



DIOCESE OF BRISTOL

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Agenda ref	5.1c
Report title	BDBF 2025 SOFA Analytical Review at 1-6-26
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Date	1 June 2026

This report includes:

1. Income and expenditure analytical review excluding valuation movements; and
2. Explanatory notes on:
 - Operational and project results;
 - Valuation movement impact; and
 - Conclusions.

BDBF YEAR ENDED 31/12/25 Financial Statements V3.2a at 1/6/26 £'000s
Income & Expenditure Analytical Review Excl Valuation Movements

Actual	Budget	Var to Bud	Forecast	Var to Fcst	NOTES
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Operational and Project Total Result

Income

Operational Income	8,206	8,216	(10)	7,875	331
Project Income	1,919	3,595	(1,676)	2,681	(762)

Total	10,125	11,812	(1,686)	10,556	(431)
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Expenditure

Operational Expenditure	12,000	11,903	(97)	11,802	(198)
Project Expenditure	3,099	4,723	1,624	3,593	494

Total	15,099	16,626	1,526	15,395	296
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Net Surplus/(Deficit) Excl Revaluations	(4,974)	(4,814)	(160)	(4,839)	(135)
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Operational Summary

Operational Income

Parish Share	4,949	5,191	(242)	4,912	37	A
Grants	1,594	1,190	404	1,169	425	B
Investments	1,278	1,521	(242)	1,501	(223)	C
Other Income	385	315	70	294	91	D

Total	8,206	8,216	(10)	7,876	330
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Operational Expenditure

Ministry	6,424	6,594	170	6,388	(36)	E
Housing Costs	2,322	2,092	(230)	2,141	(181)	F
DSS Staff Costs	1,694	1,676	(18)	1,670	(24)	G
DSS Non-staff Costs and Other Expenditure	1,561	1,541	(20)	1,603	42	H

Total	12,000	11,903	(98)	11,802	(198)
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Operational Net Surplus/(Deficit)	(3,794)	(3,686)	(108)	(3,926)	132
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Project Summary

Projects

Project Income	1,919	3,595	(1,676)	2,681	(762)	I
Project Expenditure	3,099	4,723	1,624	3,593	494	J

Project Net Surplus/(Deficit)	(1,180)	(1,127)	(53)	(912)	(268)
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Valuation Impact on Income & Expenditure

Loss on value of Investments	(740)					NOTES K
Gains on disposals of Fixed Asset properties	478					L
Net Valuation Loss pre Property Revaluations	(262)					
External Revaluation of Glebe Property	695					M
Fixed Asset Church Impairment	(3,106)					N
Net Property Revaluation Impact	(2,411)					
Net Deficit Excl Valuations per above	(4,974)					
Net Deficit Move in Balance Sheet incl Valuations	(7,647)					

NOTES – OPERATIONAL AND PROJECT RESULTS

- A)** Parish Share was, slightly above Forecast, which showed a net improvement against pledges. It was however flat against Prior Year 2024 and £0.2m below Budget due to a variety of variances.
- B)** Grant income was ahead of Budget and Forecast by £0.4m mainly due to the National Church releasing £0.3m more Curate support funding than anticipated.
- C)** Investment Income was £0.2m below Forecast and Budget due to worse performance from CCLA Fund Managers than anticipated. This was mainly caused by the global economic uncertainties impact during the year. See Note K below for further information.
- D)** Other Income was £0.1m ahead of Budget and Forecast due to invoicing of more services.
- E)** Ministry spend was £0.2m lower than Budget due to less Clergy family support costs than anticipated.
- F)** Housing Costs were £0.2m more than Budget and Forecast due to additional spend on Carbon Net Zero allowances to Parishes and higher spend on vicarage refurbishments than anticipated.
- G)** DSS Staff costs were immaterially higher than Budget and Forecast.
- H)** DSS Non-Staff Costs and Other Costs were slightly higher than Budget but below Forecast due to compensating variances within anticipated IT and Finance costs.
- I) & J)** Project Income and Expenditure (mainly TCT) were both c.£1.7m below Budget due to a delayed spend profile against Budget due to delays in deployment exacerbated by some uncertainty over the profile of future TCT National Church (NC) funding. This results in a deferral of this funding to 2026/27 subject to additional NC approval. The Budget estimated a spend of £1.1m from BDBF Reserves on top of external funding, with much of that being on the Carbon Net Zero programme previously approved by Synod. This was overspent by £53k.

NOTES – VALUATION MOVEMENT IMPACT

- K)** As noted above in C), CCLA investment performance in 2025 was below expectations, but also below some competitors on capital (non-cash) movements with a combined (with other managers) fall of £0.7m. CCLA's strategy is investing in proven strong businesses, while others have been investing in more speculative AI opportunities. While the latter have had considerable capital gains in 2025, it remains to be seen, whether this situation may reversed in the coming years. In the long-term CCLA remains a strong performer for investors, but the BDBF (along with other Dioceses) is closely monitoring the situation via its Finance Committee.
- L)** During 2025 some clergy properties were disposed of and the proceeds re-invested in new properties, triggering a realised gain of £0.5m on the disposals.
- M)** After a desktop review indicated a material valuation increase on a Glebe property, a full "Red Book" external valuation was commissioned; the results of which were only received on 29/5/26. This shows an increase in value of £0.7m mainly due to some planning progress on one site.

N) Swindon Pattern Church is a Fixed Asset valued at its acquisition and refurbishment costs (partly externally funded) in 2018-9 of £3.5m. An impairment review must be regularly conducted and after 7 years, surveyors were commissioned to assess likely future repairs. While the building is currently wind and watertight, it requires extensive future roof and window repairs. Accordingly a Red Book valuation was commissioned, then combined with a mid-range estimate of repairs. This was then considered as an approximation of the ongoing value of the building to BDBF operations. It results in a £3.1m value reduction, but it should be noted that this is absorbed by its reserves and does not mean an authorisation of potential repair costs.

NOTES CONCLUSIONS

I) The overall Actual Deficit before valuation movements was £5.0m, being £0.2m worse than Budget with half from Operations and half from Projects.

II) Valuation movements contributed £2.7m more, but did not have an operational cash impact.

III) While in line with Budget, the £5.0m deficit demonstrates that the 2026 Budget and Ten Year Plan are the necessary bases to drive deficit reduction and income increases.