Annual Report and
Consolidated Financial Statements

For the 12-month period ended 31 December 2025

The St Albans Diocesan Board of Finance

The St Albans Diocesan Board of Finance, a company limited by guarantee registered in England and Wales No 145227.
Registered Charity No 248887 Registered Office: **Holywell Lodge, 41 Holywell Hill, St Albans AL1 1HE**
Switchboard: 01727 854532 Web: www.stalbansdiocese.org/

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Reference and administrative information

Board Members	Up to 31 December 2025
Chair	Dr T J Coulson
Vice Chair	A Brown OBE
Other Members	The Rt Revd Dr A G C Smith, Bishop of St Albans (resigned 31 May 2025)
	The Venerable C E C Hudson, Archdeacon of St Albans
	The Venerable J Mackenzie, Archdeacon of Hertford
	The Venerable D J Middlebrook, Archdeacon of Bedford
	M E Butcher
	N K Challis
	Dr D W Dallinger
	The Reverend K David
	The Reverend A L Davis (Resigned 23 November 2025)
	The Reverend Dr S L Forrest
	The Reverend T A George
	The Reverend J L W Hookway
	The Reverend C R H Kilgour
	R Lindley
	T R N Otley
	E D Roberts
	E Sivyer
	T Snell
	Dr L C Spring
	J Stewart
	The Reverend A J Thomas
Secretary to the Board	D J White

Registered office	Holywell Lodge 41 Holywell Hill St Albans Hertfordshire AL1 1HE
Telephone	01727 854532
Company registration no.	00145227 (England and Wales)
Charity registration no.	248887

The governance structure of the charity is more fully discussed on pages 11 to 12.

Auditor	Saffery LLP 71 Queen Victoria Street London EC4V 4BE

Bankers	Barclays Bank plc Blenheim Gate 22/24 Upper Marlborough Road St Albans Herts BX3 2BB
Diocesan Registrar and Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
Legal Advisors	Debenhams Ottaway Solicitors Ivy House 107 St Peter's Street St Albans Herts AL1 3EW
Investment managers – listed investments	CCLA Investment Management Limited 1 Angel Lane London EC4R 3AB Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU

Chair's Statement

These Reports and Financial Statements describe a complex operation at diocesan level but reflect a much larger body of activity and achievement in parishes, schools and chaplaincies. Across Hertfordshire, Bedfordshire, Luton and parts of Barnet these front-line ministries and services would be impossible without the energy, commitment and generosity of so many individuals.

Financially the diocese continues to rely on the generous and sacrificial giving of those in our parishes and on behalf of the Board I thank you for that commitment. The parish share recovery rate was 90.84%, against 91.25% in 2024, continuing the very slow reduction since 2022. Given the financial pressures on parishes this remains a very good return. Although there are encouraging signs of small increases in church attendance over the last few years, this has not been seen in all parishes and is often not immediately followed by increased giving. This makes generosity from parishes even more important.

At the time of writing uncertainties and difficulties in the world are in the minds and prayers of us all. At parish level these present future risks, particularly of financial pressures with inflation set to rise and investment returns potentially falling. The resilience of the diocesan economy may well be further tested in the next few years, but St Albans and its churches are better placed to face such challenges than most other parts of the church.

I would like to comment on three very important developments for our diocese.

Firstly, we have amended our total return investment policy introduced in 2022, to increase our total return distribution from 3.5% to 4.0%. This retains a prudent approach to how diocesan assets can support current activities but results in additional income from our endowed funds supporting the costs of stipendiary clergy. As a result, it has been possible to reduce the parish share request in 2026 by an average of 3.5% - worth more in real terms after factoring in inflation. We hope that this proves a significant financial benefit to our parishes.

Secondly, we acknowledge with thanks the support of our major external funders. The Church Commissioners have provided funding since 2024 to give us capacity to develop an application for a major investment project to support the objective of Growing Younger and More Diverse. The application submitted in 2025 resulted in an award of nearly £2.3 million over 2026-28 to support church growth initiatives in Hatfield, Luton and Watford and activities impacting the whole diocese through The Alban Way programme and supporting local church connection to church schools. We also have agreement in principle to further funding of approximately £2.1 million subject to further applications.

Thirdly, the Diocese stands at an important time of transition with the announcement in March 2026 that the next Bishop of St Albans will be Bishop Andrew Rumsey. We look forward with great expectation to his ministry and leadership.

I would like to take this opportunity to say thank on your behalf to our Diocesan staff at Holywell Lodge and elsewhere for their vital contribution to the life of the Diocese, with a consistent focus on supporting operations in our parishes.

T. J. Coulson.

Dr Tim Coulson
Chair of the Board of Trustees
Date: 18 May 2026

MEMBER'S REPORT

INTRODUCTION

The members, as trustees for the purposes of charity legislation, submit their report together with the consolidated financial statements of the St Albans Diocesan Board of Finance (the "Board" or the "Charity") for the year ended 31 December 2025. The report has been prepared in accordance with the requirements of the Charities Act 2011 and constitutes a directors' report including strategic report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 37 to 42 of the attached financial statements and comply with applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

OBJECTIVES, ACTIVITIES AND POLICIES

The principal object of the Board, as set out in its Memorandum and Articles, is the promotion of the work of the Church of England in the Diocese of St Albans. The members of the Board are aware of the Charity Commission's guidance on public benefit and have had regard to it in their management of the Board.

The Board believes that, by promoting the work of the Church of England in the Diocese of St Albans, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so provides a benefit to the public by:

- Providing resources for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- Promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

The Board continues to support engagement with other Christian churches and other faiths throughout the Diocese.

Together with the Bishop's Council the Board seeks to develop comprehensive, sustainable strategies for the use of resources – people, finance and properties – to provide ministry and mission throughout the Diocese and to continue to provide practical support and tools for parishes, schools and chaplaincies.

The Diocesan initiative 'Living God's Love', was launched in St Albans Abbey in January 2011. Living God's Love has three themes: Going Deeper into God, Transforming Communities and Making New Disciples. Living God's Love is rooted in the parishes, and the effective deployment of Stipendiary

Clergy is vital to that work. The Board aims to support and resource parochial mission and ministry through the payment of stipends and the provision of housing and training.

The number of ordained ministers as at 31 December[1] were:

	2025	2024	2023	2022
Bishops and Archdeacons	5	6	6	5
Cathedral Clergy	7	6	7	7
Parochial clergy – Incumbent status	188	190	200	190
Curates	39	48	56	54
Non-parochial clergy	25	24	26	28
Total		274	295	284

As at 31 December, there were:

	2025	2024	2023	2022
Self-supporting ministers	37	42	47	47
Licensed readers	222	223	229	235

The Diocese continues to:

- Follow the national stipend benchmark adjusted during 2026 for regional factors in determining the level of stipend for clergy of incumbent status; and
- Contribute to the Church of England defined benefit pension scheme for clergy.

Funding of stipendiary clergy and the provision of housing accounts for the majority of the Board's expenditure (see Note 6 to the accounts) and is achieved by:

(i) **The collection of contributions from parishes via the Parish Share Scheme in place since 1995.** The Board seeks to ensure it operates effectively by receiving regular reports on receipts, following up where contributions have not been received and reviewing share factors on a regular basis. It also provides help with meeting Parish Share commitments by making grants to offset the contribution due. These grants fall into two categories: multi-year Mission Aided Support Grants for parishes identified by senior clergy as needing particular support to sustain mission and one-year Pastoral Aid Support Grants to assist with transitory financial challenges.

(ii) **The management of financial investments under specific powers of investment set out in various measures and acts.** The Board holds investments as authorised by the Trustee Act 2000. The investment strategy is set by the Board and takes into account income and capital growth requirements, ethical considerations, the risk profile and the investment managers' view of the market prospects in the medium term. In 2022, the Board adopted a total return policy with the intention of securing a consistent return on investments. The distribution was set from 2025 at a rate of 3.5% to achieve this, whilst also seeking capital growth in real terms, over the much longer term. The distribution rate has been increased to 4.0% from 1 January 2026 following a full market review. This is to be achieved through a balanced and diversified portfolio of equities, bonds, property, alternative assets and cash. The Board follows the guidelines established by the Ethical Investment Advisory Group of the Church of England. In addition, the Board is committed to Fossil Fuel

[1] Statistics report for St Albans Diocese as at the end of December 2025 produced by the Church Commissioners.

divestment following a Diocesan Synod resolution in October 2022. The Board continues regularly to review its investments. This includes systems for monitoring and reporting on ethical issues, online reporting and close networking with members of the Ethical Investment Advisory Group of the Church of England (EIAG) and the Charities Investment Group (CIG). The portfolio of listed investments at 31 December 2025 had a market value of £62.9m (2024 £61.0m).

POLICIES

Grant making policy

The following grants are administered by the Parish Grants Committee:
- Church Repair Grants
- City Church Fund Grants
- Mission Aided Grants
- Mission Initiative Grants
- Net Zero Carbon Project Grants

The following welfare funds are administered by the Parish Grants Committee:
- Allder Trust
- Christine Canti Fund
- Diocese of St Albans Moral Welfare Fund
- Patrick Trust

Reserves policy

The Board reviews the level of working capital to ensure that it covers core costs and there is sufficient cash flow to conduct the activities of the charity on a day-to-day basis. The majority of the Board's budget is expended on the monthly payment of stipends and salaries. Any action to deal with cash flow problems arising from parish share shortfalls will take time to implement. Therefore, the Board has agreed that the level of free reserves should ideally be not less than eight and not more than sixteen weeks' expenditure. At the end of 2025, the free and realisable unrestricted reserves totalled £5.3 million representing 15.0 weeks of expenditure (2024 - £5.2 million representing 15.7 weeks of expenditure).

Costs remain under tight control. However, parish giving remains fragile given economic conditions over the last few years, combined with continuing reductions in church attendance in many but not all parishes. Last year yielded a surplus on the Common Fund before investment gains and losses and taking into account total return. The underlying concerns over parish giving means the Board will continue to monitor and manage the ongoing consequences carefully.

It is the Board's policy to set aside, in a Property Ring-Fenced Fund, capital receipts from the sale of former parsonage houses that become surplus to needs after pastoral reorganisation. The purpose of this fund is to invest in income generating assets in order to fund improvements to its remaining housing stock. The value of the investments at the end of the year in the fund amounted to £3.2 million (2024 £6.3 million).

Fundraising Activities

The Charities (Social Protection and Social Investment Act) 2016 requires large charities to include a statement within their financial statements with respect to fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." While the Board of Finance does not routinely undertake fundraising from individuals (including any potentially vulnerable groups), it may periodically apply for grant funding from grant-awarding bodies.

The charity raises funds through Parish Share and on occasions receives other donations and voluntary income. It aims always to achieve best practice in the way in which it communicates with parishes, donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on parishioners, parochial councils, donors and supporters. It applies best practice to protect their data and never sells data, never swaps data and ensures that communication preferences can be changed at any time.

The Board of Finance undertakes all such activities internally and does not engage with professional fundraisers or third parties. The day-to-day management of income generation is delegated to management who are accountable to the trustees.

Owing to the low level of fundraising activity, the Board of Finance are not registered with the Fundraising Regulator and are not bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising.

The charity did not receive any complaints in relation to fundraising activities during the year ending 31 December 2025.

GOVERNANCE STRUCTURE

The **Bishop's Council** is a statutory body established under the Synodical Government Measure 1969. It acts as the Standing Committee of the Diocesan Synod and carries on the work of the Synod between sessions. It advises the Diocesan Bishop and has, since its inception in 1970, gradually assumed an important role in the formulation of diocesan policy. The Bishop's Council has the following Boards and Committees:

- The **Agenda Committee** plans the business of Synod and prepares the agenda for its sessions, subject to approval by the Bishop's Council.

- The **Diocesan Environment Group** was created to provide advice and support on Environment matters, including the commitment to work towards Net Zero Carbon Emissions, and to raise the profile of Environment issues.

- Since 1 January 2019 the Bishop's Council assumed the role of Diocesan Mission and Pastoral Committee. The **Diocesan Mission and Pastoral Executive Committee** is responsible for carrying out the detailed casework which is then ratified by the Bishop's Council. The statutory responsibilities are undertaken by the Bishop's Council.

The **Diocesan Board of Finance** has the following Committees:

- The **Assets Committee** recommends to the Board of Finance an overall strategy for the management of the Board's investment and operational assets consistent with the functional priorities of the Diocese, and the responsibilities of the Board as Charity Trustees to current and future beneficiaries.

- The **Audit and Risk Committee** provides a formal link between the Board of Finance and the company's external auditor, reviewing the scope and any recommendations arising from the external audit. It also maintains scrutiny of the Risk Register recommending any changes to the Board.

- The **Budget Committee** works with management to develop an annual budget for approval by the Board of Finance and Diocesan Synod. In addition, they monitor performance against budget within a financial year and consider the rolling five-year forecasts prepared by management.

- The **Glebe Committee** maintains and aims to increase total returns from the diocesan glebe by actively managing the glebe portfolio.

- The **Parish Grants Committee** allocates funding under a number of diocesan grants, including Church Repair Grants, Mission initiative Grants, Net Zero Carbon project grants, City Church Fund Grants and welfare grants.

- The **Parish Shares and Support Committee** deals with all aspects of the Parish Shares Scheme.

- The **Property Committee** oversees the management of Parsonage houses and the Board's own properties.

The diocese has **other** statutory and operational Boards and Committees that are not directly connected to the Board:

- The purpose of the **Board for Mission and Ministry** is to develop strategies and plans to enable people in every place in the diocese to glimpse the good news of Jesus and be empowered in their discipleship and calling.

- The **Diocesan Advisory Committee** is a statutory body whose functions are set out in ecclesiastical legislation. Its role is to advise the Chancellor and parishes on proposals for works to church buildings, churchyards and church furnishings, and to advise more generally on the care and development of churches.

In addition, whilst the **Diocesan Board of Education** a body operating within the Board's governance oversight and whose finances are part of the Consolidated Financial Reports. It is a statutory body established under the Diocesan Boards of Education Measure 2021.

OPERATIONAL ACTIVITIES

BISHOP'S COUNCIL

The Council fulfilled a dual role and function, acting as the Standing Committee of the Diocesan Synod and advising the Diocesan Bishop on any matter about which he consulted the Council. The Council also exercised the role of the Diocesan Mission and Pastoral Committee. During the year, the Council met on six occasions.

Membership: The new triennium commenced in January with an address from the Bishop of St Albans and presentations on Diocesan governance and the work of the Diocesan Mission and Pastoral Committee. The Council appointed members to the Agenda Committee, Diocesan Mission and Pastoral Committee Executive Committee and Board for Mission and Ministry.

Vacancy in See: Following the announcement in January of the Bishop of St Albans' impending retirement, the vacancy process commenced including completion of the Vacancy in See Committee. That Committee produced the Diocesan Statement of Need and elected six representatives to the Crown Nominations Commission.

Diocesan Finances: The Council approved allocations from designated funds. These included up to £39k as interim funding for the Alban Way project, £60k for Minor Repair and Improvement Grants for church buildings and £250k for Mission Initiative Grants. Council members considered the developing budget proposals for 2026 and recommended to the Diocesan Board of Finance that the National Stipends Benchmark be adopted from April 2026, resulting in a 6.8% increase in stipends.

Safeguarding: The Council received regular operational updates throughout the year. The Chair of the Diocesan Advisory Panel and the Diocesan Safeguarding Officer attended a meeting to provide further insight and assurance.

Governance: The Council expressed its thanks to the Nominations Committee for its work in supporting committees to become younger and more diverse, whilst recognising that further progress was needed. It was agreed that the Nominations Committee would consider advising the Acting Diocesan Bishop and the Houses of Clergy and Laity on nominations and co-options to Diocesan Synod.

Risk Management: The Council received and considered the diocesan risk register with the associated mitigation actions.

Joint Working and Partnerships: A joint meeting of the Bishop's Council and the Diocesan Board of Finance was held in March and noted the respective but overlapping roles of the two bodies. At a subsequent meeting the Council expressed its support for the reformation of the Governance Restructuring Working Party. The working party was tasked with preparing a feasibility study on the potential integration of the two bodies.

Reports and Updates: The Council received and considered reports and updates from the following bodies:

(i) the **Racial Justice Action Group** and noted continued implementation of the Racial Justice Action Plan.

(ii) the **Diocesan Environment Group,** including progress made on the implementation of the Diocesan Net Zero Carbon Action Plan.

(iii) the **Board of Education** and welcomed Duncan Gauld as the new Director of Education.

(iv) the **Agenda Group**, which met on five occasions to consider future business of Diocesan Synod. In January, the Council approved the proposed changes to the Group's constitution.

(v) the **Diocesan Mission and Pastoral Committee Executive Committee** and approved the proposed changes to the Committee's constitution in January. The Council considered responses to the first-stage consultation on proposals to dissolve the Hertford Team and to divide the benefice into four new benefices. The Council agreed to process to the next stage, and the Hertford Team Ministry scheme came into effect in October. The Pastoral Scheme relating to Hemel Hempstead completed all formal stages. Acting as the DMPC, the Council endorsed the draft Bishop's Mission Order for Soul Survivor, Watford.

(vi) the **Board for Mission and Ministry,** which reported that the Mission and Ministry Development Review process was being refreshed and on the development of new discipleship resources for those at an early stage of their faith journey.

(vii) **Growing Younger and More Diverse Programme Board**, with updates from the Bishop of Hertford on the Strategic Mission and Ministry Investment Board funding application. This included a revised bid timeline and progress on key projects in Watford, Luton and Hatfield. The Council supported the submission of a bid for £3.5m, together with an additional £1m in principle funding bid (for payment in the 2029-31 triennium), by 30 October for consideration by SMMIB on 11 December.

DIOCESAN ADVISORY COMMITTEE

The DAC is a statutory body whose functions are set out in ecclesiastical legislation. Its role is to advise the Chancellor and parishes on proposals for works to church buildings and churchyards and church furnishings, and to advise generally on the care and development of churches. The DAC focused on making church buildings more versatile for both worship and community use.

The enlarged DAC staff team, funded by Historic England and the Church of England:

- Net Zero Carbon Officer provided advice on heating options.
- Historic Church Buildings Support Officer provided advice on the funding of projects large and small via site visits, workshops and webinars.
- Church Buildings Maintenance Officer provided advice on the routine maintenance of church buildings via site visits, workshops and webinars.

The DAC has worked with the Chancellor and Diocesan Registry to produce Additional Matters Orders, simplifying the permission process for matters ranging from third-party hiring and guidance, filming (updated provisions) and churchyard scaffolding for neighbours, to electric heating and updated churchyard regulations (see below).

Following a national review of churchyard regulations by diocesan chancellors, the DAC has worked with the Chancellor to review, update and re-issue the St Albans Churchyard Regulations, guidance and statutory forms. The DAC, staff team, archdeacons and Registry have continued to see a high volume of complex and pastorally difficult cases. This led to training being offered to clergy and churchwardens on churchyard management, including memorial safety demonstrations by memorial mason Richard Lee.

Much of the time in committee meetings and at site visits – perhaps the most valuable DAC contribution to those parishes - was taken up by discussion about major projects as they developed from initial needs and ideas to detailed plans.

The Diocesan NZC Officer worked with the DAC's technical advisers to update a suite of heating resources for parishes and undertook research comparing the comfort of different heating systems. An analysis of QI reports showed no greater prevalence of damp in churches with under pew or infrared heating compared to space heated churches. The Chancellor considered each case on its merits and directed that specific conditions should be adhered to; more recently she has set out the conditions she is likely to apply in such cases to assist the DAC in providing advice to parishes.

DIOCESAN BOARD OF EDUCATION (DBE)

The Board works with 136 schools, 102 of which remain within the maintained sector and 34 academies, including 5 multi-academy trusts. This work coalesces around two broad areas. Firstly, the role of the DBE as the relevant religious authority for church schools in the Diocese of St Albans (school organisation). Secondly, the role of resourcing and supporting church schools to live their unique Christian vision for education (Christian character of church schools)

The Board seeks to provide stability, pastoral support, expertise and guidance through the work of its Schools Team and its Service Level Agreement (SLA). In September 2025, 135 out of 136 schools joined the SLA. 2025 saw the facilitation of 59 training and development events. 132 schools engaged with at least one of these over the course of the year. Three senior leaders from St Albans were awarded grants to attend the 2025-26 cohort of the Church School Leadership Course run in partnership with Chelmsford Diocese.

In September 2025, four new Headteachers started in post and one school will enter the 2025-26 academic year with Acting Headteacher arrangements. The DBE, through its SLA, is providing coaching for the first two years of headship to each of them. It is hoped that by walking alongside them through coaching, Headteacher wellbeing will be supported in this vital first year.

The ongoing financial challenges that schools face are well documented. There are several schools which are seeing a reduction in pupil numbers. Capacity and demand for school places are not always aligned. The Board is working with local authority partners to ensure that any changes take account of the overall number of church school places. Hertfordshire County Council put forward proposals in the autumn of 2025 for two church schools to close by the end of August 2026, and these are progressing through the Council's consultation process with a final decision in the spring of 2026.

In the Diocese, the access to support for children who have Special Educational Needs and Disabilities is mixed across local authorities. Schools in the Diocese continue to support all of the children and young people in their care and place inclusion at the forefront of their work. This commitment to inclusion can place extra financial pressures on schools. The Board has as a priority the pastoral support of school leaders. It remains grateful for all of those who undertake governance roles voluntarily in support of its schools.

Two diocesan schools are now part of the DfE's new flagship intervention programme for school improvement, Regional Improvement for Standards & Excellence (RISE). 39 capital building projects were supported in Voluntary aided schools, with funding totaling around £2.4m. Of these, a significant number were for roofing works, with several projects focusing on the safeguarding of school sites.

Seven schools in the Biggleswade area successfully made the transition from three to two tier provision under the Central Bedfordshire re-structuring programme. This reorganisation will eventually lead to the creation of three new CofE secondary schools from existing middle schools in the Diocese. The Diocese of St Albans Multi-Academy Trust welcomed St Leonard's Heath & Reach Academy in September, bringing the total number of schools in DSAMAT to 15.

The theme for this year's School Leaders Conference was 'Spiritually Flourishing School Communities: *culture, curriculum and collective worship'.* Spirituality sits at the very heart of education; it relates to who we are and how we understand, relate to and act with/for others and the world. Over 100 people attended the conference, including Headteachers, Trust Leaders, members of the DBE, clergy, chaplains and other diocesan staff.

Following a comprehensive recruitment process, Mr Duncan Gauld, CEO of the Chess Valley Primary Learning Trust, was appointed as the new Diocesan Director of Education in February 2025 and took up post on 1 June 2025. The Board is grateful to Charlotte Johnson, Deputy Director of Education, for serving as Interim Director of Education and for all the Schools Team staff in ensuring stability and a smooth transition.

DIOCESAN BOARD OF MISSION AND MINISTRY

Nine new members were elected to serve on the Board of Mission and Ministry for the next triennium. They bring a breadth of experience and expertise in ordained and lay ministry, youth work, counselling, coaching and education which is further enriching governance discussion.

Sixty Rural Dean and Lay Chairs met with senior staff in February, concentrating on 'Participating in Christ's Mission', particularly in the contexts of their own deaneries. Thirty clergy from a range of contexts and church traditions gathered for the fourth Symposium on the Mixed Ecology of Church. Many attending value the opportunity for theological reflection and sharing experiences of trying new things.

Listening Together was launched across deanery synods and other settings. This prayerful process enables clergy, lay leaders and congregations to reflect on how God is calling the Diocese to develop ministry in the coming years. Progress was made on widening participation in ministry, with plans drawn up for research into barriers faced by under-represented groups seeking lay or ordained ministry. Work advanced on scoping a possible new Diocesan Discipleship resource, envisaged as an accessible podcast-based tool to complement existing courses.

Increased numbers explored calling to lay and ordained ministry. The team hosted events such as 'God Calling,' 'Life in the Vicarage,' and the annual Candidates Conference, refreshed online resources, and re-established a presence at a school careers fair. The Ministry Experience Scheme also relaunched, with three participants beginning year-long placements.

During the year there were 25–27 ordinands in training and 14 new deacons were ordained - double the previous year's number. Candidates were supported throughout discernment, training and financial planning, and curacy placements for 2025 were successfully secured despite housing pressures. Matching for the 2026 cohort progressed well.

New candidates entered training for Reader Ministry, the new Enabling Ministry Course launched with 27 participants, and the Lay Leaders of Worship programme grew steadily. Flexible pathways helped more people explore and develop their gifts.

Work began on reshaping the programme to strengthen formation and improve support for Training Incumbents. The Diocese continued to prioritise wellbeing, offering wellbeing-related training alongside the Year of Spiritual Renewal and Wellbeing.

Integration of the work across the team continued, developing a more seamless experience for those served by the team. As part of this, the articulation of a shared purpose was produced: '*We enable people to respond to God's call, be nurtured in their discipleship, and equipped in their ministry,'* and began with a programme of listening to those accompanied, starting with ordinands and Readers in training. Despite changes to the staffing structure, the team continued to provide consistent, prayerful and proactive support for all in the Diocese exploring and exercising their ministry.

94 % of parishes have now engaged in Mission Action Planning, with four churches progressed from never having created a MAP to having an up-to-date MAP for the first time.

A series of webinars were held in key aspects of giving and planning for mission. An online prayer event began for those involved in ministry in the rural church. A follow-up session was held for churches who had attended the Leading your Church Into Growth conference. Training and resources were provided to first incumbents and other leaders on how to lead missional change

The first worship gathering was held as part of the Hope for Rural Churches project.

Parishes who engaged in the diocesan led giving campaign increased their regular giving by an average of 16%. The most successful saw a 30% increase in regular giving! Three Giving Case

Study videos showing best practice in parishes have been watched 275 times. In-depth strategic Giving Advisor support to 34 new parishes, in addition to ongoing support for many other parishes carried over from previous years. 40 contactless small grants of £250 were made to parishes in 2025 including full support for each parish from Digital Giving Assistant with purchasing a suitable device, setting up accounts and getting the device up and running in the church. A 'Thank You' short film resource for parishes to use was created.

The Alban Way continued to form young adults and children through prayer, pilgrimage, and shared discipleship. This year's cohort included 25% participants of Global Majority Heritage and a significant number of neurodivergent young adults. A new UK pilgrimage to Lindisfarne has widened access, alongside the Camino.

Youthscape Essentials and Launchpad supported volunteers, clergy, and emerging leaders with accessible, practical training. Participants reported increased confidence and a shift towards more relational, dialogical approaches to ministry with children and young people.

Small mission grants, combined with training and support, enabled deanery-wide youth ministry in rural contexts. In Shefford and Ampthill Deanery, churches are pooling leaders and resources to walk with young people together across the deanery.

Deanery Eco Champions have been appointed in Biggleswade, St Albans, Watford and Wheathampstead deaneries to provide support and encouragement for parishes in their environmental and sustainability work.

The numbers of churches involved in Eco Church and progressing to Bronze and Silver awards continues to grow, with 37% of all churches now registered on this free scheme which provides a framework and resources for churches to develop their environmental work as part of their Christian witness. Carbon Literacy Training has been successfully delivered online and in-person, as a one-day course and in a format for small groups.

STRATEGIC REPORT

FINANCIAL REPORT FOR THE YEAR

Overview

The financial outcome for the year remains good, showing the strength of the asset base and the generally good income collection. Sales in the Linmere trading subsidiary were particularly strong in the year, allowing a charitable donation of £3m to be made to the parent company in year.

It is important for parishes to have a Diocese which is financially stable as it is able to offer support to parishes where sustainability and growth are issues. This stability is clearly visible in that even with a downturn in asset values due to difficult economic circumstances, there has been an overall increase in funds. The overall spread of assets has generally meant that when some areas struggle others can compensate. Prudent long term financial management has also strengthened funding.

At the same time the Diocese has to be mindful of the strength of its position when some parishes are struggling with attendance, giving and rising costs. During 2025, the Diocesan Board of Finance and its committees have been giving thought as to how best to use the funds for the wellbeing of clergy and the benefit of parishes. It has been possible to give grants in support of missional activities and maintenance of church buildings. Cost increases, particularly in stipends, have been absorbed rather than being passed on to parish share. However, support for parishes has been taken further in 2026 with a reduction in parish share as a result of an increase in income from total return, following a review of the policy. The need to improve housing stock, following decades of insufficient attention to repairs, maintenance and improvement is also key and funds beyond the Common Fund are being used to support this increase in activity.

Results for the year

Total income amounted to £35.7m compared to £22.9m in 2024, an increase of £12.8m. This increase is entirely due to higher sales from the Linmere trading subsidiary, reflecting the sales that occurred in the year. All other income, from the Charity, showed slight variations, with an overall small decrease of £0.3m.

During 2025, Parish Share contributions amounted to £13.3m (2024 - £13.3m). This amount included contributions by parishes in respect of earlier years' "shortfalls" of approximately £64k (2024 - £146k). The collection rate for Parish Share for 2025 (amount received/amount requested) was 90.84% (2024 - 91.25%) which continues the trend of the last few years of small but noticeable decreases in the collection rate.

Expenditure totalled £32.1m in the year compared to £21.7m in 2024, an increase of £10.4m The associated costs of the property sales in the Linmere trading subsidiary contribute £8.6m to this. The remaining increase of £1.8m is due to general increases in costs across the board, particularly the intentional increase in grant payments (£0.4m) in parish support for repairs, rebuilding and missional activities and support costs (£0.4m) as result of the increase in NI costs and extra posts funded outside of the common fund.

Net income before revaluations and investment asset disposals amounted to £3.6m (2024 - £1.2m net income), again reflective of the property sales in the Linmere trading subsidiary. The net realised and unrealised losses on investment properties and listed investments totalled £705k (2024 - £4.8m gain). The prior year adjustment, discussed in note 34 to the accounts reduced the unrealised gain from last year. There was still a significant gain in 2024 against a loss for 2025, reflecting the global uncertainties, but also concerns about with the relatively disappointing performance of fund managers. Nevertheless, there was still a net increase in funds for the year of £2.9m (2024 - £6.1m) due to the sales from the Houghton Regis (Linmere) development showing that the Diocese's underlying position remains healthy. The Common Fund showing an increase of £53k (2024 - £564k) – see note 25 - which includes a total return transfer that provided an extra £1,059k of income (2024 - £985k).

Funding position

The consolidated balance sheet showed total funds of £214.9m (2024 - £212.0). This figure included endowment funds of £167.7m (2024 - £166.2m), the biggest part of this being the parsonage houses fund amounting to £78.3m (2024 - £77.2m).

Also included in total funds were restricted funds totalling £15.4m (2024 - £16.1m). These monies have either been raised for, and their use restricted to, specific purposes or they comprise donations subject to donor-imposed conditions. Further details of these restricted funds can be found in note 24 to the financial statements together with an analysis of movements in the year.

Funds totalling £21.0m (2024 - £20.4m) had been designated, or set aside, by the Board for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 25 to the financial statements.

FUTURE PLANS

The key feature of Diocesan life in recent years has been maintaining both vision and operations, in the context of the long-term trend of decline in Church of England attendance and the specific shock of lockdown and church closures resulting from the COVID 19 pandemic. Recent years have been characterised by settled leadership with a strong commitment to enabling all in the diocese to walk together despite issues that divide the national church.

In January 2025 Bishop Alan announced his retirement, effective from 31 May 2025. The Diocese therefore entered a period of vacancy in the See of St Albans. The formal process of appointment has led to the Rt Revd Dr Andrew Rumsey, Bishop of Ramsbury being elected as Diocesan Bishop-elect. It is hoped that Bishop Andrew will be installed in the Diocese in September.

The diocese is grateful to the Bishop of Bedford for serving as Acting Bishop of St Albans and to all in leadership and in governance bodies for enabling diocesan life to continue to function as usual.

It can reasonably be expected that Bishop Andrew will lead a reset of strategic vision for the diocese. Under Bishop Alan the vision of Living God's Love was promoted, to encourage churches to engage more missionally and similar focus is anticipated under the next Diocesan Bishop. Boards and Committees will continue working to support that vision by resourcing parochial mission and ministry and offering help and guidance to parishes. The national church strategic vision of 'Growing Younger and More Diverse' will continue to be an important part of future work within the Diocese.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board continues to review the risks faced by the charity using the risk register adopted in July 2025 and a review by both the Board and the Bishop's Council takes place annually with updates on any changes to risk and mitigation more regularly.

The most significant risks are specifically identified for review together with new and emerging risks. The top residual risks after mitigation are considered to be:

- Conflicts over governance, strategic and operational matters
- Lack of legal mechanisms to deal with unsatisfactory parish clergy performance
- Parishes not undertaking their own risk assessments
- Decline in attendance
- Failure to ensure high levels of safeguarding training compliance
- High profile safeguarding cases
- Failure to undertake effective new mission initiatives
- Parishes overwhelmed by compliance and ministry issues beyond their capacity
- Diocesan implications of parishes being overwhelmed by buildings issues beyond their capacity.

- Failure to collect parish share because some parishes cannot contribute
- Failure to collect parish share because some parishes will not contribute

For each of the risks identified action to mitigate risk, the monitoring process to be adopted and the bodies and individuals responsible for the risk are identified. The Board recognises that whilst mitigation of risk is a key responsibility, there are some individual risks where only limited mitigation is available.

CUSTODIAN FUNDS

As at 31 December 2025, the St Albans Diocesan Board of Finance held funds on behalf of parishes, church schools and general trust funds within the Diocese with a market value of approximately £40.6m (2024 - £42.3m) as Custodian Trustee.

These assets are not included in the financial statements. The funds are held predominantly as units in common investment funds held by the Central Board of Finance (CBF) of the Church of England and are professionally managed on behalf of the CBF by CCLA Investment Management Limited. At all times, funds held by the charity as Custodian Trustee are segregated clearly from those belonging to the charity itself.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The St Albans Diocesan Board of Finance is a registered charity (Charity Registration No 248887) and a company limited by guarantee (Company Registration No 00145227 (England and Wales)). It is constituted in accordance with the Diocesan Boards of Finance Measure 1925.

Liability of the members of the company

Each company member has undertaken to contribute to the assets of the company in the event of it being wound up whilst he or she is a member, or within one year after he or she ceases to be a member. The contribution, which cannot exceed £1, may be applied toward the payment of the debts and liabilities contracted before he or she ceased to be a member.

Organisation

The members of the Board are empowered by the Articles of Association of the company to act as the company directors of the St Albans Diocesan Board of Finance. The members also act as trustees of the Board for the purposes of charity legislation.

The Diocesan Synod is the democratically elected decision-making body of the Diocese and its standing committee, the Bishop's Council, is responsible for the formulation of diocesan policy.

The Board of Finance is the financial executive of the Diocesan Synod and is responsible for the custody and management of the Synod's funds and the employment of all those paid directly from the funds. Much of the work of the Board is delegated to its committees.

Related bodies

The Board's staff provide administrative and financial services to the Board of Education and the Board for Mission and Ministry. These bodies report to the Diocesan Synod which has overall responsibility for policy. The Synod delegates its day-to-day business to its standing committee, the Bishop's Council.

Members

During the year no member of the Board had any beneficial interest in any contract with the charitable company. During the year several members, who are also clergy within the Diocese, received stipends from the charitable company in connection with their religious and pastoral duties within the Diocese. However, no member received any remuneration in connection with their duties as members of the Board during the year. No expenses incurred in the performance of their duties as Board members were reimbursed during the year.

Member – selection and appointment

17 members are elected by the Diocesan Synod (of whom five should be clerks in Holy Orders and 12 laypersons) and up to five are nominated by the Bishop of St Albans. The Bishop of St Albans is an ex-officio member of the Board. Members of the Board are elected to serve for a period of three years, after which period they may offer themselves for re-election. Elections were held at the end of 2024 to appoint members for the triennium 1 January 2025 to 31 December 2027.

Member induction and training

On agreeing to become a member of the charity, the members are thoroughly briefed on the history of the charity, the day-to-day management, the responsibilities of the members, the current objectives and future plans. The members are also encouraged to attend any courses which they feel are relevant to the development of their role, and to keep up to date on any changes in legislation.

Remuneration of key management personnel

Key management personnel comprise all the members of the Board, together with the senior executives which includes the Diocesan Secretary, the Director of Finance, the Director of Education, the Property Director, the Diocesan Pastoral and Advisory Secretary, the Director and Deputy Director of Mission and Ministry and Communications Director. The remuneration of all lay members of staff, including that of key management personnel, is set according to pay structures originally established by the Archbishops' Council which have, in recent years, been adopted by the Board. These scales are reviewed annually within the confines of the Common Fund Budget which, is in turn, approved by the Diocesan Synod.

Members of the Board, also part of key management personnel, do not receive remuneration for their roles either as trustees of the charity or directors of the Board of Finance. The clergy members of the Board (excepting Self Supporting Ministers), as office holders within the Diocese, receive housing and stipends as part of their clergy role. Clergy stipends follow national stipends benchmarks as agreed annually by the National Church Central Stipends Authority adjusted for local economic factors.

Member's responsibilities statement

The members of the St Albans Diocesan Board of Finance are responsible for preparing the members' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group (consisting of the charity and two wholly-owned trading subsidiaries) and the charity and of the income and expenditure of the group for the financial year. Under company law the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of the income and expenditure of the group for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in operation.

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

Each member confirms that:

- so far as the member is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the member has taken all steps that he/she ought to have taken as a member in order to make him/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Trading subsidiaries

The charity has two wholly owned trading subsidiaries. The principal activity of both companies is property development.

The St Albans Diocesan Property Company Limited (Company No. 08899302) is a company incorporated in England with a share capital of £7,700,000 (2024 – £7,700,000). During the year the company made a net profit of £4,500k (2024 – £289k) and made a charitable donation of £3,000k (2024 - £342k) to the charity. The donation in 2024 ensured that there was no tax liability for 2024. The donation for 2025, coupled with a further donation of £1,500k in 2026 will ensure the same tax outcome.

In 2018, the charity loaned the subsidiary £7m for two years to aid working capital. £1m of this was repaid in 2019. The remaining £6m loan was exchanged for equity in the company in 2022.

The St Albans Diocesan Property Company (Chesham) Limited (Company No. 15584524) is a company incorporated in England on 22 March 2024 with a share capital of £1,000. During the year the company made a net loss of £201k (from the period from its incorporation to 31 December 2024 - £117k).

The members' report, including the strategic report, was approved by the members and signed on their behalf by:

T. J. Coulson.

Tim Coulson
Chair of the Board of Trustees

David White
Diocesan Secretary

Approved on: 18 May 2026

Independent Auditor's Report to the members of the St Albans Board of Finance Year to December 2025

Opinion

We have audited the financial statements of The St Albans Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and the parent charitable company as at 31 December 2025 and of the group's 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 group and parent 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 group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 which includes the Directors' Report and 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 which includes the Directors' Report, and the Strategic Report has 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Members' Responsibilities Statement set out on page 22, the trustees (who are also the directors of the parent 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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
We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales and the Church of England Measures.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional skepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Wilkie

Helen Wilkie (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 11 June 2026
Saffery LLP is eligible to act as auditor in terms of section 1212 of Companies Act 2006.

Consolidated statement of financial activities Year to 31 December 2025

	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Non-charitable trading funds £'000	Total 2025 £'000	Total 2024* £'000
Income and endowments from:							
Donations and legacies	1	-	1	13,314	-	13,315	13,347
Investments	2	1,717	489	1,246	92	3,544	3,567
Trading activities	27	-	-	-	13,465	13,465	393
Charitable activities	3	-	3,377	684	-	4,061	3,871
Other sources	4	365	68	898	-	1,331	1,678
Total income		2,082	3,935	16,142	13,557	35,716	22,856
Expenditure on:							
Raising funds	5	390	155	21	9,176	9,742	835
Charitable activities							
Promotion of the work of the Church of England in the Diocese of St Albans	6	-	4,254	18,110	-	22,364	20,831
Total expenditure		390	4,409	18,131	9,176	32,106	21,666
Net income (expenditure) before investment gains and losses	9	1,692	(474)	(1,989)	4,381	3,610	1,190
Realised gains on disposal of investment property and listed investments	14	875	21	7	-	903	1,348
Unrealised (losses)/gains on investment property and listed investments	14	(1,305)	(245)	(58)	-	(1,608)	3,432
Net income (expenditure) before transfers and taxation		1,262	(698)	(2,040)	4,381	2,905	5,970
Total Return transfer	15	(2,776)	-	2,776	-	-	-
Net income for the year after Total Return transfer		(1,514)	(698)	736	4,381	2,905	5,970
Other transfers between funds	22	3,000	37	(37)	(3,000)	-	-
Corporation tax credit	12	-	-	-	22	22	139
Net income (expenditure) and net movement in funds for the year		1,486	(661)	699	1,403	2,927	6,109
Other recognised gains and losses:							
Actuarial gains	32	-	-	-	-	-	-
Net movement in funds		1,486	(661)	699	1,403	2,927	6,109
Fund balances brought forward at 1 January 2025		166,202	16,051	25,498	4,257	212,008	205,899
Fund balances carried forward at 31 December 2025	21	167,688	15,390	26,197	5,660	214,935	212,008

*as restated

Comparative consolidated statement of financial activities Year to 31 December 2024 as restated

All of the group's activities derived from continuing operations during the above financial period.

	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Non-charitable trading funds £'000	Total 2024 £'000
Income and endowments from:						
Donations and legacies	*1*	*-*	*3*	*13,344*	*-*	*13,347*
Investments	*2*	*1,803*	*459*	*1,247*	*58*	*3,567*
Trading activities	*27*	*-*	*-*	*-*	*393*	*393*
Charitable activities	*3*	*-*	*3,064*	*807*	*-*	*3,871*
Other sources	*4*	*1,406*	*5*	*267*	*-*	*1,678*
Total income		*3,209*	*3,531*	*15,665*	*451*	*22,856*
Expenditure on:						
Raising funds	*5*	*255*	*139*	*23*	*418*	*835*
Charitable activities						
Promotion of the work of the Church of England in the Diocese of St Albans	*6*	*-*	*3,597*	*17,234*	*-*	*20,831*
Total expenditure		*255*	*3,736*	*17,257*	*418*	*21,666*
Net income (expenditure) before investment gains and losses	*9*	*2,954*	*(205)*	*(1,592)*	*33*	*1,190*
Realised gains on disposal of investment property and listed investments	*14*	*858*	*250*	*240*	*-*	*1,348*
Unrealised gains on investment property and listed investments	*14*	*3,142*	*217*	*73*	*-*	*3,432*
Net income (expenditure) before transfers and taxation		*6,954*	*262*	*(1,279)*	*33*	*5,970*
Total Return transfer	*15*	*(2,624)*	*-*	*2,624*	*-*	*-*
Net income for the year after Total Return transfer		*4,330*	*262*	*1,345*	*33*	*5,970*
Other transfers between funds	*22*	*342*	*664*	*(664)*	*(342)*	*-*
Corporation tax credit (charge)	*12*	*-*	*-*	*-*	*139*	*139*
Net income (expenditure) and net movement in funds for the year		*4,672*	*926*	*681*	*(170)*	*6,109*
Other recognised gains and losses:						
Actuarial gains	*32*	*-*	*-*	*-*	*-*	*-*
Net movement in funds		*4,672*	*926*	*681*	*(170)*	*6,109*
Fund balances brought forward at 1 January 2024		*161,530*	*15,125*	*24,817*	*4,427*	*205,899*
Fund balances carried forward at 31 December 2024	*21*	*166,202*	*16,051*	*25,498*	*4,257*	*212,008*

Consolidated balance sheet 31 December 2025

	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Non-charitable trading funds £'000	Total 2025 £'000	Total 2024* £'000
Fixed assets							
Tangible assets	13	77,180	-	15,965	-	93,145	90,181
Investments	14	72,060	13,049	8,215	2,451	95,775	98,194
		149,240	13,049	24,180	2,451	188,920	188,375
Current assets							
Stock: land under development	16	-	-	-	10,554	10,554	13,692
Debtors – due within one year	17	2,558	493	670	4,849	8,570	1,917
Debtors – after one year	17	-	-	201	-	201	1,122
Short term deposits		2,662	2,199	2,972	2,572	10,405	9,329
Cash at bank and in hand		-	13	906	-	919	1,112
		5,220	2,705	4,749	17,975	30,649	27,172
Creditors: amounts falling due within one year	18	(826)	(654)	(336)	(2,593)	(4,409)	(3,263)
Net current assets		4,394	2,051	4,413	15,382	26,240	23,909
Total assets less current liabilities before eliminating inter-fund balances		153,634	15,100	28,593	17,833	215,160	212,284
Inter-fund balances		14,054	290	(2,171)	(12,173)	-	-
Total assets less current liabilities		167,688	15,390	26,422	5,660	215,160	212,284
Creditors: amounts falling due after one year	19	-	-	(225)	-	(225)	(276)
Provisions for liabilities	20	-	-	-	-	-	-
Total net assets		167,688	15,390	26,197	5,660	214,935	212,008
Represented by:							
The funds of the group							
Endowment funds	23	167,688	-	-	-	167,688	166,202
Restricted funds	24	-	15,390	-	-	15,390	16,051
Unrestricted funds	25	-	-	26,197	-	26,197	25,498
Non-charitable trading funds	25	-	-	-	5,660	5,660	4,257
		167,688	15,390	26,197	5,660	214,935	212,008

*as restated

Approved by the members of the Board and signed on their behalf by:

T. J. Coulson

Tim Coulson
Chair
Approved on: 18 May 2026

The St Albans Diocesan Board of Finance
Company Registration Number 00145227 (England and Wales)

Comparative consolidated balance sheet 31 December 2024 as restated

	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Non-charitable trading funds £'000	Total 2024 £'000
Fixed assets						
Tangible assets	*13*	*77,179*	*-*	*13,002*	*-*	*90,181*
Investments	*14*	*75,312*	*12,706*	*7,775*	*2,401*	*98,194*
		152,491	*12,706*	*20,777*	*2,401*	*188,375*
Current assets						
Stock: land under development	*16*	*-*	*-*	*-*	*13,692*	*13,692*
Debtors – due within one year	*17*	*83*	*588*	*891*	*355*	*1,917*
Debtors – after one year	*17*	*-*	*49*	*374*	*699*	*1,122*
Short term deposits		*3,221*	*1,809*	*2,500*	*1,799*	*9,329*
Cash at bank and in hand		*-*	*19*	*1,091*	*2*	*1,112*
		3,304	*2,465*	*4,856*	*16,547*	*27,172*
Creditors: amounts falling due within one year	*18*	*(485)*	*(107)*	*(124)*	*(2,547)*	*(3,263)*
Net current assets		*2,819*	*2,358*	*4,732*	*14,000*	*23,909*
Total assets less current liabilities before eliminating inter-fund balances		*155,310*	*15,064*	*25,509*	*16,401*	*212,284*
Inter-fund balances		*10,892*	*987*	*265*	*(12,144)*	*-*
Total assets less current liabilities		*166,202*	*16,051*	*25,774*	*4,257*	*212,284*
Creditors: amounts falling due after one year	*19*	*-*	*-*	*(276)*	*-*	*(276)*
Provisions for liabilities	*20*	*-*	*-*	*-*	*-*	*-*
Total net assets		*166,202*	*16,051*	*25,498*	*4,257*	*212,008*
Represented by:						
The funds of the group						
Endowment funds	*23*	*166,202*	*-*	*-*	*-*	*166,202*
Restricted funds	*24*	*-*	*16,051*	*-*	*-*	*16,051*
Unrestricted funds	*25*	*-*	*-*	*25,498*	*-*	*25,498*
Non-charitable trading funds	*25*	*-*	*-*	*-*	*4,257*	*4,257*
		166,202	*16,051*	*25,498*	*4,257*	*212,008*

Charity balance sheet 31 December 2025

	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2025 £'000	Total 2024* £'000
Fixed assets						
Tangible assets	13	77,180	-	15,965	93,145	90,181
Investments	14	79,761	13,049	8,215	101,025	103,494
		156,941	13,049	24,180	194,170	193,675
Current assets						
Debtors – due within one year	17	7,245	493	670	8,408	6,159
Debtors – due after one year	17	-	-	201	201	423
Short term deposits		2,662	2,199	2,972	7,833	7,530
Cash at bank and in hand		-	13	906	919	1,110
		9,907	2,705	4,749	17,361	15,222
Creditors: amounts falling due within one year	18	(826)	(654)	(336)	(1,816)	(716)
Net current assets		9,081	2,051	4,413	15,545	14,506
Total assets less current liabilities before eliminating inter-fund balances		166,022	15,100	28,593	209,715	208,181
Inter-fund balances		1,770	290	(2,060)	-	-
Total assets less current liabilities		167,792	15,390	26,533	209,715	208,181
Creditors: amounts falling due after one year	19	-	-	(225)	(225)	(276)
Provisions for liabilities	20	-	-	-	-	-
Total net assets		167,792	15,390	26,308	209,490	207,905
Represented by:						
The funds to the charity						
Endowment funds	23	167,792	-	-	167,792	166,202
Restricted funds	24	-	15,390	-	15,390	16,051
Unrestricted funds	25	-	-	26,308	26,308	25,652
		167,792	15,390	26,308	209,490	207,905

* as restated

As permitted by Section 408 of the Companies Act 2006, the charity has not presented its own income and expenditure accounts and related notes. The charity net income for the financial year was £1,585k (2024 – net income £6,277k restated).

Approved by the members of the Board and signed on their behalf by:

T. J. Coulson.

Tim Coulson
Chair
Approved on: 18 May 2026
The St Albans Diocesan Board of Finance
Company Registration Number 00145227 (England and Wales)

Comparative charity balance sheet 31 December 2024 as restated

	Notes	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2024 £'000
Fixed assets					
Tangible assets	13	77,179	-	13,002	90,181
Investments	14	83,013	12,706	7,775	103,494
		160,192	12,706	20,777	193,675
Current assets					
Debtors – due within one year	17	4,680	588	891	6,159
Debtors – due after one year	17	-	49	374	423
Short term deposits		3,221	1,809	2,500	7,530
Cash at bank and in hand		-	19	1,091	1,110
		7,901	2,462	4,856	15,222
Creditors: amounts falling due within one year	18	(485)	(107)	(124)	(716)
Net current assets		7,416	2,358	4,732	14,506
Total assets less current liabilities before eliminating inter-fund balances		167,608	15,064	25,509	208,181
Inter-fund balances		(1,406)	987	419	-
Total assets less current liabilities		166,202	16,051	25,928	208,181
Creditors: amounts falling due after one year	19	-	-	(276)	(276)
Provisions for liabilities	20	-	-	-	-
Total net assets		166,202	16,051	25,652	207,905
Represented by:					
The funds to the charity					
Endowment funds	23	166,202	-	-	166,202
Restricted funds	24	-	16,051	-	16,051
Unrestricted funds	25	-	-	25,652	25,652
		166,202	16,051	25,652	207,905

Summary Consolidated income and expenditure account Year to 31 December 2025

This summary consolidated income and expenditure account relates to income funds only (i.e. excluding movements on endowment funds) and has been prepared to comply with the Companies Act 2006.

	2025 £'000	2024 £'000
Total income of continuing operations	33,634	19,647
Total expenditure of continuing operations	(31,716)	(21,411)
Net income (expenditure) for the year before transfers, investment gains and losses and taxation	1,918	(1,764)
Total return transfer	2,776	2,624
Other transfers to endowment funds	(3,000)	(342)
Net income before investment gains and losses and taxation	1,694	518
Investment (losses) gains	(275)	780
Taxation credit	22	139
Net income for the year as defined by the Companies Act 2006	1,441	1,437

Total income as defined by the Companies Act 2006 comprises £29,699k (2024 – £16,116k) for unrestricted and non-charitable trading funds and £3,935k (2024 – £3,531k) for restricted funds. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analyses of expenditure are provided in the statement of financial activities and related notes.

Net income before investment gains and taxation for the year of 1,693k (2024 – £518k expenditure) comprises net income of£2,131 (2024 - £852k income) on unrestricted and non-charitable trading funds and net expenditure of£437 (2024 – £334k expenditure) on restricted funds.

The summary consolidated income and expenditure account is derived from the consolidated statement of financial activities on page 28 which, together with the notes to the financial statements provides full information on the movements during the year on all funds of the group.

Consolidated statement of cash flows Year to 31 December 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,342)	(4,118)
Cash flows from investing activities:			
Dividends, interest and rent from investments		3,544	3,567
Proceeds from the disposal of tangible fixed assets		-	1,576
Purchase of tangible fixed assets		(3,032)	(812)
Proceeds from the disposals of investments		23,540	17,330
Purchase of investments		(21,845)	(21,526)
Taxation reimbursed/paid		-	80
Net cash provided by investing activities		2,206	215
Cash flows from financing activities:			
Repayment of borrowing		-	-
Net cash used in financing activities		-	-
Change in cash and cash equivalents in the year		864	3,903
Cash and cash equivalents at 1 January 2024	B	10,470	14,373
Cash and cash equivalents at 31 December 2024	B	11,334	10,470

Notes to the statement of cash flows for the year to December 2025

A Reconciliation of net income to net cash flow used in operating activities

	2025 £'000	2024* £'000
Net income (as per the statement of financial activities:	2,905	5,970
Adjustments for:		
Depreciation charge	68	63
(Gains) on investments	705	(4,780)
Dividends, interest and rent from investments	(3,544)	(3,567)
Surplus on disposal of tangible fixed assets	-	(344)
(Increase)/decrease in stocks	3,138	(1,861)
(Increase)/decrease in debtors	(5,732)	(630)
Increase in creditors	1,117	1,031
Pension adjustment	-	-
Net cash used in operating activities	(1,342)	(4,118)

*as restated

B Analysis of cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank and in hand	919	1,112
Short-term deposits	10,405	9,329
Cash held by investment managers	10	29
Total cash and cash equivalents	11,334	10,470

Analysis of changes in net debt

	At 1 Jan 2025 £'000	Cash flows £'000	At 31 Dec 2025 £'000
Cash at bank and in hand	1,112	**(193)**	919
Cash equivalents	9,358	1,047	10,415
Total	10,470	854	11,334

The Group did not have any debt at 31 December 2025 (2024: none).

Principal accounting policies 31 December 2025

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2025 with comparative information provided for the year to 31 December 2024.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006, except where the special nature of the St Albans Diocesan Board of Finance's operations has required adaptation of the formats as allowed by section 396(5).

The charity constitutes a public benefit entity as defined by FRS102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Basis of consolidation

The financial statements consolidate, on a line-by-line basis, the results of the charity and its wholly owned subsidiary companies, St Albans Diocesan Property Company and St Albans Diocese Property Company (Chesham) Limited, made up to the balance sheet date.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the Board and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the valuation of investment properties;
- the useful economic life of tangible fixed assets;
- the valuation of stock of land under development; and
- The estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Going concern

The members of the Board have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The members of the Board have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

Much of the parish share is received from congregants who give via regular church services. Congregations have increased since the pandemic and lockdown but are still seeing an overall decline. This has resulted in a continuing fragility to income received, a significant portion of it being from parish share. The charity has been able to combat this by the introduction of total return on investments and the reduction of expenditure.

The Board has prepared, reviewed and continuously updates a five-year forecast which provides a finance strategy that underpins the Diocesan missional strategy, whilst allowing control of costs. As a result, the financial position has been healthy for the past three years.

The members of the Board have concluded that accounting for the challenges faced, there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The members of the Board are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably, and it is probable that the funds will be received.

Income comprises donations and legacies, including Parish Share income, income from listed and property (glebe) investments, income directly related to charitable activities (including grants) and the surplus on disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Grants receivable on confirmation by the charity that specified performance criteria have been met are accounted for only once such criteria have been satisfied.

Income is deferred only when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Dividends are recognised once the dividend has been declared, and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from each sale of land under long term land development contracts is recognised on completion. Costs of each sale are apportioned based on the proportion of the land area sold.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

a. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.
b. The charitable activities comprise expenditure on the charity's primary charitable purposes as described in the members' report i.e. promoting the work of the Church in the Diocese of St Albans including payments of grants. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, property management, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Grants payable are included in the statement of financial activities when approved and when committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

School major repair and capital projects

The charity receives contributions from governors of Church schools in the Diocese in connection with major repair and capital projects to Church schools and also Government grants in connection with the same. Under the School Condition Allocation (SCA) funding scheme, monies are received and then allocated or spent. Projects are agreed by the Diocese, under the statutory and non-statutory guidance provided by the Department for Education (DfE). Because the Diocese has some limited discretion over the application of funds, it is the view that all income and expenditure under the SCA should be included in these accounts. Monies received have to be spent within a two-year time period or returned to the DfE.

Tangible fixed assets

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised except for freehold land and buildings discussed below.

Freehold land and buildings owned as at 31 December 2013 comprising parsonage houses and corporate residential properties are included in the financial statements at a valuation determined by the members of the Board as at 31 December 2013.The valuation, deemed to approximate to the value based on an existing use basis, was based on an insurance value determined by Rumball Sedgwick, Chartered Surveyors, as part of their quinquennial review. Other freehold land and buildings are included in the financial statement at cost, or where the cost is not known, at a valuation determined prior to 31 December 1999 by members of the Board. All of the above valuations have been deemed to be cost under the transitional provisions of FRS102. All other tangible fixed assets are included in the financial statements at cost, except for Holywell Lodge, where key building work is depreciated over a period of fifty years.

Parsonage houses being buildings designed as, and used wholly or mainly for, private residential accommodation are not depreciated. Their value and conditions are reviewed annually by the members of the Board, who are satisfied that their residual value is not materially less than their book value.

Other freehold buildings which are used as private residential properties are not depreciated. The value and condition of the properties is reviewed annually to ensure that their residual value is not materially less than their book value.

Improvement work for freehold buildings are capitalised when the cost is greater than £25,000 and meets the criteria that the expenditure enhances the capacity or functionality of the building. The capitalised improvements will result in structural enhancements, major refurbishments or reconfigurations. This work will be depreciated over a period of ten years.

Computer equipment is written off over a period of between three and six years and office equipment over a period of ten years, based on cost, in order to write the cost of each asset off over its estimated useful life.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted in the Members' Report attached to these financial statements, one of the main forms of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Glebe property comprising agricultural land, retail property and residential property held for investment is included in the financial statements at a valuation based on rental yield. The valuation has been determined by the members after consultation with their professional property advisers. In the case of a small number of residential properties subject to long leases, rental yield comprises ground rent only and the resultant valuation reflects this. In assessing the recoverable amount of Glebe property, management has exercised judgement in determining that values should reflect orderly market conditions rather than distressed or "fire sale" scenarios. The numerous units that make up Glebe property are separate units and even if a number were to be sold at any one time, they would be subject to separate negotiations due to their random geographical spread and lack of obvious strategic alignment. Accordingly, valuations are based on expected proceeds from an orderly transaction between market participants.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stock: land under development

Stock is stated at the lower of cost and net realisable value. The cost of stock includes the initial cost of the land, preliminary costs incurred prior to the commencement of construction and borrowing costs.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the members of the Board. Certain unrestricted funds have been set aside and designated for specific purposes by the Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

The endowment funds comprise assets which normally must be held as capital but, where permitted, may be applied towards meeting certain charitable aims. The income therefrom may be used either in accordance with the terms of the endowment, if stipulated, or for general purposes. The application of total return in 2025 does not change this and all transfers to unrestricted funds as a result of total return are in accordance with the terms of the endowment funds.

The non-charitable trading funds represent the retained profit arising on the charity’s trading subsidiaries.

Financial instruments

Apart from fixed asset investments held at fair value, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Pension costs

All members of staff and clergy are eligible to belong to a defined benefits pension scheme administered by the Church of England Pensions Board. The charity is unable to identify its share of the underlying assets and liabilities of the schemes on a reasonable and consistent basis. Therefore, in accordance with FRS102, it has accounted for its normal contributions as if the schemes were defined contribution schemes. Normal contributions are charged to the statement of financial activities when payable. The present value of the expected deficit recovery contributions are recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Custodian funds

Funds held by the charity on behalf of parishes, church schools and other entities and over which the charity has no power to make management decisions are classified as custodian funds and are not included in the financial statements. Instead, the funds held are disclosed by way of a note to the financial statements.

Notes to the financial statements 31 December 2025

1 Income from donations and legacies

	Restricted funds £'000	Unrestricted funds £'000	Total 2025 £'000
Parish Share	-	13,272	13,272
Specific parochial donations	-	9	9
General donations and legacies	1	33	34
2025 total funds	1	13,314	13,315

	Restricted funds £'000	*Unrestricted funds £'000*	*Total 2024 £'000*
Parish Share	*-*	*13,314*	*13,314*
Specific parochial donations	*-*	*6*	*6*
General donations and legacies	*3*	*24*	*27*
2024 total funds	*3*	*13,344*	*13,347*

In addition to the above, the Diocesan Board of Finance received as trustees' contributions of £561k (2024 – £379k) from the governors of Church schools in the Diocese in connection with major repair and capital projects.

2 Income from investments

	Endowment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Non-Charitable Trading income £'000	Total 2025 £'000
Income from listed investments and interest receivable	1,177	428	323	92	2,020
Glebe income	540	-	-	-	540
Income from miscellaneous rents and lettings	-	61	923	-	984
2025 total funds	1,717	489	1,246	92	3,544

	Endowment funds £'000	*Restricted funds £'000*	*Un-restricted funds £'000*	*Non-Charitable Trading income £'000*	*Total 2024 £'000*
Income from listed investments and interest receivable	*1,335*	*435*	*488*	*58*	*2,316*
Glebe income	*467*	*-*	*2*	*-*	*469*
Income from miscellaneous rents and lettings	*1*	*24*	*757*	*-*	*782*
2024 total funds	*1,803*	*459*	*1,247*	*58*	*3,567*

3 Income from charitable activities

	Restricted funds £'000	Unrestricted funds £'000	Total 2025 £'000
Grants receivable	468	224	692
Fees and chaplaincy income	-	460	460
Schools' Service Level Agreements and Project levies	152	-	152
Grant funding for Schools Building Projects	2,355	-	2,355
Other income from courses and conferences	47	-	47
Grant from Church Commissioners' DIP Funding	167	-	167
National Church allocations	188	-	188
2025 total funds	3,377	684	4,061

	Restricted funds £'000	*Unrestricted funds £'000*	*Total 2024 £'000*
Grants receivable	*267*	*286*	*553*
Fees and chaplaincy income	*-*	*521*	*521*
Schools' Service Level Agreements and Project levies	*134*	*-*	*134*
Grant funding for Schools Building Projects	*2,199*	*-*	*2,199*
Other income from courses and conferences	*60*	*-*	*60*
Grant from Church Commissioners' DIP Funding	*240*	*-*	*240*
National Church allocations	*164*	*-*	*164*
2024 total funds	*3,064*	*807*	*3,871*

Grants receivable for the year which exceeded £100,000 from a single organisation were as follows:

	2025 £'000	2024 £'000
Benefact Trust	119	141
City Churches Fund (Trust For London)	104	111
Hockerill Foundation	120	110
Church Commissioners' Diocesan Investment Programme	155	240

4 Income from other sources

	Endowment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Total 2025 £'000
Income from sale of properties	197	51	795	1,043
Income from sale of Glebe land	168	-	-	168
Miscellaneous income	-	17	103	120
2025 total funds	365	68	898	1,331

	Endowment funds £'000	*Restricted funds £'000*	*Un-restricted funds £'000*	*Total 2024 £'000*
Income from sale of properties	*1,378*	*–*	*198*	*1,578*
Miscellaneous income	*28*	*5*	*69*	*102*
2025 total funds	*1,408*	*5*	*267*	*1,678*

5 Expenditure on raising funds

	Endowment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Non-Charitable Trading income £'000	Total 2025 £'000
Schools' Service Level Agreements	–	46	–	–	46
Schools' Courses	–	18	–	–	18
School Capital Projects	–	69	–	–	69
Investment management costs	75	22	21	–	118
Trading expenditure (notes 27 &28)	–	–	–	9,176	9,176
Glebe expenditure	315	–	–	–	315
2025 total funds	390	155	21	9,176	9,742

	Endowment funds £'000	*Restricted funds £'000*	*Un-restricted funds £'000*	*Non-Charitable Trading income £'000*	*Total 2024 £'000*
Schools' Service Level Agreements	*–*	*38*	*–*	*–*	*38*
Schools' Courses	*–*	*18*	*–*	*–*	*18*
School Capital Projects	*–*	*59*	*–*	*–*	*59*
Investment management costs	*83*	*24*	*23*	*–*	*130*
Trading expenditure (note 26)	*–*	*–*	*–*	*418*	*418*
Glebe expenditure	*172*	*–*	*–*	*–*	*172*
2024 total funds	*255*	*139*	*23*	*418*	*835*

6 Expenditure on the promotion of the work of the Church of England in the Diocese of St Albans

	Year ended 31 December 2025			*Year ended 31 December 2024*		
	Restricted funds £'000	Unrestricted funds £'000	Total 2025 £'000	*Restricted funds £'000*	*Unrestricted funds £'000*	*Total 2024 £'000*
Parochial clergy stipends and related costs						
Stipends	-	6,802	6,802	-	*6,731*	*6,731*
Pension contributions	-	1,340	1,340	-	*1,488*	*1,488*
National insurance	-	722	722	-	*557*	*557*
Removal and resettlement	-	343	343	-	*267*	*267*
Other clergy costs	-	508	508	-	*455*	*455*
	-	9,715	9,715		*9,498*	*9,498*
Clergy housing costs						
Parsonages (direct exposure)	63	3,924	3,987	-	*3,708*	*3,708*
Allocation of support costs	40	530	570	-	*450*	*450*
Sub total	103	4,454	4,557	-	*4,158*	*4,158*
Board of Finance properties (direct expenditure)	-	3	3	-	*267*	*267*
	103	4,457	4,560	-	*4,425*	*4,425*
Ministry						
Direct expenditure*	126	1,457	1,583	*82*	*1,330*	*1,412*
Allocation of support costs	46	597	643	-	*513*	*513*
	172	2,054	2,226	*82*	*1,843*	*1,925*
Education						
Schools Condition Allocation grants (note 23)	2,249	-	2,249	*2,633*	-	*2,633*
Direct expenditure	490	-	490	*406*	-	*406*
Allocation of support costs	26	344	370	-	*296*	*296*
	2,765	344	3,109	*3,039*	*296*	*3,335*
Mission						
Direct expenditure	317	347	664	*187*	*370*	*557*
Allocation of support costs	26	343	369	-	*296*	*296*
	343	690	1,033	*187*	*666*	*853*
Grants payable (note 7)	871	850	1,721	*289*	*506*	*795*
Total funds	4,254	18,110	22,364	*3,597*	*17,234*	*20,831*

* This figure includes the costs of supporting ordinands in training amounting to £772k (2024 – £803k).

7 Grants payable

The Diocese makes grants to institutions in accordance with its grant making policy set out in the members' report. A detailed list of those institutions receiving grants may be obtained on request from the Diocesan Secretary.

	Year ended 31 December 2025			*Year ended 31 December 2024*		
	Restricted funds £'000	Unrestricted funds £'000	Total 2025 £'000	*Restricted funds £'000*	*Unrestricted funds £'000*	*Total 2024 £'000*
Church Schools						
Other grants to schools	2	-	2	16	-	16
Parishes						
To assist with repairs or rebuilding costs	525	15	540	156	3	159
Pastoral Aid Support Grants to assist in meeting Parish Share contributions	-	29	29	-	141	141
Mission Initiatives	-	601	601	-	289	289
Energy grants	55	166	221	-	4	4
External charities						
For humanitarian relief mission and evangelism	125	39	164	8	68	76
Clergy and clergy widows						
Ordinands' support	62	(1)	61	49	1	50
Discretionary grants for the relief of financial hardship	102	1	103	60	-	60
Total funds	871	850	1,721	289	506	795

8 Support costs

	Total 2025 £'000	Total 2024 £'000
Support staff costs	896	582
Support office costs	445	410
Governance costs	216	174
General Synod Requirement	395	389
	1,952	1,555
Reallocated to charitable activities as follows:		
Clergy housing	570	450
Ministry	643	513
Education	370	296
Mission	369	296
	1,952	1,555

9 Net income (expenditure) before investment gains and losses

This is stated after charging:

	Total 2025 £'000	Total 2024 £'000
Staff costs (note 10)	2,933	2,045
Auditor's remuneration:		
Statutory audit services	41	42
Depreciation	68	63

Staff costs have increased in year by £888k mainly due to the adjustment to the pension surplus on the Church Workers' Pension Fund which was recognised in its entirety as a credit to pensions in 2024. Additional parish-facing staff post were introduced during the year made possible by grants from external funding bodies.

10 Staff costs and employees

	Total 2025 £'000	Total 2024 £'000
Staff costs during the year were as follows:		
Wages and salaries	2,441	2,198
Social security costs	283	213
Other pension costs*	209	(366)
	2,933	2,045

*Credit is a result of pension holiday of 29 months fully accounted for in 2024

	Total 2025 £'000	Total 2024 £'000
Staff costs per function were as follows:		
Direct promotion of the work of the Church of England in the Diocese of St Albans	1,596	1,213
Other support staff	1,337	832
	2,933	2,045

The average number of employees and office holders, analysed by function, was:

	2025 Full-time	2025 Part-time	2024 Full-time	2024 Part-time
Direct promotion of the work of the Church of England in the Diocese of St Albans	15	28	13	26
Other support staff	15	13	14	10
	30	41	27	36

The 41 (2024 – 36) part-time posts are equivalent to 23.4 full-time posts (2024 – 21.5).

The number of employees who earned over £60,000 (excluding employer's pension contributions) during the year was as follows:

	2025	2024
£60,001 - £70,000	3	3
£70,000 - £80,000	2	-
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1

Employer contributions are also paid into a pension scheme in respect of the employees who earned over £60,000.

Key management personnel remuneration (including employer's pension and national insurance contributions) totalled £1,453k in the year to 31 December 2025 (2024 – £1,217k) including stipends and related employer's pension and national insurance contributions in respect to Board members of £333k (2024 – £274k).

11 Board members' remuneration

During the year no member of the Board had any beneficial interest in any contract with the group or the charity (2024 – none). During the year several members of the Board, who are also clergy within the Diocese, received stipends from the charity in connection with their religious and pastoral duties within the Diocese. These stipends totalled £333k (2024 – £274k) including pension contributions of £50k (2024 – £46k) to the Clergy scheme and other employer costs. However, no member of the Board received any remuneration in connection with their duties as members of the Board during the year (2024 – none). Nothing was incurred in travel expenses in the performance of their duties as Board members (2024 – less than£1k).

Eight clergy members benefited from clergy housing provided by the Board (2024 – eight members).

The Board's insurance policy includes cover for Trustee Indemnity.

12 Taxation

The St Albans Diocesan Board of Finance is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The charity's subsidiary companies pay corporation tax on their taxable profits. If sufficient funds are available, the subsidiary companies may make a charitable donation to their parent charity which will reduce the corporation tax payable.

13 Tangible fixed assets

Group & Charity 2025	Parsonage houses £'000	Other freehold land and buildings £'000	Office equipment £'000	Total £'000
Cost or deemed cost				
At 1 January 2025	75,396	15,015	311	90,722
Additions	1	2,966	65	3,032
Disposals	-	-	-	-
At 31 December 2025	75,397	17,981	376	93,754
Depreciation				
At 1 January 2025	-	(404)	(137)	(541)
Charge for the year	-	(23)	(45)	(68)
Disposals	-	-	-	-
At 31 December 2025	-	(427)	(182)	(609)
Net book values				
At 31 December 2025	75,397	17,554	194	93,145
At 31 December 2024	75,396	14,611	174	90,181

Parsonage houses and corporate residential properties owned as at 31 December 2013 have been included in tangible fixed assets at a valuation at that date. The valuation attributable to each house as at that date is that deemed by members of the Board of Finance to have approximated to the value calculated on the basis of existing use. In calculating this valuation, reference was made to insurance value, as determined by Rumball Sedgwick, Chartered Surveyors, as part of their quinquennial review. The historical cost of the parsonage houses is not known as many of these assets have been given or transferred to the Diocese over a period of many years. These valuations are now regarded as the deemed cost of the properties under the transitional provisions of FRS102.

Parsonage houses and corporate residential properties acquired since 1 January 2014 have been included within tangible fixed assets at their cost. The book value of other freehold land and buildings is based on cost, or where cost is not available, at a members' valuation made in prior accounting periods. Other fixed assets are stated at cost.

The Board has opted to adopt a policy of not revaluing its tangible fixed assets as permitted on the implementation of FRS102. It is likely that the open market values of the groups and the charity's other freehold land and buildings are materially greater than their book values. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of members, is not justified in terms of the benefit to the users of the financial statements.

Four of the freehold buildings, costing £1,783k were bought using money from Glebe receipts and so are part of the Glebe fund. If they are sold in the future, the proceeds will be retained within the Glebe Fund.

In accordance with FRS102, to the extent that property is financed by Church Commissioners' equity loans for sector ministry, it is excluded from both tangible fixed assets and the related creditors in the balance sheet.

14 Investments

Group	Endowment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Non-charitable Trading Funds £'000	Total 2025 £'000	Total 2024* £'000
Glebe property	30,456	-	-	2,451	32,907	37,157
Listed investments and cash	41,604	13,049	8,215	-	62,868	61,037
	72,060	13,049	8,215	2,451	95,775	98,194

*as restated

Group as restated	Endowment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Non-Charitable Trading Funds £'000	Total 2024* £'000
Glebe property	34,756	-	-	2,401	37,157
Listed investments and cash	40,556	12,706	7,775	-	61,037
	75,312	12,706	7,775	2,401	98,194

*as restated

Charity	Endowment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Total 2025 £'000	Total 2024* £'000
Glebe property	30,456	-	-	30,456	34,756
Listed investments and cash	41,604	13,049	8,215	62,868	61,037
Investment in subsidiary undertaking	7,701	-	-	7,701	7,701
	79,761	13,049	8,215	101,025	103,494

*as restated

Charity	Endowment funds £'000	Restricted funds £'000	Un-restricted funds £'000	Total 2024* £'000
Glebe property	34,756	-	-	34,756
Listed investments and cash	40,556	12,706	7,775	61,037
Investment in subsidiary undertaking	7,701	-	-	7,701
	83,013	12,706	7,775	103,494

*as restated

Movements in the group's and charity's investments during 2025, excluding those in subsidiary companies, were as follows:

	Glebe property £'000	Listed investments £'000	Total £'000
Market value at 1 January 2025	37,157	61,008	98,165
Additions at cost	50	21,795	21,845
Disposals at book value (proceeds: £23,540k; net gains: £903k)	(3,716)	(18,921)	(22,637)
Net unrealised investment (losses)	(584)	(1,024)	(1,608)
Market value at 31 December 2025	32,907	62,858	95,765
Cash awaiting investment	-	10	10
	32,907	62,868	95,775

Glebe property

Glebe property is included in the financial statements at a valuation based on rental yield. The valuation has been calculated by the Board based on information provided by the charity's managing land agents. The historical cost of the Glebe properties is not known. Many of the properties have been owned for a significant number of years and, in many cases, the properties were given or transferred to the Diocese for no consideration.

Glebe property held at 31 December 2025 comprised the following:

	Group		Charity	
	2025 £'000	2024* £'000	2025 £'000	2024* £'000
Agricultural land	25,185	29,400	22,734	26,999
Residual property	7,722	7,757	7,722	7,757
	32,907	37,157	30,456	34,756

*as restated

Listed investments

Listed investments comprise units in funds held mainly by the Central Board of Finance of the Church of England (CBF) which are professionally managed on behalf of the CBF by CCLA Investment Management Limited, Sarasin & Partners UK and Baillie Gifford & Co. Remaining funds are held by Schroder and Company Limited and are in the process of being sold.

At 31 December 2025, the investment portfolio for both the group and charity included the following holdings which represented a material proportion of the total value of the fixed asset investment portfolio at that date:

	2025		2024	
	Percentage of portfolio %	Market value £'000	Percentage of portfolio %	Market value £'000
CCLA CBF Investment Fund – Income units	52.6	33,096	54.1	33,025
Sarasin Climate Active Endowment Fund Class A Income	27.1	17,042	24.8	15,114
Baillie Gifford Responsible Global Equity Income Fund B Accumulated	20.2	12,711	18.0	10,947
Other	0.1	19	3.2	1,923

All listed investments are held within the United Kingdom.

Investment in subsidiary companies

St Albans Diocesan Property Company Limited
During 2014, the charity established a wholly owned subsidiary company, St Albans Diocesan Property Company Limited, investing £1.7 million in the purchase of the subsidiary company's called up share capital of 1,700,000 ordinary shares. During 2022, a £6 million loan from the charity to its subsidiary company was converted to equity shares, bringing the total holding to 7,700,000 ordinary shares. Further details of the subsidiary and its trading results for the year to 31 December 2025 and financial position as at that date are given in note 26 to these financial statements.

St Albans Diocesan Property Company (Chesham) Limited
During 2024, the charity established a wholly owned subsidiary company, St Albans Diocesan Property Company (Chesham) Limited, with a called-up share capital of £1,000 ordinary shares. Further details of this investment are included within Note 27 to these financial statements.

15 Application of total return accounting to Investments

The investment power of total return permits the St Albans Diocesan Board of Finance to invest across all permanent endowment investments to maximise total return and apply an appropriate portion of the unapplied total return each year. These are the endowment funds for Diocesan Stipends, Glebe and Parsonage Benefice Funds.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the individual fund. 3.5% of the value of investments, i.e., £2,776k in total (£2,624 in 2024), was transferred to general funds such that it is set against the cost of stipendiary ministry in the year, as determined by the Diocesan Stipends Fund (Amendment) Measure 2016.

From 1 January 2022 the St Albans Diocesan Board of Finance adopted a total return approach to investments with regard to the above investment portfolios. The Board adopted and agreed a base-line asset value at 31 December 2017, indexed using CPI, and a distribution policy of 3.5% based on a five-year rolling average of capital values, to be reviewed every three years. During the review in 2025, the Board agreed to increase the distribution to 4% from 1 January 2026.

The initial value for implementing total return for investment was determined at 31 December 2017 as £57,238k. This was the amount held in permanent endowment investments and cash deposits at that date. The unapplied total return calculated as at the 1 January 2022 and valued at £18,811k as the increase above inflation in the value of these investments since the initial valuation, subsequent to the application of CPI and adjusted for amounts invested in curates' houses.

The movements in the value of the unapplied total return, during the two years that total return has been applied, are set out in the following tables:

	Trust for investment £'000	Unapplied total return £'000	Total £'000
At 1 January 2025:			
Base value of the permanent endowment	71,610	-	71,610
Unapplied total return	-	15,225	15,225
Total	71,610	15,225	86,835
Movements during the year:			
Investment returns: dividends received	-	1,785	1,785
Investment return: realised and unrealised losses	-	(431)	(431)
Investment management feeds	-	(38)	(38)
Glebe property expenses	-	(315)	(315)
Unapplied total return allocated to income in the year	-	(2,776)	(2,776)
Charitable donation from property company	-	3,000	3,000
Add indexation of base level of endowment	2,376	(2,376)	-
Net movements in the year	2,376	(1,151)	1,225
As at 31 December 2025			
Base value of the permanent endowment	73,986	-	73,986
Unapplied total return	-	14,074	14,074
Valuation as at December 2025	73,986	14,074	88,060

	Trust for investment £'000	Unapplied total return £'000	Total £'000
At 1 January 2024:			
Base value of the permanent endowment	*69,814*	*-*	*69,814*
Unapplied total return	*-*	*11,130*	*11,130*
Total	*69,814*	*11,130*	*80,944*
Movements during the year:			
Investment returns: dividends received	*-*	*1,729*	*1,729*
Investment return: realised and unrealised losses	*-*	*6,595*	*6,595*
Investment management feeds	*-*	*(11)*	*(11)*
Glebe property expenses	*-*	*(140)*	*(140)*
Unapplied total return allocated to income in the year	*-*	*(2,624)*	*(2,624)*
Charitable donation from property company	*-*	*342*	*342*
Add indexation of base level of endowment	*1,796*	*(1,796)*	*-*
Net movements in the year	*1,796*	*4,095*	*5,891*
As at 31 December 2024			
Base value of the permanent endowment	71,610	-	71.610
Unapplied total return	-	15,225	15,225
Valuation as at December 2024	71,610	15,225	86,835

16 Stock: land under development

Group	2025 £'000	2024 £'000
At 1 January 2025	**13,692**	11,831
Development cost	**4,723**	1,933
Borrowing costs	**208**	153
Disposals	**(8,069)**	(225)
At 31 December 2025	**10,554**	13,692

Land under development relates to a parcel of land that is being developed by the charity's wholly owned trading subsidiary, St Albans Diocesan Property Company Limited. On 20 December 2017 St Albans Diocesan Property Company Limited signed a Collaboration and Equalisation Agreement with the owners and co-developers of adjacent land to its own near Houghton Regis. This agreement is pursuant to an existing Collaboration and Equalisation Agreement in place ("Heads of Agreement") with the same owners. The new agreement sets out detailed terms and conditions of the financial and operational obligations of each member to the Houghton Regis Consortium which will manage the development and sales of land owned by each member of the Consortium. During the eight years to 31 December 2025, professional, feasibility and borrowing costs have been incurred and have been treated as additions to the value of the land under development. The first major sale of land was made in February 2019 with further sales in each of the following years to date. The profits on these sales have been included in the group financial statements in the year appropriate to the transactions.

17 Debtors

	Group		Charity	
Due within one year	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Amounts due from Parochial Church Councils:				
Building loans	-	-	-	-
Parochial contributions (note (a) below)	**171**	53	**171**	53
	171	53	**171**	53
Church Commissioners – Pastoral Account (note (b) below)	**4**	1	**4**	1
Investment income receivable	**69**	116	**69**	116
Staff loans	-	3	-	3
Due from subsidiary company (note (c) below)	-	-	**4,687**	4,597
Amount due in respect to sale of land	**2,476**	355	**2,476**	-
Sundry debtors and prepayments*	**5,850**	1,389	**1,001**	1,389
	8,570	1,917	**8,408**	6,159

*The increase in sundry debtors is mostly due to the deferred proceeds of land sold through the trading subsidiary SADPC in 2025.

	Group		Charity	
Due after one year	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Amounts due from Parochial Church Councils:				
Equity loans to finance the purchase of curates' houses (note (d) below)	**161**	171	**161**	171
Other loans	**40**	91	**40**	91
Sundry Debtors	-	161	-	161
Other Debtors	-	699	-	-
	201	1,122	**201**	423

Notes

(a) The debtor for parochial contributions represents monies in respect of parochial fees, rent, stipend recharges and other small ad-hoc income for 2025.

(b) Amount due from the Church Commissioners represents proceeds from the sale of a redundant church.

(c) The amount due from the subsidiary company includes accrued interest on loans to both subsidiaries (see notes 27 and 28).

(d) Equity loans enable Parochial Church Councils to purchase curates' houses. They are repayable only on the future disposal of the relevant property.

18 Creditors: amounts falling within one year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Church School buildings and maintenance	364	93	364	93
Grants committed	550	-	550	-
Corporation tax payable	-	22	-	-
Amount due to consortium development partners*	2,225	2,334	-	-
Sundry creditors and accruals	1,270	814	902	623
	4,409	3,263	1,816	716

*The amount due to consortium development partners has been reclassified as a short-term creditor from a long-term creditor following a review of the terms of the agreement. This is a presentational change only.

Church schools' buildings and maintenance represent receipts held and allocated to a project but not yet spent.

19 Creditors: amounts falling due after more than one year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts due to the Church Commissioners				
Variable deposit rate and equity loans for the purchase of curates' houses	185	186	185	186
Loans owing more than one year	40	90	40	90
	225	276	225	276

The Church Commissioners' loans have no fixed date of repayment. The equity loans bore interest at between 6.68% and 11.01% during the year. Two of these properties were sold in the year.

20 Provisions for liabilities

Group and Charity	2025 £'000	2024 £'000
Clergy pension scheme deficit contribution liability	-	-

Following finalisation of the 31 December 2021 valuation, the Clergy Pension Scheme was fully funded, no agreed deficit recovery payments are required from 1 January 2023 onwards, and the balance sheet liability as at both 31 December 2025 and 31 December 2024 is nil. Note 32 contains further details.

21 Summary of assets by fund

Charity Funds as at 31 December 2025	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Inter-Fund Balances £'000	Net Assets £'000
ENDOWMENT FUNDS						
Stipends Capital Fund	-	21,057	224	-	3,138	24,419
Parsonage House Fund	77,180	-	-	-	1,078	78,258
Parsonage Building Benefice Fund	-	2,867	345	-	(776)	2,436
Glebe Fund	-	55,837	9,338	(826)	(1,670)	62,679
	77,180	79,761	9,907	(826)	1,770	167,792
RESTRICTED FUNDS						
Consolidated Fund for Statutory Education	-	9,228	493	(361)	187	9,547
Pastoral Account	-	-	1,033	(20)	(282)	731
Committee for Social Responsibility	-	643	68	(54)	25	682
Parker Fund	-	725	40	-	1	767
Yapp Fund	-	708	48	-	111	867
Archdeacons Discretionary	-	618	64	-	4	686
Funds under £400k of Investments	-	1,127	959	(219)	244	2,111
	-	13,049	2,705	(654)	290	15,390
UNRESTRICTED FUNDS						
Common Fund	-	1,439	2,124	(17)	1,721	5,267
Designated Funds						
Tangible Fixed Assets	15,965	-	376	(250)	(1,364)	14,727
Property Ring-Fenced Fund	-	6,613	1,483	-	(4,857)	3,239
Other Designated Funds	-	163	766	(294)	2,440	3,075
	15,965	8,215	4,749	(561)	(2,060)	26,308
Total Funds	93,145	101,025	17,361	(2,042)	-	209,490

Charity Funds as at 31 December 2024*	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Inter-Fund Balances £'000	Net Assets £'000
ENDOWMENT FUNDS						
Stipends Capital Fund	-	19,452	1,573	(10)	3,663	24,678
Parsonage House Fund	77,179	-	1	-	1,080	78,260
Parsonage Building Benefice Fund	-	2,688	243	(1)	(654)	2,276
Glebe Fund	-	60,873	6,084	(474)	(5,495)	60,988
	77,179	83,013	7,901	(485)	(1,406)	166,202
RESTRICTED FUNDS						
Consolidated Fund for Statutory Education	-	8,816	1,201	(152)	(305)	9,560
Pastoral Account	-	-	-	-	793	793
Committee for Social Responsibility	-	696	155	-	(1)	850
Parker Fund	-	753	262	-	(222)	793
Yapp Fund	-	737	46	-	113	896
Archdeacons Discretionary	-	535	29	-	138	702
Funds under £400k of Investments	-	1,169	772	45	471	2,457
	-	12,706	2,465	(107)	987	16,051
UNRESTRICTED FUNDS						
Common Fund	-	1,498	1,905	(148)	1,960	5,215
<u>Designated Funds</u>						
Tangible Fixed Assets	13,002	-	1,473	(269)	(2,465)	11,741
Property Ring-Fenced Fund	-	6,106	528	(5)	(337)	6,292
Pastoral Account	-	-	922	58	(980)	-
	13,002	7,604	4,828	(364)	(1,822)	23,248
Mission Development	-	-	-	(36)	1,087	1,051
Other Funds	-	171	28	-	1,154	1,353
	13,002	7,775	4,856	(400)	419	25,652
Total Funds	90,181	103,494	15,222	(992)	-	207,905

*as restated

22 Other transfers between funds

The inter-fund transfers during the year were as follows:

Group and Charity	En-dowment funds £'000	Restricted funds £'000	Common fund £'000	Other unrestricted £'000	Non-charitable trading funds £'000
Funds designated for use of projects from 2024 funds	-	-	(500)	500	-
Support of Ministry Experience Scheme	-	-	(6)	6	-
Support of mission to parishes	-	-	(10)	10	-
Support provided for Disability Task Group	-	(2)	2	-	-
Provision of support for repairs and improvements to churches	-	-	(60)	60	-
Support for Alban Way	-	(37)	-	39	-
Movement of interest between funds	-	-	223	(223)	-
Charitable donation from subsidiary company to parent charity	3,000	-	-		(3,000)
	3,000	(39)	(350)	389	(3,000)

A transfer of £2,985k was made from the Property Ring-Fenced Fund to the Tangible Fixed Assets Fund, representing the purchase of houses in the year. This is not shown in the table as it takes place entirely between other unrestricted funds (see Note 25)

The inter-fund transfers during the previous year were as follows:

Group and Charity	*En-dowment funds £'000*	*Restricted funds £'000*	*Common fund £'000*	*Other unrestricted £'000*	*Non-charitable trading funds £'000*
Funds designated for use of projects from 2023 funds	-	-	*(500)*	*500*	-
Transfer of funding for Net Zero Carbon	-	*(15)*	-	*15*	-
Support of Ministry Experience Scheme	-	-	*(6)*	*6*	-
Support of Digital Roll-out Scheme	-	-	*(4)*	*4*	-
Agree transfer of Strategic Development Fund to support missional activities	-	*(92)*	-	*92*	-
Transfer from type of fund	-	*(22)*	-	*22*	-
Transfer of Pastoral Account to Restricted funds	-	*(793)*	-	*793*	-
Charitable donation from subsidiary company to parent charity	*342*	-	-	-	*(342)*
	342	*686*	*(510)*	*(176)*	*(342)*

The Pastoral Account, previously categorised as a designated fund, has been reclassified as a restricted fund, following consideration of the restrictions placed on it by church representation rules.

23 Endowment funds

The capital funds of the group, and the charity are endowed assets which normally must be held as capital but, where permitted, may be applied towards meeting certain charitable aims.

Group and charity	At 1 January 2025 £'000	Income and Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 December 2025 £'000
Endowment funds:					
Stipends Capital Fund	24,678	478	53	(790)	24,419
Parsonage Houses Fund	78,260	(2)	-	-	78,258
Parsonage Benefice Fund	2,276	272	(13)	(98)	2,436
Glebe Fund	60,988	944	(470)	1,112	62,574
	166,202	1,692	(430)	224	167,688

Group and charity	*At 1 January 2024 £'000*	*Income and Expenditure £'000*	*Gains, losses and transfers £'000*	*At 31 December 2024* £'000*
Endowment funds:				
Stipends Capital Fund	*23,953*	*536*	*189*	*24,678*
Parsonage Houses Fund	*76,913*	*1,347*	*-*	*78,260*
Parsonage Benefice Fund	*2,168*	*79*	*29*	*2,276*
Glebe Fund	*58,496*	*992*	*1,500*	*60,988*
	161,530	*2,954*	*1,718*	*166,202*

*as restated

The endowment funds were established as follows:

- Parsonage Houses Fund and Parsonage Benefice Fund
  The Parsonage Houses Fund represents the net book value of properties used as parsonage houses less the value of temporary finance from the Stipends Capital Fund for the replacement of parsonage houses where the sale of existing houses is pending. The Parsonage Benefice Fund represents net proceeds from disposals of parsonage houses or parsonage land which are not the subject of a Pastoral Reorganisation. Under the Parsonage Measure 1938 (as amended by the Church Property Measure 2018), these funds are required to be held by the Board on behalf of the benefice concerned. The first call on these funds is to make improvements to the current parsonage house. Once these requirements are met, the remaining funds can be transferred to the Diocesan Stipends or Diocesan Pastoral Account after serving due notice on the Parochial Church Council and Patron.

The parsonage house belongs to the benefice (not to the Parochial Church Council nor the Board) and the ownership is vested in the "incumbent for the time being". During a period of vacancy in the benefice, the Diocesan Bishop has powers to sell in accordance with the provisions of the Church Property Measure 2018. The statutory provisions relating to repairs to parsonage houses are contained in the Repair of Benefice Buildings Measure 1972. The Measure puts a statutory obligation upon the Diocesan Parsonage Board (or Property Committee) to repair and ensure benefice houses, thereby relieving the incumbent of this responsibility.

- Glebe Fund
  The use of the fund is restricted under the Endowments and Glebe Measure 1976, which transferred ownership of all Glebe land and property from the benefice to the Diocesan Board of Finance to be held by the Board exclusively for the benefit of the Diocesan Stipends Fund (see below). All income and expenditure derived from this fund is included within the Glebe Fund. Transfers to the Common Fund are made following the adoption of a total return policy.

- Stipends Capital Fund
  This fund represents net proceeds from the disposal of Glebe land subsequently invested to be held as part of the Stipends Capital Fund. Income from the fund must be applied towards the payment of stipends. The provision for the Clergy pension scheme deficit recovery payments forms part of this fund.

  The fund balance is represented by listed investments, cash on deposit and loans to provide temporary finance to the Parsonage Houses Fund for the replacement of parsonage houses where the sale of existing houses in pending, less the provision for the deficit in the Clergy pension scheme.

24 Restricted funds

The income funds of the group, and the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

Group and Charity	At 1 January 2025 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 December 2025 £'000
Consolidated Fund for Statutory Education	9,560	2,962	(2,895)	(80)	-	9,547
Pastoral Fund	793	120	(67)	-	(115)	731
Committee for Social Responsibility funds	850	27	(168)	(27)	-	682
Creed Fund	119	4	-	(3)	-	120
Trust for London (CCFS)	820	121	(382)	-	-	559
Bishop's Harvest Appeal	12	-	(12)	-	-	-
Church Repairs Fund	354	17	(22)	(14)	-	335
Parker Fund	793	32	(30)	(28)	-	767
Archdeacons' Discretionary	702	23	(21)	(18)	-	686
Yapp Fund	896	-	-	(29)	-	867
Historic Buildings Fund	(105)	23	(24)	-	115	9
Minor repairs & Improvements to Churches	28	98	(120)	-	-	6
Church Building Support Officer	(11)	34	(23)	-	-	-
Ordinands' Training Fund	228	(133)	(70)	-	-	25
Grimthorpe Fund	234	3	-	(4)	-	233
Disability Task Group	47	-	(6)	(3)	(2)	36
Church Commissioners' Net Carbon Zero	56	56	(79)	-	-	33
The Alban Way	6	88	(84)	-	39	49
SMMIB	6	167	(155)	-	-	18
Year of Spiritual Renewal & Wellbeing	(7)	110	(78)	-	-	25
Other restricted funds	670	182	(173)	(17)	-	662
	16,051	3,935	(4,409)	(224)	37	15,390

Group and Charity	At 1 January 2024 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 December 2024 £'000
Consolidated Fund for Statutory Education	*9,578*	*2,796*	*(3,194)*	*380*	*9,560*
Pastoral	*-*	*-*	*-*	*793*	*793*
Church Commissioners' Strategic Development Fund	*92*	*-*	*-*	*(92)*	*-*
Committee for Social Responsibility funds	*808*	*26*	*-*	*16*	*850*
Creed Fund	*113*	*4*	*-*	*2*	*119*
Trust for London (CCFS)	*804*	*131*	*(115)*	*-*	*820*
Bishop's Harvest Appeal	*12*	*-*	*-*	*-*	*12*
Church Repairs Fund	*356*	*18*	*(28)*	*8*	*354*
Parker Fund	*764*	*34*	*(22)*	*17*	*793*
Archdeacons' Discretionary	*697*	*21*	*(28)*	*12*	*702*
Yapp Fund	*858*	*22*	*-*	*16*	*896*
Historic Buildings Fund	*(109)*	*21*	*(17)*	*-*	*(105)*
Minor repairs & Improvements to Churches	*-*	*28*	*-*	*-*	*28*
Church Building Support Officer	*(2)*	*13*	*(22)*	*-*	*(11)*
Ordinands' Training Fund	*289*	*48*	*(49)*	*(60)*	*228*
Grimthorpe Fund	*227*	*3*	*-*	*4*	*234*
Disability Task Group	*72*	*-*	*(25)*	*-*	*47*
Church Commissioners' Net Carbon Zero	*15*	*75*	*(19)*	*(15)*	*56*
The Alban Way	*(59)*	*131*	*(66)*	*-*	*6*
SMMIB	*(1)*	*114*	*(107)*	*-*	*6*
Year of Spiritual Renewal & Wellbeing	*-*	*3*	*(10)*	*-*	*(7)*
Other restricted funds	*611*	*43*	*(34)*	*50*	*670*
	15,125	*3,531*	*(3,736)*	*1,131*	*16,051*

The Consolidated Fund for Statutory Education is legally restricted by the trusts set out in Section 17 of the Education Act 1993. Its uses include:

(i) Purchase, erection, maintenance and improvement of any school or teacher's house in the relevant area;
(ii) Provision of advice, guidance and resources for the management of schools in the area;
(iii) Inspection of relevant schools in the area.

Movements on the Consolidated Fund for Statutory Education during the year can be summarised as follows:

Group and Charity	2025 £'000	2024 £'000
Income		
Investment income	253	278
Grants received	120	96
Rental income from school properties	35	29
Service Level Agreement income	108	89
School Courses	51	61
Grant funding from SCA	2,355	2,199
School Building Projects levy	40	44
Total income	2,962	2,796
Expenditure		
Education	(2,895)	(3,194)
Net (expenditure)/income before investment gains and transfers	67	(398)
Investment gains (losses and transfers	(80)	380
Net (expenditure)/income	(13)	(18)

The fund is represented by the following net assets:

Group and Charity	2025 £'000	2024 £'000
Investments	9,228	8,815
Debtors	480	654
Short term deposits	13	678
Creditors: amounts falling due within one year	(361)	(281)
Inter fund balances	187	(306)
Total net assets	9,547	9,560

The SCA (Schools Condition Allocation) system, which commenced in April 2020 requires the charity to reflect grants received and spent as income and expenditure within the accounts. The grant funding received is included in the SOFA along with the related expenditure. The unspent balance is included as part of the surplus for the CFSE at the year-end. The grants received have to be spent within two years of receipt or returned to the DfE. The cycle is longer than the accounting period, so the transactions in a year will show as a surplus or deficit according to the timings of all the individual projects. This means that across several years, the position will be break-even, whilst any individual year will show a surplus or deficit depending on the phasing of the projects.

The specific purposes for which the other restricted funds are to be applied are as follows:

Fund	Application/purpose
Church Commissioners Strategic Development Fund	Grant funding received from Church Commissioners co-funding the Reaching New People project
Consolidated Fund for Statutory Education	Application of net sales proceeds of closed church schools under section 17 of the Education Act 1993.
Committee for Social Responsibility Funds	Formerly held under the charity registered number 291355, grants are awarded by the Committee for Social Responsibility, which is a sub-committee of the Board for Mission and Ministry
Creed Fund	Evangelism and mission at the discretion of the Bishop
Trust for London (CCFS)	For the support of parishes in the Metropolitan Police area. Monies are applied to support specific qualifying projects where expenditure occurs irregularly.
Bishop's Harvest Appeal	Monies raised as part of the Bishop's annual appeal
Church Repairs Fund	Monies for the repair of churches within the Diocese
Parker Fund	Assistance to clergy as directed by the Bishop
Archdeacons' Discretionary	Assistance to clergy as directed by the Archdeacons
Yapp Fund	Towards the Common Fund of the Board, to support the payment of stipends
Historic Buildings Fund	This is a jointly funded project with Historic England to build the capacity of local communities to conserve and develop the use of their church buildings. Grants are received once a year, whilst expenditure supported by those grants occurs evenly throughout the year.
Ordinands' Training Fund	This fund receives block grants from the Archbishops' Council Ministry Division intended to meet the tuition costs for Ordinands at accredited Training institutions. Grants are received termly, to meet termly payments throughout the year.
Grimthorpe Fund	Monies applied for the repair of churches within the Archdeaconries of Hertford and St Albans.
Other restricted funds	Sundry specific purposes

25 Unrestricted funds

The unrestricted income funds of the group and the charity, including designated funds which have been set aside by the Board for specific purposes, are as follows:

Group and Charity	At 1 January 2025 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 31 December 2025 £'000
Common Fund	5,215	15,128	(17,502)	(60)	2,486	5,267
Other unrestricted funds:						
Tangible fixed assets fund	11,741	1	-	-	2,985	14,727
Property ring-fenced fund	6,292	171	(31)	16	(3,209)	3,239
Designated funds	2,404	842	(641)	(7)	477	3,075
	20,437	1,014	(672)	9	253	21,041
Unrestricted funds	25,652	16,142	(18,174)	(51)	2,739	26,308
Elimination of Intra group profit	(154)	-	43	-	-	(111)
	25,498	16,142	(18,131)	(51)	2,739	26,197
Non-charitable trading	4,257	13,557	(9,154)	-	(3,000)	5,660
	29,755	29,698	(27,285)	(51)	(261)	31,856

Group and Charity	*At 1 January 2024 £'000*	*Income £'000*	*Expenditure £'000*	*Gains, losses and transfers £'000*	*At 31 December 2024 £'000*
Common Fund	*4,651*	*15.142*	*(16,690)*	*2,112*	*5,215*
Other restricted funds:					
Tangible fixed assets fund	*11,540*	*198*	*3*	*-*	*11,741*
Property ring-fenced fund	*6,044*	*203*	*(267)*	*312*	*6,292*
Designated funds	*1,971*	*23*	*(232)*	*642*	*2,404*
Pastoral Account	*767*	*99*	*(73)*	*(793)*	*-*
	20,322	*523*	*(569)*	*161*	*20,437*
Unrestricted funds	*24,973*	*15,665*	*(17,259)*	*2,273*	*25,652*
Elimination of Intra group profit	*(156)*	*-*	*2*	*-*	*(154)*
	24,817	*15,665*	*(17,257)*	*2,273*	*25,498*
Non-charitable trading	*4,427*	*451*	*(418)*	*(203)*	*4,257*
	29,244	*16,116*	*(17,675)*	*2,070*	*29,755*

	2025		2024	
Common Fund reconciliation	£'000	£'000	£'000	£'000
Total income in year		15,129		15,142
Total expenditure in a year		(17,502)		(16,690)
Deficit/surplus for the year before transfers		(2,373)		(1,548)
Total Return (see note 15)				
Investment income received from Endowment funds in year	1,717		1,729	
Additional income due to adoption of total return	1,059		985	
		2,776		2,624
Other adjustments (transfers between funds see note 21)				
Transfer to designated funds agreed by Board	(500)		(500)	
Transfer of interest from Property Ring-Fenced Fund	223			
Other net grant transfers	(13)		(10)	
		(290)		(510)
Revaluation of investments		(60)		(2)
Net movement on Common Fund		53		564
Balance at 1 January 2025		5,215		4,651
Balance at 31 December 2025		5,267		5,215

Common Fund

The Common Fund is used to fund the budget of the St Albans Diocesan Board of Finance as agreed by the Diocesan Synod. Its primary source of income is the amounts collected from Parochial Church Councils via the Parish Shares Scheme. The Common Fund provides the liquidity needed to operate effectively and the ability to finance short-term deficits. The aim is for the fund to be represented, in part, by a minimum cash balance sufficient to meet stipend and lay staff salary payments as they fall due. The need for such working capital is taken into account when setting the annual budget. Excess monies may be distributed to parishes via the budgetary process, but conversely any prior year deficits sustained on the common fund may be recouped via the same process. The policy itself, and the levels of resources required, are reviewed annually.

Tangible Fixed Assets Fund

This fund represents those assets held by the Board for carrying out its general activities. Reserves are needed to provide the St Albans Diocesan Board of Finance with the assets needed to carry out its objectives including statutory requirements, administration of funds and housing of non-beneficed clergy.

Property Ring-Fenced fund

This was set up using the residual fuds due to the Board following the sale of parsonage houses and initially transferred to the Pastoral Account (see Note 22). It is a designated fund and so the Diocesan Board of Finance can use the income generated and assets held according to need. However, it is primarily intended to relieve pressure on the costs for maintaining and improving parsonage houses.

Special Designated Funds

These are funds which the Board has set aside for specific sundry purposes falling within the normal activities of the Diocese.

Pastoral Account

The Diocesan Pastoral Account is held by the Board for the purposes defined in Sections 93 and 94 of the Mission and Pastoral Measure 2011. Its uses include:

(i) Expenses incurred relating to the purposes of the measure;
(ii) Grants and loans for parsonage and church provision, restoration, improvement or repair;
(iii) Transfers to the Diocesan Stipends Fund;
(iv) Other purposes as defined in the Measure.

26 St Albans Diocesan Property Company Limited

On 18 February 2014, St Albans Diocesan Property Company Limited was established as a 100% owned subsidiary of the St Albans Diocesan Board of Finance. Its current directors at 31 December 2025 are Mr A C Brown, Dr T Coulson, and The Ven D Middlebrook, who are also members and directors of the Board of Finance and, Mr C G Bird, and Viscount Knutsford who are independent directors. Mr C B Gage and Mr J Watkiss resigned as Directors during the year.

St Albans Diocesan Property Company Limited is part of a VAT Group registration with the St Albans Diocesan Board of Finance.

On 10 April 2014, the St Albans Diocesan Board of Finance transferred a parcel of its land with planning potential to St Albans Diocesan Property Company Limited. The land was classified initially as investment land as it was not known whether satisfactory planning permission for development would be obtained. Such permission was granted in July 2015 at which point the land was reclassified as stock of land under development.

The company has signed an agreement with the owners and co-developers of adjacent land to its own near Houghton Regis, and a consortium has been formed to manage the development and sales of land. Since 2019 the consortium has completed a number of significant sales of land. All sales proceeds and associated costs are included in the financial statements of the company and these consolidated financial statements. Tax has been calculated on the profits and is included in the financial statements.

A summary of the company's statement of income and retained earnings for the year and balance sheet at 31 December 2025 is given below. Audited financial statements will be filed with the Registrar of Companies. The company's registered office is Holywell Lodge, 41 Holywell Hill, St Albans, Herts, AL1 1HE.

	2025 £'000	2024 £'000
Income and expenditure		
Turnover	13,467	393
Cost of sales	(9,036)	(255)
Operating costs	(35)	(46)
Interest received	82	58
Taxation credit	22	139
Profit for the year	4,500	289
Charitable Donation to Parent Company	(3,000)	-
Profit after charitable donation	1,500	289

	2025 £'000	2024 £'000
Balance sheet		
Current assets	17,542	16,024
Creditors: amounts falling due within one year*	(3,968)	3,950)
Total net assets	13,574	12,074

*as restated

	2025 £'000	2024 £'000
Capital and reserves		
Called up share capital	7,700	7,700
Profit and loss account	5,874	4,374
Total shareholder's funds – equity interests	13,574	12,074

27 St Albans Diocesan Property Company (Chesham) Limited

On 22 March 2024 the charity established a further wholly owned subsidiary company, St Albans Diocesan Property Company (Chesham) Limited, investing £1,000 in the purchase of the subsidiary company's called up share capital of 1,000 ordinary shares. A £3 million unsecured loan has been provided from the charity to St Albans Diocesan Property Company (Chesham) Limited, at an interest rate of 3.5%, charged in line with the Board's total return policy. Its current directors at 31 December 2025 are Mr A C Brown and Dr T Coulson, who are also members and directors of the Board of Finance and, Mr C G Bird, and Viscount H Knutsford who are independent directors.

The intention is to develop the land and buildings in two stages, starting with the farm and residential buildings. This will generate sufficient return to cover the cost of the purchase. The second stage involves development of the land holdings, which fully will recoup the Board's investment in the glebe farmland.

	2025 £'000	*2024 £'000*
Income and expenditure		
Turnover	–	*–*
Cost of sales	–	*–*
Operating costs	(105)	*(44)*
Interest received	9	*–*
Interest payable	(105)	*(73)*
Taxation	–	*–*
(Loss) for the period	(201)	*(117)*

	2025 £'000	*2024 £'000*
Balance sheet		
Assets	2,995	*3,078*
Creditors: amounts falling due within one year	(3,312)	*(3,194)*
Creditors: amounts falling due after one year	–	*–*
Total net assets	(317)	*(116)*

	2025 £'000	*2024 £'000*
Capital and reserves		
Called up share capital	1	*1*
Profit and loss account	(318)	*(117)*
Total shareholder's funds – equity interests	(317)	*(116)*

28 Custodian funds

As at 31 December 2025 the St Albans Diocesan Board of Finance held funds on behalf of parishes, church schools and general trust funds within the Diocese with a market value of approximately £40.6m (2024 – £42.3m) as Custodian Trustee. As explained under principal accounting policies, these assets are not included in these financial statements. The funds are held predominantly as units in common investment funds held by the Central Board of Finance (CBF) of the Church of England and are professionally managed on behalf of the CBF by CCLA Investment Management Limited. At all times, funds held by the charity as Custodian Trustee are segregated clearly from those belonging to the charity itself.

29 Liability of company members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, company members are required to contribute an amount not exceeding £1.

30 Related party transactions

Hockerill Education Foundation – registered charity number 311018
Two (2024 - Three) members of the Board and one key member of staff are trustees of the Hockerill Educational Foundation. In 2025 the St Albans Diocesan Board of Finance received educational grants from the Foundation totalling £120k (2024 – £110k) and £95k (2024 – £89k) was spent during the year on educational activities.

Youthscape – registered charity number 1081754
One key member of staff (2024 – one) is a trustee of Youthscape. In 2025 the St Albans Diocesan Board of Finance made payments to Youthscape totalling £55k (2024 – £20k), for grants supporting work with young people across the Diocese.

City Church Fund – registered charity number 205629-2
One member of the Board (2024 – one) is a trustee of the City Church Fund. In 2025 the St Albans Diocesan Board of Finance received grants from City Church Fund totalling £104k (2024 – £111k), supporting churches within the designated area.

University of Bedford Enterprises Limited (UBEL) – registered company number 02460429
One member of the Board (2024 – one) is a governor of the University of Bedford, which wholly owns UBEL. In 2025 the St Albans Diocesan Board of Finance made payments to UBEL totalling £16k (2024 – £18k), for use of premises for synod.

University of Bedfordshire Ecumenical Chaplaincy Trust (UBECT) – registered charity number 1119414
One member of the Board (2024 – one) is a trustee of UBECT, which wholly owns UBEL. In 2025 the St Albans Diocesan Board of Finance made payments of £4k from UBECT as a contribution to the Chaplaincy work at the University of Bedford.

Cathedral and Abbey Church of St Albans – registered charity number 1207312

One member of the Board (2024 – one) and one member of Bishop's Council are key members of the Cathedral. In 2025 the St Albans Diocesan Board of Finance made payments to the Cathedral totalling £18k (2024 – £19k), for grants and general educative purposes and received £0.3k (2024 – £8k) for advertising.

Jane Cart Trust – registered charity number 200166

One member of the Board (2024 – two) and one member of Bishop's Council are trustees of the Jane Cart Trust. In 2025 the St Albans Diocesan Board of Finance received a grant contributing to the year of spiritual wellbeing and renewal (2024 – one grant for Net Carbon Zero).

St Albans Diocesan Readers' Association

One member of Bishop's Council (2024 – one) is treasurer of the Diocesan Readers' Association. In 2025 the St Albans Diocesan Board of Finance made a payment of £4k (2024 - £4k) to fund the activities of the Association for readers across the Diocese of St Albans.

Donations from Board members

No donations were received from Board members in the year (2024 – none).

31 Connected entities

The St Albans Diocesan Board of Education (DBE) was a Board of the St Albans Diocesan Synod up until 1 January 2022. The Board worked closely with the Diocesan Board of Finance to seamlessly transition to a new constitutional form following the enactment of the DBE Measure 2021. After the resolution had been passed by Diocesan Synod in October 2021 the Archbishops' Council Certificate was received, confirming the Scheme which prepared the way for the institution of the Diocesan Board of Education as a statutory committee of the Diocesan Board of Finance from January 2022. Key policies were reviewed and a three-year strategic plan approved which will cover the whole of the next triennium.

Whilst it has certain functions and responsibilities imposed by statute (the Diocesan Boards of Education Measure 1991 (as amended 2006) and reports directly to the Diocesan Synod, it has no legal personality separate from the Board. A key function of the DBE is to assist in the promotion of education in the Diocese, such education being consistent with the faith and practice of the Church of England. It promotes or assists also in the promotion of religious education and religious worship in schools in the Diocese.

Following the enactment of The Academies Act 2010, the DBE established The Diocese of St Albans Educational Trust, a company limited by guarantee (Company Registration No. 08223185 (England and Wales) to assist Church of England Academy Trusts in the Diocese as they seek to provide a high-quality education for pupils and students in their schools. This company is a member of each of the Academy Trusts formed in the Diocese since 1 September 2012. Five of the seven directors of the company are appointed from the DBE with two non-DBE appointments.

In response to the Education and Adoption Bill 2015, the Diocese of St Albans Multi Academy Trust (DSAMAT) was incorporated on 27 October 2016 as a company limited by guarantee (Company Registration No. 10449374). The five members of the Multi Academy Trust are appointed by The Diocese of St Albans Educational Trust. These members are responsible for appointing the seven directors of the Multi Academy Trust who have responsibility for its day-to-day management. The Multi Academy Trust has been established to provide for schools within the Diocese requiring rapid improvement having been placed in Special Measures and subject to a directive Academy Order, good or outstanding schools where no natural cluster of local Church of England provision exists, and new schools within new housing provision where the Diocese is the identified sponsor.

The Board has not consolidated the DSAMAT accounts into its own as it does not consider itself to be a controlling entity. The Board's appointment of DSAMAT members, who in turn appoint the Directors, is highly disconnected from practical financial and operational matters. The Board does not make appointments in order to derive benefit for itself: rather its appointments are to help to support DSAMAT to benefit its beneficiaries and help it to achieve its separate purposes. The DBE makes no strategic decisions for DSAMAT: it does not direct expenditure or funding, nor does it approve or set budgets.

During the year, there have continued to be a limited number of transactions between the Multi Academy Trust and the Board in respect of a recharge of staff salaries by the Board. The amounts involved are not material to these financial statements.

32 Pension commitments

Lay workers scheme

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

CWPF has two sections:

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

Defined Benefits Scheme

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

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

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

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

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

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

The next actuarial valuation is due at 31 December 2025.

In 2024, the Board entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPF. It was also agreed that some employers could use assets in the DBS in lieu of contributions to Pension Builder Classic and/or Pension Builder 2014.
Over the year to 31 December 2025, £331,815 of surplus assets from the DBS has been used to fund contributions in Pensions Builder 2014 for the Board.

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2023 or 31 December 2024.

The 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.

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 means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2025: nil, 2024: nil).

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

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

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

The Church of England Pensions Board has agreed that some employers could use assets in the DBS of the CWPF in lieu of contributions to Pension Builder Classic and/or Pension Builder 2014. You will see this information on your DBS statement which will be sent separately.

The next valuation is being carried out as at 31 December 2025.

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

Clergy scheme

The Board 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 FRS102. 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 - £1,340k; 2024 - £1,488k), 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 2.7% p.a.
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.7% p.a. pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S4NA_L tables, with allowance for improvements in mortality rates from 2017 in line with the CMI2023 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 and 2021 data of 20% (i.e. w = 20%).

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

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

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

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

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

33 Prior year adjustment

The accounts for 2024 double-counted land held in the St Albans Diocesan Property Company (Chesham) Limited by also including it in the accounts of the parent company charity. This resulted in investment assets and unrealised gains on investment being overstated by £2,595k. These entries have been corrected in this set of accounts, leading to a change to the opening balances as at 1 January 2025. Restated figures are highlighted in the accounts. The impact on the key figures affected are shown in the following tables.

Group	Investments £'000	Unrealised gains on investments £'000	Consolidated fund balances £'000
As per 2024 Published Accounts	100,789	6,027	214,603
Adjustment (as explained above)	(2,595)	(2,595)	(2,595)
Restated as per 2025 Published Accounts	98,194	3,432	212,008

Charity	Investments £'000	Unrealised gains on investments £'000	Consolidated fund balances £'000
As per 2024 Published Accounts	106,089	6,027	210,500
Adjustment (as explained above)	(2,595)	(2,595)	(2,595)
Restated as per 2025 Published Accounts	103,494	3,432	207,905

34 Subsequent events

Since the end of 2025, there has been an exchange of two parcels of land, which will result in £3.3 million of receipts to during 2026. The monies actually received by the company will be net of the loan repayment on development costs and interest at the time the monies are transferred.