

Diocese *of* Liverpool

Liverpool Diocesan Board of Finance

REPORT AND ACCOUNTS

For the year ended 31 December 2025

Registered Charity Number 249740

Registered Company Number 18301

CONTENTS

	Page
Chair's Report	1
Trustees' Annual Report and Directors' Report	2 - 13
Auditors' Report	14 - 17
Statement of Financial Activities	18 - 19
Balance Sheet	20
Statement of Cash Flows and Notes	21
Notes to the Financial Statements	22 - 47

CHAIR'S REPORT

I am pleased to introduce the Report of the Trustees and the Financial Accounts for the Liverpool Diocesan Board of Finance (LDBF) for the year ending 31 December 2025.

In my reports for 2023 and 2024 I referred to the work being undertaken to establish a more financially stable and sustainable future for the Diocese. During 2025 we began to put those plans into effect, supported by significant investment from the national church. At the same time, 2025 was a year of considerable change and challenge. Events during the year brought safeguarding, governance and the responsibilities of trustees into particular focus and required significant attention from the Finance Committee and diocesan leadership. We also welcomed Bishop Ruth Worsley as Interim Diocesan Bishop and Sharon Parr as Diocesan Secretary.

Against this background, work continued on Fit for Mission and on our four diocesan priorities of introducing people to Jesus, deepening discipleship, developing Christian leaders and working for justice. Further national investment is supporting work with children and young people, new worshipping communities and the development of more sustainable churches. The detail of this work is set out in the Trustees' Report. As trustees, our responsibility is to ensure that the resources entrusted to us are well stewarded and used to support mission and ministry across the Diocese.

The restructured budget for 2025 included a reduction in Parish Share of 18% in real terms while sustaining planned clergy leadership capacity. The Diocesan Synod set a break-even budget, but the management accounts showed a deficit of £306,389. The most significant factor was a shortfall in Parish Share collection of £394,919 against Parish Share requested. This was partly offset by savings arising from higher than anticipated clergy vacancies, while expenditure on clergy housing was above budget. It is encouraging that the Parish Share collection rate improved during the year from 89% to just under 95%, and I am grateful to parishes for the commitment and generous giving which made that possible.

The financial pressures on our parishes have not gone away, and neither have those on the LDBF. We need to use the national investment wisely, continue to improve Parish Share collection and manage our expenditure and reserves carefully. At the same time, the challenging events of 2025 have reminded us that good governance and safeguarding are fundamental to the life and mission of the Church. There is learning from the year which we must carry forward as trustees as we seek to support a Diocese which is both missionally and financially sustainable.

Finally, I would like to thank the staff at St James' House, our clergy and lay leaders, churchwardens, treasurers and PCC members, those who serve in our schools and the many volunteers across the Diocese for their commitment during a very demanding year. I am also grateful to my fellow members of the Finance Committee for the care and commitment with which they have exercised their responsibilities as trustees.

Maggie Swinson

Maggie Swinson
Chair
22.10.2026

TRUSTEES' ANNUAL REPORT AND DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

1. REFERENCE AND ADMINISTRATIVE DETAILS

Legal structure

Liverpool Diocesan Board of Finance is a multi-faceted structure. It is:

- A registered charity (no. 249740)
- A company limited by guarantee (no. 18301)
- A Board of Finance established under the Diocesan Boards of Finance Measure 1925
- A trust corporation.

Its registered office is St James' House, 20 St James Road, Liverpool L1 7BY.

The governing body of the diocese is the Diocesan Synod whose members are also members of the Diocesan Board of Finance. Although the work of the Finance Committee is the sole responsibility of those elected to serve on it, all its business is conducted under the authority of the Diocesan Bishop who presides over all the affairs of the diocese.

Trustees

The financial executive of the Diocesan Synod is the Finance Committee. The members of the Finance Committee are the directors of the company and trustees of the charity. Through a combination of elected, ex officio, and co-opted posts our constitution enables us to achieve an appropriate balance between clergy and lay people.

Elections to the Finance Committee take place every three years. There were elections in November 2024 for the current Finance Committee which runs from 1 January 2025 to 31 December 2027. The trustees who served in 2025 were:

Maggie Swinson, Chair (ex officio)
Philip Stott, Deputy Chair – resigned 22 January 2026
The Right Reverend Beverley Mason, Bishop of Warrington (ex-officio) (to September 2025)
The Venerable Pete Spiers, Archdeacon of Knowsley & Sefton (ex officio)
The Venerable Simon Fisher, Archdeacon of St Helens & Warrington (ex officio)
The Ven Dr Miranda Threlfall-Holmes, Archdeacon of Liverpool (ex officio)
Rev Dr Thomas Carpenter (elected) (from January 2025 to July 2025)
Ian Crowe (elected) (from January 2025)
Richard Denno (elected)
Stephen Derringer (elected)
Rev Peter Dawkin (elected)
Angela Matthewson (elected)
Rev Emma Williams (elected)
Carol Wilson (elected) (from January 2025)
Rev Nicholas Johnson (from 21 March 2026)
Rev Simon Robinson (from 30 April 2026)

Senior staff

The Chief Officer for the charity is the Diocesan Secretary, Sharon Parr. The senior management team, to whom day to day management of the charity is delegated by the trustees, are:

Sharon Parr, Diocesan Secretary (from February 2025)
Stuart Haynes, Assistant Diocesan Secretary & Director of Communications (until December 2025)
Anne Kavanagh, Interim HR Manager
Matt Elliott, Director of Finance
Stuart Harrison, Director of Education
Ellen Loudon, Director of Social Justice
Suzanne Matthews, Director of Vocations
Richard Gedge, Diocesan Programme Manager
Steve Pierce, Director of Learning & Stewardship (until October 2026)

1. REFERENCE AND ADMINISTRATIVE DETAILS [Continued]

Bankers and professional advisers

Auditors

Mitchell Charlesworth (Audit) Limited, Suites C, D, E & F, 14th Floor, The Plaza, 100 Old Hall Street, Liverpool, L3 9QJ.

Bankers

Lloyds Bank plc, Church Street, Liverpool, L1 3HD.

Investment managers

CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

Diocesan Registrar

Howard Dellar of Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P 3JT.

Solicitors

Hill Dickinson LLP, No. 1 St Paul's Square, Liverpool L3 9SJ.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and objects

The structure governing the work of the charity is complex reflecting the idiosyncrasies of the Church of England. On the one hand, the charity is fairly straightforwardly registered as a charity and a company with appropriate memorandum and articles of association (last modified in March 2010). On the other hand, there are a number of inter-connected relationships and influences directly impacting on the work of the charity (see below).

Trustees

The Finance Committee is the trustee board. It has a mixture of ex-officio and elected members. Elections take place every three years at the first meeting of the new Diocesan Synod (itself elected every three years). The most recent set of elections were in November 2024, with all newly elected members of the Finance Committee serving from 1 January 2025. The trustees have the power to co-opt members according to their assessment of possible imbalances or skills gaps among the elected and co-opted members. Given the relatively large number of elected and ex-officio trustees the general approach has been to keep co-options to a minimum (currently there are no co-opted trustees).

All trustees receive an induction pack, and the first meeting of each triennium is largely given over to induction briefings and discussions. Training opportunities are offered, especially around investment issues.

Organisational structure and decision-making

The Finance Committee is the financial executive of the Diocesan Synod and is required to comply with certain directions given to it by that Synod. It holds the budgets and accounts for all committees of the DBF and all activities undertaken by DBF staff and officers. It also needs to work very closely with Bishop's Council as the standing committee of Diocesan Synod. This requires an understanding of the aims and aspirations of those bodies and a desire to see them fulfilled alongside a deep regard for the need for good and appropriate governance of the charity. In recent years there hasn't been a particular conflict between these bodies, nor is one anticipated; however, the potential is always there.

The Finance Committee functions as the Parsonages Board of the diocese for purposes of parsonages legislation, although it delegates the oversight of DBF housing management to the Clergy Housing Committee. It has subcommittees dealing with audit, remuneration of DBF staff, and the management of the DBF property and investments.

The Diocesan Board of Education is integrated into the Diocesan Board of Finance both legally and practically. On 16 June 2022 the Diocesan Board of Education formally became a Statutory Committee of the Diocesan Board of Finance under Section 23(1) of the Diocesan Boards of Education Measure 2021. This integration helps organisational cohesiveness and inter-departmental working.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT [Continued]

Trustees are fully aware of their responsibilities under charity law. Within this the day-to-day running of the charity is delegated to senior staff. However, trustees and senior staff are clear that all decisions on policy that may create significant financial or other risk to the company, or which affect material issues of principle must be taken by trustees and not staff.

In January 2026, the Charity Commission issued a formal warning to the trustees following an investigation into the circumstances that led to the resignation of the former Bishop of Liverpool, the Right Reverend Dr John Perumbalath in January 2025. The trustees accepted the Commission's findings and apologised for the shortcomings identified through the investigation. We have continued to work with the Charity Commission to strengthen reporting and governance processes, and we commit to ongoing learning, accountability and continuous improvement. The Diocese is dedicated to ensuring that the church is a safe and inclusive environment where concerns can be raised in a culture of accountability, transparency and compassion.

Networks and key relationships

The charity has a multiplicity of relationships. The main ones are with:

- Diocesan Synod as the Board of Finance and governing body of the diocese
- Bishop's Council as the standing committee of Diocesan Synod
- The Bishop Staff Team,, where decisions are taken about strategy and the deployment of clergy
- Other diocesan committees, especially the Diocesan Mission & Pastoral Committee and Board of Education
- Deanery Synods and Deanery Mission & Pastoral Committees, where local mission plans are decided, and their pastoral implications worked through
- Parishes within the diocese with whom we are intimately connected both in supporting local mission and ministry and in financing the Diocesan Board of Finance
- Church schools in the diocese to whom we offer support and guidance over a range of appointment, curriculum, governance and building matters
- Liverpool Cathedral, on whose campus we are located and with whom there is now an established pattern of integrated working
- Other dioceses, especially in the North West of England, with whom we have close collaborations and provide services, especially to schools
- Providers of pre-ordination and Reader training, particularly Emmanuel Theological College and also the residential theological colleges
- The national church institutions (Archbishops' Council, Church Commissioners, and the Pensions Board) from whom we receive significant funding, policy directives and legal consents to transactions.
- Other Christian denominations with and through whom we work on matters of workplace chaplaincy, safeguarding and ecumenical relations notably through Churches Together in the Merseyside Region and Mission in the Economy
- Interfaith bodies, such as Merseyside Council of Faiths and Liverpool Community Spirit, as part of our cross-community work to promote good interfaith relations
- Key infrastructural bodies on Greater Merseyside (notably VS6, volunteer centres and councils for voluntary service) on which we represent ecumenical partners and lead on provision in rural areas.
- Liverpool Diocesan Council for Social Aid whose key roles are running Adelaide House Women's Bail Hostel and working on penal affairs and social inclusion
- Liverpool Diocesan Schools Trust – a multi-academy trust established to support church schools in a changing landscape
- DBE Services Ltd – an inter-diocesan company providing property and other services to schools in the northwest
- Emmanuel Theological College – offering theological education and to which we are a founding member
- Together Liverpool – a partnership with the Church Urban Fund supporting parishes with social justice initiatives
- The Good Funerals Company – helping to re-imagine the way in which we engage with bereavement ministry

The single most important relationship we have continues to be with the clergy and lay people within the churches in our diocese whose ministry is the heartbeat of the diocese. We currently have c 160 serving parish and cathedral-based stipendiary clergy, around 60 self-supporting and ordained local clergy, c. 20 Local Missional Leaders, 170 readers and over 160 active retired clergy. We have c. 20 clergy serving full-time as chaplains in schools, hospitals, universities, and prisons plus others serving in a part-time capacity.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT [Continued]

Public benefit

The trustees are aware of the Charity Commission's guidance on public benefit in The Advancement of Religion for the Public Benefit and have had regard to it in their administration of the Board. We believe that by promoting the work of the Church of England in the Diocese of Liverpool we help 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 this provides a benefit to the public by:

- Providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for our 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.

More information on these benefits follows throughout this report.

3. OBJECTIVES AND ACTIVITIES

The principal object of the charity is to further the interests of the Church of England, mainly, but not exclusively, in the area covered by the Diocese of Liverpool. For many years we have been working to achieve growth in our diocese. We have used different ways to express this, but the aim and direction of travel has remained the same – consistent with the whole of the Church of England. Our vision and strategy is to ask God for a bigger church so we can make a bigger difference so that there are more people knowing Jesus and more justice in the world. In 2021, as part of our Fit for Mission work (see below), we refined this into 4 priorities:

i. Introducing people to Jesus
ii. Deepening discipleship
iii. Developing Christian leaders
iv. Working for justice

Successive Bishops have affirmed this missional direction and in spring 2025 we welcomed Bishop Ruth Worsley to the Diocese as Interim Diocesan Bishop.

The Finance Committee is aware that a diocese succeeds through the mission and ministry of its parishes and its bishops. Through striving for the highest standards of financial management, the Finance Committee aims to create the conditions in which their mission and ministry can flourish and be maximised.

It interprets its role broadly, contributing to the strategic leadership of the diocese, balancing careful stewardship with a flexible and proactive approach, a body that enables, not inhibits. It sees itself as a servant of Synod and Bishop's Council, primarily through exercising good financial governance.

The Finance Committee is working towards the following organisational outcomes:

1. A sustainable financial resource to support agreed mission and ministry in the Diocese of Liverpool
2. A talented and high performing team at St James' House serving the mission and ministries of the parishes and bishops and delivering on the aspirations of the diocesan strategy
3. A well-run charity which meets the highest standards in governance, management, and operational efficiency.

Our main activities can be summarised as:

- The development and implementation of mission and church growth strategies
- The provision of advisory services to bishops, archdeacons, parishes, schools, chaplaincies, fresh expressions, and church bodies (mainly through employed staff)
- The oversight of effective safeguarding practices
- The support, training, payment, and housing of clergy
- The support and training of lay people
- The management and development of staff members
- Contributing to the national work of the Church of England

3. OBJECTIVES AND ACTIVITIES [Continued]

For more detail on individual activities see section 4 (I), "Achievements and performance". For information on our strategic thinking into the future please see section 4 (III), "Future plans".

Grant-making policy

No political contributions were paid during the year. Charitable contributions have been made as part of the Board's objectives. The main grants are as follows:

Mission in the Economy – £35,000 (2024: £35,000) to support mission and chaplaincy in the world of work.

Churches Together in the Merseyside Region – £12,112 (2024: £8,284) to support initiatives with ecumenical partners.

Volunteers

The diocese continues, quite rightly, to be dependent on the huge number of people involved in church activities both locally and at diocesan level. Surveys suggest that faith communities in general and Anglican churches in particular are major contributors to their community through an enormous number of voluntary activities. This is one of the surest signs that our faith makes a difference to our lives and our outlook; we ignore and neglect this at our absolute peril.

The DBF greatly values the considerable time given by all the committee members across the diocese in pursuit of the diocese's mission and strategy.

4. STRATEGIC REPORT

I. ACHIEVEMENTS AND PERFORMANCE

As set out above our strategic aims have been distilled into four mission priorities, Introducing People to Jesus, Deepening Discipleship, Developing Christian Leaders and Working for Justice. This strategic direction continues a long-held vision for growth in the Diocese, in line with that of the wider Church of England.

These four priorities are central to Fit for Mission, a programme of change and renewal supported by the Archbishops' Council that seeks to reimagine how we undertake mission and ministry across our parishes. We summarise Fit for Mission as an ambitious, growth-orientated, and locally delivered change programme to enable mission and ministry to flourish in the Diocese of Liverpool. It simultaneously invests in our 4 priority areas noted above, while dealing head-on with the intransigent problems that significantly inhibit growth (constraining structures, inappropriate buildings, non-delivery of expectations). Each deanery within our diocese is being supported and resourced to work through a journey of change in which they shape the detail and make good and contextually appropriate local decisions.

The intensive work of Fit for Mission continued through 2025, with some deaneries still working to determine their vision for the future and some of the earlier Fit for Mission cohorts already seeing positive missional and operational impacts on the ground. Though there is much more to do and much more still to come, we have seen new worshipping communities established, new people come to know Jesus, new justice initiatives rolled out and significant improvements in areas such as building compliance.

Building on the missional energy evident through the Diocese and in response to the challenges of long-term decline and the acute challenges emanating from the post-covid environment, we continued to discuss further opportunities with the Archbishops' Council's Strategic Mission and Ministry Investment Board to explore further ways in which we could support parishes towards great missional health and financial sustainability. Through the Diocesan Investment Programme we were awarded further funding during 2025 to support further activities in children and youth, the development of new worshipping communities, support for developing sustainable churches and further work to support churches towards a improving mission health and sustainable finances. This work has begun in earnest and will be a catalyst for mission, helping parishes to overcome barriers and respond to the opportunities and challenges identified in all our communities.

As we noted in previous reports, the financial environment both locally, nationally and globally has been challenging for an extended period. Though we have been careful in stewarding our resources we have continued to manage financial risks resulting from turmoil in the wider economy and a long-term picture of decline in church attendances throughout previous decades. Post-covid, we had identified a structural deficit of c. £1 million, increasing pressure on parish finances through increasing costs of utilities, other supplies and building maintenance and challenges to the giving base after extended years of declining numbers. Our strategic planning has sought to reduce the pressures on parishes finances whilst finding a structural solution to the Diocesan budget deficit and seeking funding for new missional activities in partnership with the Archbishop's Council.

4. STRATEGIC REPORT [Continued]

In 2025 we implemented a restructured Diocesan budget, reducing Parish Share by nearly 20% in real terms and sustaining clergy leadership capacity. With support from the Archbishop's Council we were then able to begin our work through the Diocesan Investment Programme to resource new missional activities throughout the Diocese through an extended programme of missional activity, including children and youth engagement, justice initiatives, training, development and vocational work and much, much more. Our aim through all this is to help turn the trajectory of the Diocese from decline into sustained growth, seeking stronger parishes and more resilient finances, geared towards making the four missional priorities a reality across the whole Diocese. We continue to work towards this into 2026 and beyond.

We are extremely grateful to parishes for their continued support for Parish Share, with the majority of parishes paying in full and on time. We are enormously grateful to the Archbishop's Council for their continued support for mission in the Diocese, through grant support and the wisdom and commitment of their staff team. That support has been hugely valuable and has been a hugely important out-working of the three-way partnership between parishes, Diocese and the National Church Institutions.

Strategic Development Projects

We continue to engage constructively in the national church's visions and strategy programme. We have previously reported on our first 4 Strategic Development Fund programmes – Transforming Wigan, Joshua Centre, Transform North West and Missing Generations. The learning from these programmes has been integrated into our Fit for Mission project work, and the work we are embarking on through the Diocesan Investment Programme. Reviews of these programmes are available on the diocesan website.

Social and racial justice

In 2021 there was a significant re-gearing of Together Liverpool, our key social justice partner, significantly aided by a successful application for National Lottery funding. Together Liverpool's research shows that if Liverpool were a diocese of 100 churches:

- 64 would be involved in food banks
- 41 would be involved with toddler groups or playgroups
- 54 would be providing lunch clubs or drop ins for older people
- 28 would be involved in community cafes
- 16 would be helping provide money and debt advice
- 20 would be providing breakfast or after school activities
- 17 would be involved with provision for homeless people
- 32 would be involved in other social action work and projects

In 2022 we appointed our first Racial Justice Officer, supported by monies kindly given by the Diocese of Oxford. Through the work of our Racial Justice Officer we developed a strategy to enable us to become an anti-racist diocese and to move from repentance to repair in matters of racial justice. This work is further integrated into our planned activity through the Diocesan Investment Programme.

4. STRATEGIC REPORT [Continued]

Good Funerals Company

We have established the Good Funerals Company as a subsidiary trading company of the Diocesan Board of Finance. This is part of a long-term strategy to reverse the decline in church-led funerals in the Diocese of Liverpool as well as engaging constructively and compassionately with bereaved families. It was launched in the summer of 2019 and developed significantly through the Covid crisis. The Good Funerals Company has grown year on year and in 2025 took over 200 funerals.

Church attendance

Levels of church attendance have remained a concern, though there is a cautious optimism resulting from the impact of our strategic interventions, projects and programmes. The pre Covid average age of our congregations was significantly higher than the average age of the general population and it is clear that the net impact of Covid on church attendance was negative. Weekly attendance had begun to settle down at c 80% of the pre-Covid levels (though there are some signs that this measure continues to recover). More positively, total worshipping community numbers exceeded pre-pandemic levels by the end of 2023. Though this is a positive sign, it remains a significant but vital challenge to turn decades of decline into sustained growth.

Schools

We continue to maintain our 'market share' of children attending schools with c. 40,000 children in Church of England schools. Over 90% of our schools are currently rated good or outstanding by Ofsted, in line with our target. LDST, our multi-academy trust (MAT) is now well established and the subject of a very positive Ofsted inspection, and we continue to work on plans relating to the Government's Schools White Paper. We continue to be ambitious in promoting high quality, distinctively Christian primary and secondary education.

Access and inclusion

We remain absolutely committed to sustained excellence in safeguarding in the diocese. Following the formal warning to trustees issued by the Charity Commission (referenced elsewhere in this report), we have continued to work with the Commission to strengthen reporting and governance processes. The Diocese is dedicated to ensuring that the church is a safe and inclusive environment where concerns can be raised in a culture of accountability, transparency and compassion and we have continued to invest further in the capacity of our safeguarding team.

The DBF's commitment to access and inclusion has continued through the work on Disability Awareness and the Disabled Friendly Church Award. The move to on-line worship has been one of the few upsides to Covid in terms of making church accessible to people who would otherwise be unable to attend physically.

Asset management

2025 was a challenging year for the performance of our investments with CCLA and our portfolio saw an unrealised loss of £144,558.

Similarly, after a period of reduced activity during the height of the pandemic, improvement and compliance works on clergy housing continued during 2025 with an additional £2.75m cumulatively in financial investment into housing beyond the existing budget up to the end of 2025. We also recognise the continued need for this greater level of investment and we continue to plan for substantial improvement works in 2026 and beyond.

We continue to monitor closely our cash and broader reserve levels and think and plan on the basis of the medium rather than the short-term investments. We have not deemed it necessary or advantageous to change our investment policies.

Property

We hold a lot of property (valued at £45 million). Much of this in practice takes the form of notional assets; because we have a responsibility to house clergy, we have little operational freedom around disposal or re-working of the individual assets. Rather, our primary responsibility is to ensure that clergy and their families feel safe and comfortable in their homes and that it provides a suitable base for mission and ministry.

The trustees are of the opinion that the market value of land and buildings exceeds their carrying value by an amount which cannot be ascertained without a disproportionate cost in determining the information.

4. STRATEGIC REPORT [Continued]

2025 saw some minor changes in our property portfolio. Four properties were sold for total of £1,935,500. These properties had been valued on our balance sheet at £920,000, resulting in a gain on sale of £1,015,500.

II. FINANCIAL REVIEW

In 2025 was a year of transition for our finances, as we established a restricted budget and reached a position of clarity in the trajectory of our strategic plans supported with a new funding award from the Diocesan Investment Programme. Recognising the strain on parish finances post-pandemic, we were able to reduce the Parish Share request by 18% with no reduction in ministry capacity. Alongside this we are continuing to work to restore the level of Parish Share collection seen historically in the Diocese, and we were able to increase the collection rate over the course of the year from 89% to just under 95%. There is more work to do to restore a position of sustainable collection, but this represents steady and welcome progress and we are grateful to the vast majority of parishes for their support in paying parish share in full.

We also continue to recognise that the clergy housing budget is inadequate to ensure a safe, warm, and comfortable home for all our clergy. We continued through a process of strategic review to analyse what investment will be required to get and maintain our clergy housing in good condition. We have increased funding for housing by a total of £2.75m over the five years to 2025.

Our fiscal rules are:

1. *We aim to achieve break-even in each financial year and triennial cycle. Financial losses may be acceptable on a limited scale over a short period, within the context of breakeven over the triennium. Consecutive annual losses will only be acceptable in extraordinary circumstances (to avoid perpetuating reductions in reserve levels).*
2. *Parish Share and Lowest Income Communities Funding are to fund Missional Leadership. Investment income (rental and dividend), earned income and grant funding are to fund St James' House Services. Any imbalance between St James' House services budget and Missional Leadership budget is to be limited to within £100,000 in any given year.*
3. *Missional Leadership budget variance to be distributed or recovered within the triennium.*
4. *Strict budget discipline to apply in all areas of activity. Flexibility between budgets is acceptable, flexibility beyond budgets is not.*
5. *Investment and cash reserves are to be maintained at a minimum of four months operating expenditure*

Performance against budget

Each year we present a budget to Synod, which summarises our financial thinking and – once approved – sets the framework for our financial decision-making.

For 2025 we set a breakeven budget and at the end of the year our management accounts deficit was £306,389, with the most significant factor being a shortfall in Parish Share collection of £394,919. We experienced savings on clergy stipends due to a higher than anticipated rate of clergy vacancies and also incurred additional costs relating to clergy housing over and above the housing budget, but offset much of these additional costs through better than anticipated rental income performance. These areas of variance combined to result in a year-end deficit of £306,389.

Annual accounts

The Statement of Financial Activities on page 18 to 19 shows a significantly better position than the management accounts, namely a net increase in funds for the year of £62,685. This is because in addition to the deficit of £306,389 referred to above there were additional gains, expenses, provisions and revaluations including:

4. STRATEGIC REPORT [Continued]

Expenditure, provisions and losses (reducing funds):

- £356,000 in depreciation and other provisions adjustments
- £28,000 in accrued loan interest
- £112,000 in deferred income
- £145,000 in losses on the value of investments

Gains and revaluations (increasing funds):

- £1,021,000 in gains on the sale of property

Despite the range of challenges we have encountered in recent years, we continue to manage our financial position within our existing means and to plan for a future in which we can attend to the widespread need to improve mission and financial health throughout the Diocese.

Reserves

The reserves policy of the Finance Committee is formulated in line with recommendations of the Charity Commission of England and Wales. The basic policy statement is as follows:

The DBF aims to maintain the equivalent of at least four months' operating expenditure in cash and equities in the General Fund. This excludes all designated funds, loans and loan guarantees. This policy is to be reviewed annually in the January Finance Committee meeting.

Our fiscal rules established in 2018 state that investment and cash reserves are to be maintained at a minimum of 4 months operating expenditure. At the end of 2025 the total value of investments had recovered to the equivalent of 4 months budgeted expenditure but we remain vulnerable to volatility in the wider economy. Until we are able to enhance our asset base and diversify our holdings we remain vulnerable to reserves falling below the minimum target figure.

Investment markets stabilised during the year and we were able to maintain sufficient cashflow without any requirement to drawdown on investment reserves to realise additional cash.

The unrestricted reserve stands at £11.1m. £3.8m representing 3 months' operating expenditure, is retained as a general reserve to allow for any unexpected rises in expenditure or shortfall in income. The trustees believe that retaining reserves at a minimum of three months will cushion the diocese from short-term revenue problems and will enable them to meet their legal requirements in case of serious financial problems.

There were no designated funds during 2025.

Investments

The Memorandum of Association gives the trustees power to invest in any investment authorised by law in investment of trust funds. The trustees confirm that all investments have been acquired in accordance with their powers, and that they have followed the ethical investment policy used by the central Church of England bodies.

Our historic Glebe land portfolio is substantially managed by Fisher German.

Grants received

Our main source of income is Parish Share. We also receive grants from Archbishops' Council through the Lowest Income Communities Fund and several other funding streams from the Strategic Mission and Ministry Investment Board in support of activities that are discussed elsewhere in this report. We continue to be very grateful for the support of Marshall's Charity in the improvement of our housing stock and for the ongoing support of the Benefact Trust.

4. STRATEGIC REPORT [Continued]

III. FUTURE PLANS

We remain committed to asking God for a bigger church to make a bigger difference so that there are more people knowing Jesus and more justice in the world. Through Fit for Mission and our wider plans to support missional growth in the Diocese we are focussed on our four missional priorities:

i. Introducing people to Jesus

ii. Deepening discipleship

iii. Developing Christian leaders

iv. Working for justice

With the support of the Archbishops' Council we have been awarded significant funding to pursue these ambitions. Through this work we aim to reverse the impact of long-term decline, or we will find our future increasingly constrained. These are key times for the long-term future of the Diocese of Liverpool.

IV. PRINCIPAL RISKS AND UNCERTAINTIES

In addition to the financial and other risks outlined below, there are various key areas of activity where the diocese could incur financial penalties, operational failings, or reputational damage. In 2021 we began a process of re-working our risk and assurance processes; this work was completed in 2022. We now have a comprehensive risk and assurance framework where risk is clearly articulated and operates as a forcing function. The assurance framework is underpinned by metrics which articulate what good looks like and then track performance through. The trustees undertake an annual risk review exercise (the Audit Committee is the lead body in this).

Our risk register continues to highlight a number of risks which could impact seriously on the charity's operation and development. These range from the failure to reverse numerical decline to the failure to generate new disciples; from the failure to develop resilient finances to the failure to develop and maintain a robust safeguarding culture and practice; from the failure to invest in new technology to the implications of the climate crisis. The Finance Committee oversees the implementation of the recommendations arising out of this risk analysis. Liquidity risk is managed by ensuring sufficient liquidity to meet foreseeable needs, with an overdraft facility providing short-term flexibility and longer-term loans supporting asset acquisition.

5. FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Board is Custodian Trustee for trust assets with a market value of £5.5m at 31 December 2025. Detailed Certificates of Holdings were sent to parishes and other managing trustees as at December 2025. Most of these trusts are held on behalf of parishes whose charitable purpose is the advancement of religion and therefore is parallel to those of the Diocese. The funds are held in separate investments from those of the DBF and there is a separate bank account from which payments are made. We also hold a number of parish properties as Custodian Trustee, but we are unable to obtain a current valuation of these properties due to the complexity and substantial costs involved.

The Board also holds funds for the Liverpool Diocesan Pensions Fund and a number of historic trusts under the practical management of the bishops and archdeacons which give financial support to clergy and their families in need in the Diocese of Liverpool.

Further funds are held on behalf of Church of England Schools in the Diocese for capital building projects. At 31 December 2025, these funds had a market value of £ 2.9m (2024: £3.4m).

6. NOTES AND QUERIES

There are a number of declarations and explanations that also need to be included in the annual report. These are as follows:

Significant changes in fixed assets

These are now explained in notes 10 and 11 to the financial statements.

6. NOTES AND QUERIES [Continued]

Related party transactions

The diocese is a complex entity with a series of potentially overlapping structures. These can give rise to conflicts of interest. For example, many board members are also active in their local church, either as priests or lay members, and there may well be issues discussed at board level which impact on their own church. There are also specific instances, such as an application for a diocesan loan, where the parish can directly benefit. The board is always conscious of such potential conflicts and the need for board members to act appropriately. Indeed, each Finance Committee meeting has a formal declaration of interest to highlight potential conflicts, and individual members have left the room during certain discussions to ensure freedom of debate.

In 2008 a loan of £25k was issued to Emmanuel Theological College, (originally known as the Southern North West Training Partnership), a related party, and a further loan of £25k was issued in 2009. In December 2020, a further loan of £10,000 was issued to support the development of the new theological college (renamed to Emmanuel Theological College). During the year a grant of £30,000 was paid and the remaining loan balances were repaid, leaving a balance outstanding of nil as at 31 December 2025.

Post Balance Sheet Events

As referenced elsewhere, in January 2026 the Charity Commission issued a formal warning to the trustees and the trustees have continued to work with the Charity Commission to improve its reporting arrangements and governance processes. The trustees are committed to the highest standards of governance and safeguarding practices.

In April 2026 the trustees were made aware of a cyber-attack and a possible data breach incident. The trustees have sought specialist advice and engaged specialist practitioners in responding to the incident.

Fundraising

There have been no significant fundraising activities at diocesan level in 2025.

Insurance

We continue to arrange our insurance with Ecclesiastical Insurance Group. The policies are subject to regular review.

Trustees' interest in shares

The board is a company limited by guarantee (company number 18301) and trustees, as members, may derive no benefit, income or capital interest in the board's financial affairs, other than the reimbursement of out-of-pocket expenses. No expenses were paid to Trustees' during the year.

Taxation status

The Board is a registered charity (charity number 249740) and, as such, is not liable to Income Tax or Corporation Tax on its charitable activities.

Contingent liabilities

There were no contingent liabilities on the Board at the end of the year other than the loans for with the charity has agreed to act as guarantor. The amounts are disclosed in note 16 to the financial statements.

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Liverpool Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES [Continued]

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statement; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

8. DISCLOSURE OF INFORMATION TO AUDITORS

Trustees made the company's auditors aware of the Charity Commission's investigation into the circumstances that led to the resignation of the former Bishop of Liverpool, the Right Reverend John Perumbalath, in January 2025 and continued to provide updates on the investigation up to and including the Commission's decision to issue a formal warning to the trustees relating to the matter.

In 2026 the trustees made the auditors aware of a cyber-attack on the company and the risk of a possible data breach associated with this attack.

The trustees confirm that, as far as they are aware, there is no relevant audit information of which the charity's auditors are unaware and they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Trustees

Maggie Swinson
Trustee
_____2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIVERPOOL DIOCESAN BOARD OF FINANCE

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its net incoming resources and application of resources, 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 applicablelaw. Our responsibilities under those standards are further described in the Auditor's responsibilities for the auditof the financial statements section of our report. We are independent of the charity in accordance with the ethicalrequirements 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 charity'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 trustees are responsible for the other information. The other information comprises the information includedin the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, indoing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and forbeing satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, includingfraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates wereindicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulationsto enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other thanthe charitable company and the charitable company's members as a body, for our audit work, for this report, orfor the opinions we have formed.

Anita Mason BA(Hons) BFP FCA (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth (Audit) Limited
Accountants
Statutory Auditor
_____ 2026

Suites C, D, E & F
14th Floor, The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

Current financial year	Notes	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Endowment Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income from						
Donations	2					
Parish share		6,153,900	-	-	**6,153,900**	7,232,628
Archbishop's Council		280,830	4,339,256	-	**4,620,086**	5,563,514
Other donations		1,051,091	573,845	-	**1,624,936**	1,478,275
Charitable activities	3	330,922	27,852	-	**358,774**	294,586
Investments	4	852,289	-	-	**852,289**	770,223
Other	5	-	1,020,612	-	**1,020,612**	418,500
Total income		8,669,032	5,961,565	-	**14,630,597**	15,757,726
Expenditure on						
Charitable activities	6	8,845,636	5,206,947	-	**14,052,583**	14,534,513
Other	7	370,771	-	-	**370,771**	330,945
Total expenditure		9,216,407	5,206,947	-	**14,423,354**	14,865,458
Net income before investment gains		(547,375)	754,618	-	**207,243**	892,268
Net gains/(losses) on investments	11	(144,558)	-	-	**(144,558)**	448,708
Net income	15	(691,933)	754,618	-	**62,685**	1,340,976
Transfers between funds	20	920,000	(174,000)	(746,000)	**-**	-
Net movement in funds		228,067	580,618	(746,000)	**62,685**	1,340,976
Total funds brought forward		10,867,855	5,800,366	33,824,999	**50,493,220**	49,152,245
Total funds carried forward		11,095,922	6,380,984	33,078,999	**50,555,905**	50,493,220

All activities derive from continuing activities.

The notes on pages 22 to 47 form part of the financial statements.

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

Prior financial year	Notes	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £
Income from					
Donations	2				
Parish share		7,232,628	-	-	7,232,628
Archbishop's Council		3,289,551	2,273,963	-	5,563,514
Other donations		992,586	485,689	-	1,478,275
Charitable activities	3	294,586	-	-	294,586
Investments	4	770,223	-	-	770,223
Other	5	-	418,500	-	418,500
Total income		12,579,574	3,178,152	-	15,757,726
Expenditure on					
Charitable activities	6	11,686,334	2,848,179	-	14,534,513
Other	7	303,271	27,674	-	330,945
Total expenditure		11,989,605	2,875,852	-	14,865,458
Net income before investment gains		589,969	302,298	-	892,268
Net gains on investments	11	448,708	-	-	448,708
Net income	15	1,038,677	302,298	-	1,340,976
Transfers between funds	20	-	-	-	-
Net movement in funds		1,038,677	302,298	-	1,340,976
Total funds brought forward		9,829,178	5,498,068	33,824,999	49,152,245
Total funds carried forward		10,867,855	5,800,366	33,824,999	50,493,220

All activities derive from continuing activities.

The notes on pages 22 to 47 form part of the financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	10		**37,903,659**		38,773,418
Investments	11		**10,440,755**		10,585,313
			48,344,414		49,358,731
Current assets					
Debtors: due within 1 year	12	**1,185,404**		1,849,902	
Cash at bank and in hand		**5,284,833**		4,075,720	
		6,470,237		5,925,622	
Creditors:					
Amounts falling due within one year	13	**(3,668,654)**		(4,229,085)	
Net current assets			**2,801,583**		1,696,537
Total assets less current liabilities			**51,145,997**		51,055,268
Creditors: amounts falling due after more than one year					
Other creditors	14		**(590,092)**		(562,047)
Net assets			**50,555,905**		50,493,220
Accumulated funds	20				
Endowment funds			**33,078,999**		33,824,999
Restricted funds			**6,380,984**		5,800,366
Unrestricted funds			**11,095,922**		10,867,855
Total funds			**50,555,905**		50,493,220

The financial statements on pages 22 to 47 were approved by the Finance Committee on _____ and signed:

Maggie Swinson
Chair

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	£	2025 £	£	2024 £
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	1		**(1,513,553)**		(955,337)
Cash flows from investing activities:					
Investment income		**852,289**		770,223	
Sale of tangible fixed assets		**1,940,612**		503,501	
Purchase of tangible fixed assets		**(70,235)**		(13,712)	
Purchase of fixed asset investments		**-**		(33,433)	
Interest on loans and bank overdrafts		**-**		-	
Net cash provided by investing activities			**2,722,666**		1,226,579
Cash flows from financing activities:					
Cash inflows from new borrowings		**-**		-	
Net cash provided by financing activities			**-**		-
Net change in cash and cash equivalents			**1,209,113**		271,242
Cash and cash equivalents brought forward			**4,075,720**		3,804,478
Cash and cash equivalents carried forward			**5,284,833**		4,075,720

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

i. **Reconciliation of net income to net cash (used in) provided by operating activities**	**2025** **£**	2024 £
Net income for the reporting period (as per the statement of financial activities)	**207,243**	892,268
Depreciation	**19,994**	6,262
Investment income	**(852,289)**	(770,223)
Gains on disposal of property	**(1,020,612)**	(418,500)
Decrease/ (increase) in debtors	**664,498**	(512,959)
(Decrease)/ increase in creditors	**(532,387)**	(152,185)
Net cash (used in) provided by operating activities	**(1,513,553)**	(955,337)

ii. **Analysis of cash and cash equivalents**	1 January 2025 £	**Cash Flow** **£**	**Other Non Cash** **£**	**31 December 2025** **£**
Net cash:				
Cash at bank and in hand	4,075,720	**1,209,113**	**-**	**5,284,833**

iii. **Reconciliation of net cash flow to movement in net funds**	**2025** **£**	2024 £
Increase in cash	**1,209,113**	271,242
Opening net funds	**4,075,720**	3,804,478
Closing net funds	**5,284,833**	4,075,720

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. (a) Accounting policies

The Liverpool Diocesan Board of Finance is company limited by guarantee registered in England no 18301 and a registered charity no 249740 and its registered office is at St James House, 20 St James Road, L1 7BY. The LDBF constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The charity has claimed exemption from preparing consolidated financial statements as its subsidiary, The Good Funeral Company Limited, remained dormant throughout 2025 and its activities have been recorded within the income and expenditure of the Diocese.

The presentation currency is pounds sterling and figures are shown to the nearest £. A summary of the more important accounting policies which have been consistently applied is set out below.

(b) Income

The principal source of income comes from voluntary giving in the form of parish share. All income is included in the Statement of Financial Activities (SOFA) when LDBF has entitlement to the funds, the amount can be quantified, and receipt of the funds is probable.

(c) Expenditure

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

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

ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing and supporting mission and ministry in the parishes of the diocese and expenditure on education and Church of England schools in the diocese.

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

iv) **Support costs** consist of central management, administration, and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.

v) **Pension contributions**. The LDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 17). The pension costs charged as resources expended represent the LDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which LDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year.

vi) **Parish share credit** Parish Share Credit was calculated in two stages, the first of which was targeted at those parishes with very low levels of reserves and a shortfall in income, with the second stage considering those parishes that had suffered reductions in reserve levels and faced a reduced ability to pay Parish Share in the subsequent year. The sums credited were calculated using parish financial data and forecasts, in dialogue with deanery leaders.

(d) Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing the accounts.

(e) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(f) Basis financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

(g) Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(h) Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

(i) Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Properties held under revaluation model
The charity records properties held within investments under the revaluation model. Periodically the charity obtains a third party valuation from a suitably qualified specialist. This report values all property and land held by the charity at fair value but where this is not possible, uses the depreciated replacement cost method.

(j) Investment assets and income arising

The Board of Finance holds investments for itself and on behalf of parishes and other charities. Investments and their associated income are only recognised where the Board is investment custodian, investment manager and the beneficiary.

Investments are shown at market value, or at the trustees' best estimate of such.

Investment properties are included in the balance sheet at their open market value and are not depreciated. Although this accounting policy is in accordance with the applicable accounting standard, FRS102, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees, compliance with the accounting standard FRS102 is necessary for the financial statements to give a true and fair view of its financial position, performance and cashflow. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

All unquoted investments are held and valued on the basis of information provided from CCLA.

Dividends and interest are included in the financial statements when receivable.

Realised gains on investments are reinvested where appropriate. Both realised and unrealised gains are disclosed in the Statement of Financial Activities.

(k) Major funds

Funds held by the charity are either:

Restricted funds – these funds consist of trust and other funds, which may only be used for specific purposes imposed by the settlor, donor, or legislation.

Permanent Endowment funds – these are funds where there is no power to convert capital into income. Where the trustees have the power to convert endowments into income, these funds are known as expendable endowments.

Unrestricted funds – these are funds which may be used for general purposes without any external restriction.

Designated Funds – these are unrestricted funds that have been set aside by the Board for purposes designated by Diocesan policy. Such designations may be set aside from time to time according to policy decisions.

Details of the major funds held by the Board are given in note 20 to the Financial Statements.

(l) Stipends

Clergy stipends and the salaries of licensed lay staff, though a diocesan responsibility, are paid through the Church Commissioners payroll. The cost of the stipends and salaries paid by the Church Commissioners on behalf of the Board are shown gross in these financial statements. However, bishops are paid entirely by the Church Commissioners and the relevant costs have been excluded from these financial statements.

(m) Fixed assets

Classes of Fixtures and fittings are grouped and only those classes with a value of over £10,000 are capitalised and not expensed. Property is held in the balance sheet at cost or deemed cost for land and buildings held at valuation at the date of transition to FRS 102.

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The LDBF has a policy of regular structural inspection, repair, and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The trustees perform annual impairment reviews in accordance with the requirements of FRS102 to ensure that the carrying value is not more than the recoverable amount.

Depreciation on fixed assets is provided on a straight-line basis over five years for furniture and over three years for IT equipment.

All fixed assets are held for continuing use in the charity's activities and are therefore classified as fixed assets for charitable use.

(n) Netting off of expenses and income

All incoming resources are reported gross, as far as is possible. Income received in circumstances where a claim for repayment of tax has been or will be made, is grossed up for the tax recoverable and the gross figure included as income.

(o) Designated funds

Designated funds are used for their intended purpose. Any transfers to or from designated funds are subject to authorisation controls.

(p) Reserves

Accumulated capital is the amount transferred from general reserve, profits less losses on sale of fixed assets and investments, legacies and gifts received for capital purposes. The general reserve is the total accumulated surplus less deficits for the Board of Finance.

Restricted funds are subject to specific conditions either imposed by the donor and binding on the Board or linked to the basis on which money was obtained. They represent unspent restricted income and/or assets to which restrictions as to their use apply.

(q) Irrecoverable VAT

Irrecoverable VAT is grossed up and included in all relevant expenditure.

(r) Taxation

The Diocese benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income and gains falling within those exemptions.

(s) Operating leases

Rentals payable under operating leases are charged in the SOFA on a straight- line basis over the lease term.

2. Donations and legacies

Current financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2025 £	Total Funds 2024 £
General Parish Share Income	**6,153,900**	**-**	**-**	**6,153,900**	7,232,628
Income from National Church Institutions					
Lowest Income Communities Funding	**-**	**1,829,159**	**-**	**1,829,159**	1,768,158
Sustainability Funding	**113,351**	**-**	**-**	**113,351**	1,362,628
Strategic Development Funding	**-**	**332,452**	**-**	**332,452**	961,260
Ordination Training Block Grant	**-**	**29,140**	**-**	**29,140**	29,214
Strategic Ministry Fund for Curates	**73,754**	**-**	**-**	**73,754**	103,561
Housing Project Grants	**33,000**	**-**	**-**	**33,000**	-
Strategic Transformation Funding	**-**	**2,148,505**	**-**	**2,148,505**	1,283,489
Grant for legal services	**60,725**	**-**	**-**	**60,725**	55,204
	280,830	**4,339,256**	**-**	**4,620,086**	5,563,514
Other donations					
Benefact Trust Grant	**118,292**	**-**	**-**	**118,292**	141,470
General DBF donations	**421,046**	**21,000**	**-**	**442,046**	607,703
Racial Justice	**-**	**211,545**	**-**	**211,545**	93,371
Buildings for Mission	**-**	**92,575**	**-**	**92,575**	40,000
Marshalls Charity Grants for Parsonages	**-**	**108,986**	**-**	**108,986**	63,238
Stipends	**50,864**	**-**	**-**	**50,864**	1,639
Net Zero	**-**	**139,739**	**-**	**139,739**	79,425
DBE Services Ltd	**55,385**	**-**	**-**	**55,385**	5,050
DBF fees	**405,504**	**-**	**-**	**405,504**	446,379
	1,051,091	**573,845**	**-**	**1,624,936**	1,478,275

Strategic Transformation Funding relates to income received from the Archbishop's Council. The total value of the multi-year grant is £7.6m and cover a period of 6 years to 2027. Income is recognised as conditions are satisfied.

2. Donations and legacies [Continued]

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
General Parish Share Income	7,232,628	-	-	7,232,628
Income from National Church Institutions				
Lowest Income Communities Funding	1,768,158	-	-	1,768,158
Sustainability Funding	1,362,628	-	-	1,362,628
Strategic Development Funding	-	961,260	-	961,260
Ordination Training Block Grant	-	29,214	-	29,214
Strategic Ministry Fund for Curates	103,561	-	-	103,561
Strategic Transformation Funding	-	1,283,489	-	1,283,489
Grant for legal services	55,204	-	-	55,204
	3,289,551	2,273,963	-	5,563,514
Other donations				
Benefact Trust Grant	141,470	-	-	141,470
General DBF donations	348,103	259,600	-	607,703
Racial Justice	-	93,371	-	93,371
Buildings for Mission	-	40,000	-	40,000
Marshalls Charity Grants for Parsonages	49,945	13,293	-	63,238
Stipends	1,639	-	-	1,639
Net Zero	-	79,425	-	79,425
DBE Services Ltd	5,050	-	-	5,050
DBF fees	446,379	-	-	446,379
	992,586	485,689	-	1,478,275

3. Charitable activities

Current financial year	**Unrestricted Funds £**	**Restricted Funds £**	**Permanent Endowment £**	**Total Funds 2025 £**	Total Funds 2024 £
Gift Aid Scheme	-	-	-	-	51
General DBF income	**170,682**	-	-	**170,682**	65,710
Board of Education	**160,240**	-	-	**160,240**	194,457
Communications Office	-	-	-	-	-
Clergy Housing income	-	-	-	-	7,215
Church inspection fees	-	**27,852**	-	**27,852**	27,153
	330,922	**27,852**	-	**358,774**	294,586

3. Charitable activities [Continued]

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
Gift Aid Scheme	51	-	-	51
General DBF income	65,710	-	-	65,710
Board of Education	194,457	-	-	194,457
Communications Office	-	-	-	-
Clergy Housing income	7,215	-	-	7,215
Church inspection fees	27,153	-	-	27,153
	294,586	-	-	294,586

4. Investment income

Current financial year	**Unrestricted Funds £**	**Restricted Funds £**	**Permanent Endowment £**	**Total Funds 2025 £**	Total Funds 2024 £
DBF Investment income	**138,266**	-	-	**138,266**	136,818
Church House/Investment property rental income	**100,310**	-	-	**100,310**	100,331
Parsonages rental income	**613,213**	-	-	**613,213**	533,074
Glebe rental income	**500**	-	-	**500**	-
	852,289	-	-	**852,289**	770,223

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
DBF Investment income	136,818	-	-	136,818
Church House/Investment property rental income	100,331	-	-	100,331
Parsonages rental income	533,074	-	-	533,074
Glebe rental income	-	-	-	-
	770,223	-	-	770,223

5. Other income

Current financial year	**Unrestricted Funds £**	**Restricted Funds £**	**Permanent Endowment £**	**Total Funds 2025 £**	Total Funds 2024 £
Property transactions	-	**1,020,612**	-	**1,020,612**	418,500
	-	**1,020,612**	-	**1,020,612**	418,500

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
Property transactions	-	418,500	-	418,500
	-	418,500	-	418,500

6. Charitable activities

Current financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2025 £	Total Funds 2024 £
Archbishop's Council	**190,440**	-	-	**190,440**	48,420
Resourcing Mission and Ministry					
Parish Mission and Ministry:					
Clergy stipends	**2,632,770**	**1,829,159**	-	**4,461,929**	4,387,966
Clergy pension costs	**915,450**	-	-	**915,450**	980,489
National Insurance	**514,901**	-	-	**514,901**	363,267
Resettlement/removal grants etc	**68,290**	-	-	**68,290**	95,838
Lay Workers	**57,598**	-	-	**57,598**	74,226
Administration and other costs	**268,852**	-	-	**268,852**	279,608
Clergy grants	**7,250**	**91,464**	-	**98,714**	95,508
Parish share grant credit	-	-	-	-	383,379
Area Dean Grants	**32,069**	-	-	**32,069**	32,450
Good Funeral Company	**85,697**	-	-	**85,697**	62,049
Strategic Development Funding	-	**2,911,008**	-	**2,911,008**	2,420,344
Building for Mission	-	**128,511**	-	**128,511**	97,450
Clergy Housing	**1,231,949**	**108,986**	-	**1,340,935**	1,821,595
Deanery Mission and Growth Grants	-	-	-	-	78,041
DBF Central costs (25%)	**190,348**	-	-	**190,348**	304,074
St James' House costs (15%)	**1,509**	-	-	**1,509**	11,452
	6,006,683	**5,069,128**	-	**11,075,811**	11,487,736

Current financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2025 £	Total Funds 2024 £
Support for Parish mission and Ministry:					
Clergy training	**274,129**	-	-	**274,129**	277,451
Lifelong Learning	**273,934**	-	-	**273,934**	252,699
Social Justice	**364,274**	-	-	**364,274**	253,438
Church Growth & Ecumenism	**35,928**	-	-	**35,928**	62,844
Resources Department	**138,203**	-	-	**138,203**	122,958
Ordinands in Training	**178,673**	**69,698**	-	**248,371**	327,262
Communications Office	**237,362**	-	-	**237,362**	204,618
Pastoral Committee	**48,549**	-	-	**48,549**	82,084
Safeguarding and Inclusion	**213,997**	-	-	**213,997**	182,735
Diocesan Advisory Council	**78,264**	-	-	**78,264**	74,028
DBF Central costs (60%)	**456,835**	-	-	**456,835**	729,778
St James' House costs (80%)	**8,050**	-	-	**8,050**	61,079
Other	-	**68,121**	-	**68,121**	46,671
	2,308,198	**137,819**	-	**2,446,017**	2,677,645
Expenditure on education:					
Support for church schools and parishes	**340,315**	-	-	**340,315**	320,711
	340,315	-	-	**340,315**	320,711
Total charitable activities 2025	**8,845,636**	**5,206,947**	-	**14,052,583**	14,534,513

6. Charitable activities [Continued]

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
Archbishop's Council	48,420	-	-	48,420
Resourcing Mission and Ministry				
Parish Mission and Ministry:				
Clergy stipends	4,387,966	-	-	4,387,966
Clergy pension costs	980,489	-	-	980,489
National Insurance	363,267	-	-	363,267
Resettlement/removal grants etc	95,838	-	-	95,838
Lay Workers	74,226	-	-	74,226
Administration and other costs	279,608	-	-	279,608
Clergy grants	2,325	93,183	-	95,508
Parish share stabilisation funding	383,379	-	-	383,379
Area Dean Grants	32,450	-	-	32,450
Good Funeral Company	62,049	-	-	62,049
Strategic Development Funding	-	2,420,344	-	2,420,344
Building for Mission	-	97,450		97,450
Clergy Housing	1,821,595	-	-	1,821,595
Deanery Mission and Growth Grants	78,041	-	-	78,041
DBF Central costs (25%)	257,951	46,123	-	304,074
St James' House costs (15%)	11,452	-	-	11,452
	8,830,637	2,657,100	-	11,487,736
Support for Parish mission and Ministry:				
Clergy training	277,451	-	-	277,451
Lifelong Learning	252,699	-	-	252,699
Social Justice	253,438	-	-	253,438
Church Growth & Ecumenism	62,844	-	-	62,844
Resources Department	122,958	-	-	122,958
Ordinands in Training	293,549	33,713	-	327,262
Communications Office	204,618	-	-	204,618
Pastoral Committee	82,084	-	-	82,084
Safeguarding and Inclusion	182,735	-	-	182,735
Diocesan Advisory Council	74,028	-	-	74,028
Ecumenical Funding	-	-	-	-
DBF Central costs (60%)	619,083	110,695	-	729,778
St James' House costs (80%)	61,079	-	-	61,079
Other	-	46,671	-	46,671
	2,486,567	191,079	-	2,677,645
Expenditure on education:				
Support for church schools and parishes	320,711	-	-	320,711
	320,711	-	-	320,711
Total charitable activities 2024	11,686,334	2,848,179	-	14,534,513

7. Other resources expended

Current financial year	**Unrestricted Funds £**	**Restricted Funds £**	**Permanent Endowment £**	**Total Funds 2025 £**	Total Funds 2024 £
Governance:					
DBF Central costs (15%)	**114,209**	**-**	**-**	**114,209**	182,445
Diocesan Registry	**140,118**	**-**	**-**	**140,118**	122,178
Audit and accounting fees	**23,695**	**-**	**-**	**23,695**	22,505
St James' House costs (5%)	**503**	**-**	**-**	**503**	3,817
	278,525	**-**	**-**	**278,525**	330,945
Other outgoing property resources:					
Pastoral Account	**92,246**	**-**	**-**	**92,246**	-
Total other resources expended	**370,771**	**-**	**-**	**370,771**	-

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
Governance:				
DBF Central costs (15%)	154,771	27,674	-	182,445
Diocesan Registry	122,178	-	-	122,178
Audit and accounting fees	22,505	-	-	22,505
St James' House costs (5%)	3,817	-	-	3,817
	303,271	27,674	-	330,945
Other outgoing property resources:				
Pastoral Account	-	-	-	-
	-	-	-	-

8. Analysis of support costs

Current financial year	**Unrestricted Funds £**	**Restricted Funds £**	**Permanent Endowment £**	**Total Funds 2025 £**	Total Funds 2024 £
Central administration	**761,392**	**-**	**-**	**761,392**	1,216,297
Diocesan Registry	**140,118**	**-**	**-**	**140,118**	122,178
St James' House	**10,063**	**-**	**-**	**10,063**	76,349
	911,573	**-**	**-**	**911,573**	1,414,824

8. Analysis of support costs [Continued]

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
Central administration	1,031,806	184,491	-	1,216,297
Diocesan Registry	122,178	-	-	122,178
St James' House	76,349	-	-	76,349
	1,230,333	184,491	-	1,414,824

9. Staff costs

	2025 £	2024 £
Employee costs during the year were as follows:		
Wages and salaries	**2,888,302**	2,403,298
National Insurance Contributions	**345,851**	233,569
Pension costs	**(19,839)**	226,292
	3,214,314	2,863,159

	2025 Number	2024 Number
The average number of persons employed during the year:		
Full time	**53**	44
Part time	**35**	39
	88	83

Remuneration of key management personnel

Key management personnel are deemed to be those having the authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the Liverpool Diocesan Board of Finance. At the end of 2025 these were:

Diocesan Secretary and Company Secretary (resigned February 2025)	Mike Eastwood
Diocesan Secretary and Company Secretary (from February 2025)	Sharon Parr
Assistant Diocesan Secretary and Director of Communications (resigned December 2025)	Stuart Haynes
Director of Vocations	Suzanne Matthews
Director of Finance	Matt Elliott
Director of Education	Stuart Harrison
Director of Social Justice	Ellen Loudon
Director of Learning and Stewardship (Resigned October 2026)	Steve Pierce
Diocesan Programme Manager	Richard Gedge
HR Manager	Anne Kavanagh

Total remuneration and pensions for these employees amounted to £603,325 (2024: £508,094).

	2025 Number	2024 Number
The number of employees whose emoluments exceeded £60,000 was:		
£60,001 - £70,000	**4**	-
£70,001 - £80,000	**2**	2

9. Staff costs [Continued]

Trustees' emoluments

No trustee received any remuneration or reimbursement for expenses for services as trustee. Trustees who are also stipendiary clergy receive remuneration for including stipends, pension and housing based on national rates set by the central stipends authority.

The Venerable Miranda Threlfall-Holmes
The Venerable Pete Spiers
The Venerable Simon Fisher
Rev Peter Dawkin (elected)
Rev Canon Emma Williams (elected)

The LDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The LDBF is also responsible for housing for stipendiary clergy in the diocese, including the suffragan bishop but excluding the diocesan bishop and cathedral staff.

The LDBF paid an average of 142 (2024: 150) stipendiary clergy as office holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2025 £	2024 £
Stipends	**4,533,417**	4,528,308
Pension costs	**920,348**	1,026,126
National Insurance Contributions	**522,767**	411,205
	5,976,532	5,965,639

10. Tangible fixed assets

	DBF Property £	**DBF Glebe** £	**DBV VLL Property** £	**Team Vicars Glebe** £	**Parsonages** £	**Fixtures & Fittings** £	**Total Funds** £
Cost or valuation							
At 1 January 2025	703,840	2,659,971	-	3,296,000	32,104,466	364,198	39,128,475
Additions	-	-	-	-	-	70,235	70,235
Disposals	-	(174,000)	-	-	(746,000)	-	(920,000)
At 31 December 2025	703,840	2,485,971	-	3,296,000	31,358,466	434,433	38,278,710
Depreciation							
At 1 January 2025	-	-	-	-	-	355,057	355,057
Charge for year	-	-	-	-	-	19,994	19,994
At 31 December 2025	-	-	-	-	-	375,051	375,051
Net book value							
At 31 December 2025	703,840	2,485,971	-	3,296,000	31,358,466	59,382	37,903,659
At 31 December 2024	703,840	2,659,971	-	3,296,000	32,104,466	9,141	38,773,418

All properties held as Tangible Fixed Assets are freehold.

11. Fixed asset investments

	Investment Properties £	UK Unquoted Investments £	Total Funds 2025 £	Total Funds 2024 £
Unquoted				
Market value at 1 January 2025	**6,205,000**	**4,380,313**	**10,585,313**	10,103,172
Additions	**-**	**-**	**-**	33,433
Gains/ (losses) on investment assets	**-**	**(144,558)**	**(144,558)**	448,708
Market value at 31 December 2025	**6,205,000**	**4,235,755**	**10,440,755**	10,585,313

Investment properties were valued by Anthony Grant, BSc(Hons) MRICS VRS and Revive Property Services Management Limited as at 31 March and 7th April 2025 respectively. The trustees have consider these valuations accurate for the year end and therefore have valued the investment properties at a current fair value of £6,205,000 as at 31 December 2025

The above investments are pooled and have been reallocated during the year to ensure that each fund has an appropriate portion of investments allocated to is, taking into account the relative size of the fund and other assets held specifically in that fund.

	2025 £	2024 £
Historical cost of investments		
UK unquoted	**2,881,937**	2,881,937
Investment property	**3,809,068**	3,809,068
	6,691,005	6,691,005
Unquoted investments comprise		
CBF Property Fund	**752,394**	736,549
CBF Investment Fund	**2,285,275**	2,380,440
CBF Global Equity Fund	**1,103,354**	1,168,590
CBF Deposit Fund	**94,722**	94,722
DBE Service Ltd	**12**	12
	4,235,755	4,380,313

In 2005 the diocese purchased 12 ordinary shares of £1 each (now a 1/6th shareholding) in DBE Services Ltd. DBE Services Ltd provides services for schools. In 2025 the Diocese's share of the surplus was £55,385 (2024: £5,050) (see note 2).

The shares may not be disposed of or charged, except in accordance with the provisions of the Shareholders' Agreement. Distributable profits attributable to the work done for relevant schools are to be distributed in the proportions to which they arise from the work done for the relevant schools for each shareholder and the remaining distributable profits shall be divided equally between the shareholders.

During 2018 The Good Funerals Company Limited was established as a company limited by guarantee under the control of LDBF. The company itself remained dormant during 2024 and 2025, but all of its activities have been reported through the Diocesan accounts.

12. Debtors

Current financial year	**Unrestricted Funds £**	**Restricted Funds £**	**Permanent Endowment £**	**Total Funds 2025 £**	Total Funds 2024 £
Amounts due from parishes	**421,925**	**-**	**-**	**421,925**	570,295
Sundry debtors	**622,928**	**113,951**	**-**	**736,879**	1,231,607
Parish and other concessionary loans	**25,000**	**1,600**	**-**	**26,600**	48,000
	1,069,853	**115,551**	**-**	**1,185,404**	1,849,902

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
Amounts due from parishes	570,295	-	-	570,295
Sundry debtors	1,231,607	-	-	1,231,607
Parish and other concessionary loans	46,400	1,600	-	48,000
	1,848,302	1,600	-	1,849,902

13. Creditors: amounts due within one year

Current financial year	**Unrestricted Funds £**	**Restricted Funds £**	**Permanent Endowment £**	**Total Funds 2025 £**	Total Funds 2024 £
Sundry creditors	**3,088,329**	**-**	**-**	**3,088,329**	3,591,347
Accruals	**109,986**	**-**	**-**	**109,986**	73,356
Deanery Mission and Growth Funds	**358,264**	**-**	**-**	**358,264**	564,382
Deferred income – DIP funding	**112,075**	**-**	**-**	**112,075**	-
	3,668,654	**-**	**-**	**3,668,654**	4,229,085

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
Sundry creditors	3,591,347	-	-	3,591,347
Accruals	73,356	-	-	73,356
Deanery Mission and Growth Funds	564,382	-	-	564,382
Deferred income	-	-	-	-
	4,229,085	-	-	4,229,085

14. Creditors: amounts falling due after more than one year

Current financial year	**Unrestricted Funds** £	**Restricted Funds** £	**Permanent Endowment** £	**Total Funds 2025** £	Total Funds 2024 £
Loans from CCLA	**589,492**	**-**	**-**	**589,492**	561,447
Loans from CBF	**-**	**600**	**-**	**600**	600
	589,492	**600**	**-**	**590,092**	562,047

Prior financial year	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2024 £
Loans from CCLA	561,447	-	-	561,447
Loans from CBF	-	600	-	600
	561,447	600	-	562,047

Loans from Church Commissioners are secured on value-linked loan properties, included in fixed assets and are repayable on the sale of the property. There is no fixed repayment date for these.

The total interest paid during 2025 was £28,044 (2024: £Nil).

15. Net income for the year

	2025 £	2024 £
This is stated after charging:		
Auditors' remuneration:		
Audit	**14,510**	13,435
Non audit fees (compilation of accounts and payroll)	**9,185**	5,625
Depreciation	**19,994**	6,262
Operating leases - land and buildings	**75,000**	75,000
Operating leases - plant and equipment	**1,463**	1,755
Gains on disposal of fixed assets	**(1,020,612)**	(418,500)

16. Guarantees

The Board has given guarantees to Lloyds Bank for £49,639 (2024: £49,639) in respect of loans granted to parishes.

17. Pensions

(a) Clergy Pensions

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2025: £920,348. 2024: £980,489), plus any figures arising from contributions in respect of the Scheme 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 £Nil (2024: £Nil).

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

- An average discount rate of 6.0% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.7% pa pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with90% 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).

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

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

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

	2025 £	2024 £
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	-	-

17. Pensions [Continued]

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

(b) Staff pensions

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

CWPF has two sections:

1. The Defined Benefits Scheme.
2. The Pensions Builder Schemes, 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 General Reserve (formerly the Life Risk Section). The General Reserve 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: £96,544) 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 £443,948 for 2025 (2024: £172,842).

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

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

The next actuarial valuation is due at 31 December 2025.

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

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

17. **Pensions [Continued]**

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: £415,115, 2024: £302,588).

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. Repayment holiday of pension contributions totalled £443,948 in 2025 (2024: £172,842). Amounts owed to the DBF in respect of the remaining surplus totals £558,098 at 2025.

The next actuarial valuation was due on 31 December 2025.

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

18. Analysis of net assets by funds as at 31 December 2025

Current financial year	**Tangible Fixed Assets** £	**Loans/ Investments** £	**Net Current Liabilities** £	**Long-term Liabilities** £	**Total** £
Unrestricted funds	763,222	9,485,679	1,436,513	(589,492)	**11,095,922**
Restricted funds	5,016,514	-	1,365,070	(600)	**6,380,984**
Endowment funds	32,123,923	955,076	-	-	**33,078,999**
Total	**37,903,659**	**10,440,755**	**2,801,583**	**(590,092)**	**50,555,905**

Prior financial year	Tangible Fixed Assets £	Loans/ Investments £	Net Current Liabilities £	Long-term Liabilities £	Total £
Unrestricted funds	712,981	9,630,237	1,086,085	(561,447)	10,867,855
Restricted funds	5,190,514	-	610,452	(600)	5,800,366
Endowment funds	32,869,923	955,076	-	-	33,824,999
Total	38,773,418	10,585,313	1,696,537	(562,047)	50,493,220

Further details of individual funds are given in note 20 below.

19. Lease obligations

At 31 December 2025, Liverpool DBF was committed to making the following payments under non-cancellable operating leases:

	2025		2024	
	Land and Buildings	**Plant and Equipment**	Land and Buildings	Plant and Equipment
	£	**£**	£	£
Within 1 year	**75,000**	**-**	75,000	-
Within 2 to 5 years	**56,250**	**-**	131,250	-

20. Accumulated funds

Diocesan Stipends Fund (DSF) Capital Account: The Diocesan Stipends Fund Capital account was set up by the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of Glebe property, sale proceeds of parsonage houses and surplus benefice endowments following pastoral reorganisation. The capital can be used for the purchase of Glebe or benefice property though the income can be utilised for stipend purposes. The DSF capital account is disclosed as an expendable endowment in these financial statements.

Stipends & Ordinands Permanent Endowment: The Stipends & Ordinands Permanent Endowment Fund represents the accumulation of a number of donations given over a number of years towards the support of Stipendiary Ministry and Ordinands in training and their families.

DBE Property Restricted Fund: The DBE Property Restricted fund relates to the proceeds of sale of redundant school sites and is used for the benefit of church schools in the Diocese.

DBF Property Fund: The DBF Property Restricted fund represents the accumulated value of Glebe Houses and owned by the DBF.

Parsonage Building Expendable Endowment Fund: The Parsonage Building Fund represents resources held for the provision of benefice houses in the diocese. It is represented by the collective value of benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in incumbents for the time being of the benefice concerned, the Board is obliged to maintain them to ensure that there are sufficient houses for the pastoral structure of the diocese and it receives the sale proceeds of benefice houses surplus to requirements into its Stipends Fund Capital Account or Pastoral Account. The major capital expenditure incurred by the Board is the purchase of new or replacement parsonage houses. If there is insufficient funding for the same held in the parsonage building fund, the balance comes from the Stipends Fund Capital Account or the Diocesan Pastoral Account. The Parsonage Building Fund has been included as an expendable endowment fund in these financial statements.

The Specific Restricted fund includes income and related expenditure for the following:

C of E Stipends Fund

Church Inspections

Partners in Mission

English Heritage

20. Accumulated funds [Continued]

Current financial year	General £	Specific Restricted £	DBF Property Fund £	DBE Property Restricted £	DSF Capital Expendable Endowment £	Parsonage Building Expendable Endowment £	Stipends & Ordinands Permanent Endowment £	Total £
Movement in year:								
Total funds 2024	10,867,855	608,852	5,190,514	1,000	765,457	32,104,466	955,076	**50,493,220**
Incoming resources	8,669,032	5,961,565	-	-	-	-	-	**14,630,597**
Outgoing resources	(9,216,407)	(5,206,947)	-	-	-	-	-	**(14,423,354)**
Gains/losses	(144,558)	-	-	-	-	-	-	**(144,558)**
Transfers	920,000	-	(174,000)	-	-	(746,000)	-	**-**
Total funds 2025	11,095,922	1,363,470	5,016,514	1,000	765,457	31,358,466	955,076	**50,555,905**
Represented by:								
Tangible fixed assets:	**763,222**	**-**	**5,016,514**	**-**	**765,457**	**31,358,466**	**-**	**37,903,659**
DBF Houses & Glebe	703,840	-	1,720,514	-	765,457	-	-	3,189,811
Parsonages and TV Glebe	-	-	3,296,000	-	-	31,358,466	-	34,654,466
Furniture and fittings	59,382	-	-	-	-	-	-	59,382
Investments:	**9,485,679**	**-**	**-**	**-**	**-**	**-**	**955,076**	**10,440,755**
CCLA	3,280,667	-	-	-	-	-	955,076	4,235,743
Investment property	6,205,000	-	-	-	-	-	-	6,205,000
DBE Services Ltd	12	-	-	-	-	-	-	12
Net current assets:	**1,436,513**	**1,363,470**	**-**	**1,600**	**-**	**-**	**-**	**2,801,583**
Debtors	1,183,804	-	-	1,600	-	-	-	1,185,404
Bank and cash (net of overdraft)	3,809,288	1,475,545	-	-	-	-	-	5,284,833
Sundry creditors and accruals	(3,556,579)	(112,075)	-	-	-	-	-	(3,668,654)
Long term liabilities:	**(589,492)**	**-**	**-**	**(600)**	**-**	**-**	**-**	**(590,092)**
Loans from CCLA	(589,492)	-	-	-	-	-	-	(589,492)
Loans from CBF	-	-	-	(600)	-	-	-	(600)
	11,095,922	1,363,470	5,016,514	1,000	765,457	31,358,466	955,076	50,555,905

20. Accumulated funds [Continued]

Current financial year	General £	Specific Restricted £	DBF Property Fund £	DBE Property Restricted £	DSF Capital Expendable Endowment £	Parsonage Building Expendable Endowment £	Stipends & Ordinands Permanent Endowment £	Total £
Analysis of reserves:								
General funds	11,095,922	-	-	-	-	-	-	11,095,922
Restricted funds	-	1,363,470	5,016,514	1,000	-	-	-	**6,380,984**
Endowment funds	-	-	-	-	765,457	31,358,466	955,076	**33,078,999**
	11,095,922	1,363,470	5,016,514	1,000	765,457	31,358,466	955,076	**50,555,905**

Fund Transfer

The transfer from the DBF Property Fund in the current year to the general fund relates to the sale of a property held in the DBF Property Fund and the Parsonage Building Expendable Endowment fund. The associated value therefore released to the general fund.

20. Accumulated funds [Continued]

Prior financial year	General £	Specific Restricted £	DBF Property Fund £	DBE Property Restricted £	DSF Capital Expendable Endowment £	Parsonage Building Expendable Endowment £	Stipends & Ordinands Permanent Endowment £	Total £
Movement in year:								
Total funds 2023	9,829,178	306,554	5,190,514	1,000	765,457	32,104,466	955,076	49,152,245
Incoming resources	12,579,574	3,178,152	-	-	-	-	-	15,757,726
Outgoing resources	(11,989,605)	(2,875,853)	-	-	-	-	-	(14,865,458)
Gains/losses	448,708	-	-	-	-	-	-	448,708
Total funds 2024	10,867,855	608,852	5,190,514	1,000	765,457	32,104,466	955,076	50,493,220
Represented by:								
Tangible fixed assets:	**712,981**	**-**	**5,190,514**	**-**	**765,457**	**32,104,466**	**-**	**38,773,418**
DBF Houses & Glebe	703,840	-	1,894,514	-	765,457	-	-	3,363,811
Parsonages and TV Glebe	-	-	3,296,000	-	-	32,104,466	-	35,400,466
Furniture and fittings	9,141	-	-	-	-	-	-	9,141
Investments:	**9,630,237**	**-**	**-**	**-**	**-**	**-**	**955,076**	**10,585,313**
CCLA	3,425,225	-	-	-	-	-	955,076	4,380,301
Investment property	6,205,000	-	-	-	-	-	-	6,205,000
DBE Services Ltd	12	-	-	-	-	-	-	12
Net current assets:	**1,086,084**	**608,852**	**-**	**1,600**	**-**	**-**	**-**	**1,696,536**
Debtors	1,848,302	-	-	1,600	-	-	-	1,849,902
Bank and cash (net of overdraft)	3,466,868	608,852	-	-	-	-	-	4,075,720
Sundry creditors and accruals	(4,229,086)	-	-	-	-	-	-	(4,229,086)
Long term liabilities:	**(561,447)**	**-**	**-**	**(600)**	**-**	**-**	**-**	**(562,047)**
Loans from CCLA	(561,447)	-	-	-	-	-	-	(561,447)
Loans from CBF	-	-	-	(600)	-	-	-	(600)
	10,867,855	608,852	5,190,514	1,000	765,457	32,104,466	955,076	50,493,220

20. Accumulated funds [Continued]

Prior financial year	General £	Specific Restricted £	DBF Property Fund £	DBE Property Restricted £	DSF Capital Expendable Endowment £	Parsonage Building Expendable Endowment £	Stipends & Ordinands Permanent Endowment £	Total £
Analysis of reserves:								
General funds	10,867,855	-	-	-	-	-	-	10,867,855
Restricted funds	-	608,852	5,190,514	1,000	-	-	-	5,800,366
Endowment funds	-	-	-	-	765,457	32,104,466	955,076	33,824,999
	10,867,855	608,852	5,190,514	1,000	765,457	32,104,466	955,076	50,493,220

21. Related party transactions

Details of transactions with the main related parties of the Diocese are given in the appropriate notes to the financial statements.

22. Post balance sheet events

As referenced in the Trustees' report, in January 2026 the Charity Commission issued a formal warning to the charity's trustees and the trustees have continued to work with the Charity Commission to improve its reporting arrangements and governance processes. The trustees are committed to the highest standards of governance and safeguarding practices.

In April 2026 the trustees were made aware of a cyber-attack and a possible data breach incident. The trustees have sought specialist advice and engaged specialist practitioners in responding to the incident.