The Bath and Wells Diocesan Board of Finance
Annual Report
For the year ended 31 December 2025

Introduction by the Chair of the Board of Finance

A Legal Framework

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

The Diocese of Bath & Wells is one of 42 dioceses making up the Church of England. Each diocese is a separate legal entity. The Diocese of Bath & Wells provides support to the parishes in Somerset, and it is the parishes that represent the visible presence of the Church 'on the ground'. Each parish, and Wells Cathedral too, is a separate legal entity, and therefore, although there is a pooling of financial resources into the Common Fund, their results are not presented in these financial statements

The company, The Bath and Wells Diocesan Board of Finance (DBF), was incorporated on 6 March 1915 as a company limited by guarantee (No. 139557) and its governing documents are its Memorandum and Articles of Association. The DBF is registered with the Charity Commission (No. 249398).

A1 Legal Objects

The DBF's principal object is to promote, assist and advance the work of the Church of England in the Diocese of Bath and Wells by acting as the financial executive of the Bath and Wells Diocesan Synod.

The DBF has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowments and Glebe Measure 1976, and the Church Property Measure 2018;
- the repair of benefice houses as the Diocesan Parsonages Board under the Repair of Benefice Buildings Measure 1972;
- the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 1991;
- 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 as detailed in Appendix A.

The strategic priorities of the DBF are established by the Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Bath and Wells (in respect of their 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.

A2 Public Benefit

The Trustees are aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and have regard to that guidance in their administration of the charity. The DBF believes that this report provides evidence of the public benefit of the charity's work in 2025.

As described more fully throughout the report, the DBF provides funds to support ministers of religion in the diocese, to support education and to support the maintenance of many buildings including parsonages and churches, many of which form an important part of the historic fabric and architectural heritage of the area. The vast majority are available to the public at large and none are restricted to members of the Church of England.

The religious purposes of the Church of England are serious and tend to the moral and spiritual improvement of the public or, in other words, to the cure of souls. The ministers of religion seek to advance and promote the Christian religion amongst the people of the diocese and to sustain their belief in God, in part through the provision of public religious services, open to all, and in part through bearing Christian witness.

B Strategic Report

B1 Strategic Aims

In line with its legal and charitable objects, the role of the DBF is to identify and manage the financial aspects of the provision of ministry within the diocese and to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities of the diocese.

Diocesan Vision
The diocesan vision is expressed in the following words:

"**In response to God's immense love for us, we seek to be God's people living and telling the story of Jesus."**

Aim
Our purpose is to be 'Growing Churches and Transforming Communities'

Strategic Priorities
The four strategic priorities and the overall outcomes we want to achieve govern the implementation of the strategy.

Valuing, Cherishing and Developing the people and resources we already have	Sharing in ministry and leadership	Developing new and existing worshipping communities	Growing and deepening faith
We notice and make use of all that God has already given us, and is wanting to give us so that we can joyfully join in with God's mission	The voices and gifts of people of all ages and backgrounds across our diocese are noticed, welcomed and enabled.	A more varied and numerous range of Christian worshipping communities exist across our diocese, led by and reaching a wider diversity of people.	There is a culture of flourishing discipleship across our diocese, where people take responsibility for developing their faith and supporting others in exploring and growing their faith.
High levels of mutual trust and respect between all within our diocese and beyond	A culture of participation and ownership in every context	Safe churches for all to encounter, worship and serve God	People of all ages who are confident to explore and encounter, choose to commit, live out, grow and share their faith.

Our fifth area of focus is 'Transforming Communities' and it is anticipated that this will be led by the Bishop of Taunton, supported by a new Mission Team Leader who was recruited in 2025.

All our work in these areas is underpinned by the Anglican Communion Five Marks of Mission:
1. To proclaim the Good News of the Kingdom
2. To teach, baptise and nurture new believers
3. To respond to human need by loving service
4. To transform unjust structures of society, to challenge violence of every kind and pursue peace and reconciliation
5. To strive to safeguard the integrity of creation, and sustain and renew the life of the earth

B2 Key achievements in the year

Challenge to grow

In 2025, Bishop Michael's challenge to all benefices to grow by one adult and one child net per year continued to be a priority. While worshipping numbers can ebb and flow, the progress of growth in individual benefices was delved into through both Deanery Reviews and Benefice Visits. The preliminary figures from the 2025 Statistics for Mission show that overall the worshipping numbers in the diocese have continued to see slow but steady growth.

Outcomes
Mission Support and Ministry Development (MSMD) and Education have spent the year honing departmental and operational outcomes under the strategic priorities. This has been a significant piece of work to ensure workstreams are outcomes focussed to achieve the strategic priorities.

Incremental gains
With the introduction of the new Common Fund methodology, the benefice share for the majority of our benefices increased in 2025. For our parishes/benefices increasing share obligations can be seen as an extremely difficult challenge to overcome. Therefore, support through the Finance Team has been focused on achieving incremental gains within our parishes and benefices. This is focusing on incremental improvements on levels of giving generosity, both in value of gift and in numbers giving to our parishes.

Deanery Reviews
In a large diocese the ability of individuals or even teams to be able to offer appropriate ad hoc support as required is challenging. In 2025, following a pilot in the last quarter of 2024, deanery reviews were brought in as a process to use data as a starting point to provide annual, proactive, systematic, holistic, well-informed support to deaneries and their constituent parishes across our diocese.

The deanery reviews made use of the data collected and were a helpfully neutral starting point for a discussion about where support might be best targeted, and where particularly good things are happening that can be a source of learning and inspiration.

During the reviews, support actions were identified – some for individual parishes/benefice and some to inform subsequent deanery workshop events.

This process is now bedded in and our 18 deaneries will have a review each year, hosted by their Archdeacon, held in the deanery.

Benefice Visits
In 2025, the bishops and archdeacons undertook Benefice Visits to numerous benefices across our diocese. Benefice Visits normally take place over two-days and can include a service, school visits and more. The visits are an opportunity to strengthen relationships across our diocese and build an understanding of local mission and ministry. Every benefice in the diocese will be visited by the bishops and archdeacons over a two-year period from January 2025 to end 2026.

Budget Consultation
During June and July 2025, people from across our diocese were invited to attend one of seven sessions to discuss a three-year framework for the Diocesan Board of Finance. The aim was to shape a budget that supported both our parishes/benefices and the Diocesan Board of Finance (DBF) to grow our churches and transform our communities.

In November 2025, the Diocesan Synod agreed the budget for 2026 and the framework for the budgets for 2027 and 2028 that would enable the DBF to invest for growth for its purposes and in our parishes and benefices. It included £2.4m over 9 years, which is being received from Archbishop Council to financially support dioceses. The DBF has agreed to us this sum of money to support missional work in parishes/benefices. There will also be additional LInC funding for Magnificat Parishes, continuation of £100k for mission grants, together with £1.4m over 4 years for additional works on clergy housing, and £1.5m for new glebe acquisitions funded from a historic build up in the Diocesan Pastoral Account.

Giving and Funding

During 2025, the Giving and Funding Team were out and about visiting churches across the diocese, as PCCs, Treasurers and Planned Giving Promoters explored new, and tried and tested, ways to grow a generous giving culture within their parishes.

February 2025 saw the first 'Money Matters' session that was specifically for our clergy. Over 70 clergy attended the session, which was followed later in the year by sessions for anyone with a responsibility or an interest in church finances, including Treasurers, Church Wardens etc. These sessions highlighted the wide range of support, tools and resources available to assist those seeking to increase giving from their congregations and wider community, from preaching and teaching, to digital giving and increasing income from grants and gifts in wills.

Recognising that Benefice Share contributions account for a large proportion of parish expenditure and remain critical to the future deployment of clergy across the diocese, the Finance Team welcomed Maria Stubbs as the Parish Finance Support Officer. Through the year she responded to a range of queries about financial matters and worked hard to increase both parish finance and benefice share returns.

Property

In 2025, the DBF's continuing strategic review of housing requirements and glebe assets across the diocese, has again enabled surplus assets to be identified, and upon realisation of these assets it reduced the pressure on DBF reserves, parishes and the Common Fund by bridging the gap between income and expenditure.

In addition to the capital sales realised above, the day to day work of the Property Team across glebe, maintenance of clergy housing and rental of clergy housing during vacancies led to an income of £3,038,365 against total expenditure of £2,343,057 resulting in a further £695,308 underpinning the diocesan budget and assisting in meeting the shortfall in Parish Share receipts.

Shared local ministry

The lay ministry pathways, continue to provide a flexible and adaptable approach for those training in different lay ministries. In 2025, the diocese was awarded Innovation Funding from the national church for continuing development of the pathways. The funding has enabled further revision and development of the resources to develop the ministries of Lay Worship Assistants and Lay Pastoral Assistants. We have now added a local preaching ministry and are developing resources for funeral ministry including care for the bereaved. Courses have taken place at Flourish House for those exploring these ministries as well as workshops for those seeking to facilitate and run courses more locally. The approach continues to value the traditional training course approach, whilst also offering apprenticeship-style learning and equipping. It recognises that people start their journey to ministry with different life experiences and skills and therefore allows them to start at a place appropriate to them. In addition, those commended and commissioned for ministry are able to access ongoing training and have the opportunity to join a local network of support. Current figures indicate we have around 200 locally commissioned lay ministers across the diocese of Bath and Wells.

Education and Go Team

The Education Department is prayerfully and thoughtfully aligned fully with our diocesan strategy. Outcomes are clear and inform operational decisions. Through a new way of working with schools and multi academy trusts (MATs) the Education Department has increased its engagement and impact. One example is the successful implementation of a new cycle of training to support schools in preparing for their Statutory Inspection of Anglican and Methodist Schools (SIAMS). This 5 year cycle, matching the 5 year inspection cycle, has engaged over 90% of our church schools and has been flagged as an exemplary model nationally. All schools inspected in the past year have achieved very positive SIAMS reports. The Education Team have also worked tirelessly to ensure we have clear records and documentation of all sites, including school houses, where our diocese is the owner or site trustee. There has also been significant work with schools to explore carbon net zero opportunities, with plans to have secured our first carbon net zero school in 2027.

The recent Children's Wellbeing and Schools Bill, alongside the SEND reforms consultation, supports the Diocesan Board of education's stance that all schools should join a high-quality MAT. The department is working closely with schools, MATs and local authorities to enhance SEND provision and community support through the repurposing of available space within church schools. School budgets continue to be a tremendous concern, especially in our diocesan context where many localities are experiencing falling pupil numbers. We are therefore working with strategic partners to explore ways to address this and maximise sustainability.

The work of the GO Team has developed with Advisors leading on specialisms across the diocese as well as supporting Archdeaconries. This year a fourth venue, in Weston-super-Mare, for Moving Up Services has been added and all venues are fully booked up with over 100 schools already participating. The latest new cohort for Launchpad commenced, building on previous successes. The GO Team are responding to many requests from churches and benefices keen to explore small, contextual steps towards growing work with children and young people. Another successful visit by young people to Taize took place, coordinated by Revd Rich Miles. The 'Flourish' projects, supported by national funding, are proving to be successful and an additional project has been bid for. We continue to support and develop pupil chaplaincy alongside our diocesan chaplaincy advisor.

The Growing Faith Strategic Leaders' Programme (GFSLP) was very successful in its first year. GFSLP has entered its second year with a new cohort of leaders from South West dioceses including a full contingent from our diocese. A highlight this year, facilitated by the whole department, have been the online collective worship events with Bishop Michael. Three events have been held with the two most recent reaching over 6000 pupils in schools across the whole diocese.

Net-zero carbon by 2030

2025 marked a major step change in the Diocese of Bath and Wells' approach to Net Zero Carbon delivery. Record engagement was achieved with the Energy Footprint Tool, helping churches better understand their emissions whilst unlocking access to funding and technical support. Momentum accelerated across the Diocese's three key Net Zero Carbon workstreams (churches, housing and schools) through the development of highly detailed and widely consulted 'Net Zero Critical Pathways' for 2026–2028. These pathways represented a far more coordinated and accountable programme of work, embedding Net Zero Carbon responsibilities across diocesan teams through RASCI frameworks and shared collaboration tools such as Microsoft Planner. Alongside this strategic progress, the Diocese secured approximately £200,000 of Capacity Building Grant funding to support Net Zero delivery over the next triennium, alongside a further £40,000 from the South West Net Zero Hub to launch an ambitious Community Energy feasibility project in partnership with Pure Leapfrog - exploring how community energy models could support churches, schools and local communities through renewable energy generation, reduced energy costs and long-term community benefit.

Practical delivery also accelerated significantly throughout 2025, particularly across church buildings. Increasing numbers of churches transitioned away from fossil fuel heating through infrared heating, under-pew heating and other low-carbon technologies, delivering both carbon and cost savings. Support from the Net Zero Project Lead and Church Buildings Adviser expanded into a far more coordinated approach, guiding churches through the full project cycle - from early vision and technical advice, through to fundraising, installer engagement and navigating permissions. Major progress was also made in streamlining the faculty process, including the creation of a progressive DAC Heating and Renewables Policy, detailed guidance documents for low-carbon heating projects, and successful work towards an Additional Matters Order to simplify infrared heating permissions. Alongside this, over £50,000 was distributed through the Net Zero Quick Wins Fund, three churches were nominated, and secured National Church Demonstrator Church funding - in excess of £50,000. External partnerships, including the West of England Combined Authority Green Business Grants, opened the door to significant external investment. Finally, diocesan environmental communications reached tens of thousands of people through podcasts, videos, social media, newsletters and case studies - helping grow engagement with caring for creation across the diocese and beyond.

Safeguarding

In 2025, INEQE undertook an independent review of safeguarding in the Diocese of Bath and Wells. In compiling the report, the auditors took into account the Social Care Institute for Excellence (SCIE) audits, Past Cases Review 2 (PCR2) outcomes, as well as evidence from surveys, focus groups, direct correspondence and interviews. The audit considered: culture, leadership and capacity; prevention; recognising, assessing and managing risk; victims and survivors; and learning, supervision and support.

The auditors concluded in their report that “Bath and Wells has developed a strong and positive safeguarding culture driven by committed leadership, engaged safeguarding personnel and effective strategies that personalise safeguarding and empower local communities."

B3 Financial Performance

Financial Outturn

Expenditure in excess of income on general funds prior to investment gains and transfers was £0.68m: the impact of investment, capital gains and transfers between funds which includes the total return adjustment, meant the unrestricted reserves increased by £0.78m.

The expenditure in excess of income primarily arose from continued low levels of parish share receipts compared to ministry deployed. The diocese continues to face significant pressures in unrestricted reserve levels and ensuring it holds sufficient cash reserves to support operational activities and is currently doing this through selling investment or fixed assets. However, unlike many dioceses, the DBF holds a significant level of endowed funds which it can draw upon. (In 2019 the Trustees elected to adopt total return accounting on certain permanent endowed funds allowing it to draw down of up to 4% of the balance held as unapplied total return as at the balance sheet date. In the year to 31 December 2025 this transfer amounted to £1.4 million – see note 18 to the accounts).

Income and expenditure

The Statement of Financial Activities (SOFA) for the year on page 30 shows total income including from endowments of £15.8m (2024 - £17.0m) and total expenditure of £15.6m (2024 – £14.8m), resulting in net income of £0.2m (2024 - £2.1m).

Unrestricted income remained broadly consistent with 2025, with a slight increase in benefice share contributions supplemented by increases in rental income from clergy houses and grants received. The main unrestricted income increase from 2024 came due to additional unrestricted gains on disposal of properties.

Total expenditure increased as a result of increasing costs impacted by higher levels of inflation.

Realised and unrealised investment gains of £1.9m (2024: £1.8m), contributed to the net increase in total funds of £2.1m (2024: £3.9m). Total fund balances increased from £109.1m to £111.2m

Benefice Share

In 2025 the DBF introduced a different way of calculating Parish Share. This Benefice Share methodology is more closely linked with costs that are being requested to be covered specifically in a benefice. This methodology is being phased in over a 5 year period starting in 2025. Every effort was made by the DBF to review the costs covered by the Common Fund into which Benefice Share contributions are made, to ensure the Common Fund was sustainable. A large part of the costs were stipends, pensions, staff salaries and building maintenance costs, which all increased broadly in line with inflation.

Many parishes were unable to sustain their historic levels of giving and despite cash receipts being higher than prior years, albeit below the impact of inflation. In 2025, the DBF received 85% of share requested from parishes in year (2024 – 85% in year) a shortfall on requested amount of £1.9m, which meant that the diocese had to subsidise the increasing level of costs from its own reserves.

Grants received

The DBF gratefully acknowledges grants received from Benefact Trust of £76,484 (2024 - £91,053) and from The Foundation of St. Matthias totalling £58,000 (2024 - £58,000). The DBF also received the following grants from the Archbishops' Council: £126,170 (2024: - £121,962) Low Income Communities Funding

Balance Sheet

The net assets at the balance sheet date totalled £111.2m (2024 - £109.1m). This includes properties totalling £63.8m (2024 - £65.7m), which are mainly used to house stipendiary clergy. Much of the remainder of the assets shown in the balance sheet are held in restricted and endowment funds and cannot necessarily be used for the general purposes of the DBF. – see notes 23 and 24 to the accounts.

The Trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern and have prepared the financial statements on that basis.

Reserves policy - free reserves

The Trustees require reserves to:

- meet short term excesses of expenditure over income
- provide funds for expenditure with long life horizons such as clergy housing
- fund future initiatives such as the changing structure of ministry and the deployment of clergy.

It is the DBF's policy to maintain the readily realisable assets in the Unrestricted General Fund at between three and six months' unrestricted expenditure. The aim is to ensure the availability of sufficient liquid funds to enable the DBF to meet its daily commitments. As at 31 December 2025 free reserves stood at £3.1m (2024 - £2.4m) which is between two and three months' expenditure. The short term position of the general reserves is not budgeted to increase in 2026 as the diocese has once again set a deficit budget supported by disposing of assets such as investments and houses to support the operating deficit, in addition to setting a budget that seeks to invest in our churches and communities to grow our Christian Communities.

Designated and other reserves

The diocese holds a number of other reserves for operational purposes which are detailed in full in note 23 of the accounts.

Grant making policy
The DBF makes grants in pursuance of its objects, and the nature of grants made in 2025 is set out in note 12 to the accounts.

Grants are made to the national church to cover a proportion of its central costs and to cover the cost of training for ministry. Grants are also paid to other connected charities and charitable projects which support the furtherance of the DBF's objects.

Investment Policy
The DBF invests monies not immediately required for its operational purposes in listed investments managed on its behalf by two separate investment managers, Brewin Dolphin and LGT Vestra. All investments are held in accordance with the Church of England's Ethical Investment Advisory Group's (EIAG) guidance – the EIAG is widely held to be a leading think tank in the field of ESG (Environmental, Social and Governance) investing.

The DBF also holds glebe (property) investments in agricultural land, commercial and residential land and buildings and the rents received and the gains arising on disposal are used to help fund clergy stipends. The diocese seeks to achieve a 4% real return on all its investments which is used to fund the day-to-day operations of the diocese. Note 18 summarises the movements in investments during the year.

In addition, the DBF acts as trustee of a number of trust funds, and these are invested in accordance with the related trusts. Note 29 to the accounts provides details of the assets of each fund, together with the related purposes.

Programme related investments
The DBF provides loan finance to PCCs and related projects through two loan initiatives:

CCLA backed Diocesan Loan Scheme (closed to new applications)
This scheme allowed PCCs to obtain loan finance from the DBF at low interest rates for periods from 5-7 years to facilitate building or other projects which further the mission of the church. The DBF received loan funding from CCLA totalling £1m which is available to provide these loan facilities until May 2026. Loans range from £3,000 to £150,000. At 31 December 2025 the total loans outstanding from parishes from this scheme was £22K (2024 - £136K).

Diocesan Loan Fund
The DBF maintains a designated £500k reserve to allow financial headroom to loans to be extended to PCCs where external funds are not available. These loans are repayable over variable periods. At 31 December 2025 loan balances outstanding, prior to bad debt provision, were £376K.

The DBF considers these investments assist PCCs to achieve the mutual charitable objects of furthering the mission of the church within the diocese and complement the PCCs use of grant funding and local fundraising including pledged donations which are received over a number of years. Provision is made in the accounts for any assessed non-recoverable balances. The bad debt provision has been assigned both to the designated funds and unrestricted general funds.

People resources

The DBF and the parishes it serves are resourced with clergy, either licensed or with permission to officiate, including not only stipendiary parish priests, curates and archdeacons but also self-supporting ministers, chaplains, ministers with a House for Duty and many retired clergy. In addition, there are also lay ministers, either licensed or with permission to officiate, including readers, authorised lay ministers and lay chaplains.

The DBF is dependent on the huge number of people involved in church activities both locally and at diocesan level. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church, particularly at times of crisis. Within this context, the DBF greatly values the considerable time given by all committee members and other volunteers across the diocese in pursuit of the mission of the diocese.

In 2025, the average number of stipendiary clergy holding parochial, deanery or archidiaconal posts in the diocese was 157. The average level of vacancies in 2025 was estimated at 30 being 16.1% of all posts. This is an increase on the previous year (see note 14(b)).

Related Parties

The DBF identifies the following as related parties for the purpose of reporting:

General Synod, Church Commissioners and Archbishops' Council

The DBF has to comply with Measures passed by the General Synod of the Church of England and also makes certain annual payments to the Archbishops' Council towards the running costs of the national church. As disclosed in note 13 to the accounts, certain costs of the bishops, including stipends and pension contributions are borne by the Church Commissioners.

Parochial Church Councils (PCCs)

The DBF is required by Measure to be custodian trustee in relation to certain PCC property, but has no control over PCCs, which are independent registered or excepted charities. The accounts of PCCs and deaneries do not form part of these financial statements. PCCs are able to influence the decision making within the DBF and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Other

- *The Church of England Pensions Board* to which the DBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in retirement.
- *The Chapter of Wells Cathedral* from which the DBF receives modest alms. Some diocesan

events held in the Cathedral are paid for by the DBF. The DBF provides HR and Safeguarding services to the Chapter under service level agreements.

- *The Foundation of St Matthias* of which three DBF employees are trustees, from which the DBF receives grants for educational services.
- *The Bath and Wells Multi Academy Trust (BWMAT)*
  BWMAT rents out meeting space from the DBF and the DBF provided educational services to BWMAT during the year. BWMAT occupy school buildings under agreements with the DBF. The DBF does not exercise control over these buildings and therefore they are not recognised as assets in these financial statements. BWMAT's company name and number is The Bath and Wells Diocesan Academies Trust (08207095).
- *The Palace Trust, Wells*, of which the Bishop of Bath and Wells is a trustee.
- *Discretionary trust funds* administered by employees of the DBF. DBF trustees of these trusts are as follows:

The Stone Trust (5 DBF trustees, 1 DBF employee); The Herbert Trust (2 DBF Trustees); Bishop's Rib (1 DBF Trustee); Wells Clerical Charity (2 DBF trustees); The Archdeaconry of Taunton Fund for Clergy, their Widows and Dependants (1 DBF trustee); The Wynne Willson Scholarship Fund (2 DBF trustees); and The Bath Clerical Families Fund (2 DBF trustees). Except for the Bath Clerical Families Fund, management charges are paid by the trusts to the DBF and the DBF receives an annual grant from the Bishop's Rib towards the working costs of the three Archdeacons.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where the materiality of the transactions merits more detailed disclosure is given in note 13 to the financial statements.

B4 Future Plans

2026 will have a focus on honing our two significant systems of Deanery Reviews and Benefice Visits, moving from initial relationship building cycles to having a more concentrated strategic focus to ensure appropriate support and challenges are consistently delivered to enable growth and transformation.

With the approval of the 2026 budget and the framework for 2027 and 2028, the programme of work encapsulated in *Investing for Growth* will be developed for implementation. It is anticipated that some areas of work, such as the additional expenditure on clergy housing will begin in 2026, whereas design of the process for investment in mission in parishes/benefices will occur in 2026 with the implementation beginning in 2027.

2026 will see the Bishop's Council/DBF agreeing an approach for deep dives that will be an annual high-level exploration and review on each of our strategic priorities on a rolling cycle. This will enable the Bishop's Council/DBF to see what is working or may need adaption to achieve the strategic outcomes and to hold support services to account on work for;

  - what we are noticing in relation to the relevant outcomes

  - what we are learning? and are responses and adaptations implemented in the light of that learning?
  - what thinking is emerging in relation to the relevant strategic priority being reviewed, and how are we taking it forwards?
- In the context of RASCI, the deep dive enables:
  - Support services to be accountable to Bishops Council on work for which for which they are responsible
  - Bishops Council to be informed and/or consulted on that work, as appropriate for a strategic governance level [as opposed to the operational level where accountability sits within the line management structures]
  - Bishops Council to be well informed on areas of Control, Influence and Interest in relation to this strategic priority
  - Bishops Council are well informed to enable them to support and challenge both support services and local contexts in relation to this strategic priority

It is also anticipated that a suite of indicators will be agreed upon with Bishop’s Council/DBF for future monitoring.

While some work has been undertaken on investments diversification, 2026 should see the development of a property strategy including parameters to be met for further glebe acquisitions to be undertaken with the investment of £1.5m designated in the budget.

The move to the new Common Fund methodology of Benefice Share is increasing the share requests for the majority of our parishes/benefices and more of them are falling behind in their share payments. A focused process for following up with specific parishes/benefices and supporting them to achieve their payments will be agreed with the Finance Team and the Common Fund Committee, to compliment the support offered to all parishes and benefices that are unable to maintain full share payments.

As next year is the beginning of the new triennium, the national church will be renewing grant funding streams for church repairs and for work towards net zero carbon. Support Services will continue to support these grants and the Giving and Funding Team will continue to assist our parishes to maximise external funding opportunities to mitigate costs.

Work on our transforming communities strand of our strategy will begin in 2026 following the appointment of the new Bishop of Taunton.

B5 Risk Management

The Trustees have overall responsibility for risk management and internal controls.
Consequently, there is a risk management strategy designed to ensure that the principal risks to the organisation are identified and managed. The Trustees delegate to the Audit and Risk Management Group (ARMG) the task of ensuring that risks are appropriately considered and

brought to their attention.

Critical, Severe and Moderate Risks are identified and reviewed in a half yearly Risk Report. The report evaluates the severity and likelihood of each risk and outlines what steps are already being taken to mitigate the risk, and what the 'Reviewed' risk will be if further steps are taken. This assists Trustees in the management of risk including the determination of risk appetite.

During 2025 the risk register format was updated to improve its utility as a tool for the Trustees. There is little doubt that the risk profile of the Diocese has not significantly improved over the last twelve months and mitigating the strategic ongoing risks is paramount.

Principal Risks and Uncertainties arising from 2025

The organisation continued to consume reserves and use property sales to sustain the financial position of the Diocese with day-to-day costs exceeding normal income continuing despite efforts to constrain costs in a difficult inflationary environment.
Even though with significant efforts to re-build and grow church life there remain considerable strains on the capacity of parishes to improve their financial position and hence to support the Diocese as needed. It is difficult at this stage to know therefore whether the DBF restructuring, deployment plans, or the recently implemented revised common fund methodology will be sufficient.

Relying on investment gains to cover operating costs is not sustainable and is subject to unpredictability and market volatility.

Principal risks include the longer term implication on cash flow due to parish receipts not meeting budgeted levels and clergy levels not reducing to budget levels, in conjunction with a failure to develop new sources of income. Risks also include a possibility of continuing slow rebuilding of church membership and attendance with consequential difficulties of rebuilding parish reserves and funding Benefice Share. This is particularly highlighted by the significant number of parishes continuing to struggle to fulfil their benefice share commitments. Mitigations in place include regular performance monitoring and readiness to take corrective action if necessary; as well as significant levels of communication to parishes concerning the importance of Benefice Share and providing greater support for parishes.

As ever, safeguarding remains a high-level risk to which significant resources are invested in mitigation.

Some progress has been made in the implementation of recommendations coming out of the major review of governance structures undertaken in 2021 and the recommendations of the INEQE audit undertaken in March 2025.

Further implementation work continued during 2025 pushing forward the engagement of Trustees in articulating the decision-making processes within the diocese, and allowing for streamlining to occur where practicable to seek to ensure a nimbler response in the face of the uncertainties and the requirements, perhaps, for making hard decisions.

C Structure and Governance

C1 Organisation and decision making structure

The statutory governing body of the diocese is the Diocesan Synod, which is an elected body with representation from all parts of the diocese. Its legal basis is the Synodical Government Measure 1969. Membership consists of ex-officio members, including the bishops and archdeacons, clergy members elected by the houses of clergy and lay persons elected by the houses of laity in deanery synods, up to five other persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the Bishop of Bath and Wells. The Diocesan Synod normally meets three times a year during March, July and October and elects members to serve as trustees on the Bishops' Council.

Since 1 April 2008 the members of the Bishop's Council (which is the standing committee of the Diocesan Synod) have also formed the Board of Directors (the Board) of the DBF, and the members of the Diocesan Synod have been the members of the DBF. There is a Finance Group of the Bishop's Council, which acts for and assists the Board in its more detailed work. The Board has delegated responsibility for the day-to-day management of the DBF to the Diocesan Secretary who is supported by a management team. The Diocesan Secretary also meets regularly with the three archdeacons.

C2 Trustee recruitment, selection and induction

The Board includes:

- Ex-officio Trustees
- Trustees who have been elected by Synod to serve for three years, and
- Trustees appointed by the Bishop of Bath and Wells for the same term.

All new Trustees are given an induction pack with key information about the DBF, their role as Trustees and their role as company directors. All Trustees receive induction training when first appointed and receive ongoing training, as appropriate.

C3 Remuneration of key management personnel

Emoluments of higher paid employees are determined by the Conditions of Service Group. Remuneration is set following a remuneration policy which includes regular appraisals, and remuneration and salary benchmarking. The policy has been approved by the Board. Details of the aggregate remuneration of key management personnel is shown in note 14 to the accounts.

C4 Funds held as custodian trustee

The DBF 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 PCCs and others. These assets are not aggregated in the financial statements as the DBF does not control them, and they are segregated from the DBF's own assets by means of a separate bank account and accounting system. Further details of financial trust assets, whose market value amounted to £12.5m at 31 December 2025 (2024 - £12.7m), are available from the DBF on request, and are summarised in note 29. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the DBF.

C5 Funds held on behalf of schools and Zambian dioceses

The DBE is incorporated within the DBF and receives contributions from governors of church schools within the diocese and government grants in connection with major repair and capital projects to church schools. The DBE administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the DBE and as such the income does not form part of these financial statements. The amount held at 31 December 2025 was £363,239 (2024 - £610,346).

The DBF manages UK bank accounts for the link dioceses in Zambia as managing agents. The monies do not belong to the DBF and as such do not form part of these financial statements. The amount held at 31 December 2025 was £21 (2024 - £20).

D Trustees' Responsibilities

D1 Trustees' Responsibilities for Annual Reports and Accounts

The Trustees are responsible for preparing the Trustees' Report, incorporating the Strategic Report, in accordance with applicable law and regulations.

Company law requires the Trustees (in their capacity as directors) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the net income or expenditure of the company for that year.
In preparing those financial statements the trustees are required to:

- select the most suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP (FRS102), 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 presume that the company will continue in business.

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

D2 Statement of disclosure to the auditors

The trustees have taken all the necessary steps to ensure that they are aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

D3 Appointment of auditors

A resolution to reappoint Sayer Vincent LLP as auditors to the company and to authorise the Trustees to fix their remuneration will be proposed at the Annual General Meeting.

No trustee had any beneficial interest in the company during 2025. The names of the Trustees (who also act as directors) who served during the period 1 January 2025 to the date of approval of these accounts are shown in section F. Trustees' remuneration and expenses are detailed in note 13 to the accounts.

The trustees declare that they have approved the trustees' report (incorporating the strategic report) above.

Signed on behalf of the Board

Rt Revd N M R Beasley
Trustee

E K Renshaw-Ames
Chair

Date:

E Legal and Administrative Details

Registered Office	Flourish House 2 Cathedral Avenue Wells Somerset BA5 1FD
Telephone	01749 670777
E-mail	general@bathwells.anglican.org
Website	www.bathandwells.org.uk

Chairs

DBF Chair and Chair of the Finance Committee	Mrs E K Renshaw-Ames BA FCA
DBF Vice-Chair and Chair of the Houses Committee	Dr A A Palmer LLM PhD FCIB
DBF Vice-Chair and Chair of the Conditions of Service Group	Mrs M Lee BSc
Chair of Investments Committee	Mrs E K Renshaw-Ames BA FCA
Chair of Common Fund Committee	The Venerable C Peer
Chair of the Audit and Risk Management Group	The Revd D Perreau (until 26 February 2026)

Officers

Diocesan Secretary	Mrs J Hollingsworth
Assistant Diocesan Secretary	Mr P Evans BA ACIS
Head of Finance and Operations	Mr M Pinnock BSc FCA
Head of Property and Glebe	Mr J Millard BSc MRICS
HR Manager	Ms E Andrews MSc
Safeguarding Adviser	Mr B Goodhind BSc BA DIPS

Agents

Solicitor and Diocesan Registrar	C Jones LLB
Consultant Land Agents	Greenslade Taylor Hunt 1 High Street Chard Somerset TA20 1QF
Auditors	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD
Investment Managers	Brewin Dolphin Pynes Hill Woodwater Park Exeter EX2 5FD LGT Vestra 14 Cornhill, London EC3V 3NR CCLA Investment Management Limited Senator House 85 Queen Victoria St London EC4V 4ET

F Members and Trustees

The members of the Bath and Wells Diocesan Synod are members of the DBF. Similarly, members of the Bishop's Council are directors and trustees of the DBF.

The Bishop's Council consists of the following members:

- Ex-officio – the Bishop of Bath and Wells (the President), the Bishop of Taunton, the Archdeacons, the Dean of Wells, the Vice-Presidents (Chairs of Diocesan Synod House of Clergy and Laity)
- Nominated – Up to five lay members nominated by the president, including the Chairs of the DBF and DBE
- Elected – five members (two clergy and three lay) of the three archdeaconries

The Bishop's Council appoints the Finance Group with delegated powers to manage the operational financial affairs of the DBF.

The following served as Directors and Trustees for the period from 1 January 2025 to 14 June 2026

Ex officio

The Rt Revd N M R Beasley
The Rt Revd R Worsley (resigned 2 May 2025)
The Rt Revd F R Gibson (appointed 6 February 2026)
The Venerable A Gell (resigned 31 May 2026)
The Venerable S Hill
The Venerable C Peer
The Very Revd T Wright
The Revd R Driver
Dr C Mason

Bishop of Bath and Wells' nominees

Ms T J Khodabandehloo
Mrs M Lee
Dr A A Palmer
The Revd N Tegally
Mrs E K Renshaw-Ames

Elected

Bath Archdeaconry

The Revd M A C Andrews
The Revd C E Philbrick (appointed 24 April 2025)
Mr P Edge
Mr J Loring
Mr H Taylor

Wells Archdeaconry

The Revd R J Miles
The Revd R Stuart-Bourne
Mr R Dean
Mr K Lawrence
Dr R Sage (resigned 5 May 2026)

Taunton Archdeaconry

The Revd A E Fulton
The Revd J P Ball (appointed 12 May 2025)
Mr M Hodson
Mrs A K Philcox (appointed 24 April 2025)
Mrs K Tucker

Independent Auditor's Report

Opinion

We have audited the financial statements of The Bath and Wells Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' annual report, including the strategic report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic 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 trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statements
As explained more fully in the statement of trustees’ responsibilities set out in the trustees’ annual report, 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. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following: 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 the Companies Act 2006 and the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

- We enquired of management, and the Audit and Risk Management Group, which included obtaining and reviewing supporting documentation, concerning the charity’s policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of The Bath and Wells Diocesan Board of Finance

For the year ended 31 December 2025

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.

Noellia Serrano (Senior Statutory Auditor)
For and on behalf of Sayer Vincent LLP, Statutory Auditors

110 Golden Lane
London
EC1Y 0TG

The Bath and Wells Diocesan Board of Finance
Statement of Financial Activities
For the year ended 31 December 2025

	Note	Unrestricted Funds General	Unrestricted Funds Desig-nated	Restric-ted Funds	Endow-ment Funds	Total Funds 2025	Total Funds 2024
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Income and endowments from							
Donations							
Parish Contributions	2a	9,592	-	247	-	**9,839**	9,665
Other donations	2b	57	77	899	-	**1,033**	1,078
Charitable activities	3	625	-	23	-	**648**	599
Other activities	4	1,250	-	13	-	**1,263**	1,114
Investments	5	806	2	103	238	**1,149**	1,060
Other Income	6	899	-	2	1,007	**1,908**	3,485
Total income and endowments		**13,229**	**79**	**1,287**	**1,245**	**15,840**	**17,001**
Expenditure on							
Raising funds	7	551	1	3	62	**617**	502
Charitable activities	8	13,352	289	1,264	92	**14,997**	14,357
Total expenditure		**13,903**	**290**	**1,267**	**154**	**15,614**	**14,859**
Net (expenditure) / income before investment gains		**(674)**	**(211)**	**20**	**1,091**	**226**	**2,142**
Net gains on investments	9	90	13	37	1,784	**1,924**	**1,792**
Net (expenditure) / income		**(584)**	**(198)**	**57**	**2,875**	**2,150**	**3,934**
Transfers between funds	15	1,363	(12)	159	(1,510)	**-**	-
Other recognised gains							
Remeasurement gains on defined benefit pension schemes	27	-	-	-	-	**-**	-
Net movement in funds		**779**	**(210)**	**216**	**1,365**	**2,150**	**3,934**
RECONCILIATION OF FUNDS							
Total funds brought forward		2,351	8,075	4,793	93,887	**109,106**	105,172
Total funds carried forward	23	**3,130**	**7,865**	**5,009**	**95,252**	**111,256**	109,106

All activities derive from continuing activities. The notes on pages 33 to 76 form part of the financial statements.

	Total 2025 £'000	Total 2024 £'000
Total income	14,595	13,398
Total expenditure	15,460	14,700
Net operating expenditure for the year	**(865)**	(1,302)
Net gains on investments	140	186
Net expenditure for the year	**(725)**	(1,116)
Total comprehensive expenditure	**(725)**	(1,116)

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

The Bath and Wells Diocesan Board of Finance
Balance Sheet
For the year ended 31 December 2025

Balance Sheet - Company No. 139557	Note	2025 £'000	2024 £'000
Fixed Assets			
Intangible assets	16	1	2
Tangible assets	17	64,366	66,395
Investments	18	41,537	39,924
		105,904	106,321
Current Assets			
Stock		5	5
Debtors	19	1,851	1,940
Cash on deposit	21	1,773	1,592
Cash at bank and in hand	21	6,062	4,595
		9,691	8,132
Creditors: amounts falling due within one year	22	(1,981)	(1,998)
Net Current Assets		**7,710**	6,134
Total Assets Less Current Liabilities		**113,614**	112,455
Creditors: amounts falling due after more than one year	22	(2,358)	(3,349)
Pension scheme liabilities	27	-	-
Net Assets		**111,256**	109,106
Funds			
Endowment funds		95,252	93,888
Including revaluation reserve of £20,823k (2024 - £19,851K)			
Restricted income funds		5,009	4,792
Including revaluation reserve of £285k (2024 - £246K)			
Unrestricted income funds:			
General funds		3,130	2,351
Including revaluation reserve of £272k (2024 - £235K)			
Designated funds		7,865	8,075
Including revaluation reserve of £96k (2024 - £83K)			
Total Funds	23	**111,256**	109,106

The Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 30 June 2026 and signed on behalf of the Board by:

Rt Revd N M R Beasley
Trustee

Mrs E K Renshaw-Ames
Trustee

2025 2024

The Bath and Wells Diocesan Board of Finance

Cash Flow Statement

For the year ended 31 December 2025

	£'000	£'000
Cash flows from operating activities		
Net cash (outflow)/inflow from operating activities	**(22)**	576
Cash flows from investing activities		
Dividends, interest and rent from investments	1,108	1,054
Proceeds from the sale of:		
Tangible fixed assets	4,255	4,884
Fixed asset investments	4,670	10,839
Purchase of:		
Tangible/Intangible fixed assets for the use of the DBF	(584)	(1,975)
Fixed asset investments	(6,282)	(12,271)
Net cash provided by investing activities	**2,542**	2,531
Cash flows from financing activities		
Loans repaid by the DBF	(872)	(1,383)
New loans received by the DBF	-	-
Net cash provided by financing activities	**(872)**	(1,383)
Change in cash and cash equivalents in the year	**1,649**	1,724
Cash and cash equivalents at 1 January	6,186	4,462
Cash and cash equivalents at 31 December	**7,835**	6,186

Reconciliation of net income to net cash flow from operating activities

Net income for the reporting period (as per the Statement of Financial Activities)	**226**	2,142
Adjustments for:		
Investment gains	1,924	1,792
Depreciation and amortisation	143	193
Investment income	(1,108)	(1,054)
Notional interest in present value calculation	(41)	(6)
Repayment of loans advanced	271	198
Gain on disposal of fixed assets	(1,784)	(3,373)
(Increase) in debtors	(182)	(134)
Receipts of assets held for resale	-	448
(Decrease)/Increase in creditors	(96)	370
Net cash (outflow)/inflow from operating activities	**(22)**	576

Notes to the Financial Statements

1 Accounting Policies

The financial statements have been prepared under the historical cost accounting rules modified to include the revaluation of investments, and in accordance with SORP 2019, the FRS102 accounting standard and the Companies Act 2006. The DBF is a Public Benefit Entity as defined by FRS102.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiary on a line-by-line basis. The subsidiary is Bath and Wells DBF Services Ltd. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The surplus increase in funds of the parent charity for the year was £2.1m (2024: £3.9m). The balance sheet of the subsidiary at the year end is made up of only a bank balance.

i. A desktop valuation is carried out annually of Investment Properties by Greenslade Taylor Hunt, with a full external valuation carried out every five years. Any permanent diminution is taken to the income and expenditure account for the year; and
ii. No depreciation or amortisation is provided in respect of freehold investment properties.

This treatment, as regards the DBF’s investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the trustees consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any principal uncertainties, related events or conditions that may cast significant doubt on the ability of the DBF to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the DBF has adequate resources to continue in operational existence for the foreseeable future. The financial statements are prepared on a going concern basis.

The principal accounting policies and estimation techniques are as follows.

(a) Income

All income is included in the SOFA when the DBF is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

i. **Parish Share** is recognised as income of the year in respect of which it is receivable. Amounts undertaken to be paid by the parishes are only accrued if either payment is received by 31 January in the following year or there has been a definite commitment to pay.
ii. **Rent receivable and parochial fees** are recognised as income of the year to which they relate.
iii. **Interest and dividends** are recognised as income when receivable, in the case of dividends that is when the DBF's right to receive the dividends has been established (i.e. when the distribution has been declared).
iv. **Donations, grants and legacies** are recognised when receivable (except in the case of any grants with pre-conditions of entitlement specified by the donor which have not been met at the year end. These are included as creditors to be carried forward to the following year).
v. **Gains on disposal of fixed assets** for the DBF'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.
vi. **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.

(b) Expenditure

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

i. **Costs of raising funds** are 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 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 DBF, such grants being recognised as expenditure when the related conditions 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 primarily on the basis of head count.
v. **Pension contributions**. The DBF's staff are members of the Church Workers' Pension Fund (CWPF) and Clergy are members of the Church of England Funded Pensions Scheme (CEFPS). The pension costs charged as resources expended represent the DBF's contributions payable in respect of the year, in accordance with FRS102. As set out in

note 27 no deficit funding for the pension schemes to which the DBF participates is required.

(c) Intangible fixed assets

Computer software which is separable from the operation of computer hardware is classified as intangible assets in accordance with FRS102 and is amortised to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other software over their expected useful economic lives on a straight-line basis at a rate of 25% per annum.

(d) Tangible fixed assets and depreciation

i. **Investment properties**

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

ii. **Parsonage houses**

The DBF 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 DBF 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 at their cost or estimated market value at time of acquisition if received by gift or transfer.

Depreciation is not provided on the foregoing properties listed in (i) and (ii) above for the following reasons:

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.

Buildings are maintained in a sound condition by a continual repairs and improvements programme, the cost of which is charged to the income and expenditure account. 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 and any movements on the impairment are reflected in the SOFA.

iii. **Houses financed by Value Linked Loans**

The DBF holds an equity interest in a number of houses provided for separated clergy spouses financed by value linked loans from the Church Commissioners. FRS 102 requires the revaluation of loans annually to reflect the current market value of the equity interest. Accordingly, these houses are included at estimated market value matched by the loan value (included in long term liabilities).

iv. **Other tangible fixed assets**

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 expected useful economic lives on a straight-line basis at the following rates:

Leasehold Office buildings	1% per annum
Solar PV Panels	4% and 5% per annum
Fixtures and Fittings	10% per annum
Office Equipment	20% per annum
Computer Equipment	25% per annum

(e) Fixed Asset Investments

Fixed Asset Investments have been included on the following bases:

i. Listed investments at their quoted bid price at the balance sheet date.
ii. Unlisted investments at their market value at the balance sheet date, as provided by the CCLA Investment Management Limited.
iii. Investment land and property is included at market value based on its existing use.

It is the policy of the DBF to carry out a valuation of the investment properties every five years to establish market value. In the intervening period the DBF adjusts the market value in the light of information available if this is material. The DBF's professional agents valued 33% of the DBF's Glebe investment land assets at 31 December 2025.

Gains and losses on disposal and revaluation of investments are credited or charged to the appropriate fund in the SOFA.

The Diocesan Stipends Fund (DSF) and Stipends Capital Fund permanent endowments comprise assets including Glebe land, listed financial investments and unlisted financial investments which must be held as capital. The Stipends Capital Fund incorporates the Stipends Augmentation Trusts (SAT) fund. From 31 December 2019 the charity has operated a total return approach to the management of the Glebe land and listed and unlisted financial investments representing the DSF and SAT permanent endowment funds. Using this approach, the charity is required to analyse the funds between the amount held for investment and the unapplied total return. The charity is permitted to allocate, from the unapplied total return element to income funds, such sums as the Directors see appropriate provided the Directors exercise their statutory duty to be even handed between present and future beneficiaries and that they maintain the unapplied total return at such a level as to ensure it remains positive after having due consideration to the volatility of the investment markets.

Investments held by the DBF as Custodian Trustee are not included in these financial statements as assets of the DBF but are listed in note 29.

(f) Financial Instruments

All loans and borrowings which are basic financial instruments and; i) which are due for repayment in more than one year, and ii) bear interest at a rate lower than equivalent market rate, are recognised at the present value of cash receivable / payable (including interest). The DBF discount rate of 4% is used which is the rate of return which can reasonably be expected from DBF long term investments, and the effective interest rate amortisation is included in finance revenue / expenditure in the SOFA.

Equity Loans are included at market value.

(g) Funds

The DBF's funds have been grouped under the following headings:

i. **Unrestricted Funds**
Unrestricted funds are available for any charitable purpose of the DBF. Designated funds are a type of unrestricted fund which the DBF has earmarked for a particular purpose. There are no legally binding restrictions and the DBF is free to re-designate should this be appropriate.

ii. **Restricted Funds**
Restricted funds are subject to specific conditions imposed by the donor, these conditions being legally binding upon the DBF.

iii. **Endowment Funds**
Permanent endowment funds are a particular type of Restricted Fund which must be held on trust to be retained for the benefit of the DBF as a capital fund. Where the DBF must permanently maintain the whole of the fund it is known as a permanent endowment. Where there is discretion to convert endowed capital into income it is known as expendable endowment.

(h) Key areas of estimates and 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:

i. **Useful economic lives of fixed assets**
Other than investment properties and houses provided for clergy, fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed depending on a number of factors including product life cycles and maintenance programmes. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

ii. **Basis of non-depreciation of fixed assets**
Depreciation is not provided on Investment properties and houses held for clergy use for the reasons stated above (note 1d).

iii. **Revaluation of agricultural (glebe) and other land**
The DBF carries its agricultural (glebe) and other land at valuation with changes in value being recognised in the SOFA. A full revaluation of agricultural land is completed every five years. In intervening years approximately 30% of the land is valued annually and the average adjustment percentage is then applied to the full land portfolio, excluding land under offer which is valued at the offered sales value.

iv. Discount rates used in NPV calculations
The Board considers an appropriate discount rate to be used in NPV calculations is based on the opportunity cost of income foregone from investments.

v. Recoverability of parish loans
The Board has considered an appropriate level of provision for non-recoverability of loans given to parishes, estimating the potential shortfall in loan receipts or on-going Common Fund payments.

	Unrestricted Funds General £'000	Unrestricted Funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
2a Parish Contributions						
Parish Share						
Current year's allocation	11,353	-	354	-	**11,707**	11,331
Arrears for previous years	70	-	77	-	**147**	42
Allocation of Mutuality Support Fund	(136)	-	(6)	-	**(142)**	-
Shortfall in contributions	(1,695)	-	(178)	-	**(1,873)**	(1,708)
	9,592	**-**	**247**	**-**	**9,839**	9,665

Total Parish Share receipts represent 85.1% of the allocation (2024 – 85.3%)

	General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
2b Other Donations						
Benefact Trust	-	76	-	-	**76**	91
Foundation of St Matthias	-	-	61	-	**61**	58
RME Ordinands Grant	-	-	21	-	**21**	17
SMF Grant Funding	-	-	47	-	**47**	137
SDF Grant Funding	-	-	-	-	**-**	133
Low income Communities Funding	-	-	126	-	**126**	122
Post of First Responsibility	-	-	37	-	**37**	41
Net Carbon Zero - Capacity Building Grant	-	-	90		**90**	41
Flourish Worshipping Network Project	-	-	81		**81**	40
Movement (Youth) NCI Grant	-	-	56		**56**	86
Minor Repairs and Improvements Grants	-	-	117		**117**	17
Net Carbon Zero / Quick Wins Grants	-	-	59		**59**	-
Donations,Grants, Sponsorships & Legacies	57	1	204	-	**262**	295
	57	**77**	**899**	**-**	**1,033**	1,078
3 Charitable Activities						
Statutory fees and chaplaincy income	589	-	-	-	**589**	560
Course fees and other	36	-	23	-	**59**	39
	625	**-**	**23**	**-**	**648**	599
4 Other Activities						
Rental income from clergy houses, schools and the Diocese office	1,083	-	-	-	**1,083**	883
Support services	168	-	13	-	**181**	231
	1,250	**-**	**13**	**-**	**1,263**	1,114
5 Investment Income						
Dividends receivable	33	2	61	238	**333**	328
Interest receivable	137	-	42	-	**179**	206
Notional Interest re net present value	41	-	-	-	**41**	6
Income from Glebe land and properties	596	-	-	-	**596**	520
	806	**2**	**103**	**238**	**1,149**	1,060
6 Other Income						
Gain on disposal of properties	777	-	-	1,007	**1,784**	3,367
Solar PV Panel FiT Income	120	-	-	-	**120**	116
Other	2	-	2	-	**4**	2
	899	**-**	**2**	**1,007**	**1,908**	3,485

	Unrestricted General £'000	Funds Desig-nated £'000	Restr-icted Funds £'000	Endow-ment Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
7 Costs of raising funds						
Stockbroker's fees	6	1	3	62	**72**	63
Value Linked loans interest	9	-	-	-	**9**	10
Glebe Land & Clergy Houses letting costs	536	-	-	-	**536**	429
	551	**1**	**3**	**62**	**617**	502
8 Charitable activities						
Contribution to Archbishops' Council						
Training for Ministry	357	-	27	-	**384**	390
National Church Responsibilities	230	-	-	-	**230**	233
Grants and provisions	40	-	-	-	**40**	40
Mission Agency pension contributions	13	-	-	-	**13**	-
Retired Clergy Housing (CHARM) & Grants	167	-	-	-	**167**	162
Pooling of ordinand candidates' costs	155	-	-	-	**155**	28
	962	**-**	**27**	**-**	**989**	853
Resourcing Ministry and Mission						
Parish Ministry:						
Stipends and Social Security	5,052	77	359	-	**5,488**	5,513
Pension contributions	953	-	30	-	**983**	1,243
Housing costs	1,792	-	312	69	**2,173**	1,933
Removal, resettlement and other grants	241	-	-	-	**241**	236
Other expenses	31	-	-	-	**31**	34
	8,069	**77**	**701**	**69**	**8,916**	8,959
Support for ministry	3,954	212	536	23	**4,724**	4,267
	12,023	**289**	**1,237**	**92**	**13,640**	13,226
Expenditure on Education						
Church Schools: Administration	367	-	-	-	**367**	278
	13,352	**289**	**1,264**	**92**	**14,997**	14,357

	Unrestricted Funds General £'000	Unrestricted Funds Desig-nated £'000	Restr-icted Funds £'000	Endow-ment Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
9 Gains on Investment Assets						
Unrealised gains after revaluation (*)	64	11	31	1,542	**1,648**	1,647
Realised gains on disposal	26	2	6	242	**276**	145
	90	**13**	**37**	**1,784**	**1,924**	1,792

(*) includes £0.2m gain in relation to the revaluation of Glebe Agricultural Land (2024 - £0.6m).

10 Analysis Of Expenditure Including Allocation Of Support Costs

	Activities undertaken Directly £'000	Grant funding of activities £'000	Support Costs £'000	Total 2025 £'000	Total 2024 £'000
Raising Funds	617	-	-	**617**	502
Charitable Activities:					
Contributions to Archbishops' Council	-	989	-	**989**	853
Resourcing ministry and mission	11,901	192	1,547	**13,640**	13,226
Education	331	-	36	**367**	278
	12,849	**1,181**	**1,583**	**15,614**	14,859

11 Analysis Of Support Costs	Unrestricted Funds General £'000	Unrestricted Funds Desig-nated £'000	Restr-icted Funds £'000	Endow-ment Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
Central Administration	1,490	-	-	-	**1,490**	1,417
Support for Schools	-	-	36	-	**36**	33
Governance:						
External Audit	40	-	-	-	**40**	34
Diocesan and General Synod Expenses	17	-	-	-	**17**	20
	1,547	**-**	**36**	**-**	**1,583**	1,504

12 Analysis Of Grants Made

	No. of Grants	Total Grants to individuals £'000	Total Institutional Grants £'000	2025 £'000	2024 £'000
a) National Church Responsibilities					
From Unrestricted General funds to:-					
Archbishops' Council, General Synod, etc.	1	-	230	**230**	233
Training Ordinands	1	-	384	**384**	390
Grants and Provisions	1	-	40	**40**	40
Inter-diocesan support of Mission Agency clergy pension contributions	1	-	13	**13**	-
CHARM	1	-	167	**167**	162
National Pooling adjustment		-	155	**155**	28
	5	-	**989**	**989**	853
b) General Grants					
From Unrestricted General Funds to:-					
Ordinands in training	17	13	-	**13**	52
Bath and West Show Tent	1	-	1	**1**	2
	18	**13**	**1**	**14**	54
From Restricted Funds to:					
Zambian Dioceses	1	-	-	**-**	2
PCCs	30	153	-	**153**	-
Other individuals	2	4	-	**4**	-
Clergy (including retired and clergy widows)	5	21	-	**21**	3
	38	**178**	**-**	**178**	5
Total Grants Payable	**61**	**191**	**990**	**1,181**	912

13 Trustees and Related Parties

In 2025 the trusts which are administered from the DBF's registered office paid management charges of £4,496 to the DBF (2024 - £4,496).

The Rib Trust made a grant of £38,000 to the Board (2024 - £38,000) towards the Archdeacons' working costs. The Foundation of St Matthias made a grant to the Diocesan Board of Education of £57,500 (2024 - £34,500) towards the work of the School RE Advisers, Resource Centre and Further Education development. There were no amounts outstanding at the end of the year.

Trustees' emoluments

No trustee received any remuneration for services as trustee, 13 trustees (2024 - 13) were reimbursed with a total of £11,593 (2024 - £19,525) for the cost of travel and subsistence incurred in the course of services performed as trustees in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as trustees.

13 Trustees and Related Parties (continued)

Stipends and other benefits received by trustees in respect of their capacities other than trusteeship, serving as ecclesiastical office holders through the Church Commissioners (at the expense of the DBF unless indicated) were:

Office Holder	Individual	Stipendiary package
The Bishop of Bath And Wells	The Rt Revd M Beasley	**Funded by the Church Commissioners:** £51,421 stipend & defined benefit pension scheme, living accomodation & car for official use.
The Bishop of Taunton	The Rt Revd R Worsley (resigned 2 May 2025)	**Funded by the Church Commissioners:** £41,951 stipend, car for official use & defined benefit pension scheme **Funded by the DBF:** Living accommodation
Archdeacons	The Ven S Hill The Ven A Gell The Ven C Peer	£42,388 stipend, defined benefit pension scheme and living accomodation.
	Revd M Andrews Revd J B Ball (from 12 May 2025) Revd A Fulton Revd C E Philbrick (from 24 April 2025) Revd R Driver	£31,328 stipend, defined benefit pension scheme and living accomodation.
	Revd R Miles	£31,328 stipend plus housing allowance

In total 10 (2024 - 10) trustees received stipends and pension contributions as follows:

	2025	2024
	£	£
Stipends	303,384	293,346
Pension Contributions	59,890	62,212
	363,274	355,558

The value of church provided housing in 2025 to the clergy and bishops cannot be estimated. The value of housing costs requested to each clergy post in the Benefice share calculation for 2025 was £10,575 per clergy post

14 Staff And Office holders

14a Staff Costs

	2025 £'000	2024 £'000
Staff costs during the year were as follows:		
Wages and salaries	2,489	2,409
National insurance contributions	296	232
Pension costs	259	248
	3,044	2,889

During the year, the DBF made termination payments in respect of three members of staff (2024 - 3) totalling £11,709 (2024 - £10,088). This amount is included in staff costs above.

The average number of employees during the year was:	**No.**	No.
Mission Support and Ministry Development	25.6	29.4
Non stipendiary ministry including pioneers	3.1	6.6
Other support services	32.7	32.9
Education	14.0	14.0
	75.3	**82.9**

The average number of employees during the year, based upon full-time equivalents, was: (*)	**No.**	No.
Mission Support and Ministry Development	19.2	18.8
Non stipendiary ministry including pioneers	2.9	5.8
Other support services	27.5	26.9
Education	10.3	10.3
	59.9	**61.8**

(*) Including 2.0 (2024 - 2.0) staff whose time was recharged or funded by external organisations

Of the average number of employees, 44 were based in the Diocesan office (2024 - 44), 10 were based in other locations (2024 - 6) and 7 were based in Parishes and Deaneries (2024 - 10).

Mission Support and Ministry Development is made up of three teams: Deanery and Parish Support, Mission Development and Ministry Training and Formation. Other support services is made up of seven teams: Communications, Facilities, Finance, HR, Property, Safeguarding and Secretariat. Education is made up of three teams: Schools Organisation, Schools Effectiveness and Growing Faith and Everyday Faith.

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

	2025	2024
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
£80,000 - £90,000	1	1

Pension contributions of £30,734 (2024: £29,232) were made for these employees.

14a Staff Costs (continued)

Remuneration Of Key Management Personnel

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

Role	Office Holder
Diocesan Secretary and Company Secretary	Jenny Hollingsworth
Head of Finance and Operations	Matthew Pinnock
Director of Education	Edward Gregory
Head of Mission Support and Ministry Development	Julia Hill

Remuneration, pension contributions and expenses for 4 (4 FTE) (2024 - 4 (4 FTE)) key management personnel were as follows:

	2025	**2024**
	£'000	£'000
Salaries/ Stipends	307	293
National Insurance contributions	42	35
Pension Contributions	31	29
	380	357
Expenses	**3**	2

14b Office holders

	2025	2024
	FTE	FTE
Office holders not employees	**No.**	No.
The average number of stipendiary clergy holding parochial, deanery or archidiaconal posts in the diocese was:	**157**	161
At a cost of:	**£'000**	£'000
Stipends & Housing Allowances	5,024	5,148
National Insurance Contributions	538	425
Apprenticeship Levy	23	23
Pensions contributions	984	1,243
	6,569	6,839

The number of FTE stipendiary clergy in 2025 has reduced partly due to the commenced reductions in stipendiary posts and availability of stipendiary clergy to fulfill our vacancies. The average level of vacancies in 2025 was estimated at 30 (2024 - 24), being 16.1% of all posts (2024 - 14.9% of all posts).

15 Analysis Of Transfers Between Funds

	Unrestricted Funds General £'000	Unrestricted Funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer to Tangible Fixed Assets fund	12	(12)	-	-
Unapplied total return drawdown	1,351	-	-	(1,351)
Net transfer parsonages to/(from) DPA account	0	-	345	(345)
Transfer of Schools Capital Fund	0	-	(186)	186
	1,363	**(12)**	**159**	**(1,510)**

16 Intangible Fixed Assets

	Computer Software £'000
Cost	
At 1 January 2025	171
Additions	-
Disposals	-
At 31 December 2025	**171**
Amortisation	
At 1 January 2025	169
Charge for the year	1
At 31 December 2025	**170**
Net book value	
At 31 December 2025	1
At 31 December 2024	2

17 Tangible Fixed Assets	Freehold/ Leasehold Land and Buildings	Solar PV Panels	Office Equip't	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2025	66,260	709	1,304	**68,273**
Additions	563	-	21	**584**
Disposals	(2,487)	(13)	-	**(2,500)**
At 31 December 2025	**64,336**	**696**	**1,325**	**66,357**
Depreciation and Impairment				
Depreciation at 1 January 2025	127	367	943	**1,437**
Impairment at 1 January 2025	441	-	-	**441**
Depreciation charge for the year	27	31	84	**142**
Disposals	(27)	(2)	-	**(29)**
At 31 December 2025	**568**	**395**	**1,027**	**1,991**
Net book value				
At 31 December 2025	**63,768**	**301**	**298**	**64,366**
At 31 December 2024	65,692	342	361	66,395

Freehold / Leasehold Land and Buildings		**2025 No.**	**2025 £'000**	2024 No.	2024 £'000
Freehold					
Benefice property:	Parsonage houses	**155**	**40,360**	161	42,138
Glebe property:	Curates' houses	27	7,832	27	7,832
	Other houses	25	6,458	25	6,458
		52	**14,290**	52	14,290
Corporate property:	Curates' houses	2	563	2	563
	Other houses	21	5,353	22	5,474
Houses bought with val. linked loans (at valuation)		2	362	2	362
Edginton house		1	281	1	281
		26	**6,559**	27	6,680
Leasehold					
Long leasehold		1	**2,558**	1	2,584
Total Freehold / Leasehold Land and Buildings		**234**	**63,767**	**241**	**65,692**
School Land & Buildings					
School Land & Buildings		121	-	121	-

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

Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. These are stated at valuation, as is the related loan liability (note 22).

Of the total land and buildings at 31 December 2025, 232 properties (£63,405k) are valued at cost or deemed cost (2024 - 239), and two properties (£362k) at valuation (2024 - two).

Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

During the year no buildings were impaired, where their market value was estimated to be below their cost.

	Agricultural Land	Other Land & Property	Unlisted Investments	Listed Investments	Total 2025
18a Fixed Assets Investments	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2025	20,477	869	79	18,499	**39,924**
Additions	-	-	-	6,062	**6,062**
Disposals	(64)	-	-	(6,255)	**(6,319)**
Revaluation	681	-	(2)	1,191	**1,870**
At 31 December 2025	**21,095**	**869**	**76**	**19,497**	**41,537**
Cost at 31 December 2025	Not known	Not known	**18**	**17,815**	
Cost at 31 December 2024	Not known	Not known	18	16,937	

	2025	2024
Investments comprise:-		
Listed Investments (Equities)	**£'000**	£'000
UK Investments	**3,563**	2,956
Non-UK Investments	**11,789**	10,668
	15,352	13,624
Listed Investments (Unit Trusts)		
UK Investments	**142**	491
Non-UK Investments	**237**	235
	379	726
Listed Investments (Fixed Interest)		
UK Investments	**1,364**	2,218
Non-Uk Investments	**2,451**	1,931
	3,815	4,149
Listed Investments Total	**19,546**	18,499

(iii) Unlisted Investments	**£'000**	£'000
Nil Central Board of Finance of the Church of England Investment Fund Share (2024 - NIL)	**-**	-
3,139 COIF Charity Investment Fund Income Shares (2024 - 3,139)	**61**	64
Nil Central Board of Finance of the Church of England Fixed Interest Fund Shares (2024 - NIL)	**-**	-
Somerset Savings and Loans Ltd	**16**	16
	77	80

(iv) Other Land and Property	**2025**	2024
	£'000	£'000
Glebe Property	**840**	840
Other Land	**29**	29
	869	869

18b Application of the Power of Total Return on Investments

As disclosed in the Investment policy of the Trustees report from 31 December 2019 the DBF adopted a total return approach to investments with regard to the Glebe land, listed financial investments and unlisted financial investments portfolios of the DSF and SAT permanent endowments. The investment power of total return permits the DBF to invest the permanent endowment of the Diocesan Stipends Fund (DSF) and Stipends Augmentation Trusts (SAT) element of the Stipends Capital Fund in order to maximise total return and apply an appropriate portion of the unapplied total return (UTR) each year. Until the power is exercised to transfer a portion of the UTR to income funds, the UTR remains part of the permanent endowment.

The initial value for implementing total return for investments was determined at 31 December 1995 and valued at £8.571m and £0.688m for the DSF and SAT funds, respectively. This was the amount held in Glebe property and listed and unlisted financial investments at this date. The UTR was calculated as at 31 December 2019 and valued at £19.457m and £0.331m for the DSF and SAT funds, respectively. This represents the increase above inflation of the value of these investments since the initial valuation, adjusted for the introduction of any new investment in the portfolios since initial valuation.

		Trust for investment £'000	UTR £'000	Total Endowment £'000
(i)	**Diocesan Stipends Fund (DSF)**			
	At 1st January 2025			
	Base value of permanent endowment	17,019	-	17,019
	Unapplied Total Return	-	18,180	18,180
	Total	17,019	18,180	35,199
	Movements in the reporting period			
	Indexation of base level of endowment	580	(580)	-
	Unapplied total return allocated to income in the year	-	(1,294)	(1,294)
	Investment return: dividends and interest	-	181	181
	Investment return: Glebe rents	-	419	419
	Investment returns: Realised and unrealised gains and (losses)	-	440	440
	Less investment management costs	-	(31)	(30)
	Total	**580**	**(864)**	**(284)**
	At 31st December 2025			
	Base of the permanent endowment	17,599	-	17,599
	Add indexation of base level of endowment			-
	Unapplied Total Return	-	17,316	17,316
	Total	**17,599**	**17,316**	**34,915**

During the year, there was a transfer of £1,294K from UTR to income funds for expenditure in relation to the Diocesan Vision, in line with the Diocese Total return policy of 4% of average endowed investment value plus Glebe rents.

(ii) Stipends Augmentation Trusts (SAT)	Trust for investment £'000	UTR £'000	Total Endowment £'000
At 1st January 2025			
Base value of permanent endowment	1,313	-	1,313
Unapplied Total Return	-	160	160
Total	1,313	160	1,473
Movements in the reporting period			
Indexation of base level of endowment	45	(45)	-
Unapplied total return allocated to income in the year	-	(57)	(57)
Investment return: dividends and interest	-	33	33
Investment returns: Realised and unrealised gains and (losses)	-	75	75
Less investment management costs	-	(5)	(5)
Total	**45**	**2**	**46**
At 31st December 2025			
Base of the permanent endowment	1,358	-	1,358
Unapplied Total Return	-	162	162
Total	**1,358**	**162**	**1,520**

During the year, there was a transfer of £57K from UTR to income funds for expenditure in relation to the Diocesan Vision, in line with the Diocese Total return policy of 4% of average endowed investment value.

18c Subsidiary investments

Subsidiary name	Company number	Share Capital
Bath and Wells DBF Services	12396582	Limited by guarantee B&WDBF sole member

The transactions and balances for the subsidiary were as follows:

	2025	2024
Income (£000s)	**138**	77
Expenditure (£000s)	**3**	4
Assets (£000s)	**150**	93
Liabilities (£000s)	**150**	93
Net Assets (£000s)	**-**	-

		2025	2024
19	**Debtors**	**£'000**	£'000
	Due within one year		
a)	Parish Share and other accrued income	779	398
b)	Central Board of Finance Deposit Fund Loans	7	45
c)	Loans to PCCs from Designated Fund or FCG	25	84
d)	School Loans	89	62
e)	Other Loans	1	1
d)	Closed School Expenses and other School debtors	-	172
f)	Other Debtors and Prepayments	508	571
g)	Equity Loans	427	418
		1,836	1,751
	Due after one year		
b)	Central Board of Finance Deposit Fund Loans (*)	-	23
c)	Loans to PCCs from Designated Fund or FCG (*)	15	166
		15	189
	Total debtors	**1,851**	1,940

(*) these amounts are stated at net present value using a discount rate of 4%

Debtors Notes:

(a) Parish Share and other accrued income

Parish Share debtors comprise balances of requested contributions outstanding which have been paid in full after the year end or where an arrangement to receive income has been agreed.

(b) Central Board of Finance Deposit Fund loans

These are loans made by the DBF from the CBF Deposit Fund under the Church Funds Investment Measure 1958 for forward lending to parishes and are therefore shown both in Debtors and Creditors. Loans are normally provided for a period of five or ten years and are repayable by equal annual instalments. The rate of interest is equivalent to the monthly average rate declared by the CCLA CBF Deposit Fund plus 0.55%.

(c) Loans to PCCs from Diocesan Loan Fund

These are loans advanced from the £1m designated Diocesan Loan Fund repayable over various terms up to 20 years and at various interest rates.

(d) School Loans

The DBF acts as 'banker' to school governors for capital and repair works at voluntary aided schools. The accounts are paid by the DBF and the costs are recovered from the Department for Education, the Local Education Authority and the governors themselves for their respective liabilities.

(e) Other Loans

This amount includes loans to individuals from restricted charitable funds and staff car loans.

(f) Other Debtors and Prepayments
This figure is made up of sundry debtors, prepayments, accrued interest and dividends, rents recoverable and expenses on closed schools to be recovered upon sale, and accrued bond interest.

(g) Equity Loans
Equity loans are made to retired clergy and clergy spouses to enable them to purchase property on a shared equity basis. At 31 December 2025 the value of loans advanced amounted to £427,007 in respect of three properties.

20 Assets held for resale	**2025** **£'000**	2024 £'000
Closed churches awaiting disposal	**-**	-

At 31 December, the DBF is responsible for two closed church buildings in Chelwood and Washford.

Included in the debtors are costs incurred, expected to be reimbursed of £72,856. There is no expectation to any further net income to the DBF as a result of disposing of these churches.

21 Cash at bank and on deposit	**Unrestricted Funds**	**Restricted Funds**	**Endowment Funds**	**2025 Total**	2024 Total
	£'000	**£'000**	**£'000**	**£'000**	£'000
Cash on deposit	849	492	259	**1,600**	1,461
Cash at bank and in hand	4,865	1,121	76	**6,062**	4,595
Cash held by broker for investment	58	9	106	**173**	131
	5,772	**1,622**	**441**	**7,835**	6,187

		2025	2024
22	**Creditors**	**£'000**	£'000
	Due within one year		
b)	Central Board of Finance Deposit Fund Loans (*)	**143**	-
a)	Bank loans	**317**	341
	Fund for Church Growth grants approved not yet paid	**5**	35
	Closed Church Schools	**566**	486
	Other Creditors and Accruals	**950**	1,136
		1,981	1,998
	Due after one year		
a)	Bank loans	**1,997**	2,173
b)	Central Board of Finance Deposit Fund Loans (*)	**-**	814
c)	Value Linked Loans	**362**	362
		2,358	3,349

(*) these amounts are stated at net present value using a discount rate of 4%

Creditors Notes

(a) Bank Loans

During the year, there were a number of loan agreements with NatWest bank, two were repaid in full, leaving three loan agreements outstanding.

(b) Central Board of Finance Deposit Fund Loan

This loan was made to the DBF from the Deposit Fund under the Church Funds Investment Measure 1958 for forward lending to parishes. In 2016 £1m was loaned to the DBF for 10 years on an interest only basis to allow loan funds to be committed and available to be drawn by parishes when required. Repayments have been made in the year and the present value of this loan was £143,261 at 31 December 2025. The rate of interest is equivalent to the monthly average rate declared by the CCLA CBF Deposit Fund plus 0.55%.

(c) Church Commissioners' Value Linked Loans

The loans are repayable either when the houses concerned are sold or cease to be occupied by a licensed lay worker or clergy spouse whose marriage has broken down. Interest is charged by the Commissioners on the amount loaned initially and borne by the DBF, rising annually by the increase in the Retail Price Index. The loans are represented by Freehold land and buildings (note 17).

The Diocesan Annual Report and Financial Statements Guide recommends that the loans should be revalued annually in line with the basis adopted by the Church Commissioners. The recommendation has now been adopted by the DBF and the corresponding fixed assets (see note 17) have been revalued as a separate identifiable asset class.

		At 01.01.25	Income	Expend- iture	Transfers	Reval- uation	At 31.12.25
23	**Summary Of Fund Movements**	£'000	£'000	£'000	£'000	£'000	£'000
	Unrestricted Funds						
(a)	General	2,351	13,229	(13,903)	1,363	90	**3,130**
		2,351	**13,229**	**(13,903)**	**1,363**	**90**	**3,130**
	Designated Funds						
(b)	Tangible Fixed Assets Fund	6,911	-	(27)	(12)	-	**6,872**
(c)	Loan Fund	500	-	-	-	-	**500**
(d)	Fund for Church Growth	47	-	-	-	-	**47**
(e)	Pastoral Care & Counselling Scheme	207	2	(1)	-	13	**221**
(f)	Mission Development Fund	282	-	(158)	-	-	**124**
(g)	Benefact Trust	-	76	(76)	-	-	**-**
(h)	Small and Medium grants	120	-	(27)	-	-	**93**
(i)	Other Designated	8	1	(1)	-	-	**8**
		8,075	**79**	**(290)**	**(12)**	**13**	**7,865**
	Total Unrestricted Funds	**10,426**	**13,308**	**(14,193)**	**1,351**	**103**	**10,995**

Notes on Unrestricted funds

(a) General Fund

The General Fund reserve represents those assets held by the DBF for carrying out its general activities. It provides the assets and liquidity for the DBF to carry out its objectives, including statutory compliance, administration of funds and some housing.

(b) Tangible Fixed Assets Fund represents the value in the Balance Sheet of: Board houses kept for the purpose of housing current and future clergy; solar PV panels on clergy houses and office equipment; less creditors held for the specific purposes of financing these assets.

(c) Diocesan Loan Fund £1m was transferred to this fund in 2014 to allow parishes the possibility of applying for loans to assist with their capital projects and other initiatives. This fund has been reduced to £500k.

(d) The Fund for Church Growth (FCG) exists to support local mission and outreach in the diocese.

(e) The Pastoral Care and Counselling Scheme was set up in 1993 to provide trained therapists and counsellors to support clergy and their family in the diocese.

(f) The Mission Development Fund exists to resource the developing strategy into the future and to enable applications to the National Church's Strategic Development Fund.

(g) Benefact Trust recurrent grant given to support missional work within the diocese. This fund has been designated to financially support providing ministry in areas of deprivation.

(h) Small and Medium Grants consisting of amounts resulted from a reduction in clergy pension contributions, put aside to be spent on specific projects by parishes within the diocese.

(i) Other designated funds consisting of amounts designated from the General Fund to be spent on specific projects by departments.

	23 Summary Of Fund Movements (continued)	At 01.01.25 £'000	Income £'000	Expend-iture £'000	Transfers £'000	Reval-uation £'000	At 31.12.25 £'000
	Restricted Funds						
(a)	Schools Income Fund	267	60	(24)	(186)	-	**117**
(b)	Diocesan Pastoral Account	2,970	-	(250)	345	-	**3,065**
(c)	Support of clergy and dependants	257	6	(2)	-	11	**272**
(d)	Retired clergy funds	51	6	(11)	-	-	**46**
(e)	Porlock Wyld Trust	95	4	-	-	2	**101**
(f)	Edginton Trust	198	5	-	-	-	**203**
(g)	Zambia Link	214	12	(12)	-	-	**214**
(h)	Modern Slavery link	4	-	-	-	-	**4**
(i)	Smith Bequest	435	3	(2)	(10)	24	**450**
(j)	DBE Restricted Grants	39	61	(54)	-	-	**46**
(k)	Abbey House Fund	58	-	(1)	-	-	**57**
(l)	NCI Strategic Grants	125	507	(367)	-	-	**265**
(n)	Other Restricted	80	623	(544)	10	-	**169**
	Total Restricted Funds	**4,793**	**1,287**	**(1,267)**	**159**	**37**	**5,009**

Notes on Restricted Funds:
The income funds of the DBF include restricted funds comprising the above unexpended balances of donations, grants and investment income held on trusts to be applied for specific purposes.
(a) Schools Income Fund which may be used for the same purposes as the Schools Capital Fund (see Expendable Endowments) and may also be used for any of the following:

- The provision of advice, guidance and resources for the management of or education in any relevant school in the diocese.
- The provision of services for the carrying out of any inspection of a school in the diocese required by Part 1 of the School Inspection Act 1996
- To defray the cost of employing staff in connection with
    - the application of income of the relevant trust assets for the above purposes
    - The application of capital or income of the relevant trust assets for any purpose referred to in paragraph 1 of Schedule 36.

By virtue of section 557(10) of the Education Act 1996 a relevant school includes an Academy
(b) Diocesan Pastoral Account (DPA) made up from the sales or transfers of churches and parsonage houses which have become redundant under pastoral re-organisation. The purposes of the fund are laid down in Sections 93 and 94 of the Mission and Pastoral Measures 2011; the main ones being

- Costs incurred for the purpose of the Measure except for salaries of regular diocesan employees.

- Costs of disposing or maintaining houses or churches vested in the DBF or Commissioners.
- For the benefit of another diocese or transfer to the DSF Capital or Income Fund.

(c) Support of Clergy and Dependants Funds are revenue funds made up of trust income and donations specifically given for the relief of clergy, their widows and dependants.

(d) Retired Clergy Funds to be used to provide assistance generally to retired clergy.

(e) Porlock Wyld Trust being accumulated income to be used for the same purposes as the trust capital — see Endowment Funds

(f) Edginton Trust being accumulated income to be used in the maintenance of a residence for retired clergy.

(g) Zambia Link including the Coppen bequest, which was given to strengthen the link between the diocese and the five dioceses in Zambia.

(h) Modern Slavery Link, which was given to put towards projects which focuses on dealing with issues of modern slavery across the diocese.

(i) Smith Bequest to be used for lay ministry (excluding training for the Ministry) and in-service clergy training.

(j) DBE Restricted Grants consisting of the balance of restricted grants and donations to the DBE.

(k) The Abbey House Fund to be used to give support to both laity and clergy to enable them to attend retreats and quiet days.

(l) NCI Strategic Grants being funding received from the national church for various strategic purposes. These include Low Income Community funding, Net Zero Carbon grants, Strategic Development and Ministry Funding, Post of First Responsibility, Flourish and Movement projects.

(m) Other Restricted consisting of the balance of restricted legacies, grants and donations to the DBF.

	23 Summary Of Fund Movements (continued)	At 01.01.25 £'000	Income £'000	Expend-iture £'000	Transfers £'000	Reval-uations £'000	At 31.12.25 £'000
	Endowment Funds						
	Expendable Endowment						
(a)	Parsonage Houses Fund	42,138	908	(66)	(345)	-	**42,635**
(b)	Schools Capital Fund	661	-	(23)	186	54	**878**
(c)	Porlock Wyld Trust	152	-	(1)	-	10	**161**
(d)	Retired Clergy Funds	371	-	(2)	-	23	**392**
		43,322	**908**	**(92)**	**(159)**	**87**	**44,066**
	Permanent Endowment						
(e)	Diocesan Stipends Fund Capital	47,000	36	(19)	-	890	**47,907**
(f)	Stipends Capital	1,927	301	(39)	(1,351)	743	**1,581**
(f)	General Capital	914	-	(2)	-	26	**938**
(f)	Support of Ordinands	49	-	-	-	3	**52**
(g)	Crokat and Cowley Trusts	191	-	(1)	-	12	**202**
(h)	Edginton Trust	413	-	(1)	-	19	**431**
(i)	Other Permanent Endowment	71	-	-	-	5	**76**
		50,565	**337**	**(62)**	**(1,351)**	**1,697**	**51,186**
	Total Endowment Funds	**93,887**	**1,245**	**(154)**	**(1,510)**	**1,784**	**95,252**
	All Funds	**109,106**	**15,840**	**(15,614)**	**-**	**1,924**	**111,256**

Notes on Endowment Funds:
Endowment funds are held on trust to be retained for the benefit of the charity as a capital fund. Where the whole of the fund must be permanently maintained it is known as permanent endowment. Where there is power of discretion to convert endowed funds into income, the fund is classified as expendable endowment.

Expendable Endowments
(a) Parsonage Houses Fund represents the value of benefice houses at the Balance Sheet date, together with the Parsonages Building funds held by the Church Commissioners. The houses are used to provide accommodation for the parochial clergy. The diocese is not free to dispose of the houses except in accordance with the appropriate measures. There is provision for the net proceeds of sale to be applied to either the DPA or DSF capital once a disposal has been effected.
(b) Schools Capital Fund comprises redundant Church of England school premises, teachers' houses and associated endowments which have been vested in the DBF by Orders under the Education Acts 1944 and 1973. The use of the fund is restricted under Section 17 of the Education Act 1993. The uses include the purchase, erection, maintenance and improvement of any school or teacher's house in the relevant area.
(c) Porlock Wyld Trust relates to the Parsons Hill Estate (since sold) was left to the DBF, as sole trustee, "upon trust for such charitable purposes connected with the ecclesiastical parish of

Porlock as the Lord Bishop of Bath and Wells in his absolute discretion thinks fit". There is no restriction on expenditure of capital.

(d) Retired Clergy Funds:

- **Thatcher Trust** is to be used for purchase (or repair/ maintenance) of accommodation for retired clergy or the widows or augmentation of income for such persons. Balance £46,936 as at 31 December 2025 (2024 - £44,319).
- **Elwell Trust** is to be used for the grant or augmentation of pensions to retired clergy at any time beneficed in the diocese. Balance £11,133 as at 31 December 2025 (2024 - £11,133).
- **Edwards Trust** relates to a property which was given to the DBF in 1977, as sole trustee, to be used for the accommodation of retired clergy in the diocese. The property was sold in 2002. A resolution was made by the DBF in April 2000 to modify the purpose of the Trust to provide for clergy housing generally. Balance £333,104 as at 31 December 2025 (2024 - £314,567).

Permanent Endowments

(e) Diocesan Stipends Fund (DSF) Capital Account represents the value of glebe property and investments at the balance sheet date, less any inter-fund debtor or creditor. The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992. Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the DSF Income Account, as well as gifts, bequests and donations. The main function of the fund is to produce income for the stipends, but it may also be used for other purposes including: acquiring glebe property; investing in a subsidiary; developing and protecting glebe amenities; investment; discharging loans and levies on glebe; improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976.

(f) Stipends Capital, General Capital and Support of Ordinands

These funds are made up of the capital of a number of trusts which are represented by fixed asset investments.

- **Stipends Capital** income is restricted and can be used only to augment clergy stipends.
- **General Capital** income is unrestricted and is credited to the General Fund.
- **Support of Ordinands Fund** income is restricted and can be used only to train candidates for Church of England ministry.

(g) Crokat and Cowley Trusts comprised two properties which were left to the DBF for the purposes of providing accommodation for retired clergy of the Church of England. One property was sold in 1997 and the other in 2001. A resolution was made by the DBF in 2001 to modify the purposes of the trusts so as to make provision instead for assistance generally to retired clergy.

(h) Edginton Trust comprised a property for use as a residence for retired clergy. This was sold in 2001 and a replacement house was purchased in 2004 at Friary Close, Clevedon.

(i) Other:

- **Miss S M Osborne Trust** — £1,000 was left to the DBF, as sole trustee, to apply the income "by way of grant in or towards the repair of fabric of any ancient parish church of historic interest and beauty in the diocese". Balance £1,647 as at 31 December 2025 (2024 - £1,556)
- **Dorothy Stuckey Trust** — £2,000 was left to the DBF, as sole trustee, to apply the income for upkeep of fabric of the parish church at Yatton or toward the maintenance of an assistant clergyman or both. Balance £25,698 as at 31 December 2025 (2024 - £24,268)
- **Miss M A Rees-Mogg Legacy** — The legacy dates from 1935 and the income only can be used for the assistance of necessitous clergy and their widows and orphans. Balance £50,977 as at 31 December 2025 (2024 - £48,134).

24 Summary Of Assets By Fund	Tang. & Intang. Fixed Assets £'000	Invest-ments £'000	Other Assets £'000	Credit-ors £'000	Interfund DR / (CR) £'000	Net Assets £'000
Unrestricted General Funds	-	794	5,085	(2,289)	(460)	**3,130**
Designated						
Tangible Fixed Assets Fund	8,922	-	-	(2,050)	-	**6,872**
Loan Fund	-	-	8	-	492	**500**
Fund For Church Growth	-	-	47	-	-	**47**
Pastoral Care & Counselling Scheme	-	221	-	-	-	**221**
Mission Development Fund	-	-	124	-	-	**124**
Small and Medium Grants	-	-	93	-	-	**93**
Other Designated	-	-	8	-	-	**8**
Total Designated Funds	**8,922**	**221**	**280**	**(2,050)**	**492**	**7,865**
Restricted Funds						
Schools Income Fund	-	-	117	-	-	**117**
Diocesan Pastoral Account	-	-	3,065	-	-	**3,065**
Support Of Clergy And Dependants	-	187	85	-	-	**272**
Retired Clergy Funds	-	-	47	-	-	**47**
Porlock Wyld Trust	-	40	61	-	-	**101**
Edginton Trust	124	-	79	-	-	**203**
Zambia Link	-	-	214	-	-	**214**
Modern Slavery link	-	-	4	-	-	**4**
Smith Bequest	-	394	56	-	-	**450**
DBE Restricted Grants	-	-	46	-	-	**46**
Abbey House Fund	-	-	57	-	-	**57**
NCI Strategic Grants	-	-	265	-	-	**265**
Other Restricted	-	-	169	-	-	**169**
Total Restricted Funds	**124**	**621**	**4,264**	**-**	**-**	**5,009**
Endowment Funds						
Expendable Endowment						
Parsonage Houses Fund	42,635	-	-	-	-	**42,635**
Schools Capital Fund	-	888	-	-	(10)	**878**
Porlock Wyld Trust	-	161	-	-	-	**161**
Retired Clergy Funds	-	378	-	-	14	**392**
Permanent Endowment						
Diocesan Stipends Fund Capital	12,529	35,378	-	-	-	**47,907**
Stipends Capital	-	1,581	-	-	-	**1,581**
General Capital	-	894	44	-	-	**938**
Support Of Ordinands	-	42	10	-	-	**52**
Crokat And Cowley Trusts	-	194	8	-	-	**202**
Edginton Trust	157	307	-	-	(33)	**431**
Other Permanent Endowment	-	79	-	-	(3)	**76**
Total Endowment Funds	**55,321**	**39,901**	**62**	**-**	**(32)**	**95,252**
All Funds	**64,367**	**41,537**	**9,691**	**(4,339)**	**-**	**111,256**

25 Commitments

Operating Leases

	2025	2024
	£'000	£'000
Payable not more than one year	2	2
Payable more than one but not more than five years	-	-
Total Operating Lease Commitments	**2**	2

26 Post Balance Sheet Events and Contingent Liabilities

There were no post balance sheet events or contingent liabilities at the balance sheet date.

27 Pension Costs
The Bath and Wells Diocesan Board of Finance 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 Bath and Wells Diocesan Board of Finance and the other Responsible Bodies. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other is the Church Workers Pension Fund for lay staff.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

(a) The Church Workers' Pension Fund (Lay Staff) – Pension Builder Scheme
The DBF participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

CWPF has two sections:

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

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable (2025: £240,976, 2024: £240,876).

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

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

The next valuation is due as at 31 December 2025.

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

The Church of England Pensions Board has agreed that some employers could use assets in the DBS of the CWPF in lieu of contributions to Pension Builder Classic and/or Pension Builder 2014.

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

(b) The Church Workers’ Pension Fund (Lay Staff) - Defined Benefits Scheme
The DBF participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the General reserve and all pensions and death benefits are paid from the General Reserve.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the General Reserve, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs (credited)/charged to the SOFA during the year are contributions payable towards benefits and expenses accrued in that year (2025: £11,399 2024: (£22,892) 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 £11,399 for 2025 (2024: £22,892).

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

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

The next actuarial valuation is due at 31 December 2025.

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

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

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

(c) The Church of England Funded Pensions Scheme for Clergy
The DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies. Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means 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 (2025: £984k, 2024: £1,243k), plus any figures arising from contributions in respect of the Scheme's deficit.

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

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

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

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

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

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

28a Prior Year Comparative Notes – Statement of Financial Activities

	Note	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from							
Donations							
Parish Contributions	2a	9,665	-	-	-	**9,665**	9,130
Other donations	2b	118	91	869	-	**1,078**	1,358
Charitable activities	3	586	-	13	-	**599**	686
Other activities	4	1,108	-	6	-	**1,114**	1,278
Investments	5	728	2	98	232	**1,060**	1,188
Other Income	6	113	-	1	3,371	**3,485**	1,961
Total income and endowments		**12,318**	**93**	**987**	**3,603**	**17,001**	15,601
Expenditure on							
Raising funds	7	444	1	2	55	**502**	282
Charitable activities	8	12,811	295	1,147	104	**14,357**	14,842
Total expenditure		**13,255**	**296**	**1,149**	**159**	**14,859**	15,124
Net (expenditure) / income before investment gains / (losses)		**(937)**	**(203)**	**(162)**	**3,444**	**2,142**	477
Net gains on investments	9	81	13	92	1,606	**1,792**	1,632
Net (expenditure) / income		**(856)**	**(190)**	**(70)**	**5,050**	**3,934**	2,109
Transfers between funds	15	623	738	1,224	(2,585)	**-**	-
Other recognised gains							
Remeasurement gains on defined benefit pension schemes	27	-	-	-	-	**-**	-
Net movement in funds		**(233)**	**548**	**1,154**	**2,465**	**3,934**	2,109
RECONCILIATION OF FUNDS							
Total funds brought forward		2,584	7,527	3,638	91,423	**105,172**	103,063
Total funds carried forward	23	**2,351**	**8,075**	**4,792**	**93,888**	**109,106**	105,172

28b Prior Year Comparative Notes – Notes 2 to 6

	Unrestricted Funds General £'000	Unrestricted Funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
2a Parish Contributions						
Parish Share						
Current year's allocation	11,331	-	-	-	**11,331**	10,504
Additional Payments	-	-	-	-	**-**	1
Arrears for previous years	42	-	-	-	**42**	36
Shortfall in contributions	(1,708)	-	-	-	**(1,708)**	(1,411)
	9,665	**-**	**-**	**-**	**9,665**	9,130
Total Parish Share receipts represent 85.3% of the allocation (2023 – 86.9%)						
2b Other Donations						
Benefact Trust	-	91	-	-	**91**	106
Foundation of St Matthias	-	-	58	-	**58**	62
RME Ordinands Grant	-	-	17	-	**17**	278
SMF Grant Funding	-	-	137	-	**137**	158
SDF Grant Funding	-	-	133	-	**133**	300
Low income Communities Funding	-	-	122	-	**122**	118
Post of First Responsibility	-	-	41	-	**41**	53
Donations,Grants, Sponsorships & Legacies	118	-	361	-	**479**	283
	118	**91**	**869**	**-**	**1,078**	1,358
3 Charitable Activities						
Statutory fees and chaplaincy income	560	-	-	-	**560**	610
Course fees and other	26	-	13	-	**39**	76
	586	**-**	**13**	**-**	**599**	686
4 Other Activities						
Rental income from clergy houses, schools and the Diocese office	883	-	-	-	**883**	762
Support services	225	-	6	-	**231**	516
	1,108	**-**	**6**	**-**	**1,114**	1,278
5 Investment Income						
Dividends receivable	46	2	48	232	**328**	540
Interest receivable	156	-	50	-	**206**	125
Notional Interest re net present value	6	-	-	-	**6**	(27)
Income from Glebe land and properties	520	-	-	-	**520**	550
	728	**2**	**98**	**232**	**1,060**	1,188
6 Other Income						
(Loss)/Gain on disposal of properties	(4)	-	-	3,371	**3,367**	1,822
Solar PV Panel FiT Income	116	-	-	-	**116**	137
Other	1	-	1	-	**2**	2
	113	**-**	**1**	**3,371**	**3,485**	1,961

28c Prior Year Comparative Notes – Notes 7 to 8

	Unrestricted General £'000	Funds Desig-nated £'000	Restr-icted Funds £'000	Endow-ment Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
7 Costs of raising funds						
Stockbroker's fees	5	1	2	55	**63**	35
Value Linked loans interest	10	-	-	-	**10**	12
Interest cost & expenses: pension schemes	-	-	-	-	**-**	1
Glebe Land & Clergy Houses letting costs	429	-	-	-	**429**	234
	444	**1**	**2**	**55**	**502**	282
8 Charitable activities						
Contribution to Archbishops' Council						
Training for Ministry	377	-	13	-	**390**	393
National Church Responsibilities	233	-	-	-	**233**	230
Grants and provisions	40	-	-	-	**40**	40
Mission Agency pension contributions	-	-	-	-	**-**	13
Retired Clergy Housing (CHARM) & Grants	162	-	-	-	**162**	156
Pooling of ordinand candidates' costs	28	-	-	-	**28**	(10)
	840	**-**	**13**	**-**	**853**	822
Resourcing Ministry and Mission						
Parish Ministry:						
Stipends and Social Security	5,093	91	329	-	**5,513**	5,569
Pension contributions	1,243	-	-	-	**1,243**	1,308
Housing costs	1,550	-	279	104	**1,933**	1,824
Removal, resettlement and other grants	236	-	-	-	**236**	186
Other expenses	34	-	-	-	**34**	33
	8,156	**91**	**608**	**104**	**8,959**	8,920
Support for ministry	3,537	204	526	-	**4,267**	4,656
	11,693	**295**	**1,134**	**104**	**13,226**	13,576
Expenditure on Education						
Church Schools: Administration	278	-	-	-	**278**	444
	12,811	**295**	**1,147**	**104**	**14,357**	14,842

28d Prior Year Comparative Notes – Notes 9 to 11

	Unrestricted Funds General £'000	Desig-nated £'000	Restr-icted Funds £'000	Endow-ment Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
9 Gains/(losses) on Investment Assets						
Unrealised gains/(losses) after revaluation (*)	60	11	76	1,500	**1,647**	1,529
Realised gains/(losses) on disposal	21	2	16	106	**145**	103
	81	**13**	**92**	**1,606**	**1,792**	1,632

(*) includes £0.6m gain in relation to the revaluation of Glebe Agricultural Land (2023 - £0.4m).

10 Analysis Of Expenditure Including Allocation Of Support Costs

	Activities undertaken Directly £'000	Grant funding of activities £'000	Support Costs £'000	Total 2024 £'000	Total 2023 £'000
Raising Funds	502	-	-	**502**	282
Charitable Activities:					
Contributions to Archbishops' Council	-	853	-	**853**	822
Resourcing ministry and mission	11,697	59	1,471	**13,226**	13,576
Education	245	-	33	**278**	444
	12,444	**912**	**1,504**	**14,859**	15,124

11 Analysis Of Support Costs	Unrestricted Funds General £'000	Desig-nated £'000	Restr-icted Funds £'000	Endow-ment Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Central Administration	1,417	-	-	-	**1,417**	1,204
Support for Schools	-	-	33	-	**33**	55
Governance:						
External Audit	32	-	2	-	**34**	40
Professional Fees	-	-	-	-	**-**	4
Diocesan and General Synod Expenses	20	-	-	-	**20**	17
	1,469	**-**	**35**	**-**	**1,504**	1,320

28e Prior Year Comparative Notes – Note 23

	23 Summary Of Fund Movements	At 01.01.24 £'000	Income £'000	Expend-iture £'000	Transfers £'000	Reval-uation £'000	At 31.12.24 £'000
	Unrestricted Funds						
(a)	General	2,584	12,318	(13,255)	623	81	**2,351**
		2,584	**12,318**	**(13,255)**	**623**	**81**	**2,351**
	Designated Funds						
(b)	Tangible Fixed Assets Fund	6,320	-	(27)	618	-	**6,911**
(c)	Loan Fund	500	-	-	-	-	**500**
(d)	Fund for Church Growth	47	-	-	-	-	**47**
(e)	Pastoral Care & Counselling Scheme	193	2	(1)	-	13	**207**
(f)	Mission Development Fund	459	-	(177)	-	-	**282**
(g)	Benefact Trust	-	91	(91)	-	-	**-**
(h)	Small and Medium grants	-	-	-	120	-	**120**
(i)	Other Designated	8	-	-	-	-	**8**
		7,527	**93**	**(296)**	**738**	**13**	**8,075**
	Total Unrestricted Funds	**10,111**	**12,411**	**(13,551)**	**1,361**	**94**	**10,426**

28e Prior Year Comparative Notes – Note 23 (continued)

		At 01.01.24 £'000	Income £'000	Expend-iture £'000	Transfers £'000	Reval-uation £'000	At 31.12.24 £'000
23	**Summary Of Fund Movements (continued)**						
	Restricted Funds						
(a)	Schools Income Fund	226	43	(56)	-	54	**267**
(b)	Diocesan Pastoral Account	1,989	6	(249)	1,224	-	**2,970**
(c)	Support of clergy and dependants	240	11	(5)	-	11	**257**
(d)	Retired clergy funds	48	8	(5)	-	-	**51**
(e)	Porlock Wyld Trust	88	5	-	-	2	**95**
(f)	Edginton Trust	190	7	-	-	1	**198**
(g)	Zambia Link	216	28	(30)	-	-	**214**
(h)	Modern Slavery link	4	-	-	-	-	**4**
(i)	Smith Bequest	421	3	(13)	-	24	**435**
(j)	DBE Restricted Grants	39	58	(58)	-	-	**39**
(k)	Abbey House Fund	60	-	(2)	-	-	**58**
(l)	NCI Strategic Grants	55	704	(634)	-	-	**125**
(n)	Other Restricted	62	114	(97)	-	-	**79**
	Total Restricted Funds	**3,638**	**987**	**(1,149)**	**1,224**	**92**	**4,792**

28e Prior Year Comparative Notes – Note 23 (continued)

		At 01.01.24 £'000	Income £'000	Expend-iture £'000	Transfers £'000	Reval-uations £'000	At 31.12.24 £'000
23	**Summary Of Fund Movements (continued)**						
	Endowment Funds						
	Expendable Endowment						
(a)	Parsonage Houses Fund	41,522	1,920	(80)	(1,224)	-	**42,138**
(b)	Schools Capital Fund	661	-	-	-	-	**661**
(c)	Porlock Wyld Trust	143	-	(1)	-	10	**152**
(d)	Retired Clergy Funds	349	-	(1)	-	23	**371**
		42,675	**1,920**	**(82)**	**(1,224)**	**33**	**43,322**
	Permanent Endowment						
(e)	Diocesan Stipends Fund Capital	45,322	1,650	(66)	(1,304)	1,398	**47,000**
(f)	Stipends Capital	1,876	33	(6)	(57)	81	**1,927**
(f)	General Capital	861	-	(3)	-	56	**914**
(f)	Support of Ordinands	46	-	-	-	3	**49**
(g)	Crokat and Cowley Trusts	180	-	(1)	-	12	**191**
(h)	Edginton Trust	396	-	(1)	-	18	**413**
(i)	Other Permanent Endowment	67	-	-	-	5	**72**
		48,748	**1,683**	**(77)**	**(1,361)**	**1,573**	**50,566**
	Total Endowment Funds	**91,423**	**3,603**	**(159)**	**(2,585)**	**1,606**	**93,888**
	All Funds	**105,172**	**17,001**	**(14,859)**	**-**	**1,792**	**109,106**

28f Prior Year Comparative Notes – Note 24

	Tang. & Intang. Fixed Assets	Invest-ments	Other Assets	Credit-ors	Interfund DR / (CR)	Net Assets
24 Summary Of Assets By Fund	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Unrestricted General Funds	-	1,735	3,228	(2,570)	(42)	**2,351**
Designated						
Tangible Fixed Assets Fund	9,688	-	-	(2,777)	-	**6,911**
Loan Fund	-	-	268	-	232	**500**
Fund For Church Growth	-	-	47	-	-	**47**
Pastoral Care & Counselling Scheme	-	207	-	-	-	**207**
Mission Development Fund	-	-	282	-	-	**282**
Small and Medium Grants	-	-	120	-	-	**120**
Other Designated	-	-	8	-	-	**8**
Total Designated Funds	**9,688**	**207**	**725**	**(2,777)**	**232**	**8,075**
Restricted Funds						
Schools Income Fund	-	-	267	-	-	**267**
Diocesan Pastoral Account	-	-	2,970	-	-	**2,970**
Support Of Clergy And Dependants	-	175	82	-	-	**257**
Retired Clergy Funds	-	-	51	-	-	**51**
Porlock Wyld Trust	-	38	57	-	-	**95**
Edginton Trust	124	-	74	-	-	**198**
Zambia Link	-	-	213	-	-	**213**
Modern Slavery link	-	-	4	-	-	**4**
Smith Bequest	-	370	65	-	-	**435**
DBE Restricted Grants	-	-	39	-	-	**39**
Abbey House	-	-	58	-	-	**58**
NCI Strategic Grants	-	-	125	-	-	**125**
Other Restricted	-	-	80	-	-	**80**
Total Restricted Funds	**124**	**583**	**4,085**	**-**	**-**	**4,792**
Endowment Funds						
Expendable Endowment						
Parsonage Houses Fund	42,138	-	-	-	-	**42,138**
Schools Capital Fund	-	834	-	-	(173)	**661**
Porlock Wyld Trust	-	151	-	-	1	**152**
Retired Clergy Funds	-	355	-	-	16	**371**
Permanent Endowment						
Diocesan Stipends Fund Capital	14,290	32,710	-	-	-	**47,000**
Stipends Capital	-	1,927	-	-	-	**1,927**
General Capital	-	839	75	-	-	**914**
Support Of Ordinands	-	39	10	-	-	**49**
Crokat And Cowley Trusts	-	182	9	-	-	**191**
Edginton Trust	157	288	-	-	(32)	**413**
Other Permanent Endowment	-	74	-	-	(2)	**72**
Total Endowment Funds	**56,585**	**37,399**	**94**	**-**	**(190)**	**93,888**
All Funds	**66,397**	**39,924**	**8,132**	**(5,347)**	**-**	**109,106**

29 Funds held as Custodian Trustee

The DBF 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, which consist of both property and financial assets, are not aggregated in these financial statements as the DBF does not control them. The financial assets held in this way, which are shown at valuation, may be summarised as follows:

	2025	2024
	£'000	£'000
CBF Church of England Investment Fund income shares	**9,151**	9,638
CBF Church of England Fixed Interest Securities Fund shares	**20**	20
Unit Trust Shares	**198**	185
Direct holdings in UK equities	**190**	114
Direct holdings in UK gilts	**2**	2
Other fixed interest stocks	**237**	280
Loan	**117**	125
Cash on Deposit	**2,529**	2,260
Cash at Bank	**68**	106
Total net assets held as custodian trustee	**12,512**	12,730

Appendices

The following accounts and reports do not form part of the audited statutory financial statements and are included for information only.

A Consolidated Financial Trusts

B Glossary of terms

Appendix A Consolidated Financial Trusts

	2025		2024	
	£'000	£'000	£'000	£'000
Fixed Assets				
Equities		9,341		9,752
Government Securities		2		2
Other Fixed Interest securities		258		300
Unit Trust shares		198		185
		9,799		**10,239**
Current Assets				
Deposit Fund	2,529		2,260	
Bank Accounts	68		107	
Loan - Hensman	117		125	
	2,714		**2,492**	
Current Liabilities				
Creditors	-		-	
Net Current Assets		**2,714**		**2,492**
Net Assets		**12,513**		**12,731**
Total capital balances		12,327		12,498
Total accumulated income balances		185		232
Total Funds		**12,512**		**12,730**

Capital analysed as:	**2025**	**2024**
	£	**£**
Parishes	6,686	6,722
Closed Schools	1,344	1,288
Schools	462	479
Other	3,835	4,009
Total accumulated income balances	185	232
	12,512	**12,730**

Signed on behalf of the DBF on 30 June 2026 by

Rt Revd N M R Beasley
Trustee

Mrs E K Renshaw-Ames
Trustee

Financial Trusts as at 31 December 2025

The Financial Trusts comprise 500 Trusts which are required to be held by the DBF as custodian trustee although they are administered by various parishes, schools or other bodies named as beneficiaries in the relevant trust deeds. The investments relating to the trusts are held by the DBF and the income derived is paid to the beneficiaries. In addition to the trusts listed, the DBF also acts as custodian trustee for land and buildings.

Report of the Accountants

We have examined the figures set out on page 78 comprising the Balance Sheet for the Financial Trusts held as custodian trustee by the Bath and Wells Diocesan Board of Finance as at 31 December 2025.

Basis of opinion

The scope of our work was limited to checking whether the figures have been correctly extracted from the amounts recorded in the accounting records.

Opinion

In our opinion the information detailed on the attached schedule has been accurately extracted from the accounting records of the Bath and Wells Diocesan Board of Finance as at 31 December 2025.

Signed: Sayer Vincent

110 Golden Lane
London
EC1Y 0TG

Appendix B Glossary of terms

ALM	Authorised Lay Minister
BWMAT	Bath and Wells Multi Academy Trust
CBF	Central Board of Finance (of the Church of England)
CCLA	Providers of CBF Investment products
CEPB	Church of England Pensions Board
CHARM	Church Housing Assistance for Retired Ministry
CWPF	Church Workers' Pension Fund
DAC	Diocesan Advisory Committee
DBE	Diocesan Board of Education
DBF	Diocesan Board of Finance
DBS	Defined Benefits Scheme
DPA	Diocesan Pastoral Account
DSF	Diocesan Stipends Fund
FCG	Fund for Church Growth
FRS	Financial Reporting Standard
MAT	Multi Academy Trust
MDF	Mission Development Fund
NPV	Net Present Value
PB	Pension Builder
PCC	Parochial Church Council
PCR	Past Cases Review
RME	Resources Ministerial Education
SAT	Stipends Augmentation Trusts
SDF/SMF	Strategic Development Fund/Strategic Ministry Fund
SOFA	Statement of Financial Activities
SORP	Statement of Recommended Practice
UTR	Unapplied Total Return
VA/VC	Voluntary Aided/Voluntary Controlled