



ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2024

WINCHESTER DIOCESAN BOARD OF FINANCE

Company number - 142351

Registered charity number – 249276

TABLE OF CONTENTS	PAGE NUMBER
Foreword	3
Legal Objects	4
Strategic Report:	
Strategic Aims	5
Activities, Achievements in the year & Future Plans	5-6
Financial review	7-10
Strategic risks and uncertainties	11-12
Structure and Governance	13-15
Trustees' Responsibilities	16
Administrative details	17-18
Independent Auditor's Report	19-21
Statement of Financial Activities	22
Balance Sheet	23
Cash Flow Statement	24
Notes to the Financial Statements	25-52

FOREWORD

In his letter, St Peter calls the Church to be “like living stones, who are being built into a spiritual house to be a holy priesthood” resting on Jesus Christ, our “precious cornerstone”. The past year has been a season of foundation laying for our diocese, of assembling the living stones which are the right people and the right resources, creating a strong and unified base on which God can build. We have seen this in a number of significant reviews that have taken place – reviews of Housing, the Common Mission Fund (CMF) and the School of Mission – which have already led to positive changes and greater sustainability and stability in these key areas.

Bishop Philip has exercised strong pastoral leadership and led our diocesan family to be rooted in Christ, commending the four pillars of his Walking the Wessex Way vision: Serving, Learning, Growing and Loving, and we are so encouraged by the additional episcopal vision and energy brought by Bishop Rhiannon. These developments are already bearing fruit, and we are encouraged by some early signs of strengthening, with CMF up by 11.1% in Q1 2025 and recent Statistics for Mission showing that our diocesan worshipping community increased by 6.8% in 2024.

However, we are not complacent, since our income was nearly £1.6m less than expenditure and that is clear evidence of the challenges still faced by our diocese, though for now increases in value of property and investments have covered this deficit. Our deanery level finance consultation process is proving to be a positive mechanism for engaging and listening to our parishes and clergy about these challenges, and we are working hard on our Strategic Mission & Ministry Development Plan for the next 10 years which will enable us to access national church funding to be invested positively in clergy and parishes where there is already so much innovative, creative, faithful and sacrificial ministry taking place.

I hope you will join with me in St Peter’s prayer, that our hope and expectation will be that God will further the good work He has established in the Diocese of Winchester, and that we “may declare the praises of Him who called us out of darkness into His wonderful light. For once we were not a people, but now we are the people of God.”.

Ian Dighé

Chair of the Winchester Diocesan Board of Finance

WINCHESTER DIOCESAN BOARD OF FINANCE

TRUSTEES REPORT

For the year ended 31 December 2024

The Trustees, who are also Directors for the purposes of Company Law, present their annual report, together with the audited financial statements, for the year ended 31 December 2024.

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

This combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

The objects of the Diocese of Winchester cover most of Hampshire - a part of eastern Dorset, the unitary authority of Southampton and the eastern parts of the unitary authority of Bournemouth, Christchurch and Poole.

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

The WDBF has the following statutory responsibilities:

- i. the management of glebe property and investments to generate income, in order to support the cost of stipends arising from the Endowment and Glebe Measure 1976.
- ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972.
- iii. the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure in 2021.
- iv. the custodian of permanent endowment and real property assets, relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils (PCCs) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Winchester (in respect of his/her responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally, taking forward shared commitments and priorities.

STRATEGIC AIMS

Due to the nature of our organisation, our objectives and strategic priorities are primarily delivered through our network of parishes, clergy, ministers, and worshipping communities. It is therefore vital that we invest in engaging, supporting, equipping, and challenging them to grow our shared mission, as we all seek to grow our mission and ministry.

By carrying out these priorities and in promoting the whole mission of the church (pastoral, evangelistic, social, and ecumenical), the directors are confident (having adhered to Charity Commission guidance) that the Charity delivers public benefit.

In 2024, Bishop Philip launched Walking the Wessex Way – a new resource for discussion, reflection and prayer in parishes and worshipping communities – setting out an invitational vision for our dioceses building on our legacy of **service, learning, growing and loving** as we look to the future. The Bishop’s Staff Team has responded to this vision, setting out a series of ‘commitments’ in their service and leadership of our diocese. These have been shared with our parishes, clergy and stakeholders through our website.

Walking the Wessex Way has provided a foundation to enable us to discern a new **Strategic Diocesan Mission & Ministry Development Plan** for the next 10 years of our diocese. At the time of writing (May 2025) we are actively consulting on the principles and direction of this plan with our stakeholders and worshipping communities. It is our hope that this will be finalised by late 2025, allowing us to access national Church funding to invest in sustainable local mission and ministry for years to come.

ACTIVITIES IN THE YEAR

2024 was another busy year across our diocesan community. Inevitably this report cannot capture the breadth of ministry, the wealth of mission and the impact of daily interactions that our parishes, ministers and chaplaincies have provided. We therefore offer a few reflections on some key activities at diocesan level.

People

- **Clergy Stipends** were increased by 7% from April 2024 in line with the recommendation from the National Church.
- **16 ordination candidates** from our diocese successfully completed the discernment process and began ordination training in 2024.
- 5 new **Licensed Lay Ministers (LLM)** began training in 2024, along with 12 new candidates for the **Bishop’s Permission to Preach (BPP)**.
- Successfully applied for permission, and subsequently appointed, a new **Bishop of Southampton**.
- £43,000 in **Welfare grants** were paid to members of clergy and their dependents during the year.
- Approved the appointment and funding of a new **Diocesan Adviser for Women’s Ministry**.

Strategic Reviews

- Our **Housing Management Review** was successfully completed in 2024, with all maintenance and management of our property portfolio successfully outsourced to Savills. The benefits of this new way of working are already apparent. The quality of service we can offer to our clergy and their families has increased, along with far greater resilience on legislative compliance.
- The **Review of the Winchester School of Mission** concluded in Q1 2024, with the Bishop's Council adopting the recommendations in full. The quality of training offered by our internal team was noted, but changes in national funding and policy meant our local ministry training pathway was no longer sustainable. The Directors are sincerely grateful to all members of the Team for their steadfast support and hard work during this time of transition and change.
- The **Common Mission Fund Review Group** reported to Synod in June 2024 with their proposals adopted in full. Implementation has been started, with a positive impact already visible. At the end of Q1 2025, we have seen an increase of 11.1% in CMF collection rates compared to the same period in 2024.
- In November 2024, the Diocesan Synod was briefed on the challenging state of diocesan finances. The synod requested that a diocesan wide **finance consultation** and communication process be carried out at deanery level to share these findings and seek people's views. This process began in early 2025 and will report back later in the year.
- In November 2024, our Diocesan Synod approved a new **Racial Justice Strategy** for our diocese. This vital and exciting piece of work is already showing fruit and will continue to be implemented during 2025.
- Two more parishes benefited from the **Parish Revitalisation & Renewal Partnerships**, supported by national funding. A further 4 benefices began the **Growing Rural Parishes Programme**. The monitoring and performance data to date is really encouraging and exciting.

Governance

- The Directors of the Board of Finance and the Members of the Diocesan Synod, approved changes to the **Memorandum & Articles of Association of the WDBF**. The core change was to move to a new structure where Diocesan Synod became the Company Members of the WDBF. It is our hope that this change will help ensure a greater synergy between DBF and Synodical governance.
- We were pleased to note that the **2023 Audit** process was very positive, and did not identify any issues or challenges within our financial management processes and procedures.

FINANCIAL REVIEW

Financial Performance 2024

Our financial performance for 2024 was mixed. Like many organisations, the significant shifts and uncertainties in the global economic climate has impacted on our finances and budgetary assumptions. Across all funds we reported an operating deficit, after realised losses on disposal of fixed assets, of £1.632m (2023: surplus £0.173m) before transfers, investment gains and the impact of property revaluations.

Our total income decreased by 1.2% from £13.18m in 2023 to £13.02m in 2024. Parish income (CMF and Parochial Fees) fell by £421k from 2023 reflecting the financial challenges faced by many of our parishes and communities. Whilst Investment income increased by £113k from 2023, rental income from our properties fell by £149k as more houses were required to accommodate the growth in our clergy numbers. Income from grants, donations and recharges increased by £469k in the year. Strategic Development Funding (SDF) income from Archbishops Council was matched by an increase in related SDF expenditure.

Total expenditure across all funds increased by 12.7% from £13.01m to £14.66m. Ministry Support costs increased by 14% reflecting the increase in clergy headcount in 2024, the 7% increase in stipend rates from Apr 2024 and the increasing costs of repairs and maintenance of our property portfolio. Parish and Schools Support costs increased by 9% driven by a rise in the number of grants to our parishes. Diocesan Support costs increased by 18% and include the impact of increasing legal cost for our Chancellor and Registrar (set nationally), the cost of biennial clergy conference and the cost of providing for doubtful debts. National Support costs fell by 2% in the year.

During the year, we sold 7 houses leading to a small loss on disposal of £55k (2023: gain £132k). We also disposed of 4 glebe assets with a gain on disposal of £82k, and together with the unrealised gain on the revaluation of our investment portfolio of £522k, gave a total gain on investments of £604k (2023: gain £2.96m). The 2024 revaluation of our property portfolio produced an unrealised gain of £4.949m (2023: gain £1.409m). Our accounting policy under FRS 102 for accounting estimates, is to revalue 20% of the property portfolio each year. At the end of 2024, we reduced the value of our property portfolio in the General Fund and the Benefice Houses Fund by £647k to reflect the impact of a legacy issue where some properties had not been correctly recorded in our property portfolio in previous years. This included 4 properties which had been included twice and two properties which had previously been omitted. The discrepancy came to light as part of the due diligence work carried out as part of the outsourcing of the management of our property portfolio to Savills in 2024. We are grateful to our Head of Finance and to our Diocesan Property Manager for identifying these historic anomalies. The revaluation gain of £4.302m is shown net of this adjustment.

The net effect of all the above is an overall increase in the value of all funds of £3.274m for the year (2023: increase £4.542m) to £186.283m. The table below summarises this financial position:

WINCHESTER DIOCESAN BOARD OF FINANCE**TRUSTEES REPORT****For the year ended 31 December 2024**

	2024	2023
	£'000	£'000
Operating surplus/(deficit) before Other Income	(1,577)	41
Realised gains/(losses) on sale of fixed assets	(55)	132
Net operating surplus/(deficit)	(1,632)	173
Other recognised gains and losses:		
Unrealised gains on investments	522	2,941
Realised gains on investments	82	19
Sub-total - Net Gain/(Loss) on Investments	604	2,960
Unrealised gains/(losses) on revaluation of fixed assets	4,949	1,409
Adjustment to property values for prior years	(647)	-
Sub-total - Net (Loss)/Gain on Property	4,302	1409
Net movement in funds for the year	3,274	4,542
Fund balance at 1st January	183,009	178,467
Fund balance at 31st December	186,283	183,009

General Fund**Income decreased by 5% from £11.03m to £10.47m.**

Giving from our parishes through Common Mission Fund (CMF), the mutual cost-sharing across the Diocese to fund mission and ministry, is the main incoming resource for the Diocese. We are deeply grateful to all our parishes who have continued to contribute to the CMF whilst tackling rising costs and diminishing reserves. We received £7.90m (2023: £8.36m). This highlights the huge financial pressures and challenges that our parishes continue to face since the start of 2020. Due to the growth in our clergy numbers in 2024 and the sale of a number of our properties, our property rental income for the year decreased from £926k in 2023 to £777k in 2024. Our investment income increased by 1% from £655k to £664k.

Expenditure increased by £0.97m from £11.78m to £12.75m

Resourcing ministry and mission continues to be our most significant expense stream. In 2024, we averaged 105 stipendiary clergy posts across our diocese (2023:102) out of a budgeted total of 116.5 (2023: 116.5). Direct expenditure on clergy stipends was £5.60m compared to £5.23m in 2023. Clergy stipends increased by 7% from 01 April 2024. Our contribution rate to the Church of England Funded Pension Scheme (CEFPS) for clergy, decreased from 28% to 25% of the previous year's National Minimum Stipend (NMS), from 01 April 2024. Expenditure on clergy housing was £181k higher than 2023 at £2.17m. We outsourced the management of our property and glebe portfolios to Savills in the second half of 2024 and are already seeing the benefit of the expertise and efficiencies that they bring. Resettlement Grants and First Appointment Grants were £245k in 2024 compared to £261k in 2023.

Balance sheet position

The Directors consider that the balance sheet together with details in note 18 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £186m (2023: £183m), it should be noted that included in this total are properties, mostly in use for Clergy, whose value net of loans, used to buy them, amounted to £147.6m (2023: £146.6m). Much of the remainder of the assets

shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the WDBF.

Free reserves

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Trustees' policy aim is to hold a balance of free reserves (general fund less tangible fixed assets net of long-term financing) on its general fund, equivalent to between 3 and 6 months budgeted unrestricted expenditure. The total unrestricted general funds balance of free reserves totals £4.6m. (2023: £4.2m). This balance represents the equivalent of 4.3 months of budgeted expenses for the diocese, which is within the agreed range. Whilst the DBF policy is to hold 3 months budgeted unrestricted expenditure in cash or short-term deposit (approximately £3.2m), this was exceeded at the end of December 2024 with the balance of cash, deposits and short-term investments in the general fund of £4.6m.

Designated Funds

The Trustees may, with the approval of the Board, designate unrestricted reserves to be retained for an agreed purpose where this is prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund, in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use, is set out in note 19. At 31 December 2024, total designated reserves were £1.76m (2023: £1.72m).

Restricted and Endowments Funds

As set out within Notes 17 and 18, the WDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2024, restricted funds totalled £11.53m (2023: £11.61m) and endowment funds totalled £137.28m (2023: £131.57m). Neither are available for the general purposes of the WDBF.

Grant making policy

The Memorandum of Association of the WDBF explicitly permits the WDBF to make grants in pursuance of its objects. Details of grants made are shown in note 8.

Investment policy

The WDBF is empowered by its memorandum of association, to invest monies not immediately required for its purposes. In addition, the WDBF acts as Trustee of several trust funds, and these must be invested in accordance with the related trusts. The WDBF's policy is to regularly review the assets of each fund for which it is responsible, in relation to the purposes of each fund, and to identify appropriate investment vehicles. Note 18 provides details of the assets of each fund, together with the related purposes, and Note 12 summarises the movements in investments during the year.

The majority of our investments are held in the CBF Church of England Funds managed by CCLA Investment Management Limited. Once again, CCLA have performed well in the year against the set benchmarks. In October 2024, a decision was taken to dispose of the holdings in the CCLA Property Fund and to transfer the proceeds to the respective CCLA Investment Funds. There is a lead time of 6 months for Property Fund disposals, and this process was finalised in April 2025. As a participant in the CBF Church of England Funds managed by CCLA Investment Management Limited and a small number of others, the WDBF adopts the ethical investment policies in those funds.

The remainder of our investment portfolio comprises our glebe assets.

WINCHESTER DIOCESAN BOARD OF FINANCE

TRUSTEES REPORT

For the year ended 31 December 2024

A breakdown of the overall investments portfolio is set out in the below table.

Investment Type	General Fund	Designated Fund	Restricted Fund	Endowment Fund	Total	Total
	2024	2024	2024	2024	2024	2023
Unlisted Investments	£'000	£'000	£'000	£'000	£'000	£'000
CCLA Investment Fund	3,425	611	7,172	11,243	22,451	21,947
CCLA Property Fund	-	30	1,136	178	1,344	1,357
CCLA COIF	-	-	21	-	21	20
	3,425	641	8,329	11,421	23,816	23,324
Listed Investments						
M&G Charifund	-	-	40	-	40	36
	-	-	40	-	40	36
Other Investments						
Glebe Portfolio	-	-	-	1,416	1,416	2,134
	-	-	-	1,416	1,416	2134
Total Investments	3,425	641	8,369	12,837	25,272	25,494

Future Financial Outlook & Priorities

The financial outlook of the WDBF is intrinsically linked to the outlook and sustainability of our 230 parishes. We cannot ignore the very challenging few years parishes have faced both financially and in terms of decline in attendance.

We have therefore been encouraged to hear that the preliminary 2024 Statistic for Mission, showed a **6.8% increase in Worshipping Community** across our diocese (against a national average of 1.8%). This shows that there are already signs of hope for growth and a return to sustainability. This in turn will lead to greater financial resilience at a diocesan level.

As noted above the **Common Mission Fund review**, and the subsequent deanery level **Finance Consultation** process is proceeding well, helping to address some 'myths' and help our stakeholders understand our shared financial challenges. This level of relational engagement and consultation is key to our shared funding model, and we believe has led to the vastly improved CMF performance in 2025.

We have continued to actively engage in the national **Diocesan Finance Review**, seeking to offer time limited funding to DBFs across the country to address our combined annual deficits of over £62m.

Increases in clergy stipends, national insurance but reductions in pension contributions (previously needed to offset historic shortfalls) have meant our Finance Committee has asked for the **three-year budget** to be recast to take account of these significant changes.

In this context, it is clear that our future financial outlook is dependent on the missional strength of our parishes and worshipping communities. Our core priority for 2025 is therefore to discern, design, and develop and then deliver our new Strategic Mission & Ministry Development Plan, seeking substantial national funding over the coming 10 years to invest in sustainable missional growth across our diocesan community.

STRATEGIC RISKS AND UNCERTAINTIES

The Directors 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 subject to review by the Directors on an annual basis with the responsibility for delivery of the mitigation strategies, identified by it, being delegated to the Diocesan Secretary, and through him other responsible officers. The following areas are considered to be the current highest strategic risk areas for the diocese.

Risk	Strategic Overview
<p>Growth & Sustainability Continued decline in the numbers of in those involved in, or supporting, the church in any capacity</p>	<p>A continued reduction in numbers of those involved in our Diocese will adversely impact all areas of risk e.g. numbers of clergy in parishes, laity directly involved in mission, macro/micro economic factors, ‘relevance’ due to controversies/ debates at national level, diocesan finance due to fewer and less generous givers, volunteers needing training such as safeguarding.</p> <p>As we look forward it is vital that we continue to discern and invest in sustainable models of ministry and mission that will intentionally seek to address this decline. Accessing national strategic mission & ministry investment funding to invest in clergy and parishes to help them grow their ministry must remain a fundamental priority.</p>
<p>Safeguarding: Child, adult at risk, or domestic abuse An occurrence of child, adult at risk, or domestic abuse by someone working for or on behalf of the Church (in a parish or parish-based organisation or at the Diocesan Office)</p> <p>Non-Current Cases It comes to light that there were instances of abuse in the past which were not appropriately dealt with by the Clergy/Diocese</p>	<p>The Diocese has a Safeguarding Board that is independently chaired and draws in senior officers from statutory agencies, law and education as well as the Dean of the Cathedral. The Board is responsible for developing Safeguarding Strategy and an action plan of improvement. The Board is supported by a Casework Subcommittee (independently chaired). The Board promotes best practice and continuously ensures that the Diocese is adopting and developing appropriate policy and practice.</p> <p>A Safeguarding team, led by a highly qualified and experienced Safeguarding Manager, promotes best practice, supports those making disclosures and manages offenders and those under investigation.</p>

WINCHESTER DIOCESAN BOARD OF FINANCE

TRUSTEES REPORT

For the year ended 31 December 2024

Risk	Strategic Overview
<p>Financial: Diocesan Board of Finance A serious loss of income, investment market crash, unforeseen major expense, fraud, and theft are all potential serious financial incidents for the Board.</p> <p>Custodian Trustee A parish enters major expenditure without sufficient resources, experiences fraud, has major unforeseen building or staffing issues requiring significant expenditure.</p>	<p>The Diocesan Board of Finance (DBF) is supported by a Finance Committee which regularly reviews the management accounts, CMF collection and reserves position, to ensure any unexpected losses in income can be covered whilst remedial actions are undertaken.</p> <p>The DBF issues comprehensive Financial Standing Instructions identifying levels of delegation, responsibility, and accountability. A comprehensive review has been carried out and completed in early 2024 with a further revision made in 2025.</p> <p>Appropriate measures are in place to ensure that financial transactions require two signatures and that all property purchases and major contracts also require two director signatures in addition to the Diocesan Secretary & Chief Operating Officer. The DBF insures against its most significant serious incidents and all insurance policies are reviewed annually.</p> <p>The DBF offers some advice and support to parishes embarking on major projects or areas of expenditure, assisting them in assessing risk and appropriate mitigations and will monitor parish accounts, with deanery assistance, to be alert to any needs and problems arising. Recent reviews of large PCC loans has shown that this remains an area of significant risk for the WDBF. The Diocesan Finance Committee is therefore reflecting again on whether our current policy of offering loans to PCCs is sustainable.</p>
<p>People: Employment Significant staff turnover, staff without appropriate qualifications and skills mix for evolving needs of the DBF and wider Diocese.</p> <p>Appointments The Diocese fails to make the right appointments to parishes and senior positions within the Diocese.</p>	<p>The WDBF is responsible for a wide range of specialisms and different disciplines operating in an unusual legal and compliance framework. Each area requires a high level of expertise and experience. This represents an ongoing organisational challenge, as we seek to recruit people with relevant experience whilst also managing expenditure on employed posts. The DBF has been building up a pool of consultants, partners and colleagues across the wider Church of England who can provide some level of cover if and when required.</p> <p>Investment and improvement in appointment processes have been a priority for the DBF over the recent years. More use is made of targeted testing and assessment, both prior to and during the early stages of a new employee's appointment. Whilst these processes can assist and improve appointment processes, the Directors recognise that many diocesan and parish appointments do not fall under secular employment legislation and are therefore risks which cannot be mitigated entirely.</p>

STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England

The Church of England is the established Church and His Majesty the King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is a 'See' under the care of a Bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The National Church has a General Synod comprised of ex-officio and elected representations from each Diocese and it agrees and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese itself is divided into 13 deaneries, each with its own Synod and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod. Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

Organisational structure

The Winchester Diocesan Board of Finance (WDBF) is a company limited by guarantee (No. 142351) and a registered charity (No. 249276) governed by its Memorandum and Articles of Association.

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

Governance and policy of the Diocesan Board of Finance is the responsibility of the Trustees, who are also members of the company and trustees for the purposes of charity law. The Directors of the DBF comprises: The Bishop of Winchester, the Chair of the WDBF (appointed by the Directors) the Chairs of the Synod House of Clergy and the Synod House of Laity, the Bishops of Southampton and Basingstoke, the Archdeacons of Winchester and Bournemouth and the Dean of Winchester, together with six people elected from and by the members of Diocesan Synod every three years. The Directors of the DBF can co-opted additional members. Details of Trustees who served during the year are set out on page 17.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Staff Team. The Synod membership is elected every three years; the last elections having been in November 2024. The Synod elects six of the twelve Trustees of the Diocesan Board of Finance (as well as two of the ex officio trustees). The members of Diocesan Synod became the company members of the WDBF during 2025. Whilst the WDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000, the WDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Winchester, are set by the Diocesan Synod, and the WDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary & Chief Operating Officer. The company meets once a year, at a general meeting, to receive and approve the annual report and financial statements, and to appoint the auditors. The Diocesan Synod receives and agrees the budget, prepared and approved by the WDBF. The Trustees meet, within the context of the Bishop's Council & Standing Committee, hold up to seven meetings during the year to formulate and coordinate policies on mission, ministry and finance by: -

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

The Trustees are assisted in their work by 2 sub-committees:

The Diocesan Finance Committee: The group monitors management accounts and budget, the use of assets and investment policies and exercises the authority delegated to it by the Trustees in areas such as grants and loans.

The Property Working Group: The Group has delegated responsibility from the WDBF to undertake some of the responsibilities under the Parsonages Measure; the Repair of Benefice Building Measure 1972; the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 (with respect to parochial property); the Endowment and Glebe Measure 1976 (with regard to property assets); and the Pastoral Measure 2011 (with regard to redundant churches). The Group meets 4 times a year to consider requests, suggestions and appeals from clergy relating to the care and maintenance of their houses.

Trustee recruitment, selection and induction

Trustees are members of the Bishop's Council & Standing Committee and are selected as set out above. They are given induction and provided with trustee training at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. All Trustees are required to sign the code of practice and maintain their entry in the record of declarations of interest and loyalty.

Fundraising Code of Practice

The Diocese provides support to the parishes with regard to fundraising. Due regard is given to the Fundraising Code of Practice set by the Fundraising Regulator when providing the support to the parishes.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by a remuneration group consisting of the Bishop of Winchester, Chair of the WDBF and the Chair of the Diocesan Finance Committee. The terms of reference for this group are established by the Bishop's Council and include regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

Delegation of day-to-day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and his colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the WDBF in accordance with the policies framed by the Trustees.

Funds held as Custodian Trustee

The WDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964, where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the WDBF does not control them, and they are segregated from the WDBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £20.9m as at 31 December 2024 (2023: £20.6m), are available from the WDBF on request, and are summarised in note 22. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the WDBF's solicitor, Blake Morgan LLP, Winchester.

Related Parties

The WDBF is required to comply with Measures passed by the General Synod of the Church of England and is required to make annual payments to the Archbishops' Council towards the costs and the national arrangements for training clergy. Details of these costs can be found in note 8. The WDBF currently receives an annual grant from The Benefact Trust (previously The All Churches Trust). Further details of these receipts can be found in note 2.

The WDBF has given financial support, including loans, to Launchpad Social Enterprise (LSE), a UK registered charity whose primary focus is on early years nurseries and pre-schools. WDBF has utilised its Social Responsibility restricted fund to provide this support. Details of the amounts owed from LSE at year end are set out in note 23.

The Portsmouth and Winchester Diocesan Board of Education (PWDBE) has now become a Charitable Incorporated Organisation as a result of the Diocesan Board of Education Measure which came into effect at the start of 2022. Due to delays with the registration process, registration with The Charity Commission was not completed until 12 January 2024. The new CIO has independent governance, finance, management and policies. Alongside Portsmouth DBF, WDBF is a grant giving body to the CIO.

TRUSTEES' RESPONSIBILITIES

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

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

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

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

In all matters, the Trustees have due regard to the Charity Governance Code which covers seven areas:

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Boards effectiveness
- Diversity
- Openness and accountability

Statement of Disclosure to the Auditors

So far as the Trustees are aware:

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

WINCHESTER DIOCESAN BOARD OF FINANCE

TRUSTEES REPORT

For the year ended 31 December 2024

Appointment of Auditors

On 18 November 2024, the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP.

There will be a tender process for the appointment of auditors for the financial year ending 31 December 2025.

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2024. The following are the Trustees who served at any time during 2023 up to the date of this report:

Chair:	Ian Dighé
Ex officio:	Philip Mounstephen BA, MA (Oxon) - Bishop of Winchester Andrew Micklefield BEd (Hons) - Chair of the House of Clergy (resigned 31.12.2024) Angela Smith PGDipTh (Oxon) - Chair of the House of Clergy (from 01.01.2025) Alastair Barron BA (Hons), MBA, FSyl – Chair of the House of Laity
Synod House of Clergy:	Timothy Matthews (resigned 31.12.2024) Rachel Noel (resigned 31.12.2024) Andrew Micklefield BEd (Hons) (from 01.01.2025) Sarah Yetman (from 01.01.2025)
Synod House of Laity:	Esther Clift BSc (Hons), MSc, MCSP (resigned 23.08.2024) Ian Newman (resigned 31.12.2024) Gillian Gray Knight Madeline Hedley Richard Roope MA, MSc, FRCGP (from 01.01.2025) David Collier BSc (Hons) (from 01.01.2025)
Co-opted:	David Williams (resigned 28.03.2025) Rhiannon King (from 18.10.2024) Richard Brand Jean Burgess Catherine Ogle Elsbeth Mackeggie Gurney BA Hons, ACA, PGCE Nigel May MA CEng MIMechE (resigned 31.12.2024)

WINCHESTER DIOCESAN BOARD OF FINANCE

TRUSTEES REPORT

For the year ended 31 December 2024

ADMINISTRATIVE DETAILS (continued)

Senior Staff and Advisers:

Company Secretary:	Colin Harbidge
Diocesan Secretary:	Colin Harbidge BA (Hons), PGDip, MCMl
Director of Education:	Jeff Williams MA, DPhil
Human Resources and Safeguarding Director:	Susan Beckett, FCIPD
Head of Communications: Strategic Development Programme Manager:	Jemima Lewis
Assistant Diocesan Secretary (Parish Support):	Sarah Keen
Assistant Diocesan Secretary (Operations and Governance):	Jayne Tarry
Head of Mission and Ministry:	Cathy Laird
Head of Finance:	Amy Roche
	Mark Teahan

Registered Office: Diocesan Office, Old Alresford Place, Alresford, Hampshire SO24 9DH

Bankers: National Westminster Bank PLC, 105 High Street, Winchester SO23 9AW

Auditors: HaysMac LLP, 10 Queen Street Place, London EC4R 1AG

Solicitors: Blake Morgan, New Kings Court, Tollgate, Chandler's Ford, Hants SO53 3LG

Investment Advisers: CCLA Investment Management Limited, One Angel Lane London EC4R 3AB

Property Agents: Savills (UK) Limited, 33 Margaret Street, London W1G 0JD

Insurers: EIG, Beaufort House, Brunswick Road, Gloucester GL1 1JZ

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 5-19, within their capacity as company directors.

ON BEHALF OF THE TRUSTEES

Ian Dighé
Chair
25 June 2025

Colin Harbidge
Company Secretary
25 June 2025

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

OPINION

We have audited the financial statements of Winchester Diocesan Board of Finance for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the 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 charitable company's affairs as at 31 December 2024 and of the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the 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

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

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 directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report included within the 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 directors' 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 charitable company; or
- the 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.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 17, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

Based on our understanding of the 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. 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, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- 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 auditor's report.

Use of our report

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

Jane Askew (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor
Date

10 Queen Street Place
London
EC4R 1AG

WINCHESTER DIOCESAN BOARD OF FINANCE

Statement of Financial Activities
For the year ended 31 December 2024

		Unrestricted funds		Restricted	Endowment	Total	Total
	Note	General	Designated	Funds	Funds	2024	2023
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations							
Parishes	2	7,902	-	-	-	7,902	8,362
Archbishops' Council	2	277	-	1,816	-	2,093	1,595
Other	2	121	1	27	-	149	180
	2	8,300	1	1,843	-	10,144	10,137
Charitable activities	3	615	-	70	-	685	644
Other trading activities	4	882	-	28	-	910	1,040
Investments	5	664	31	614	30	1,339	1,226
Other	6	6	-	63	(124)	(55)	132
Total Income		10,467	32	2,618	(94)	13,023	13,179
Expenditure on:							
Raising funds	7	(7)	-	-	-	(7)	(30)
Charitable activities	8	(12,742)	(51)	(1,855)	-	(14,648)	(12,976)
Total Expenditure		(12,749)	(51)	(1,855)	-	(14,655)	(13,006)
Net Operating Surplus/(Deficit)		(2,282)	(19)	763	(94)	(1,632)	173
Gains/(Losses) on investments:							
Net gains on investments		158	14	171	261	604	2,960
Net income/(expenditure)		(2,124)	(5)	934	167	(1,028)	3,133
Transfers between funds	10	1,117	41	(1,127)	(31)	-	-
Net (expenditure)/income after transfers		(1,007)	36	(193)	136	(1,028)	3,133
Other recognised gains/(losses):							
Gains on revaluation of fixed tangible assets		(1,382)	-	111	5,573	4,302	1,409
Net movement in funds		(2,389)	36	(82)	5,709	3,274	4,542
Total Funds at 1 January 2024		38,105	1,722	11,607	131,575	183,009	178,467
Total funds at 31 December 2024	17	35,716	1,758	11,525	137,284	186,283	183,009

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

The notes on pages 25 to 52 form part of the financial statements.

WINCHESTER DIOCESAN BOARD OF FINANCE

Company Number 142351

BALANCE SHEET**For the year ended 31 December 2024**

		Dec 2024	Dec 2023
	Note	£'000	£'000
FIXED ASSETS			
Tangible assets	11	147,885	146,564
Investments	12	25,272	25,494
		<u>173,157</u>	<u>172,058</u>
CURRENT ASSETS			
Debtors	13	3,479	2,993
Cash on deposit		10,298	8,855
Cash at bank and in hand		1,807	1,252
		<u>15,584</u>	<u>13,100</u>
CREDITORS: amounts falling due within one year	14	(2,243)	(1,259)
		<u>13,341</u>	<u>11,841</u>
NET CURRENT ASSETS			
		<u>13,341</u>	<u>11,841</u>
Total assets less current liabilities		186,498	183,899
CREDITORS: Amounts falling due after more than one year	15	(215)	(890)
NET ASSETS		<u>186,283</u>	<u>183,009</u>
FUNDS			
Unrestricted income funds:			
General funds		35,716	38,105
Designated funds		1,757	1,722
		<u>37,473</u>	<u>39,827</u>
Restricted funds		11,526	11,607
Endowment funds		137,284	131,575
TOTAL FUNDS		<u>186,283</u>	<u>183,009</u>

The Notes on pages 25 to 52 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 25th June 2025 and signed on behalf of the Board by:

Ian Dighé
Chair

WINCHESTER DIOCESAN BOARD OF FINANCE

STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	2024		2023	
	£,000	£,000	£,000	£,000
Cash flows from operating activities				
Net cash (used in) operating activities		(2,089)		(1,676)
Cash flows from investing activities				
Dividends, interest and rent from investments	1,339		1,226	
Purchase of property and equipment	(1,627)		(261)	
Purchase of investments	-		-	
Sale of property and equipment	5,370		2,298	
Sale of investments	-		78	
Net cash provided by investing activities		5,082		3,341
Cash flows from financing activities				
Repayments of lending	399		479	
Repayments of borrowing	(1,274)		(1,086)	
Cash outflows from new lending	(120)		(421)	
Net cash (used in) financing activities		(995)		(1,028)
Change in cash and cash equivalents in the reporting period		1,998		637
Cash and cash equivalents at 1 January		10,107		9,470
Cash and cash equivalents at 31 December		<u>12,105</u>		<u>10,107</u>
<u>Reconciliation of net income to net cash flow from operating activities</u>				
Net income/(expenditure) for the reporting period (as per Statement of Financial Activities)		(1,028)		3,133
Adjustments for:				
Revaluation (Gains) on Investments		(604)		(2,960)
Dividends, interest and rent from investments		(1,339)		(1,226)
Depreciation		10		-
(Profit) on sale of functional assets		55		(132)
Decrease/(Increase) in debtors		(766)		(283)
(Decrease) in creditors		1,583		(208)
Net cash (used in) operating activities		<u>(2,089)</u>		<u>(1,676)</u>
<u>Analysis of cash and cash equivalents</u>				
Cash on deposit		10,298		8,855
Cash at bank and in hand		1,807		1,252
		<u>12,105</u>		<u>10,107</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. ACCOUNTING POLICIES

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

Going Concern

After reviewing the charity's forecasts and projections, as described in the budget and outlook for 2025 on page 11, the Trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due for the foreseeable future. The Trustees consider that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern, and they therefore continue to prepare the financial statements on the going concern basis.

a) Income

All income is included in the Statement of Financial Activities (SOFA) when the WDBF is 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.

- i. **Common Mission Fund** is recognised as income in the year in which it is received, plus an accrual for any late payments received in January of the following year.
- ii. **Rent receivable** is recognised as income in the period with respect to which it relates.
- iii. **Interest and dividends** are recognised as income when receivable.
- iv. **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v. **Parochial fees** are recognised as income of the year to which they relate.
- vi. **Donations** other than grants are recognised when receivable.
- vii. **Gains** on disposal of fixed assets for the WDBF's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.
- viii. **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. The income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.
- ix. **The Stipends Capital Fund** is valued at £24,734,288 at the end of 2024 (2023: £24,268,349). The balance includes property of £13,591,703, glebe assets of £1,415,812, CCLA Investments of £2,439,680, cash of £527,611 and debtors of £6,759,482.

During 2024, the fund generated investment income on its CCLA portfolio of £66,853 and bank interest of £1,806. Income from the glebe portfolio is £70,356. The revaluation of the investment portfolio and a portion of the property portfolio (4 of the 22 properties) gave rise to unrealised gains of £382,213. The sale of glebe assets in the year resulted in a gain on disposal of £81,920.

b) Expenditure

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. ACCOUNTING POLICIES (continued)

- 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 WDBF, 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.
- vi. **Pension contributions.** The WDBF's staff are members of the Church Workers Pension Fund, and Clergy are members of the Church of England Funded Pensions Scheme (see Note 20). The pension costs charged as resources expended represent the WDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which WDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

c) Tangible fixed assets and depreciation

- i. **Freehold properties:** Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The WDBF has a policy of regular structural inspection, repair, and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.
- ii. **Properties subject to value linked loans:** Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at an index linked current valuation basis.
- iii. **Investment properties:** Glebe properties held for investment purposes and rented out have been included at their fair value.
- iv. **Parsonage houses:** The WDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The WDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their fair value. The valuation of parsonage houses is reviewed annually, and properties are revalued

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. ACCOUNTING POLICIES (continued)

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

- v. **Other tangible fixed assets:** Capital expenditure over £5,000 is capitalised. Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:

Fixtures and fittings	15-30% per annum	straight line basis
Computers & Office Equipment	33% per annum	straight line basis

d) Other accounting policies

- i. **Fixed asset investments** are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.
- ii. **Leases.** The WDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the term of the lease term or first break clause whichever is shorter in time.

e) Fund balances

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

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

"Special trusts" (as defined by the Charities Act 2011) and any other trusts where the company acts as Trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches. Trusts where the WDBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but are summarised in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. ACCOUNTING POLICIES (continued)

f) Key Judgements

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

- Basis for non-depreciation of functional residential property
- Valuation of investment properties which have not been formally revalued in the year
- Assumptions underpinning the clergy and church Workers' pension scheme liabilities.

2. DONATIONS

Parish Contributions

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2024
	£'000	£'000	£'000	£'000	£'000
Current Year Apportionment	8,447	-	-	-	8,447
Shortfall in Contributions	(557)	-	-	-	(557)
	7,890	-	-	-	7,890
Receipts for previous years	12	-	-	-	12
	7,902	-	-	-	7,902

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2023
	£'000	£'000	£'000	£'000	£'000
Current Year Apportionment	9,262	-	-	-	9,262
Shortfall in Contributions	(935)	-	-	-	(935)
	8,327	-	-	-	8,327
Receipts for previous years	35	-	-	-	35
	8,362	-	-	-	8,362

The majority of donations are collected from the parishes of the Diocese through the Common Mission Fund (CMF). Current year CMF receipts represent 93.4% of the total apportioned (2023: 89.9%), or, when receipts for previous years are included, 93.6% of the total apportioned (2023: 90.3%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. DONATIONS (continued)

Archbishops' Council

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000
	General	Designated			
	£'000	£'000			
Strategic Development grant	-	-	1,469	-	1,469
Net Zero Carbon	-	-	108	-	108
Minor Repairs & Improvements	-	-	50	-	50
Buildings for Mission	13	-	-	-	13
Ordinand Training grant	257	-	189	-	446
Other grants	7	-	-	-	7
	277	-	1,816	-	2,093

	Unrestricted Funds		Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
	General	Designated			
	£'000	£'000			
<i>Strategic Development grant</i>	-	-	924	-	924
<i>Net Zero Carbon</i>	-	-	15	-	15
<i>Racial Justice</i>	-	-	5	-	5
<i>Ordinand Training grant</i>	329	-	322	-	651
	329	-	1,266	-	1,595

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. DONATIONS (continued)

Other Donations

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2024
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Benefact Trust	104	-	-	-	104
Other grants	5	-	3	-	8
Donations and legacies	12	1	24	-	37
	121	1	27	-	149

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
<i>Benefact Trust</i>	<i>120</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>120</i>
<i>Donations and legacies</i>	<i>32</i>	<i>-</i>	<i>28</i>	<i>-</i>	<i>60</i>
	152	-	28	-	180

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2024
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Statutory fees	444	-	-	-	444
Costs Recharged	106	-	-	-	106
Insurance Claims and Property Income	55	-	-	-	55
Church Commissioners - Pastoral Fund	-	-	54	-	54
Miscellaneous income	10	-	16	-	26
	615	-	70	-	685

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
<i>Statutory fees</i>	<i>405</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>405</i>
<i>Costs Recharged</i>	<i>93</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>93</i>
<i>Insurance Claims and Property Income</i>	<i>103</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>103</i>
<i>Miscellaneous income</i>	<i>19</i>	<i>-</i>	<i>24</i>	<i>-</i>	<i>43</i>
	620	-	24	-	644

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2024
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Rental income on functional property	777	-	28	-	805
Other income	105	-	-	-	105
	882	-	28	-	910

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Rental income on functional property	926	-	28	-	954
Other income	86	-	-	-	86
	1,012	-	28	-	1,040

5. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2024
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Dividends receivable	223	24	476	28	751
Interest receivable	371	7	138	2	518
Rental income on glebe assets	70	-	-	-	70
	664	31	614	30	1,339

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Dividends receivable	218	21	436	28	703
Interest receivable	367	5	81	-	453
Rental income on glebe assets	70	-	-	-	70
	655	26	517	28	1,226

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

6. OTHER INCOME

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2024
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Gains/(losses) on fixed asset disposals	6	-	63	(124)	(55)
	6	-	63	(124)	(55)

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Gains on fixed asset disposals	(103)	-	-	235	132
	(103)	-	-	235	132

7. FUNDRAISING COSTS

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2024
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Glebe agent's fee	7	-	-	-	7
	7	-	-	-	7

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Glebe agent's fee	30	-	-	-	30
	30	-	-	-	30

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

8. CHARITABLE ACTIVITIES EXPENDITURE

	Unrestricted Funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2024
	£'000	£'000	£'000	£'000	£'000
<u>Contributions to Archbishops' Council</u>					
Training for ministry	362	-	-	-	362
National Church Responsibilities	216	-	-	-	216
Grants and provisions	37	-	-	-	37
Mission Agency Pension Costs	-	-	-	-	-
Retired clergy housing costs	-	-	151	-	151
Pooling of ordinands' maintenance grant costs	(101)	-	-	-	(101)
	514	-	151	-	665
<u>Resourcing Ministry and Mission</u>					
Stipends and national insurance	4,719	-	-	-	4,719
Pension contributions	880	-	-	-	880
Housing costs	2,159	-	13	-	2,172
Removal, resettlement and other grants	388	6	76	-	470
RME Training for ministry	243	-	107	-	350
Other expenses	85	-	9	-	94
	8,474	6	205	-	8,685
Support for parish ministry	1,098	0	1,489	-	2,587
Governance	2,290	45	10	-	2,345
	11,862	51	1,704	-	13,617
<u>Expenditure on Education</u>					
Support for church schools and parishes	366	-	-	-	366
	12,742	51	1,855	-	14,648

Governance costs include auditor's remuneration of £24,300 (2023: £23,160).

<u>Analysis of Governance Costs</u>	2024	2023
	£'000	£'000
Central Support	965	914
Finance (incl. auditor fees)	645	491
HR	308	298
Diocesan Office	266	235
Registrar Costs	161	133
	2,345	2,071

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

8. CHARITABLE ACTIVITIES EXPENDITURE (continued)

	<i>Unrestricted Funds</i>		<i>Restricted</i>	<i>Endowment</i>	<i>Total</i>
	<i>General</i>	<i>Designated</i>	<i>Funds</i>	<i>Funds</i>	<i>2023</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<u>Contributions to Archbishops' Council</u>					
<i>Training for ministry</i>	366	-	-	-	366
<i>National Church Responsibilities</i>	212	-	-	-	212
<i>Grants and provisions</i>	39	-	-	-	39
<i>Mission Agency Pension Costs</i>	11	-	-	-	11
<i>Retired clergy housing costs</i>	-	-	147	-	147
<i>Pooling of ordinands' maintenance grant costs</i>	(104)	-	-	-	(104)
	524	-	147	-	671
<u>Resourcing Ministry and Mission</u>					
<i>Stipends and national insurance</i>	4,257	-	0	-	4,257
<i>Pension contributions</i>	969	-	0	-	969
<i>Housing costs</i>	1,956	-	4	-	1,960
<i>Removal, resettlement and other grants</i>	299	-	71	-	370
<i>RME Training for ministry</i>	225	-	227	-	452
<i>Other expenses</i>	97	-	5	-	102
	7,803	-	307	-	8,110
<i>Support for parish ministry</i>	1,053	-	700	-	1,753
<i>Lay pension deficit provision</i>					-
<i>Governance</i>	1,998	58	15	-	2,071
	10,854	58	1,022	-	11,934
<u>Expenditure on Education</u>					
<i>Support for church schools and parishes</i>	371	-	-	-	371
	11,749	58	1,169	-	12,976

Analysis of Expenditure -2024

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total 2024 £'000
<u>Raising funds</u>				
Investment management costs	7	-	-	7
<u>Charitable Activities</u>				
Contributions to Archbishop's Council	-	665	-	665
Resourcing ministry and mission	10,212	818	2,587	13,617
Education	366	-	-	366
	10,585	1,483	2,587	14,655

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

8. CHARITABLE ACTIVITIES EXPENDITURE (continued)

Analysis of Expenditure - 2023

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total 2023 £'000
<u>Raising funds</u>				
Investment management costs	30	-	-	30
<u>Charitable Activities</u>				
Contributions to Archbishop's Council	-	671	-	671
Resourcing ministry and mission	9,345	836	1,753	11,934
Education	371	-	-	371
	9,746	1,507	1,753	13,006

Analysis of Grants Funding 2024

	No.	Individuals £'000	Institutions £'000	Total 2024 £'000
<u>From unrestricted funds for national church responsibilities</u>				
Archbishops' Council (note 8)	1	-	665	665
<u>From unrestricted funds</u>				
First Appointment, Resettlement and removal	41	245	-	245
Ordinands' training, receiving maintenance	25	310	-	310
Grant to Parish for building costs	1	-	115	115
QI costs reimbursed to Parishes	31	-	27	27
Other grants	4	-	2	2
Total from unrestricted funds	102	555	144	699
<u>From restricted funds for various purposes</u>				
Clergy for training & welfare	26	41	-	41
Widows and dependants of clergy	4	2	-	2
RME Ordinands in training	35	40	-	40
Energy audits - Net Zero Carbon	11	-	2	2
Minor Repairs & Quick Wins	6	-	7	7
Other grants	3	-	27	27
Total from restricted funds for various purposes	85	83	36	119
Total	188	638	845	1,483

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

8. CHARITABLE ACTIVITIES EXPENDITURE (continued)**Analysis of Grants Funding 2023**

	No.	Individuals £'000	Institutions £'000	Total 2023 £'000
<u>From unrestricted funds for national church responsibilities</u>				
Archbishops' Council (note 8)	1	-	671	671
<u>From unrestricted funds</u>				
First Appointment, Resettlement and removal	43	261		261
Ordinands' training, receiving maintenance	30	297		297
QI costs reimbursed to Parishes	48		39	39
Total from unrestricted funds	121	558	39	597
<u>From restricted funds for various purposes</u>				
Clergy for training & welfare	14	29		29
Ordinands' training, receiving maintenance	3	2	27	29
Energy Grants to Parishes	38		28	28
Widows and dependants of clergy	6	2		2
RME Ordinands in training	49	51	75	126
Other grants	2		25	25
Total from restricted funds for various purposes	112	84	155	239
Total	234	642	865	1,507

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. STAFF & TRUSTEES

Staff Costs

	2024	2023
	£'000	£'000
Wages and salaries	1,915	1,848
National insurance contributions	198	204
Pension costs	272	272
	2,385	2,324

Included in the above are payments made under settlement agreements of £26,373 (2023: £nil)

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

	2024	2023
	fte	fte
Resourcing ministry:		
Winchester School of Mission	8	10
Strategic Development	3	3
Administration and Financial management	24	23
Safeguarding	5	5
Property	2	3
Fundraising	2	2
	44	46

Approx. 10.5 FTE roles are funded by third parties through grants or other recharges

The average number of persons employed during the year:

	2024	2023
	no.	no.
Resourcing ministry:		
Winchester School of Mission	9	11
Strategic Development	4	4
Administration and Financial management	28	28
Safeguarding	5	5
Property	2	4
Fundraising	3	3
	51	55

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

	2024	2023
£60,001 to £70,000	5	4
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-

Pension payments of £62,026 (2023: £48,446) were made for these employees

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. STAFF & TRUSTEES (continued)

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 2024 they were:

Diocesan Secretary & Company Secretary	Colin Harbidge
Director of Education (to 30 June 2024)	Jeff Williams (67%)
Human Resources and Safeguarding Director	Susan Beckett
Head of Mission and Ministry	Amy Roche
Head of Communications and Engagement	Jemima Lewis
Assistant Diocesan Secretary (Operations and Governance)	Cathy Laird
Assistant Diocesan Secretary (Parish Support)	Jayne Tarry
Head of Finance	Mark Teahan

Remuneration, pensions, and expenses for the 8 employees amounted to £560,517 (2023 - 6 employees: £493,030)

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. 3 Trustees received travelling and out of pocket expenses, totalling £105 (2023: £221) in respect of General Synod duties, duties as Archdeacon or Area/Rural Dean, and other duties as Trustees. No Trustee was in receipt of a clergy resettlement grant in 2023 (2023: Nil).

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

	Stipend	Housing
The Revd A Micklefield	Yes	Yes
The Revd Dr T Matthews	Yes	Yes
The Revd R Noel	Yes	Yes
2023	Stipend	Housing
The Revd A Micklefield	Yes	Yes
The Revd Dr T Matthews	Yes	Yes
The Revd R Noel	Yes	Yes

There were no other related party transactions in the current year or the prior year.

The WDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The WDBF is also responsible for the provision of housing for stipendiary clergy in the diocese including the Suffragan Bishops but excluding diocesan bishop and cathedral staff. The WDBF paid an average of 145 (2023: 137) stipendiary clergy as office holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

<u>Stipend Costs</u>	2024	2023
	£'000	£'000
Stipends	4,346	3,929
National insurance contributions	373	328
Pension costs - current year	880	969
	5,599	5,226

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

10. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Endowment
	General	Designated	Funds	Funds
2024	£'000	£'000	£'000	£'000
From General fund to Restricted fund to eliminate negative balances	(43)	43	-	-
From Restricted fund to General fund for Education costs	285	-	(285)	-
From Restricted fund to General fund for Stewardship costs	26	-	(26)	-
From Restricted fund to General fund for Net Zero Carbon	68	-	(68)	-
From Restricted fund to General fund for Strategic Development Fund	528	-	(528)	-
From Restricted fund to General fund for clergy & ministry costs	198	-	(198)	-
From Restricted fund to General fund for social responsibility costs	22	-	(22)	-
From Designated fund to General fund for clergy & ministry costs	2	(2)	-	-
From Endowment fund to General fund for clergy & ministry costs	31	-	-	(31)
	1,117	41	(1,127)	(31)

	Unrestricted Funds		Restricted	Endowment
	General	Designated	Funds	Funds
2023	£'000	£'000	£'000	£'000
From General fund to Restricted fund to eliminate negative balances	(257)	255	2	-
From Restricted fund to General fund for Education costs	130	-	(130)	-
From Restricted fund to General fund for Stewardship costs	23	-	(23)	-
From Restricted fund to General fund for Net Zero Carbon	9	-	(9)	-
From Restricted fund to General fund for Racial Justice	5	-	(5)	-
From Restricted fund to General fund for clergy & ministry costs	188	-	(188)	-
From Restricted fund to General fund for social responsibility costs	6	-	(6)	-
From Endowment fund to General fund for clergy & ministry costs	28	-	-	(28)
From Endowment fund to General fund for building costs	259	-	-	(259)
	391	255	(359)	(287)

11. TANGIBLE FIXED ASSETS

	Freehold	Computers &	Furniture &	Total
	Land & Buildings	Office Equipment	Fittings	
	£'000	£'000	£'000	£'000
Valuation as at:				
1 January 2024	146,564	8	-	146,572
Additions	1,574	50	3	1,627
Disposals	(5,246)	-	-	(5,246)
Revaluation	4,950	-	-	4,950
31 December 2024	147,842	58	3	147,903
Depreciation:				
1 January 2024	-	(8)	-	(8)
Disposals	-	-	-	-
Charge for the year	-	(10)	-	(10)
31 December 2024	-	(18)	-	(18)
Net Book Value				
At 31 December 2024	147,842	40	3	147,885
At 31 December 2023	146,564	-	-	146,564

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

11. TANGIBLE FIXED ASSETS (continued)

All of the properties in the balance sheet are freehold and are vested in the WDBF, except for benefice houses which are vested in the incumbent.

	2024		2023	
	Quantity	Valuation £'000	Quantity	Valuation £'000
Benefice Houses	123	91,998	126	90,905
Glebe Houses	20	12,005	20	11,617
Clergy houses Fund	4	1,504	5	1,543
Corporate Houses	59	42,335	65	42,499
	206	147,842	216	146,564

12. FIXED ASSET INVESTMENTS

	As at 1st January 2024 £'000	Additions £'000	Disposals £'000	Net Gains / (Losses) £'000	As at 31st December 2024 £'000
Unrestricted funds					
Unlisted Investments	3,580	-	-	487	4,067
Restricted funds					
Unlisted Investments	8,213	-	-	155	8,368
Endowment funds					
Investment Property (Glebe)	2,134	-	(744)	26	1,416
Unlisted Investments	11,567	-	-	(146)	11,421
	13,701	-	(744)	(120)	12,837
Total	25,494	-	(744)	522	25,272

13. DEBTORS

	2024 £'000	2023 £'000
<i>Due within one year</i>		
Current year Common Mission Fund	94	240
Loans to parishes	3	73
Loans to others	95	75
Sales ledger	1,302	305
Other debtors and prepayments	988	544
	2,482	1,237
<i>Due after more than one year</i>		
Loans to parishes	431	992
Other Loans	566	764
	997	1,756
Total Debtors	3,479	2,993

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

14. CREDITORS: amounts falling due within one year

	2024	2023
	£'000	£'000
Loan repayments	12	490
Deferred income	1,519	29
Other taxes and social security	53	53
Creditor relating to sale proceeds of closed school	400	400
Other creditors and accruals	259	287
	2,243	1,259

	2024	2023
	£'000	£'000
Deferred Income movement		
At 1 January 2024	29	-
Rental income released to SOFA	(29)	-
Strategic Development Funding income received	2,482	-
Strategic Development Funding income released to SOFA	(983)	-
Rental Income received in advance	20	29
At 31 December 2024	1,519	29

15. CREDITORS: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Loan repayment instalments due after more than one year		
Church Commissioners value-linked loans	37	184
NatWest Bank value-linked loans	-	124
Loan from CCLA	-	350
Other loans	178	232
Total creditors: amounts falling due after more than one year	215	890

The maturity of the above loans may be analysed as follows:

Between one and two years	12	30
Between two and five years	25	440
In five years and more	178	420
	215	890

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

16. ANALYSIS OF CHANGES IN DEBT

	As at 1st January 2024 £'000	Cashflows £'000	Other £'000	As at 31st December 2024 £'000
2024				
Cash and cash equivalents	10,107	1,998	-	12,105
Loans falling due within one year	(490)	478	-	(12)
Loans falling due after more than one year	(890)	675	-	(215)
	8,727	3,151	-	11,878

	As at 1st January 2023 £'000	Cashflows £'000	Other £'000	As at 31st December 2023 £'000
2023				
Cash and cash equivalents	9,470	637	-	10,107
Loans falling due within one year	(390)	(100)	-	(490)
Loans falling due after more than one year	(1,987)	1,097	-	(890)
	7,093	1,634	-	8,727

WINCHESTER DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

17. SUMMARY OF FUND MOVEMENTS – CURRENT YEAR

	01-Jan-24 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains & Losses £'000	Total 31 Dec 2024 £'000
Unrestricted Fund						
General	38,105	10,461	(12,750)	1,117	(1,217)	35,716
General Designated Fund						
General Designated Fund	-	1	-	(1)	-	-
Parish mission and development	107	-	(6)	(1)	-	100
Maclean	507	21	-	-	10	538
OAP Property	753	-	-	-	-	753
Building New Church	355	7	-	-	4	366
Clerical Registry fund	-	3	(46)	43	-	-
	1,722	32	(52)	41	14	1,757
Restricted Funds						
General Restricted Fund	-	21	(21)	-	-	-
Pastoral fund	-	55	-	-	-	55
Parsonages endowment income	1	-	-	-	-	1
Retired Clergy houses fund	3,045	61	(154)	-	194	3,146
Major Ball settlement income	4	5	(5)	-	-	4
Penrose income fund	78	16	-	(17)	-	78
Clergy welfare income fund	872	220	(60)	(173)	12	871
Chalke Bequest income	15	3	-	(2)	-	15
Chute fund	25	-	-	(31)	7	-
Church schools fund	14	2	-	-	-	16
Queen Victoria clergy fund	2	2	-	-	-	5
Pember income fund	83	-	-	(1)	1	83
Widows and dependants fund	1,059	40	(8)	-	20	1,110
Thorold library fund	24	-	-	-	-	24
ICSF grant fund	469	12	-	-	10	491
Council for Social Responsibility	863	49	-	(22)	29	919
Falrbairn trust	380	13	(1)	-	8	400
Tale Tellers	2	-	-	-	-	2
Christopher library	4	-	-	-	-	4
RME Training for Mission	570	-	(98)	(5)	-	467
Winchester Mission Action	528	1,491	(1,486)	(528)	-	5
Northbrook	4	-	-	-	-	4
Schools Development Fund	3,500	202	-	(285)	69	3,485
Giving Advisor	36	16	-	(26)	-	26
Net Zero Carbon Funding	6	108	(2)	(68)	-	44
RMF Ordinands	47	189	(12)	-	-	224
Minor Repairs & Improvements Grant Fund	-	38	(1)	-	-	37
Quick Wins grant	-	12	(6)	-	-	6
	11,632	2,555	(1,853)	(1,158)	350	11,526
Endowment Funds						
Expendable						
Benefice houses	97,473	-	-	-	5,149	102,622
Permanent						
Stipends fund capital	24,268	2	-	-	464	24,734
Parsonages endowment capital	863	-	-	-	20	883
Major Ball settlement capital	172	-	-	-	4	176
Penrose capital	377	-	-	-	9	386
Clergy welfare capital	6,906	-	-	-	26	6,932
Chalke bequest capital	68	1	-	-	2	70
Widows and dependants capital	216	-	-	-	5	221
Thorold library capital	239	-	-	-	6	244
Pember capital	962	28	-	-	21	1,010
Christopher Library	5	-	-	-	-	5
	131,550	30	-	-	5,704	137,284
Total funds	183,009	13,078	(14,655)	-	4,851	186,283

WINCHESTER DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

17. SUMMARY OF FUND MOVEMENTS – PREVIOUS YEAR

	01 Jan 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains & Losses £'000	Total 31 Dec 2023 £'000
Unrestricted Fund						
General	38,227	11,129	(11,779)	390	137	38,105
General Designated Fund						
General Designated Fund	(1)	-	-	1	-	-
Parish mission and development	107	-	-	-	-	107
Maclean	452	19	-	-	36	507
OAP Property	753	-	-	-	-	753
Building New Church	335	6	-	-	14	355
Planned maintenance sinking fund	(106)	-	-	106	-	-
Sustainability Fund	(5)	-	-	5	-	-
Clerical Registry fund	(85)	-	(58)	143	-	-
	1,449	26	(58)	255	50	1,722
Restricted Funds						
General Restricted Fund	27	25	(53)	1	-	-
Parsonages endowment income	1	-	-	-	-	1
Retired Clergy houses fund	3,094	58	(151)	-	44	3,046
Major Ball settlement income	8	5	(9)	-	-	4
Penrose income fund	81	15	-	(15)	(3)	78
Clergy welfare income fund	833	203	(30)	(171)	37	872
Chalke Bequest income	14	2	-	2	-	14
Church schools fund	12	1	-	-	-	13
Queen Victoria clergy fund	-	3	-	-	-	3
Pember income fund	80	-	-	-	3	83
Widows and dependants fund	956	36	(10)	-	77	1,059
Thorold library fund	24	-	-	-	-	24
ICSF grant fund	420	13	-	-	37	469
Council for Social Responsibility	695	63	-	-	105	863
Fairbairn trust	338	12	(1)	-	30	380
Tale Tellers	2	-	-	-	-	2
Christopher library	4	-	-	-	-	4
RME Training for Mission	559	268	(256)	-	-	571
Winchester Mission Action	275	924	(671)	-	-	528
Northbrook	4	-	-	-	-	4
Giving Advisor	35	24	-	(23)	-	36
Schools Development Fund	3,299	158	-	(130)	172	3,499
Ministry Hardship Fund	-	-	(1)	1	-	-
Net Zero Carbon Funding	-	15	-	(9)	-	6
RMF Ordinands	-	49	(2)	-	-	47
Racial Justice	-	5	-	(5)	-	-
	10,763	1,878	(1,183)	(353)	503	11,607
Endowment Funds						
Expendable						
Benefice houses	95,763	-	-	-	1,712	97,474
Permanent						
Stipends fund capital	22,921	-	-	-	1,347	24,268
Parsonages endowment capital	788	-	-	-	75	863
Major Ball settlement capital	157	-	-	-	15	172
Penrose capital	344	-	-	-	33	377
Clergy welfare capital	6,429	-	-	-	477	6,906
Chalke bequest capital	63	1	-	(1)	6	68
Widows and dependants capital	198	-	-	-	19	216
Thorold library capital	218	-	-	-	21	239
Pember capital	884	27	-	(27)	77	961
Christopher Library	4	-	-	-	1	5
Chute endowment	260	-	-	(259)	25	25
	128,029	28	-	-	3,805	131,575
Total funds	178,469	13,061	(13,020)	293	4,495	183,009

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

18. SUMMARY OF ASSETS BY FUND – CURRENT YEAR

	Fixed Assets		Current	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000	Assets £'000		
Unrestricted Fund	28,513	3,425	4,159	(382)	35,715
Designated Funds	4,607	641	(3,491)	-	1,757
Restricted Funds	1,497	8,369	3,738	(2,076)	11,528
Endowment Funds	113,268	12,837	11,178	-	137,283
Total funds	147,885	25,272	15,584	(2,458)	186,283

18. SUMMARY OF ASSETS BY FUND – PREVIOUS YEAR

	Fixed Assets		Current	Creditors £'000	Net Assets £'000
	Tangible £'000	Investments £'000	Assets £'000		
Unrestricted Fund	30,332	2,985	9,769	(4,980)	38,106
Designated Funds	3,225	627	238	(2,368)	1,722
Restricted Funds	1,536	8,181	5,151	(3,261)	11,607
Endowment Funds	111,471	13,701	6,709	(307)	131,574
Total funds	146,564	25,494	21,867	(10,916)	183,009

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

19. DESCRIPTION OF FUNDS

General Fund:	The general fund is the WDBF's unrestricted undesignated fund available for any of the WDBF's purposes without restriction.
Parish Mission and Development Fund:	A fund created in the mid-2000s by the then Bishop's Council to support mission projects in parishes as part of the mission strategy in place at the time. Strategies moved on and fund was never fully used as priorities changed. Designated Fund to be wound up in 2024 and returned to General Fund.
Maclean Fund:	The Maclean Fund originated with an unrestricted bequest in 1948 by the late Sir Alexander Maclean. The WDBF has designated this fund to assist with expenditure on clergy houses which could not be met from any other fund.
OAP Property:	Fund representing the asset at Old Alresford Place net of the related loan.
Building New Church:	Designated fund created by the directors of the WDBF in mid 2000s. Fund to be reviewed during 2024 to ascertain if original purposes are still required.
Planned maintenance sinking fund:	Designated fund created to fund maintenance works for Old Alresford Place. Fund ceased to be utilised in 2020 so will be reviewed and returned to the General Fund during 2023.
Sustainability Fund:	Designated fund representing a grant made from the Church commissioners during 2021 to support DBFs in managing the financial implications of the pandemic. Original Grant now fully expended so fund to be closed.
Clerical Registry Fund:	Designated Fund originally created from the surplus assets of the Winchester & Portsmouth Diocesan Clerical Registry which were passed to the WDBF when the Charity was wound up. Funds used to cover costs of the Registry. Once fully expended, this Designated Fund will be closed.
Pastoral Fund:	The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are: <ul style="list-style-type: none">• to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees• to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese• other purposes of the diocese or any benefice or parish in the diocese• to make grants or loans to any other diocese• to transfer funds to the diocesan stipends fund income or capital accounts.
Retired Clergy Houses Fund:	This restricted fund, formerly known as the Clergy Retirement Houses Fund, represents the unexpended balance of a special appeal for funds made in the early 1980s for the provision of retirement housing for clergy. The fund is also used to make bridging loans to clergy approaching retirement. A Charity Commissioners Scheme has widened the purposes of this fund to include housing provision for clergy widows and deserted clergy spouses.
Major Ball settlement:	This restricted fund represents the unexpended accumulated income of a settlement for the benefit of the parishes of Brown Candover and Chilton Candover.
Penrose Legacy Income:	This fund represents the unexpended accumulated income of a legacy for the benefit of clergy, who in the opinion of the WDBF are most in need of grants. In recent years the WDBF has applied the income for grants to clergy for extended study leave.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

19. DESCRIPTION OF FUNDS (continued)

Clergy Welfare Fund:	The Clergy Welfare Fund is vested in the WDBF as trustee. The capital of the trust is shown as a permanent endowment, and accumulations of income as a restricted fund. The purposes for which the trustee may apply the income are as follows: for the benefit of clergy in the Diocese of Winchester, at the discretion of the Bishop; to assist ordination candidates; to assist with the higher education of children of the clergy in the Diocese.
Chalke Bequest:	Bequest from Miss Winifred Joan Chalke to be used for the benefit of Industrial Mission.
Church Schools Fund:	The church schools fund represents unexpended accumulations of sale proceeds of redundant Church of England School properties. Its use is restricted by law to capital and maintenance work to Church of England schools in the diocese and education generally at Church of England schools in the diocese. The WDBF is trustee of these funds, which are managed on a day-to-day basis by and in consultation with the Board of Education.
Queen Victoria Fund:	Restricted Fund to receive any grants made to the WDBF by the Queen Victoria Fund – a separate grant making charity that provides small grants for clergy welfare.
Pember Income Fund:	The annual income of the Pember Fund is restricted by a Charity Commissioners' Scheme to the payment of Winchester Diocesan clergy pensions. Where the income in any year is not required for this purpose, it may be used for providing accommodation for these clergy and their dependants, and for making grants to widows of such clergy and their dependants.
Clergy Widows and Dependents:	These funds have been left to, or settled with, the WDBF specifically for the benefit of clergy widows and dependants. Fund reviewed by the WDBF in 2023 with a view to seeking approval from the charity Commission to expand its purposes.
Thorrold Library fund:	The purpose of this fund is to provide a theological library for the clergy of the Diocese. The Thorrold and Lyttelton Library has been loaned to the University of Winchester to secure its future accessibility and development.
Fairbairn Trust:	The Fairbairn Trust, of which the WDBF is Trustee, was a bequest of the late Sir Arthur Fairbairn for the Church of England's mission to deaf and hard-of-hearing people in the Diocese. Grants are awarded to parishes and local deaf clubs.
Diocesan Council for Social Responsibility:	The Council for Social Responsibility Fund exists to support "the advancement of the Christian religion within the Diocese of Winchester by promoting Christian engagement with and concern for people's needs in the whole of society, and to reflect upon social issues in the light of the Gospel".
ICSF Grant for Clergy Houses:	This fund arose from a distribution to the WDBF from the former Incorporated Clergy Sustentation Fund. Capital and income may be used in aid of the sustentation of the clergy in the Diocese.
Benefice House Endowment:	This restricted fund consists of income generated by the associated endowment the income is entirely transferred annually to the general fund where it is applied for its specified purpose of benefice house outgoings.

19. DESCRIPTION OF FUNDS (continued)

Diocesan Stipends Fund Capital:	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit.
Benefice Property Fund:	The benefice property fund consists of resources restricted to provision of benefice houses in the diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, the DBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of the WDBF.
Chalk Bequest:	Bequest from Miss Winifred Joan Chalk to be used for the benefit of Industrial Mission.
Chute Fund:	The income from the Chute Legacy a fund originally created by the WDBF from a number of restricted gifts is for the purpose of being a repair and replacement fund for the Retreat Centre & Diocesan Offices.
Christopher Library:	Gift from OAP Trustees in 2009 – Income is used to support the salary of resources assistant in the Resources Centre.
Tale Tellers:	Gift from OAP Trustees in 2009 – Income is used to support the salary of resources assistant in the Resources Centre.
RME Training for Mission:	Income received from Church Commissioners to fund theological training of ordinands. Any funds not spent on training are required to be held by the WDBF with the expectation that the surplus will be returned to the Church Commissioners.
Winchester Mission Action:	Restricted Fund for any grants received from the National CofE Strategic Development Fund or its successors. Fund can only be used to support the costs of projects approved by the National Strategic Mission & Ministry Investment Board.
Giving Advisor Fund:	Grant provided by the Church Commissioners to fund additional resource in our stewardship team. Funding tapers over a 3-year period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

20. PENSIONS

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

Church of England Funded Pension Scheme (CEFPS)

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £879,946 in 2024 (2023: £968,753), 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 2024, following the valuation results being agreed, the deficit contributions paid were £nil (2023: £nil).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this)
- CPIH inflation in line with RPI less 0.8% p.a. 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 S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 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 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

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

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil
31 December 2024	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022 and remained in place until December 2022.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

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 2023 and 31 December 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

20. PENSIONS (continued)

	2024	2023
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 inflation assumptions between year-ends.

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

Church Workers Pension Fund (CWPF)

Winchester DBF participates in the Defined Benefits Scheme section of CWPF for lay staff, which is now closed to future accrual. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

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

Defined Benefits Scheme

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

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. This does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers’ sub-pools to the 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 (2024: £272,449, 2023: £271,954) 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 £272,449 for 2024 (2023: £271,954).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

20. PENSIONS (continued)

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 having taken advice from the Actuary.

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

The next actuarial valuation is due at 31 December 2025.

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 2023 or 31 December 2024.

The movement in the provision is set out below:

	2024	2023
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.

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 2024	December 2023	December 2022
Discount rate	N/A	N/A	0.0%

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

21. OPERATING LEASES

Total amounts payable under non-cancellable operating leases are as follows:

	2024 £'000	2023 £'000
Land and Buildings:		
Within one year of the balance sheet date	-	-
In the second to fifth years inclusive of the balance sheet date	-	-
	0	0
Other operating Leases:		
Within one year of the balance sheet date	-	5
In the second to fifth years inclusive of the balance sheet date	-	-
	0	5

In May 2024 the WDBF lease on Wolvesey Palace, Winchester terminated and in June 2024 the diocesan team and head office moved back to Old Alresford Place, Old Alresford

22. FUNDS HELD AS CUSTODIAN TRUSTEE

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

Funds Held As Custodian Trustee

	2024 £'000	2023 £'000
CBF Church of England Investment Fund income shares	17,671	17,666
CBF Church of England Fixed Interest Securities Fund shares	274	274
CBF Church of England Property Fund shares	231	230
COIF income and accumulation shares	53	32
Other common investment fund holdings	318	328
Other fixed interest stocks	104	104
CBF Church of England Deposit Fund	2,179	2,000
Cash at bank	60	12
	20,890	20,646

23. RELATED PARTIES

During the year, WDBF did not need to provide financial support grants to Launchpad Social Enterprise (2023: £25,000). Launchpad Social Enterprise was set up by WDBF in 2015 using funds from the charity's Council for Social Responsibility restricted fund and WDBF is a corporate trustee.

At 31 December 2024, loans totalling £576,000 (2023: £650,500) were owed from Launchpad Social Enterprise. The loans are interest free and repayable over 10 years.