettlement grants* | *2,259* | *-* | *-* | *-* | *2,259* |
| *Parochial fees payable to PCCs* | *343* | *-* | *-* | *-* | *343* |
| | ***7,047*** | ***-*** | ***-*** | ***-*** | ***7,047*** |
| *Support for Parish Ministry* | *3,814* | *88* | *371* | *29* | *4,302* |
| | ***10,861*** | ***88*** | ***371*** | ***29*** | ***11,349*** |
| *Expenditure on Education:* | | | | | |
| *Grant to GDBE (note 11)* | *-* | *123* | *-* | *-* | *123* |
| *Grant to DGAT (note 11)* | *-* | *11* | *-* | *-* | *11* |
| *Other Expenditure:* | | | | | |
| *Grants awarded (note 11)* | *50* | *1,897* | *153* | *-* | *2,100* |
| *Charitable activities of Ann Edwards charity* | *-* | *-* | *76* | *-* | *76* |
| *Charitable activities of Sportily* | *-* | *-* | *945* | *-* | *945* |
| | ***11,648*** | ***2,119*** | ***1,545*** | ***29*** | ***15,341*** |

## Note 9

## Analysis of expenditure including the allocation of support costs

| | *Activities undertaken directly* | *Grant funding of activities* | *Support costs* | **Total costs** |
|---|---|---|---|---|
| | *2025* | *2025* | *2025* | **2025** |
| | *£'000* | *£'000* | *£'000* | *£'000* |
| Raising funds | 281 | - | - | 281 |
| Charitable activities: | | | | |
| Contributions to Archbishop's Council | - | 736 | - | 736 |
| Resourcing parish ministry | 8,808 | 63 | 2,498 | 11,369 |
| Education | - | 177 | - | 177 |
| Other expenditure | 1,405 | 1,573 | 263 | 3,241 |
| **Total** | **10,494** | **2,549** | **2,761** | **15,804** |

| ***Comparative analysis for 2024*** | *Activities undertaken directly* | *Grant funding of activities* | *Support costs* | *Total costs* |
|---|---|---|---|---|
| | *2024* | *2024* | *2024* | *2024* |
| | *£'000* | *£'000* | *£'000* | *£'000* |
| *Raising funds* | *179* | - | - | *179* |
| *Charitable activities:* | | | | |
| *Contributions to Archbishop's Council* | - | *737* | - | *737* |
| *Resourcing parish ministry* | *9,074* | *88* | *2,187* | *11,349* |
| *Education* | - | *134* | - | *134* |
| *Other expenditure* | *768* | *2,100* | *253* | *3,121* |
| ***Total*** | *10,021* | *3,059* | *2,440* | *15,520* |

Notes 10 to 14 provide further details on expenditure for 2025.

## Note 10
## Analysis of support costs

| | Unrestricted funds | | Restricted Funds | Endowment Funds | Total funds 2025 | Total funds 2024 |
|---|---|---|---|---|---|---|
| | General | Designated | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Central administration | 2,388 | - | 257 | 29 | 2,674 | 2,364 |
| Governance: | | | | | | |
| External audit | 48 | - | 12 | - | 60 | 56 |
| Chancellor and Professional fees | 17 | - | - | - | 17 | 15 |
| Synodical costs | 10 | - | - | - | 10 | 5 |
| Total | **2,463** | **-** | **269** | **29** | **2,761** | 2,440 |

In 2024, £2,094k of central administration costs was unrestricted, £241k was restricted and £29k was endowed. Of the remaining expenditure £64k was unrestricted and £12k was restricted.

## Note 11
## Summary of grants made:

| | 2025 number | 2024 number | 2025 £'000 | 2024 £'000 |
|---|---|---|---|---|
| Church Housing Association grant | 1 | 1 | 436 | 83 |
| Church repairs | 1 | 1 | 12 | 10 |
| Coopers Edge Grant | 0 | 1 | 0 | 50 |
| GDBE Grant | 2 | 1 | 177 | 123 |
| Development Grants | 27 | 44 | 190 | 166 |
| DGAT Grant | 0 | 1 | 0 | 11 |
| Energy Grants | 1 | 1 | 0 | 5 |
| Grace Network | 3 | 2 | 625 | 1044 |
| Housing Initiative | 1 | 2 | 1 | 104 |
| Minor Repairs and Improvements Grant | 39 | 5 | 104 | 16 |
| Other Grants | 15 | 4 | 205 | 122 |
| Viney Hill Grant | 0 | 1 | 0 | 500 |
| **Grants made in the year** | **90** | **64** | **1,750** | 2,234 |

# Notes to the financial statements

*for the year ended 31 December 2025*

| **Note 12**<br>**Net movement in funds is stated after charging:** | **2025**<br>£'000 | *2024*<br>*£'000* |
|---|---|---|
| Depreciation | 72 | *176* |
| Auditors' remuneration: | | |
| Parent company audit | 33 | *32* |
| Subsidiary entities audit | 24 | *24* |
| Interest on Church Commissioners' loans: | | |
| Loan for Solar Panel installations | 5 | *12* |
| Value Linked Loans on parsonage houses | 33 | *31* |
| | | |
| Operating leases: Land and buildings (note 24) | - | *64* |
| Operating leases: Other (note 24) | 12 | *12* |

| **Note 13**<br>**Interest on long term loans** | **2025**<br>£'000 | *2024*<br>*£'000* |
|---|---|---|
| Interest on loans wholly or partly repayable beyond 5 years | 33 | *31* |

All interest relates to value linked loans, being equity share loans made to the GDBF by the Church Commissioners in respect of Parsonage Housing.

# Notes to the financial statements

*for the year ended 31 December 2025*

| **Note 14**<br>**Staff costs** | **2025** | *2024* |
|---|---|---|
| *Costs of employees and officer holders* | £'000 | *£'000* |
| *Group* | | |
| salaries and stipends | 3,202 | *2,854* |
| redundancy and termination payments | 13 | *25* |
| social security costs | 367 | *268* |
| other pension costs | 562 | *488* |
| **Employees, including clergy in GDBF employment:** | **4144** | *3,635* |

| | | |
|---|---|---|
| *Parent* | | |
| salaries and stipends | 2,540 | *2,314* |
| redundancy and termination payments | 13 | *25* |
| social security costs | 298 | *221* |
| pension contributions | 475 | *415* |
| **Employees, including clergy in GDBF employment:** | **3326** | *2,975* |

| | | |
|---|---|---|
| Stipends | 3,304 | *3,252* |
| social security costs | 380 | *301* |
| pension costs | 665 | 720 |
| **Parochial clergy funded by the GDBF:** | **4349** | *4,273* |

| *Number of employees including clergy in GDBF employment* | Number | *Number* |
|---|---|---|
| Average monthly number - Group | **96** | *85* |
| Average monthly number – Parent | **65** | *61* |
| Parochial clergy funded by the GDBF | **118** | *121* |

*The number of employees whose emoluments exceeded £60,000 were as follows:-*

| | | |
|---|---|---|
| Employees earning between £60,001 and £70,000 | **3** | *3* |
| Employees earning between £70,001 and £80,000 | **1** | *1* |
| Employees earning between £80,001 and £90,000 | **2** | *1* |
| Employees earning between £90,000 and £100,000 | **1** | *1* |
| Employees earning between £100,000 and £110,000 | **1** | *1* |

## Note 14
## Staff costs cont.

The employer's pension contribution for staff earning over £60,000 was £122,098 (2024: £99,887).

**Remuneration of key management personnel**

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

| | |
|---|---|
| Diocesan Secretary and Company Secretary | Canon Benjamin Preece Smith |
| Director of Mission and Ministry | Reverend Canon Dr Sandra Millar |
| Head of Communications | Canon Lucy Taylor |
| Chief Financial Officer | Ms Lisa Gardner (resigned 29 September 2025) |

Remuneration and pensions for these four (2024: five) employees amounted to £469k (2024: £511k).

**Directors'/Trustees' emoluments**

No Director/Trustee received any remuneration for services as a Director/Trustee. Nine Directors/Trustees received travelling and out of pocket expenses, totalling £18k (2024 - £11k) in respect of General Synod duties, duties as Archdeacon or Area Dean, and other duties as Directors/Trustees.

Certain trustees of the Board who are also clergy received benefits during the year from the Board as part of its normal charitable activity of providing a stipend and housing for clergy in the Diocese.

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

| | **Stipend** | **Housing** |
|---|---|---|
| The Archdeacon of Cheltenham | Yes | Yes |
| The Archdeacon of Gloucester | Yes | Yes |
| Reverend A Blyth (resigned 20 July 2025) | Yes | Yes |
| Reverend R Coombs | Yes | Yes |
| Reverend Dr S Haden (resigned 29 May 2025) | Yes | Yes |
| Reverend J Pestell | Yes | Yes |
| Reverend Graham Stacey | Yes | Yes |

The GDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the Diocese, other than bishops and cathedral staff. The GDBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the Suffragan Bishop but excluding Diocesan Bishop and cathedral staff.

## Note 14
## Staff costs cont.

The annual rate of stipend funded by GDBF and paid to Archdeacons in 2025 was £44,389 (2024: £43,013) and for other clergy who were Trustees the diocesan stipend rate was £32,770 (2024: £31,754)

| **Note 15a Group** Tangible Fixed Assets | *Assets under construction* | *Leasehold property improvements* | *Freehold Property* | *Office Equipment* | **Total** |
|---|---|---|---|---|---|
| *Cost or valuation:* | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2025 | 29 | 239 | 51,774 | 522 | 52,564 |
| Additions | 46 | 151 | 3,113 | 15 | 3,325 |
| Disposals | - | - | (1,156) | - | (1,156) |
| **At 31 December 2025** | **75** | **390** | **53,731** | **537** | **54,733** |
| *Depreciation:* | | | | | |
| At 1 January 2025 | - | 239 | 379 | 461 | 1,079 |
| Charge for year | - | 42 | 30 | - | 72 |
| Disposals | - | - | - | - | - |
| **At 31 December 2025** | **-** | **281** | **409** | **461** | **1,151** |
| *Net book value:* | | | | | |
| At 1 January 2025 | 29 | - | 51,395 | 61 | 51,485 |
| **At 31 December 2025** | **75** | **109** | **53,322** | **76** | **53,582** |

The Board has vested in it eight church buildings that have been closed under the Pastoral Measure. Of these, seven are pending finding a new use and one is appropriated to @TheRock for youth mission purposes. No value is attributed to these properties.

The freehold property disposals made in 2025 relate to the sales of five clergy houses (2024: five clergy houses).

| **Note 15b Parent** | *Assets under construction* | *Leasehold property improvements* | *Freehold Property* | *Office Equipment* | **Total** |
|---|---|---|---|---|---|
| Tangible Fixed Assets | | | | | |
| *Cost or valuation:* | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2025 | 29 | 239 | 50,070 | 467 | 50,805 |
| Additions | 46 | - | 3,113 | - | 3,159 |
| Disposals | - | - | (1,156) | - | (1,156) |
| **At 31 December 2025** | **75** | **239** | **52,027** | **467** | **52,808** |
| | | | | | |
| *Depreciation:* | | | | | |
| At 1 January 2025 | - | 239 | 373 | 426 | 1,038 |
| Charge for year | - | - | 29 | 16 | 45 |
| Disposals | - | - | - | - | - |
| **At 31 December 2025** | **-** | **239** | **402** | **442** | **1,083** |
| | | | | | |
| *Net book value:* | | | | | |
| At 1 January 2025 | 75 | - | 51,625 | 25 | 51,725 |
| **At 31 December 2025** | **75** | **-** | **51,625** | **25** | **51,725** |

| **Note 16a Group**<br>Fixed Asset Investments | *Properties* | *Assets under construction* | *Investments* | **Total 2025** | *2024* |
|---|---|---|---|---|---|
| | *£'000* | *£'000* | *£'000* | **£'000** | *£'000* |
| Market value at 1 January 2025 | 7,537 | 78 | 26,507 | 34,122 | *52,904* |
| Additions | - | 175 | - | 175 | *26* |
| Disposal proceeds | (10) | - | - | (10) | *(32,752)* |
| Realised investment gains | - | - | - | - | *13,351* |
| Unrealised investment gains/(losses) | - | - | (1,060) | (1,060) | *593* |
| **Market Value at 31 December 2025** | **7,527** | **253** | **25,447** | **33,227** | *34,122* |
| *Historic cost at 31 December 2025* | | | | 13,315 | *15,208* |
| *Gains on investment assets* | | | | | |
| Unrealised gains/(losses) (as above) | - | - | (1,060) | (1,060) | *593* |
| Realised gain on Glebe disposal | - | - | - | - | *13,351* |
| **Total investment gains** | **-** | **-** | **(1,060)** | **(1,060)** | *13,944* |

In 2023, Bruton Knowles undertook a formal review of one site and a desktop valuation of most of the Glebe sites with the Glebe Committee RICS members reviewing the remainder. This resulted in an increase in valuation of £10,867k. The trustees have reviewed this valuation for 2025 and concluded there is no material revaluation gain or loss to report.

| **Note 16b Parent**<br>Fixed Asset Investments | *Properties* | *Assets under construction* | *Investments* | **Total 2025** | *2024* |
|---|---|---|---|---|---|
| | *£'000* | *£'000* | *£'000* | £'000 | *£'000* |
| Market value at 1 January 2025 | 7,537 | 78 | 26,322 | 33,937 | *52,738* |
| Additions | - | 175 | - | 175 | *26* |
| Disposals | (10) | - | - | (10) | *(32,752)* |
| Realised gain on Glebe disposal | - | - | - | - | *13,351* |
| Unrealised investment gains(losses) | - | - | (1,026) | (1,026) | *574* |
| **Market Value at 31 December 2025** | **7,527** | **253** | **25,296** | **33,076** | *33,937* |
| | | | | | |
| *Historic cost at 31 December 2025* | | | | 13,619 | *15,512* |
| | | | | | |
| *Gains on investment assets* | | | | | |
| Unrealised gains(losses) (as above) | - | - | (1,026) | (1,026) | 574 |
| Realised gains - Glebe | - | - | - | - | *13,351* |
| **Total investment (losses)/gains** | **-** | **-** | **(1,026)** | **(1,026)** | *13,925* |

| **Investments comprise:** | *Note 16a Group* | | *Note 16b Parent* | |
|---|---|---|---|---|
| | **2025** | *2024* | **2025** | *2024* |
| | £'000 | *£'000* | £'000 | *£'000* |
| (i) Listed investments (equities) | | | | |
| UK Investments | 2,201 | *2,423* | 2,132 | *2,346* |
| Non-UK investments | 16,047 | 16,864 | 15,542 | *16,333* |
| **Listed Investments total** | **18,248** | **19,287** | **17,674** | *18,679* |
| (ii) Unlisted investments | | | | |
| Property & other | 6,560 | *6,780* | 6,354 | *6,567* |
| Cash | 639 | *440* | 619 | *426* |
| (iii) Church Development Agency Ltd | - | - | 650 | *650* |
| **Investments total** | **25,447** | **26,507** | **25,297** | *26,322* |

# Notes to the financial statements

*for the year ended 31 December 2025*

## Note 16b

### Fixed Asset Investments cont.

The listed investments are held in the CBF Church of England Investment Fund managed by CCLA. The allocation in (i) represents the asset allocation of the managed portfolio at 31 December 2025.

The Diocese has four wholly owned subsidiaries:

| Subsidiary name | Company number | Charity number | Share Capital |
|---|---|---|---|
| Church Development Agency Limited (CDA) | 6258385 | n/a | £650,100 |
| Jumping Fish Limited (JF) | 6672775 | n/a | £1 |
| Sportily Limited | 550991 | 1111077 | Limited by guarantee GDBF sole member |
| The Charity of Ann Edwards (AEC) | n/a | 263956 | GDBF sole trustee of Charity |

The transactions and balances from the accounts for these wholly owned subsidiaries were as follows:-

| | Income £'000 | | Expenditure £'000 | | Assets £'000 | | Liabilities £'000 | | Net assets £'000 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2025** | *2024* | **2025** | *2024* | **2025** | *2024* | **2025** | *2024* | **2025** | *2024* |
| CDA | 493 | *42* | 624 | *111* | 657 | *651* | (214) | *(77)* | 443 | *574* |
| JF | 14 | *19* | 20 | *12* | 9 | *35* | (8) | *(28)* | 1 | *7* |
| Sportily | 1,161 | *968* | 1,174 | *990* | 864 | *911* | (53) | *(88)* | 810 | *823* |
| AEC | 120 | *111* | 73 | *91* | 1,714 | *2,706* | (14) | *(28)* | 1,701 | *2,678* |

GDBF is the parent charity of the following entities and transactions during the year were as follows:

**Sportily Limited**
GDBF provided administrative support services amounting to £8.5k and paid out a grant of £630k to Sportily.

**Anne Edwards Charity (AEC)**

GDBF provided administrative support services to AEC amounting to £21k. Income received by GDBF on behalf of AEC amounted to £63k of which £41k was paid over. At the year end £4.7K was outstanding and included within debtors.

**Jumping Fish Limited (JF)**

JF Limited donated £7.3k under Gift Aid to GDBF. GDBF paid expenses of £2.3k on behalf of Jumping Fish Limited. At the year end £23.1k was outstanding and included within debtors.

**Church Development Agency (CDA)**
GDBF paid out administrative expenses and salaries of £146k on behalf of CDA. At the year end £204k was outstanding and is included within debtors.

**Church Housing Association (CHA)**
As noted in the Trustees Report CHA is technically a subsidiary of GDBF on the grounds that GDBF is the sole member of the entity. The trustees consider that this control is diluted due to the composition of the Board and the legal restrictions over the use of the income and capital of CHA. CHA is not material to the financial statements of GDBF. Consolidation is therefore not considered appropriate. During the year grants of £436k were made by GDBF to CHA and a drawdown of £643k was made by CHA out of loan funding of £1.6m agreed by GDBF in 2024.

All intercompany transactions and balances aside from those relating to CHA have been eliminated on consolidation.

# Notes to the financial statements

*for the year ended 31 December 2025*

## Note 16c

## Application of the power of total return to the Diocesan Stipends Fund

| | Trust for investment | Unapplied Total Return | Total endowment 2025 | *Total endowment 2024* |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | *£'000* |
| **As at 1 January 2025** | | | | |
| Base value of the permanent endowment | 13,687 | - | 13,687 | *12,716* |
| Unapplied total return | - | 44,838 | 44,838 | *21,775* |
| **Total** | 13,687 | 44,838 | 58,525 | *34,491* |
| **Movements in the year:** | | | | |
| Investment returns – income received | - | 1,332 | 1,332 | *1,020* |
| Additions from the sale of Glebe property | - | - | - | *29,109* |
| Unrealised (losses)/ gains for year | - | (891) | (891) | *499* |
| Realised gains for the year | | 427 | 427 | *1,472* |
| Unapplied total return transfers allocated to General Fund in the year | - | (4,206) | (4,206) | *(6,162)* |
| Unapplied total return income allocated to General Fund in the year | - | (1,332) | (1,332) | *(1,020)* |
| Transfer to Benefice Property to purchase clergy housing | - | - | - | *(884)* |
| Add indexation to base level of the endowment | 572 | (572) | - | - |
| **Net movements in the year** | 572 | (5,242) | (4,670) | *24,034* |
| **As at 31 December 2025** | | | | |
| Base value of the permanent endowment | 14,259 | - | 14,259 | *13,687* |
| Unapplied total return | - | 39,596 | 39,596 | *44,838* |
| **Valuation at 31 December 2025** | 14,259 | 39,596 | 53,855 | *58,525* |

The investment power of total return permits Gloucester DBF to invest the permanently endowed Diocesan Stipends Fund (DSF) to maximise total return and apply an appropriate portion of the unapplied total return each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment.

An Unapplied Total Return Fund (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF permanent endowment. The base value of the permanent endowment is indexed annually based on the RPI percentage increase over the year. The annual increase in 2025 was 4.2% (2024: 3.5%).

## Note 16c
## Application of the power of total return to the Diocesan Stipends Fund cont.

For the year ended 31st December 2025, the Board took the decision to transfer £5,538k (2024: £7,182k) which included investment income of £1,332k (2024: £1,020k) and allocated unapplied total return of £4,206k (2024: £6,162k) from the Unapplied Total Return Fund to the General Fund.

## Note 17
## Stock and Work In Progress

This comprises work in progress amounting to £129k (2024: £31k) in relation to property developments being undertaken by the CDA and £8k (2024: £9k) of education materials held by Jumping Fish Limited.

## Note 18a
## Consolidated group debtors

| | *Due within one year* | | *Due after one year* | |
|---|---|---|---|---|
| | **2025** | *2024* | **2025** | *2024* |
| | £'000 | *£'000* | £'000 | *£'000* |
| Prepayments and sundry debtors | 798 | *15,151* | - | - |
| Loans to parishes, Cathedral and other DBF | 38 | *28* | 1,158 | *511* |
| **Debtors** | **836** | *15,179* | **1,158** | *511* |

Debtors include £40k (2024: £20k) due from related charities.

## Note 18b
## Parent company debtors

| | *Due within one year* | | *Due after one year* | |
|---|---|---|---|---|
| | **2025** | *2024* | **2025** | *2024* |
| | £'000 | *£'000* | £'000 | *£'000* |
| Prepayments and sundry debtors | **721** | *15,034* | **-** | - |
| Loans to parishes, Cathedral and other DBF | **38** | *28* | **515** | *511* |
| The Charity of Ann Edwards | **5** | *1* | **-** | - |
| Church Development Agency | **205** | *58* | **-** | - |
| Church Housing Association | **-** | - | **643** | - |
| Jumping Fish Ltd | **23** | *21* | **-** | - |
| Parish Giving Scheme | **44** | *44* | **-** | - |
| **Debtors** | **1,036** | *15,186* | **1,158** | *511* |

# Notes to the financial statements

*for the year ended 31 December 2025*

## Note 19a
## Consolidated group creditors

| | Due within one year | | Due after one year | |
|---|---|---|---|---|
| | **2025** | *2024* | **2025** | *2024* |
| | £'000 | *£'000* | £'000 | *£'000* |
| Accruals and sundry creditors | 638 | *867* | - | - |
| Taxation and social security | 78 | *60* | - | - |
| CBF Loan (Solar Panels) | - | *125* | - | - |
| Value Linked Loans (Church Commissioners) | - | - | 349 | *349* |
| **Creditors** | **716** | *1,052* | **349** | *349* |

Value linked loans from the Church Commissioners are repayable on sale of the property to which they relate. Any capital profit or loss arising on sale of the property accrues to the Church Commissioners and the Board in proportion to the equity invested. All properties with VLLs attached have remained in charitable use and therefore have not been revalued for the purposes of the accounts in line with the Board's accounting policies for functional assets.

Included in 'Accruals and sundry creditors' is a total of £27k (2024 - £38k) due to related charities which are administered by staff of the Board and whose trustees are separate from the trustees of the Board.

## Note 19b
## Parent company creditors

| | Due within one year | | Due after one year | |
|---|---|---|---|---|
| | **2025** | *2024* | **2025** | *2024* |
| | £'000 | *£'000* | £'000 | *£'000* |
| Accruals and sundry creditors | 566 | *726* | - | - |
| Taxation and social security | 74 | *60* | - | - |
| CBF Loan (Solar Panels) | - | *125* | - | - |
| Value Linked Loans (Church Commissioners) | - | - | 349 | *349* |
| **Creditors** | **640** | *911* | **349** | *349* |

# Notes to the financial statements

*for the year ended 31 December 2025*

| **Note 20**<br>Analysis of net assets by fund:<br>**Summary**<br>Funds at 31 December 2025 are represented by: | *General Fund*<br>£'000 | *Designated Funds*<br>£'000 | *Restricted Funds*<br>£'000 | *Endowment Funds*<br>£'000 | **Total**<br>£'000 |
|---|---|---|---|---|---|
| Tangible fixed assets | 280 | 863 | 1,837 | 50,602 | 53,582 |
| Fixed asset investments | 3,289 | 1,872 | 2,152 | 25,914 | 33,227 |
| Net Current assets | 3,090 | 1,916 | 1,420 | 18,989 | 25,415 |
| Creditors | (651) | - | (64) | (350) | (1,065) |
| **Total Funds at 31 December 2025** | **6,008** | **4,651** | **5,345** | **95,155** | **111,159** |

| *Comparative analysis of net assets by fund:*<br>***Summary***<br>*Funds at 31 December 2024 are represented by:* | *General Fund*<br>*£'000* | *Designated Funds*<br>*£'000* | *Restricted Funds*<br>*£'000* | *Endowment Funds*<br>*£'000* | *Total*<br>*£'000* |
|---|---|---|---|---|---|
| *Tangible fixed assets* | *41* | *2,926* | *1,651* | *46,867* | *51,485* |
| *Fixed asset investments* | *2,667* | *1,339* | *2,104* | *28,012* | *34,122* |
| *Current assets* | *2,425* | *2,927* | *1,513* | *24,786* | *31,651* |
| *Creditors* | *(812)* | *-* | *(115)* | *(474)* | *(1,401)* |
| *Total Funds at 31 December 2024* | *4,321* | *7,192* | *5,153* | *99,191* | *115,857* |

**Note 21**

Designated funds

| | *Balance at 01 Jan 25* | *Income* | *Expenditure* | *Net gains/(losses) on assets* | *Transfers* | **Balance at 31 Dec 25** |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Development Fund | 645 | 6 | (302) | - | (155) | **194** |
| Life projects | 53 | - | (81) | - | 68 | **40** |
| Church Housing Association Grant | 568 | - | (436) | - | 79 | **211** |
| Church Housing Association Loan | 1,600 | - | - | - | (643) | **957** |
| Curacies for the Wider Church | 1,410 | - | (156) | - | - | **1,254** |
| Education | - | - | (127) | - | 127 | **-** |
| Grace Network | 56 | - | (525) | - | 600 | **131** |
| Group Activities | 1,611 | - | 15 | - | (645) | **981** |
| Hibiscus Fund | 10 | - | - | - | - | **10** |
| Church House (previously Hillfield) purchase | 935 | - | - | - | (935) | **-** |
| Staffing for House Sales | 74 | - | (35) | - | - | **39** |
| Housing Initiative | - | - | (1) | - | - | **(1)** |
| Deanery Strategic Fund | - | - | - | - | 163 | **163** |
| Net Zero Improvement Project | - | - | - | - | 442 | **442** |
| Pods' Site Costs | 60 | - | - | - | - | **60** |
| Viney Hill Development | 170 | - | - | - | - | **170** |
| **Total Funds at 31 December 2025** | **7,192** | **6** | **(1,648)** | **-** | **(899)** | **4,651** |

## Note 21 (continued)

The Development fund is to finance Mission initiatives. Grants are awarded for Life Projects for special funds.

The Life Projects fund relates to those special projects funded by the Development Fund.

£1.6 million was designated for a loan approved at Bishop's Council to the Church Housing Association (CHA). A grant of £600k was also approved by Bishops Council to the CHA. It was agreed by the trustees to retain the loan and grant in separate interest-bearing accounts and award additional grants equating to the interest received.

The trustees agreed to provide a £1.41 million fund for Curacies to the wider Church from a 'tithe' arising from the sale of the Glebe land.

The Education Fund brings together the Education work undertaken by GDBF with income specific to that activity, primarily from the Voluntary Schools Fund and St Matthias Trust. The Gloucester Diocesan Board of Education (GDBE) became a Charitable Incorporated Organisation in May 2022 with a transfer on 1 September 2022. The Board agreed to award an annual grant to the GDBE to assist with the costs of the Education Fund.

Grace Network is a Christian-led social Enterprise co-operative based in Brimscombe which builds community and from that new monastic community. Their main engagement and funding come from ethical businesses sharing resources and space in a different iteration of the "seven sacred spaces" model. In 2022, the Board awarded funding of £1.5m to enable this model to expand into two new locations, planned to be Cirencester and Gloucester. New premises for the first of these, located in Cirencester, was secured and opened in 2024. A £600k grant was approved and paid in 2025.

The designated fund for Group Activities relates to grants to Sportily (see note 22).

Bishops Council approved the designation of funds of £2 million to purchase and £1 million to renovate new Diocesan Board of Finance offices, Church House, in 2024. A further £1.1m was designated in during the year. The building was occupied in December 2025 and therefore all the designated funds have been fully expended.

Staffing for House Sales - £106k was originally designated to assist with the disposal of excess housing stock.

Deanery Strategic Fund - £163k was designated to support the new Deanery Operation Leads.

Net Zero Improvement Project - this fund is to support the improvements to properties to make them more energy efficient.

Pods' Site Costs - £60k was designated for the Pods owned by the GDBF.

The Viney Hill Development relates to a property owned by GDBF but used by Viney Hill Adventure Centre for charitable purposes consistent with those of the GDBF.

**Note 21 (continued)**

*Comparative Designated funds*

| | Balance at 01 Jan 24 | Income | Expenditure | Net gains/(losses) on assets | Transfers* | Balance at 31 Dec 24 |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| *Development Fund* | 953 | 6 | (181) | - | (133) | 645 |
| *GDBE Repayable Loan* | 500 | - | - | - | (500) | - |
| *Church Housing Association Grant* | - | - | (83) | - | 651 | 568 |
| *Church Housing Association Loan* | 1,600 | - | - | - | - | 1,600 |
| *Curacies for the Wider Church* | - | - | - | - | 1,410 | 1,410 |
| *Education* | - | - | (134) | - | 134 | - |
| *Grace Network* | 850 | - | (1,044) | - | 250 | 56 |
| *Group Activities* | 2,242 | - | 16 | - | (647) | 1,611 |
| *Hibiscus Fund* | 10 | - | - | - | - | 10 |
| *Hillfield House Purchase* | - | - | - | - | 935 | 935 |
| *Staffing for House Sales* | - | - | (32) | - | 106 | 74 |
| *Housing Initiative* | (96) | - | (105) | - | 201 | - |
| *Life projects* | 56 | - | (56) | - | 53 | 53 |
| *Pods' Site Costs* | - | - | - | - | 60 | 60 |
| *Viney Hill Development* | 170 | - | - | - | - | 170 |
| *Viney Hill Pods Grant* | - | - | (500) | - | 500 | - |
| *Total Funds at 31 December 2024* | 6,285 | 6 | (2,119) | - | 3,020 | 7,192 |

# Notes to the financial statements

*for the year ended 31 December 2025*

| **Note 22**<br>**Restricted funds** | *Balance at 01 Jan 25*<br>£'000 | *Income*<br>£'000 | *Expenditure*<br>£'000 | *Net gains/(losses) on assets*<br>£'000 | *Transfers*<br>£'000 | **Balance at 31 Dec 25**<br>£'000 |
|---|---|---|---|---|---|---|
| Housing for elderly clergy | 138 | 4 | - | (3) | - | 139 |
| Ordination training | 174 | - | - | - | - | 174 |
| Bussage DPA | 334 | - | - | - | - | 334 |
| Diocesan pastoral fund | 500 | 80 | (105) | (74) | 383 | 784 |
| Stratton Davis fund | 262 | 7 | (12) | (10) | (100) | 147 |
| Bishop's Discretionary Mission fund | 30 | - | - | - | - | 30 |
| Ann Edwards Charity | 1,748 | 120 | (52) | - | (21) | 1,795 |
| Oak Foundation (CDA) | - | 420 | (420) | - | - | - |
| Sportily Limited | 823 | 516 | (1,165) | - | 636 | 810 |
| Ministerial Education Training | 16 | 17 | (8) | | | 25 |
| Quick Wins Grant | 24 | - | (28) | - | - | (4) |
| Energy Grants | 22 | - | - | - | - | 22 |
| Bishop Monk's Horfield Trust fund | 982 | 27 | - | (38) | (27) | 944 |
| Other | 100 | 316 | (300) | - | 29 | 145 |
| **Total Funds at 31 December 2025** | **5,153** | **1,507** | **(2,090)** | **(125)** | **900** | **5,345** |

Restricted funds may only be used for the purposes for which the money was originally gifted or bequeathed to the Board.

The Housing for Elderly Clergy Fund derives from various bequests and is used to give assistance to retired clergy of the Diocese in difficulty with their housing requirements.

The Ordination Training Fund derives from various bequests, principally from the late Mrs. M Harries. The income is used to fund ordination training.

Bussage DPA is derived from the sale of St Augustine's Church and is held as a separate restricted fund for the benefit of Bussage PCC.

The Diocesan Pastoral Fund is derived principally from the proceeds of sale of surplus parsonage houses as a result of pastoral reorganisations under the Pastoral Measure 1983. Under the Measure, the Fund must be used firstly in connection with expenses relating to pastoral schemes and redundant churches. To the extent that it is considered that any remaining funds are not required, or are not likely to be required, for these purposes then the funds may be applied to any general purpose of the Board. £508k was transferred into the fund representing the net proceeds of house sales less additions.

The Stratton Davis Fund arises from a bequest received in 2001 from the estate of the late Mr. David Stratton Davis. The terms of the settlement are that the fund may be used for the repair or restoration of churches and their fixtures and fittings in the Diocese. The Board has decided initially to use the income to make an annual grant to the Gloucestershire Historic Churches Trust.

## Note 22 (continued)

The Bishop's Discretionary Mission Fund derives from a donation received in 2013 and restricted to mission works of the Church of England at the Bishop of Gloucester's discretion.

The Charity of Ann Edwards restricted funds comprise the Extraordinary Repair Fund (ERF) and the Cyclical Maintenance Fund (CMF). These funds were established in the governing instrument and are for future repairs and maintenance, with transfers being made each year.

The Oak Foundation gave a grant of £420k to the Church Development Agency to support its work.

The Sportily funds may only be used for the objects of the charity which include promoting and assisting the work, objects and purposes of the Church of England for the advancement of Christian faith, in particular (but not exclusively) by the development of specialist ministries based principally on sports and wellbeing particularly with children, young people and their families in (but not limited to) the Diocese of Gloucester.

The Ministerial Education Training fund relates to Resourcing Ministerial Education introduced in 2017.

The Quick Wins fund relates to a grant from the Archbishop's Council for Net Zero Carbon Programme specifically for churches.

The Energy Grants Fund is to assist Parochial Church Councils cover the increased cost of lighting and heating of church buildings during times of need.

The Bishop Monk Horfield Trust fund was gifted to the GDBF by a previously independent trust of that name which had managed the ancient legacy of Bishop Monk of Gloucester and Bristol. The funds received by GDBF are restricted to the funding of curates in training.

| Comparative Restricted funds | *Balance at 01 Jan 24* | *Income* | *Expenditure* | *Net gains/(losses) on assets* | *Transfers* | *Balance at 31 Dec 24* |
|---|---|---|---|---|---|---|
| | *£'000* | *£'000* | *£'000* | *£'000* | *£'000* | *£'000* |
| *Housing for elderly clergy* | 151 | 5 | (19) | 1 | - | 138 |
| *Ordination training* | 178 | - | (4) | - | - | 174 |
| *Bussage DPA* | - | 342 | (8) | - | - | 334 |
| *Diocesan pastoral fund* | 571 | 82 | (64) | 41 | (130) | 500 |
| *Stratton Davis fund* | 259 | 8 | (10) | 5 | - | 262 |
| *Bishop's Discretionary Mission fund* | 30 | - | - | - | - | 30 |
| *Ann Edwards Charity* | 1,728 | 111 | (75) | - | (16) | 1,748 |
| *Sportily Limited* | 846 | 284 | (946) | - | 639 | 823 |
| *Ministerial Education Training* | 172 | 20 | (176) | - | - | 16 |
| *Quick Wins Grant* | - | 24 | - | - | - | 24 |
| *Energy Grants* | 27 | - | (5) | - | - | 22 |
| *Bishop Monk's Horfield Trust fund* | 960 | 26 | - | 22 | (26) | 982 |
| *Other* | 158 | 260 | (201) | 1 | (118) | 100 |
| *Total Funds at 31 Dec 2024* | 5,080 | 1,162 | (1,508) | 70 | 349 | 5,153 |

# Notes to the financial statements

*for the year ended 31 December 2025*

## Note 23

## Endowment funds

| | *Balance at 01 Jan 25* | *Income* | *Expenditure* | *Net gains/(losses) on assets* | *Transfers* | **Balance at 31 Dec 25** |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Pensions & assistance | 395 | - | - | (10) | - | 385 |
| Benefice property | 28,188 | 924 | (29) | - | (382) | 28,701 |
| Diocesan stipends fund | 58,525 | 427 | - | (891) | (4,206) | 53,855 |
| Ann Edwards Charity | 931 | - | - | (34) | - | 897 |
| Glebe property | 11,152 | - | - | - | 165 | 11,317 |
| **Total funds at 31 December 2025** | **99,191** | **1,351** | **(29)** | **(935)** | **(4,423)** | **95,155** |

Permanent endowment funds represent money that must be permanently held as capital and may not be spent as income. Expendable endowment funds represent money that must be held as capital but may be expended when certain conditions are satisfied.

The Pensions & Assistance Fund is permanent endowment represented by a house used to provide accommodation for retired clergy, and a cash balance arising from the sale of a second house.

The Benefice Property Fund represents the value of benefice houses. These houses are owned by benefices but are recognised as assets by the Board. The fund is classified as expendable endowment as under certain conditions the value of the houses may be realised and the proceeds used as income.

The Diocesan Stipends Fund (DSF) represents ancient endowments and other gifts and legacies. The Fund is governed principally by the Diocesan Stipends Funds Measure 1953 and the Endowment and Glebe Measure 1976, as amended. The Fund consists of Clergy housing and CBF managed funds. Income generated from the Fund must be used to fund stipends. The Fund is split into "Trust for Investment" which is the permanent capital and "Unapplied Total Return" which can be applied to purposes consistent with that governing the use of income (see below).

During 2019, Bishop's Council approved a total return approach to investment for the CBF managed funds of the DSF. This change in policy was to take effect from 1st January 2019. An Unapplied Total Return (UTR) of £10,800k was created on 1st January 2019, all of which related to the DSF.

The Unapplied Total Return comprises that part of the total return on the DSF which has not yet been allocated by the Board to either the General Fund or the Trust for Investment. It can be carried forward if not needed or allocated to be spent as income or reinvested in the DSF Trust for Investment in a particular year.

The value of the Trust for Investment of the DSF is preserved, by an amount equivalent to the application of RPI to the opening balance for the year being transferred from the Unapplied Total Return to the DSF Fund. For the y`ear ended 31st December 2025, the Board took the decision to transfer £4,402k (2024: transfer £6,162k) from the Unapplied Total Return in accordance with the Diocesan Stipends Funds Measure 1953 and income of £1,332k (2024: £1,020k) to the General Fund (see note 16c).

## Note 23
## Endowment funds cont.

The Endowment Fund of the Charity of Ann Edwards represents the original endowment of the charity, comprising mainly the sale proceeds of Edwards College, the original Almshouse in South Cerney. This money may not be spent as income.

Glebe property represents glebe land previously held by incumbents but transferred to the Board under the Endowment and Glebe Measure 1976. Income derived from rents must be used to fund stipends. Proceeds of sale of glebe land must be transferred to the DSF. During 2024, the Board completed the sale of two long standing Glebe development sites in Leckhampton and Willersey. Completion on Leckhampton was for £28.6m, payable in two instalments and Willersey was for £751k. All proceeds (net of fees and costs incurred to date) were allocated to the Diocesan Stipends Fund in accordance with the Church Property Measures.

| *Comparative Endowment funds* | *Balance at 01 Jan 24* | *Income* | *Expenditure* | *Net gains/(losses) on assets* | *Transfers* | *Balance at 31 Dec 24* |
|---|---|---|---|---|---|---|
| | *£'000* | *£'000* | *£'000* | *£'000* | *£'000* | *£'000* |
| *Pensions & assistance* | *390* | *-* | *-* | *5* | *-* | *395* |
| *Benefice property* | *27,333* | *-* | *(29)* | *-* | *884* | *28,188* |
| *Diocesan stipends fund* | *34,491* | *1,472* | *-* | *499* | *22,063* | *58,525* |
| *Ann Edwards Charity* | *912* | *-* | *-* | *19* | *-* | *931* |
| *Glebe property* | *26,967* | *13,351* | *-* | *-* | *(29,166)* | *11,152* |
| *Total funds at 31 December 2024* | *90,093* | *14,823* | *(29)* | *523* | *(6,219)* | *99,191* |

## Note 24

## Financial Commitments: *Operating Leases*

| | **2025** | *2024* |
|---|---|---|
| Total commitments under non-cancellable operating leases are as follows:- | | |
| Land and Buildings and Office Equipment where the lease expires: | £'000 | *£'000* |
| Within one year of the balance sheet date | 3 | *68* |
| In the second to fifth years inclusive of the balance sheet date | 11 | 8 |

## Note 25
## Related party transactions

**Gloucester Diocesan Board of Education (GDBE) incorporating the Voluntary Schools Fund (VSF) and Bishop Headlams Fund (BHF)**

The GDBE is a separate charitable incorporated organisation which has oversight for 116 church schools across the Diocese. It provides professional and pastoral support as well as supporting the development and delivery of religious education.

The GDBF provides funding to the GDBE by way of a grant. Grants made to GDBE during the year amounted to £127k. Income received and expenses paid on behalf of GDBE amounted to £9k and £78k respectively. The balance owing to GDBF at the year end was £1k.

Income received by GDBF on behalf of the VSF during the year amounted to £40k of which £33k was paid over. The balance owing to VSF at the end of the year was £7k.

The Ven Katrina Scott, Archdeacon of Cheltenham, is a Trustee of both GDBF and GDBE.

**Gloucester Diocesan Trust (GDT)**

The GDT acts as a custodian trustee for parochial and other trusts. As a result of this activity the GDT derives no income and holds no assets for its own benefit. The Trustees of GDBF are automatically appointed as Trustees and Directors of GDT.

Benjamin Preece Smith, Diocesan Secretary and an employee of GDBF is the Company Secretary of GDT.

The Very Revd Andrew Zihni, Dean of Gloucester Cathedral and a Trustee of GDBF, also served as a Trustee of GDT during the year.

During the year GDBF paid some nominal expenses on behalf of GDT.

**Grace Network (L4 Enterprises CIC - formerly The Grace Network CIC)**

Grace Network creates and supports social enterprises which reinvest profits into their local communities through higher pay, community events and giving away free goods.

During the year grants of £525k were made by GDBF to Grace Network.

Benjamin Preece Smith, Diocesan Secretary and an employee of GDBF is also a Director of L4 Enterprise CIC (Grace Network).

**Stroud Grace Network Limited**

During the year a loan of £19.5k was made by GDBF to Stroud Grace Network. The balance owing to GDBF at the end of the year was £39.5k.

Ed Sauven a Trustee of GDBF is also a Director of Stroud Grace Network Limited.

**The Viney Hill Christian Adventure Centre (Viney Hill)**

Viney Hill Christian Adventure Centre is a leading outdoor activity and residential centre based in the Forest of Dean. It is rooted in Christian values.

During the year GDBF received rental income from Viney Hill of £18k and paid £6k of expenses on behalf of the charity. The balance outstanding at the year end was £nil.

The Rt Revd Robert Springett, Bishop of Tewkesbury and a Trustee of GDBF, Carole O'Donell a Trustee of GDBF and Benjamin Preece Smith, Diocesan Secretary and an employee of GDBF, are also Trustees of Viney Hill.

## Note 25
## Related party transactions

**Gloucester Cathedral**

Gloucester Cathedral is a separate entity to GDBF. It is the seat of the Bishop of Gloucester, the Rt Revd Rachel Treweek, who is a Trustee of GDBF and also served during the year as a Trustee of GDBE, GDT, Gloucester Magdalen Charity and the Warneford Trust, and as patron, president or vice-president of a number of other organisations connected with the Diocese.

GDBF provided administrative support services to the Cathedral amounting to £33k. It also paid expenses of £10k on behalf of the Cathedral which were not recharged.

The Very Revd Andrew Zihni, Dean of Gloucester Cathedral and a Trustee of GDBF, Canon Margaret Sheather, a Trustee of GDBF, and also Revd Canon Dr Sandra Millar, and employee of GDBF, served as a Trustees of Gloucester Cathedral during the year.

**Church Housing Foundation (CHF)**

The CHF was recently set up to advance the Church's mission to respond to the housing crisis and meet housing need amongst the poorest and most marginalised.

GDBF paid expenses of £1k on behalf of CHF which were not recharged.

Benjamin Preece Smith, Diocesan Secretary and an employee of GDBF, is also a Trustee of CHF.

**Sylvanus Lysons Charity**

The Rt Revd Robert Springett, Bishop of Tewkesbury and a Trustee of GDBF, and the Ven Katrina Scott, Archdeacon of Cheltenham and a Trustee of GDBF, also served as Trustees of the Sylvanus Lysons Charity. During the year grants of £21k were received by GDBF.

**Other related party transactions**

The Rt Revd Robert Springett, Bishop of Tewkesbury and a Trustee of GDBF, also served as a director of Jumping Fish Limited.

The Ven Katrina Scott, Archdeacon of Cheltenham and a Trustee of GDBF, also served during the year as a Trustee of Sportily and the Warneford Trust. She received a stipend and housing during the year in connection with the ecclesiastical office held.

Robert Bryant Pearson, a Trustee of GDBF, is related to a committee member of the Ann Edwards Charity.

Carole O'Donnell and Chris Hill, both Trustees of GDBF are also committee members of the Ann Edwards Charity.

Kevan Taylor, a Trustee of GDBF, and Revd Canon Dr Sandra Millar, an employee of GDBF, both also served as Trustees of Sportily.

During the year, Benjamin Preece-Smith, Diocesan Secretary and an employee of GDBF, also acted as a Director of the Church Development Agency Limited (CDA) and the Church Housing Association (CHA).

The spouses of the Revd Graham Stacey, a Trustee of GDBF, and Benjamin Preece Smith, Diocesan Secretary and an employee of GDBF, were both employed by GDBF during the year ended 31 December 2025. The total cost to GDBF was £64k and £73k respectively. This includes employer NI and pension contributions. A proportion of Benjamin Preece Smith's spouse's salary was recharged to the CDA.

Trustees and key management personnel were required to declare any interests in related organisations. No Trustee participated in decisions where a conflict of interest existed.

## Note 26
## Reconciliation of Net Debt

| | *Balance at 01 Jan 25* | *Cash Flows* | **Balance at 31 Dec 25** |
|---|---|---|---|
| | *£'000* | *£'000* | £'000 |
| Cash at bank and in hand | 15,921 | 7,363 | 23,284 |
| Borrowings excluding overdrafts | (474) | 125 | (349) |
| **Net Debt at 31 December 2025** | **15,447** | **7,488** | **22,935** |

| *Comparative reconciliation of Net Debt* | *Balance at 01 Jan 24* | *Cash Flows* | *Balance at 31 Dec 24* |
|---|---|---|---|
| | *£'000* | *£'000* | *£'000* |
| *Cash at bank and in hand* | *3,772* | *12,149* | *15,921* |
| *Borrowings excluding overdrafts* | *(474)* | - | *(474)* |
| *Net Debt at 31 December 2024* | *3,298* | *12,149* | *15,447* |

## Note 27
## Contingent Liability

The Gloucester Diocesan Board of Finance is a joint tenant with Cirencester Grace Network CBS Ltd under a lease relating to premises at 27–35 Market Place and 1–11 The Waterloo, Cirencester, GL7 2NX, entered into during 2024.

Under the terms of the lease, the Board has joint and several liability for the obligations arising under the lease. Cirencester Grace Network CBS Ltd is responsible for meeting the lease commitments in the normal course of business, and accordingly no liability has been recognised in these financial statements.

Should Cirencester Grace Network CBS Ltd be unable to meet its obligations under the lease, the Board could become liable for the outstanding lease commitments. The Directors have estimated that the present value of the remaining lease commitments to the first contractual break date is approximately **£966,000**. The actual amount, if any, that may become payable will depend on the future circumstances and the continued ability of Cirencester Grace Network CBS Ltd to meet its obligations under the lease.

## Note 28
## Pensions

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

The 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.

## Note 28
## Pensions cont.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in 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: £34k) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £nil for 2025 (2024: £34k).

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

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 at 31 December 2025.

Since 31 December 2023, the Board has entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPF.

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 movement in the provision is set out below:

| | 2025<br>£'000 | 2024<br>£'000 |
|---|---|---|
| Balance sheet liability at 1 January | - | - |
| Deficit contribution paid | - | - |
| Interest cost (recognised in SoFA) | - | - |
| Remaining change to the balance sheet liability* (recognised in SoFA) | - | - |
| Balance sheet liability at 31 December | - | - |

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

## Note 28
## Pensions cont.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

| | December 2025 | December 2024 | December 2023 |
|---|---|---|---|
| Discount rate* | N/A | N/A | N/A |

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends

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.

### Church of England Funded Pension Scheme (CEFPS)

Gloucester 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 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 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 £682k In 2025 (2024: £750k) plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2025, following the valuation results being agreed, the deficit contributions paid were £nil (2024: £nil).

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

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

## Note 28
## Pensions cont.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

| | % of pensionable stipends |
|---|---|
| 31 December 2022 | Nil |
| 31 December 2023 | Nil |
| 31 December 2024 | Nil |
| 31 December 2025 | Nil |

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

The movement in the balance sheet liability over 2024 and over 2025 is set out in the table below.

| | 2025<br>£'000 | 2024<br>£'000 |
|---|---|---|
| Balance sheet liability at 1 January | - | - |
| Deficit contribution paid | - | - |
| Interest cost (recognised in SoFA) | - | - |
| Remaining change to the balance sheet liability* (recognised in SoFA) | - | - |
| Balance sheet liability at 31 December | - | - |

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

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

### Church of England Pension Builder Scheme (PBS)

The Gloucester Diocesan Board of Finance participates in the Pension Builder Scheme section (PBS) of the CWPF for eligible salaried employees who commenced employment after 1st January 2013. 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,
a cash balance section known as Pension Builder 2014.

### Pension Builder Scheme

Both sections 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: £445k, 2024: £333k).

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

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025.

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

# Notes to the financial statements

*for the year ended 31 December 2025*

## Note 29
## Prior year comparative SOFA

| | General fund | Designated funds | Restricted funds | Endowment funds | **Total 2024** |
|---|---|---|---|---|---|
| *Income & endowments from* | *£'000* | *£'000* | *£'000* | *£'000* | ***£'000*** |
| *Donations* | | | | | |
| *parish share contributions* | 6,469 | - | - | - | **6,469** |
| *church commissioners* | 54 | - | - | - | **54** |
| *grants and other donations* | 196 | - | 719 | - | **915** |
| *Charitable activities: statutory fees and licence to occupy income* | 716 | - | 216 | - | **932** |
| *Other activities* | 179 | - | - | - | **179** |
| *Investments* | 1,172 | 6 | 252 | - | **1,430** |
| *Other* | 19 | - | 12 | 14,823 | **14,854** |
| *Total* | 8,805 | 6 | 1,199 | 14,823 | **24,833** |
| *Expenditure on* | | | | | |
| *Raising funds* | 179 | - | - | - | **179** |
| *Charitable activities* | 11,648 | 2,119 | 1,545 | 29 | **15,341** |
| *Total* | 11,827 | 2,119 | 1,545 | 29 | **15,520** |
| | | | | | |
| *Net (expenditure)/income before investment gains* | (3,022) | (2,113) | (346) | 14,794 | **9,313** |
| *Net gains on investments* | - | - | 70 | 523 | **593** |
| *Net (expenditure)/income* | (3,022) | (2,113) | (276) | 15,317 | **9,906** |
| *Total return transfer* | 6,162 | - | - | (6,162) | **-** |
| *Net (expenditure)/income after total return transfer* | 3,140 | (2,113) | (276) | 9,155 | **9,906** |
| *Transfers between funds* | (3,312) | 3,020 | 349 | (57) | **-** |
| ***Net movement in funds*** | ***(172)*** | ***907*** | ***73*** | ***9,098*** | ***9,906*** |
| *Total funds brought forward* | 4,493 | 6,285 | 5,080 | 90,093 | **105,951** |
| ***Total funds carried forward*** | ***4,321*** | ***7,192*** | ***5,153*** | ***99,191*** | ***115,857*** |