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The York Diocesan Board of Finance Limited

Annual Report & Financial Statements for the year ended 31 December 2025



Company Registration Number: 225234
Charity Registration Number: 244976

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

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

a Directors' Report of a charitable company,

a Strategic Report under the Companies Act 2006 and

a Trustees' Annual Report under the Charities Act 2011

LEGAL OBJECTS

The Diocese of York covers an area of 2,261 square miles, from the Humber to the Tees and from the A1 to the East Coast.

The principal object of the York Diocesan Board of Finance Limited ("YDBF") is to promote, assist and advance the work of the Church of England in the Diocese of York by acting as the financial executive of the York Diocesan Synod.

The YDBF is constituted under the Diocesan Boards of Finance Measure 1925 and has the following principal statutory responsibilities:-

i. the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976 and under the provisions of the Church Property Measure 2018;

ii. the provision of housing for office holders as the Diocesan Parsonage Board under the Ecclesiastical Offices (Terms of Service) Measure 2009;

iii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;

iv. the functions of the Diocesan Board of Education, including the management of investments and the custodian of assets relating to church schools, set out within the Diocesan Boards of Education Measure 2021;

v. the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod in consultation with Deanery Synods and PCCs, and the Archbishop of York (in respect of his responsibility for the provision of the cure of souls) who takes counsel with the Archbishop's Council and the York Diocesan Leadership Team. To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally.

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CORE PURPOSE

The core purpose of the YDBF is to manage the assets of the Diocese so as to provide appropriate personnel, operational and financial resources to assist the Diocesan Synod, Archbishop's Council, deaneries and parishes to further their missional and strategic priorities.

The directors of the YDBF are aware of the Charity Commission's guidance on public benefit and have had regard to it in their administration of the Board. The YDBF believes that, by facilitating the work of the Church of England in the Diocese of York, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by providing facilities for public worship, education, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and promoting Christian values and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

STRATEGIC AIMS: LIVING CHRIST'S STORY

Following consultation with the Deaneries, in November 2022 the Diocesan Synod approved a high level strategy, Living Christ's Story, that identified a number of workstreams to support individual congregations to grow both numerically and spiritually and also to reshape the wider provision of local ministry and the support provided by the YDBF. It is this growth, both in membership and in the financial contributions made by those attending, alongside some restructuring of the way in which parish ministry is supported and delivered, that will provide the sustainability needed to secure their on-going mission and ministry for generations to come.

In particular, as a diocese we are committed to these four priorities: -

1. **To become more like Christ** and to grow in our own faith and discipleship and understand the part that each of us can play in God's mission of love to the world. Resources for prayer and spirituality and discipleship and enabling people to grow in vocation and looking for a huge flourishing of authorised and licenced lay ministry and ordained ministry will play an important part of Living Christ's Story.

2. **To reach those we currently don't.** At the end of Matthew's gospel Jesus commands us to go into all the world and make disciples. It is for this reason that we will be placing an increased emphasis on teaching about evangelism and planting new communities of faith.

3. **To grow churches of missionary disciples which are younger and more diverse.** Living Christ's Story invites every church community in the diocese to think about itself as a school for disciples, and to particularly think about how we can engage with children, young people, families and schools and with others who have often been excluded from the church.

4. **To transform our structures and finances** so that, as far as possible, our resources and energy are focused on discipleship and mission, and that the organisation is effective in its stewardship of its assets and develops sustainable approaches for resourcing local ministry.

As reported previously, over the last few years the diocese has received national strategic funding support to provide necessary capacity in the areas of Discipleship, Church Growth, Data Analysis and Programme Management without additional calls on the Diocesan Common Fund.

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Following the successful bid for national funding in 2024, progress has been made in developing plans for a Deanery level growth programme in Hull, which is the largest Deanery in the country and has some of the lowest levels of church attendance in the country, and in Middlesbrough. Both deaneries include a significant population experiencing the highest levels of deprivation in the country. *Heart for Hull* and the work in Middlesbrough will build on the previously funded programmes such as Mustard Seed, and work in partnership with churches and other charities already involved in significant social and community engagement.

New programme governance arrangements were introduced at the beginning of 2025, in parallel with the triennial elections to the Archbishop's Council and Diocesan Board of Finance. The Programme Board is accountable to the Archbishops Council/DBF and chaired by the Bishop of Selby. Its membership includes directors and other stakeholders appointed for relevant expertise.

As previously reported, a significant outcome from the focus and investment in Living Christ's Story is to secure long term sustainability for the mission and ministry of the Church of England in the Diocese of York. Whilst a target had been set for parishes to annually contribute sufficient funds (by 2026) to cover the direct costs of their stipendiary ministry provision, the impacts of the global pandemic have been more significant than had been initially anticipated, with both local attendance and income still not back to pre-pandemic levels in many parishes, and a period of exceptionally high inflation affecting the utility, insurance and maintenance costs for PCCs. The out-turn for 2025 reflects the fact that the Free Will Offers made by majority of PCCs do not yet cover the direct cost of ministry provided.

Bishops, Archdeacons and Diocesan Staff held a series of events with PCC representatives in each Archdeaconry at the beginning of the submission period for the 2026 Freewill Offer pledges. This was both a listening process and an opportunity to explain the financial situation and the implications for the diocese should the in-year funding gap reflected in these accounts continue indefinitely.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Alongside seeking to make progress on the key strands of Living Christ's Story (LCS), there has continued to be a significant focus on other key areas of activity which either support the strategic goals or relate to our ongoing mission as a Church of England diocese:

- Maintaining an effective Christian presence in every parish.
- Embedding Safeguarding into the DNA of our life as a diocese.
- Promoting and support the work of our Church schools as well as providing support to clergy and others who are working in Community schools.
- Engaging in local debate and ensuring that Christian voices are heard in all areas of public life.
- Responding to areas of social need within our communities, working with other organisations to deliver a positive contribution to the wellbeing of the most vulnerable in our society.

The life of the diocese is primarily expressed through the ministry undertaken in the parishes. Where church attendance has remained significantly below pre-pandemic levels in the majority of cases, there are signs that this has started to grow again, particularly in locations that are engaging with LCS.

As a consequence of the unexpected resignation of the Archbishop of Canterbury, the Archbishop of York assumed a higher level of national and internation responsibilities. He continued to be an active presence in the diocese, but most of the day to day episcopal oversight was provided by the Bishop of Selby, in her role as lead bishop, working closely with the Suffragan Bishops and Archdeacons.

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Resourcing Parochial Ministry

As well as ministry to local congregations, our licensed ministers engage in support for work in their wider parish communities. Just one example is the requirement to offer weddings and funerals to those living in the parish as well as those with direct connections to the church. Over the last ten years, the number of occasional offices has been significantly reducing, the most recent statistics (2024) show 690 weddings, 2,750 funerals and 2,120 baptisms. (2023 : 860 weddings, 3,080 funerals and 2,470 baptisms).

Parochial clergy are office holders, and the clergy payroll is operated by the Archbishops' Council, a national charity which the YDBF reimburses regularly for the costs of stipendiary clergy deployed in the Diocese. Caring for the stipendiary parish based clergy (158 FTE at 31 December 2025 with 17 FTE vacancies) is a priority of the YDBF and represents by far its largest financial commitment. Although the YDBF does not employ the parish clergy, in addition to covering the stipend costs, it is responsible for training and housing them, as well as paying into their pension fund.

Following a decision taken by General Synod, the expectation is that (from April 2026) each diocese will adopt both the national Minimum Stipend and a national Incumbent Stipend – this, together with improvements in the pension package, will benefit all of our stipendiary clergy, with the stipend for most clergy increasing by c.11%.

In addition to the stipendiary clergy, at 28th February 2026 there were 98 self-supporting licenced clergy who are also licenced to specific parishes. We remain indebted to almost 330 other ordained ministers, the majority of whom are retired, who hold the Archbishop's Permission to officiate and enable us to offer both Sunday worship and occasional offices across over 580 churches.

For many, the clergy house represents the domestic heart of the parish, serving not only as a home but also as a base for ministry. The YDBF recognises the importance of a safe, secure and well maintained house and strives to continue with this work as well as carrying out programmed refurbishments and improvements, as available money allows.

Over the year the average clergy vacancy rate was approximately 11%. During all parish vacancies, the Area Deans worked closely with the Churchwardens and ensured that scheduled services continued and, with very few exceptions, other activities within the community continued uninterrupted. This was largely made possible by the generous gift of the time offered by Licenced and Authorised Lay Ministers, Churchwardens and many other lay volunteers as well as our retired and self-supporting ordained ministers.

Safeguarding

The work in this area is overseen by the Diocesan Safeguarding Advisory Panel (DSAP), independently chaired by former Detective Superintendent Allan Harder who, since September 2023, also serves as independent chair for the Diocese of Carlisle.

The DSAP includes representatives of local authorities, North Yorkshire Police, the Roman Catholic Diocese of Middlesbrough and a survivor support charity as well as senior diocesan leaders. The work of the Panel is supported by an Operational Group that brings together key staff within the diocese and York Minster who are involved in safeguarding, working with young people and vulnerable adults and the training of our clergy and lay leaders.

Rob Marshall, our Head of Safeguarding is responsible for reporting any issues that meet statutory thresholds. He is in close contact with the relevant authorities and has ensured that any incidents relating to PCCs or the DBF that meet the threshold for reporting to the Charity Commission have been submitted. He fulfils the statutory duties of Diocesan Safeguarding Officer.

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The team operated at full strength during the year. The casework load increased in the course of the year, reflecting greater awareness on the part of both statutory partners and the wider public of the need for vigilance and reporting of issues, as well as the requirements for risk assessments where those known to the statutory authorities wish to exercise their legal right to worship in their local parish church. We continue to work closely with IDAS who provide our local independent support for those impacted by church related abuse.

During 2025, in addition to supporting national workstreams, providing advice and support to parishes, managing core groups and managing a casework load, the team has continued to support the roll out of the Church of England Safeguarding Learning & Development Framework and the implementation of further changes in the House of Bishops Safeguarding guidelines in the light of continual learning from history cases and the adoption of best practice from other charities and agencies . It also engaged with the external audit carried out by the Ineque Safeguarding Group in the Spring. This required significant additional preparatory work in providing evidence to the auditors as well as follow up work as the team worked with the DSAP to consider and respond to the recommendations made. The report can be read on the Ineque website (Church of England - Ineqe Safeguarding Group). Whilst it makes a number of recommendations to further accelerate the continuing improvement journey, and noted historic issues both locally and nationally, it expresses confidence in the safeguarding team and current practice, noting that the leadership and governance structures demonstrate an appropriate focus on safeguarding with the DSAP being a particular strength in this regard.

A key recommendation for immediate action was to address capacity issues a within the team and as a consequence an additional Assistant Safeguarding Officer was appointed in February 2026.

In the course of the year the team also engaged with a significant migration project as York Diocese became part of the National Safeguarding Case Management System. This, together with a transition to the national professional supervision arrangements, enabled the diocese to be certified as meeting the revised standards of provision arising from the ICCSA 1 &8 recommendations for the Church of England.

In the course of 2025, 396 delegates attended the two sessions of the leadership module (2024: 350), with an additional 84 PTO clergy and 53 Parish Safeguarding Officers attending their own dedicated pathways (2024: 68 and 46 respectively).

The on-line modules offered via the CofE training portal continue to be well supported, with the following numbers of certificates issued during the year: basic 1,805, foundation 1,474, awareness of domestic abuse 864, safer recruitment 214, and modern slavery 60. This is a significant increase in the uptake of the on-line modules across the whole offer. In addition, a total of 56 delegates attended in-person tailored training for Mustard Seed or Lay Ministry roles.

We have continued to offer a range of support services to parishes, with attendance by members of the safeguarding team at face-to-face sessions at parish, deanery and archdeaconry levels throughout the year. There is a continued demand for these in-person services.

DBS checking continues to be a major element of the safer recruitment process across the diocese, with a total of 2,029 checks processed (2024: 1,423).

The Safeguarding Dashboard is now firmly established as the principal tool for the management of compliance. The year did however see a slight downturn in the active use of the system, with a total of 373 parishes now making active use of the system contrasting with 384 at the end of December 2024. Safeguarding Hub in consolidating its position as a key tool to support the local management of individual training and DBS records. A total of 94 Hubs are now live (89 in December 2024), holding the records for 1,443 individuals (687 in December 2024). Further growth in this area will be targeted in 2026.

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The safeguarding bulletin is now well established as a means of disseminating guidance and information. It is now circulated to over 2,000 recipients, with a regular engaged readership of around 880 (responding to bulleting content on 8 or more occasions during the year).

GROWING YOUNGER:
Working with Children & Young People in Schools and Parishes

In this diocese, the York Diocesan Board of Education (YDBE) is a statutory committee of the Diocesan Board of Finance (DBF). YDBE has oversight of education, including the 122 Church schools, and as deemed by the Diocesan Synod, the oversight of Children and Youth work across the diocese. Clear Terms of Reference are in place for the YDBE and its sub-committees and a general oversight report of decisions taken by the YDBE in line with its delegations is provided to the DBF on a termly basis.

During 2025 the new members of the Education Team became embedded, and we saw the retirement of Celia Wilson and a new recruit in her place of Claire Barber, head teacher of St. Martin's CE VA Primary School in Whitby, for two days a week in a seconded role. Claire has settled very well and has already started having an impact in the schools she is supporting.

Our work with Children, Youth and Schools in 2025 continued to focus on supporting homes, schools and churches aligned with the strategic vision of the YDBE. This strategic work is located within the diocesan vision of Living Christ's Story and the national work set out within Growing Faith.

Angela Brymer has continued as Children and Youth Adviser and, with the support of Benefact funding, we have recently appointed Emma Anderton to assist her in this role on a part-time basis. We have spent a considerable amount of time considering whether to apply to Growing Faith's Flourish program - on which we are still working.

In the last year Angela, among many other initiatives, has run another successful Summer Family Camp, a cohort of GROW who were commissioned in January at York Minster, led a Catalyst group and groups for Children and Young People workers.

This year we renewed the Service Level Agreement for Schools for another two years and, as before, 121 of the 122 Church schools continue to buy in. The strong working relationship with individual schools supports and encourages them in the development of their theologically rooted Christian vision as well as providing increased income into the diocese to fund School Development Adviser posts.

At December 2025, 51 church schools had converted to academies, sitting within 10 Multi Academy Trusts (MATs) across the diocese, all of which were mixed MATs with Church and community schools working in partnership together. In the last year one new MAT received Diocese of York Church Articles (Selby Educational Trust) and two MATs merged (SYMAT and STAR) so the total figure of MATs in the Diocese remained the same. We anticipate that in the immediate future there might be more activity around MATs merging than maintained schools joining trusts.

There have been two changes of government policy since the last report. Whilst the Labour Government had previously described itself as agnostic in terms of whether schools should be in MATs or maintained by Local Authorities, the latest white paper seeks to return to a policy of aiming for all schools to become part of a Multi Academy Trust - though it is paving the way for some of these MATs to be run by Local Authorities.

The diocese continues to be held accountable by the DfE and other statutory bodies, such as Ofsted, for the progress and attainment in Church schools. However, there has been a change of framework in both Ofsted and SIAMS since the last report. As such the data is now mixed and more difficult to summarise but, since the new framework was introduced, 100% of the York Diocesan Schools have achieved a J1 in

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SIAMS which means they are living up to their Christian Foundation in the judgement of the inspector. In terms of Ofsted, at the end of the last inspection framework 87% of Diocese of York schools were good or outstanding.

MISSION, MINISTRY & DISCIPLESHIP

There were some significant changes in the leadership in this area of our work, with the arrival of a new Director of Ordinands in August and the departure of the Director of Mission and Ministry in October. Whilst these and other changes within delivery teams, caused some disruption to delivery, team members demonstrated flexibility and collaboration in order to minimise impact on the parishes and individuals with which they were working.

Nurturing of lay and ordained discipleship

In support of the key priority around Becoming More Like Christ, the development of Rhythm of Life Materials has continued with the publication of further seasonal resources and other materials for churches and schools. These have been supported by face to face engagement across the diocese with parishes and deaneries as they make use of the *Rhythm* materials.

In collaboration with the Children & Youth Team, the further GROW: Youth Discipleship Ambassadors were run across the diocese and a group of young adults travelled on pilgrimage with other northern dioceses to Taizé during the summer.

Vocations

Following the departure of the previous Diocesan Director of Ordinands (DDO) at the end of 2024, the Revd Canon Sam Taylor was appointed to lead our Vocations team in August 2025. During the vacancy, enquirers, candidates and ordinands were supported by our largely volunteer extended Vocations team supported by senior colleagues from the Mission & Ministry team.

4 ordinands completed their ministerial training and were ordained deacon in summer 2025.

During the academic year 2025-26, the diocese has 17 ordinands in training, with 9 incumbent level (and seeking stipends) and 8 assistant (and anticipating SSM). Of these, 2 are under 30; 6 are between 30 and 50, and 9 are over 50.

We anticipate that the numbers entering training for ordained ministry in September 2026 will be around 6, although the exact numbers will depend on the outcome of Stage Two panels to be held during quarter two.

In 2025, the Vocations Team began planning a series of Vocation Roadshows, to launch in February 2026 and then moving through each Archdeaconry as a rolling initiative. There has been significant interest, with over 50 people signing up to explore a wide range of lay and ordained ministries, along with the training pathways available.

Alongside this, we are seeking to be intentional in highlighting national church initiatives such as Vocation Sunday, and in creating opportunities for people to share their stories locally - planting seeds and encouraging others to explore their own sense of calling.

Another developing initiative is the encouragement of those with a passion for vocation to become Deanery Vocation Champions. These individuals work at a deanery level to offer resources, foster informal conversations, and help people connect more easily with diocesan discernment pathways.

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Lifelong Learning

The small team continue to provide pathways for new Licenced Lay Ministers (LLM) as well as Authorised Lay Ministers (ALM). Clearer expectations have been set around authorised and licensed lay ministries and work has continued in 2025 to establish a definitive central register, alongside centrally monitored engagement with Safeguarding Training.

Whilst the programme of continuing ministerial education for Readers and clergy remains scaled back from pre-Covid levels, largely due to the limited capacity within the team, a number of events were offered (both online and in person). LLM retreats and training weekends have been particularly well attended.

During 2025, in addition to the lay ministry formation pathways, the Lifelong Learning Team continued to provide opportunities for further theological and formational development for Clergy, licensed and recognised lay ministers, ordinands and curates and those in discernment for a wide range of ministries, within and beyond the church. It continued its partnership with St Hild's College to support ordination training by contributing to the Yorkshire Theological Education Partnership. They also facilitated learning sessions in person and online led by the Racial Justice Education Advisor and provided 1:1 support to clergy and LLMs in relation to training and deployment issues, supplementing the work of the bishops and archdeacons in supporting those in licensed Ministry.

The team also support the wellbeing of those in ministry (and their families) through the work of the Advisor in Pastoral Care who provides confidential support to individual ministers as well as providing supervision to the retired clergy officers, Archbishop's Visitors, authorised listeners and the volunteer harassment advisors.

Revitalise

Revitalise offers a two year accompanied journey for 40 chosen benefices from across the diocese where there is potential to grow missionally and financially. Those benefices cover 26% of the parishes of the Diocese, 22% of the population and 31% of the area The 40 benefices are grouped into cohorts who each have 4 days together as a learning community. In between those days, team members visit the benefices to work with lay and ordained leaders on practical ways in which growth can occur in their context. The team benefited from national funding to enable a second team member to be appointed in 2025 to share the workload.

A decision was taken during 2025 to treat the first 5 cohorts as a pilot and to consider how future support for growing missionally at parish level will be provided as part of the wider work to shape and prioritise resourcing for the next phase of Living Christ's Story.

Nationally Funded Projects :
MULTIPLY – New Worshipping Communities for 20s-40s and MUSTARD SEED – Growing disciples in places where life is tough

Both of these programmes are now coming towards the end of their funding, and during 2025 were consolidating the work that has taken place and looking forward to the future sustainability of the individual new worshipping communities (of which at least 50 have been formed).

The national funded "full-time" posts and the central supporting roles all came to an end at the end of 2025. By that stage the majority of new worshipping communities had been transitioned under the oversight of the local parish and 6 FTE Multiply Ministers have taken on incumbent or associate minister roles in the diocese since coming to the end of their Multiply posts. Others have moved to other pioneering roles in other dioceses. Local leadership has emerged which is helping to secure ongoing sustainability beyond the national funding stream.

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The Multiply Growth Fund continued to support Lay Ministers during 2025, and agreement was reached that the use of national funding could be extended to the end of 2026 for the 10 ongoing projects. The work ranges from growing worshipping communities based on Toddler Groups and Food Banks, to supporting Student outreach in Hull and York. The Lay Ministers will continue to receive support from the Mission & Ministry Team for the remainder of the funded period and consideration is being given to how the learning is used.

The Trustees remain grateful to the Benefact Trust who agreed that their block grants to York Diocese for 2019-21 could be designated to create a fund to be expended over an extended period to meet the costs of the Mustard Seed Programme Lead and the development costs of the Stepping Up learning and development programmes. This money has been supplemented by Church of England Strategic Development Funding. Looking towards ongoing sustainability, partnerships with churches and individuals are beginning to be established as part of an Advocates Scheme, and funding is being sought from other charitable bodies. 2025 marked the final year of draw down from the Benefact Grant which is now exhausted.

As at December 2025, there have been 26 cohorts, with engagement across 39 parishes. Of the 101 people who have completed the course to date, almost all are involved in mission or in the process of discernment and planning for mission. We have seen some drop off over the last year (in some cases due to ill health or relocation). A significant number have been commissioned locally as "Community Ministers", twelve of whom are paid for one or two days each week, with support from the Mustard Seed grant fund. As we come to the end of the current Mustard Seed Project, we have 35 people across five Stepping Up cohorts (competing Spring/Summer 2026) which represents the highest annual total to date.

The Mustard Seed learnings continue to be shared with the National Church, and the Programme Lead has provided advice and support to a number of dioceses who are exploring a similar approach. Further details about all the Mustard Seed locations can be found on the dedicated website www.*mseed.org*.

Wydale Hall

Wydale Hall's small but dedicated team has continued to be flexible and creative in responding to the needs of guests and the visitor feedback has been very positive. A full programme of Wydale events was scheduled for 2025 and included some free and low cost events to reduce barriers to access. In the course of the year further work has been undertaken in the Emmaus Centre to increase the number of self catering rooms available for private retreats and short breaks.

We continue to be grateful to the prayerful and practical support of the extended community of volunteers who continue to meet regularly in person and online via Zoom and offered their practical skills to support the ministry of the Retreat House, not least in care for the grounds and the annual Repair & Restore week which provides a low cost break alongside the chance to undertake improvement and maintenance projects to enhance the Wydale experience.

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PARISH SUPPORT

A significant amount of staff time is dedicated to the support of clergy and parish officers with their day-to-day responsibilities for buildings, finance, people and the practical aspects of parish life.

The Director of Communications & Parish Resourcing retired in April and Laura Beasley joined in the autumn as our new Head of Communications.

In September 2025, and following the reorganisation of roles within Diocesan Office, Kate Cameron joined the team as Director of Operational Support and Deputy Diocesan Secretary. A key early focus has been in developing a framework for intentional and coordinated engagement with parishes in need of assistance.

The new Operational Support grouping brings together teams who provide practical support to parishes in the areas of governance, HR, communications, patronage, church buildings, pastoral reorganisation, stewardship and carbon reduction. Together with colleagues from Mission & Ministry they will be seeking to meet the needs identified during LCS consultations and arising from Deanery Plans.

The LCS Transforming Structures & Finances priorities are held in the Parish Support Workstream, with a particular focus on increasing parish level income streams and managing the growing costs of running church buildings.

Supporting local financial sustainability

The Generous Giving team exists to support parish level financial sustainability (which in turn increases parish capacity to increase the level of contributions that they make to the Common Fund). Their primary area of work is around encouraging and developing personal generosity and have supported stewardship conversations in parishes across the whole of the diocese, but they also seek to assist PCCs with other practical ways of increasing income and/or reducing expenditure. We are grateful to the national Church of England for continuing to support the costs of staffing this area of our work.

Digital giving has had another significant year in the Diocese of York, with contactless giving increasing in both average gift and total gifts. In 2025 a total of £488,549 was gifted to churches (who signed up for contactless via Parish Buying) compared to £408,941 in 2024 (a 19.4% increase). 242 churches are now signed up via Parish Buying and have an active account compared to 215 in 2024, a 12.6% increase.

The average contactless gift in the Diocese of York continues to rise with a 21p increase in gift from £8.43 in 2024 to £8.64 in 2025.

The average weekly gift reported in the 2024 Return of Parish Finance shows that the Diocese of York is now £13.30 against a National average of £17.50. The year on year increase in York is 3.9% against National of 3.6%, inflation in 2024 was 2.5% (Office of National Statistics)

We now have 163 churches signed up to the Parish Giving Scheme with, at February 2026, a total of 1,444 givers. The total giving in that month via PGS was over £156,000, which is the highest recorded.

Supporting parishes with their buildings

The externally funded two year Funding and Community Engagement Adviser post finished at the end of the year. The role was to help churches with sourcing grant funding, to build capacity, to build community engagement to meet the outcomes required by the National Lottery Heritage Fund, and to build relationships with potential partners such as tourism boards.

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In addition to the nationally funded Minor Repairs and Improvement grant scheme, under which small grants for works up to £10,000 were distributed by the Church Buildings Adviser, additional allocations of national funding were again awarded under the Net Zero Quick Wins grant scheme and the Disability Project Parish Grants Scheme. These schemes are being managed by the Church Buildings team to best ensure that they are being appropriately utilised by parishes with qualifying projects.

The Church Buildings Adviser made over 110 visits to parishes to offer on-site advice about re-ordering, building maintenance and related matters. In addition, both he and the DAC Secretary continued to offer advice to parishes by telephone and by e-mail. Further technical advice was provided to parishes by the DAC's volunteer specialist advisers, particularly in the areas of bells, clocks, heating and electrics.

Whilst the volume of faculty applications was down again in 2025 at 128 (2024: 141), the team have supported the Archdeacons in approving 233 List B matters (2024: 199) as well as significant levels of support to major projects such as the £12m project to restore and redevelop the church of St Michael le Belfrey, York.

In September the team ran a day conference on 'The Courage of Change: Managing repair, re-ordering and conservation projects' which was attended by 180 people from across the diocese who came to hear presentations on a wide range of topics from building and conservation experts.

Following work carried out at the end of 2024 to progress the Diocesan Net Zero Action Plan, funding was obtained which has enabled the appointment of a part-time Net Zero Project Lead. The post-holder previously worked with the Methodist Church and brings significant experience of practical projects on chapels and manses. Since appointment his focus has been on securing funding for the 2026-28 triennium, establishing the baseline and reviewing the externally drafted plan. The team have continued to support churches in seeking grant funding for heating projects and carrying out energy audits.

Wider service and partnership in communities experiencing social need to deliver a positive contribution to the wellbeing of the most vulnerable in our society

Whilst the strategic goals are focussing on the spiritual wellbeing of individuals in our most deprived communities, churches across the diocese have continued their wider involvement in each of their communities, often joining with other denominations to resource Foodbanks and support charities working with the poorest in our society. As a DBF, we continued to take an active role during 2025 in supporting a number of projects, for example by providing facilities to Westway Open Arms (Scarborough) which serves the Eastfield Estate in Scarborough, and underwriting the costs of the BMO based in Brambles Farm and Thorntree in Middlesbrough alongside the continued funding of the provision of ministry to the Church of England parishes affiliated to Together Middlesbrough & Cleveland, a joint venture between the diocese and the Church Urban Fund, enabling those parishes to share their facilities and other resources in the support of those most in need within those communities.

FUTURE PLANS

Supporting parishes and communities as they engage with the growth plans that have been contextually developed in each Deanery as part of *Living Christ's Story* will continue to be a key priority for 2026. This will be the key focus for the Parish Support and the Mission and Ministry teams.

Living Christ's Story seeks to respond to the challenges of falling attendance, exacerbated by the Covid pandemic, with a strong focus on numerical and spiritual growth, together with the need to restructure the resourcing of ministry at both parish and diocesan level to enable us to create a credible and robust financial plan to respond to changing approach to the distribution of national support.

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The high-level Living Christ's Story plan assumed a modest reduction in the number of remunerated posts together with an increase in the donor base to offset the reduction in the Church Commissioners grant and halt the reduction in real terms in parochial contributions to the Common Fund. It had been anticipated that the majority of the structural changes arising from the consultations would be implemented by 2026, with resulting savings, increased investment income and the impact of growing congregations staring to come through in the following years such that by 2031 the clear target is that recurring expenditure of the diocese can be met via regular and reliable sources of income.

It is clear however that the impact of the pandemic was far more significant than had been anticipated and progress towards the intermediate target of each group of parishes covering the direct costs of clergy stipends and housing by 2026 has not been as strong as had been hoped. Several hundred people attended six roadshows across the diocese during the summer. These were both a listening process but also sought to inform and challenge attendees in preparation for the Free Will Offer (FWO) pledge process for 2026. The reality however is that FWO pledges as we enter 2026 still fall short of those originally submitted for 2020.

Given the 2026 pledges received, the Board has asked for further modelling to be carried out to establish the realistic level of resourcing for both direct parish ministry and diocesan support functions that could be sustained beyond 2031.

York is, however, not unique amongst dioceses in operating at a deficit before use of expendable assets and we know that we will receive some additional national support in 2026 as part of a nine year national commitment on the part of the Church Commissioners to support dioceses in reaching sustainability in a way that reduces the likelihood of needing to make short term funding decisions that result in adverse missional outcomes. This support will include a welcome 30% uplift in Low Income Communities funding, reduction in diocesan apportionment of national costs, and some tapered grant support to recognise the post-Covid shortfalls being experienced by almost every DBF. Overall, after the cost of implementing the national standard stipends, this should contribute a net sum of around £200,000 for 2026.

In recent years, the Diocesan Support team has been carrying a number of key vacancies, often for extended periods. Although this has helped to manage costs it has impacted capacity, efficiency and staff wellbeing. Many of these posts have been filled during 2025 and whilst this will increase the shared their presence will restore much needed capacity to improve the effectiveness of the support provided to parishes.

FINANCIAL REVIEW

Financial Performance

The Trustees are grateful to all the parishes which gave generously into the Common Fund of the Diocese during the year, and especially to those parishes that give by monthly instalments, which is essential in supporting the cash flow of the Diocese.

Free Will Offers, the money given by Parishes to the Diocese to fund its mission and ministry, are the main incoming resource for the Diocese. These were similar to the previous year at **£7,467,000** (2024: £7,435,000) and remain lower than the pre-pandemic levels in 2019 of £8,089,000. Based on submissions from parishes, the expectation is that, during 2026, Free Will Offers will recover further as parish income continues to recover, but it will be at least a further year before they return to pre-pandemic levels, due in no small part to the reduction in regular attendance in many churches coupled with the impact of inflation on energy and other costs on local budgets. This does mean that income is not keeping pace with the levels of inflation experienced by the Diocese in relation to salaries and

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building repair costs.

The overall net movement in funds in 2025 was -**£279,000** (2024: +£1,649,000).

2025	General £000	Unrestricted Designated £000	Total £000	Restricted £000	Endowed £000	Total 2025 £000	Total 2024 £000
Net expenditure before gains/transfers per SOFA:	(3,215)	-	(3,215)	(24)	1,421	(1,818)	(905)
adjust to show operational result:							
Income from closed school sale	-	-	-	-	(96)	(96)	(99)
Gain on sale of properties/closed churches	(63)	-	(63)	-	(825)	(888)	(37)
Lay pension scheme usable surplus	-	-	-	-	-	-	(690)
Investment income & gains transferred under total return	949	-	949	-	(949)	-	-
	886	-	886	-	(1,870)	(984)	(826)
Operational (shortfall)/gain	(2,329)	-	(2,329)	(24)	(449)	(2,802)	(1,731)
add back above adjustments	(886)	-	(886)	-	1,870	984	826
Investment gains/(losses)	405	-	405	26	1,108	1,539	2,554
Transfers between funds:							
Transfer between funds -total return	949	-	949	-	(949)	-	-
Transfer between funds -other	2,255	(77)	2,178	(2,178)	-	-	-
Transfer between funds - property	171	-	171	874	(1,045)	-	-
Net movement in funds per SOFA	565	(77)	488	(1,302)	535	(279)	1,649

Unrestricted fund:
The unrestricted general fund showed an excess of expenditure over income of -**£3,215,000** before investment gains or transfers (2024: -£1,162,000).

Total return accounting was adopted from 1 January 2025 leading to income earned on some of the stipend funds now being accounted for as endowed income with a proportion of income and gains then transferred across to the general fund. After taking account of such transfers and excluding the gain on sale of properties, and the year end lay pension scheme movements, there was an underlying operational shortfall of -**£2,329,000** (2024: -£1,852,000).

Whilst a worse position than the previous year, this shortfall was better than anticipated levels. With Free Will Offer income still £622,000 lower than in 2019, before the impact of any inflation over that period, alongside the extra income to the general fund through total return accounting, the DBF continued to seek efficiency savings and unanticipated additional vacancies, whilst operationally challenging once again had a positive impact on the operating shortfall.

The actuarial position of the old lay pension scheme, led to a usable surplus and £690,000 was brought into the 2024 accounts in full. This was then applied to offset pension costs in the year of £257,000 (2024: £174,000). Included on the balance sheet is an asset of £259,000 (2024: £516,000) relating to the unused balance of this usable surplus at the year end which will be used in a similar way to offset employer contributions over the next year.

The transfers in 2025 include **£2million** from the Pastoral Account to help fund the deficit. Further details about the available uses of the Pastoral Account are given in the reserves policy below). A further draw down from unrestricted reserves of up to **£1.0 million** (pre investment gains and other fund transfers) was approved for 2026 by Diocesan Synod at its meeting in November 2025. This will again be mainly funded through a transfer across from the Pastoral Account during the year.

This 2026 budget reflects a combination of further investment in the Growth Strategy and safeguarding, offset by some extra time limited support from Archbishops' Council and recognises the lead time necessary to reach a corresponding uplift in Free Will Offerings. The Trustees assessed that the Diocese had adequate reserves to fund this in year shortfall. Safeguarding the future finances of the Diocese is

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a key part of the on-going strategic consultations and achieving sustainable parish giving will continue to be a vital factor in the Diocese's financial security in the future.

Designated funds:
£77,000 was drawn down from designated funds (2024 £77k) relating to the Mustard Seed Project (being the Benefact Trust grant funding spent in support of that project in the year).

Restricted funds:
Restricted funds showed a net excess of expenditure over income of **-£24,000** before investment gains, losses or transfers (2024: +£155,000).

Endowment funds:
Endowment funds showed a reduction of **-£449,000** before non-property related investment gains or transfers other than that under total return accounting (2024: £102,000 increase).

Total funds:
The excess of expenditure over income across all funds amounted to **-£1,818,000** compared with a -£905,000 deficit in 2024.

Fixed Asset investments are included on the balance sheet at year end valuation. The impact of net unrealised and realised investment gains for the year of £1,539,000 (2024: £2,554,000) improved the results to a net total deficit for the year of **-£279,000** compared to +£1,649,000 surplus in 2024. Out of this net income, various transfers were made between funds (as detailed in note 13).

Significant Property Transactions

There were a number of property sales and purchases during 2025 as the Diocesan policy continues to be:

- to replace unsuitable properties;
- to accommodate the changing geographical deployment of clergy within the Diocese;
- to realise development potential on some sites, thereby using our resources more effectively for the ministry of the Church

£2,126,000 of properties were purchased during the year compared to £1,776,000 in 2024. During the year, the Diocese disposed of housing with a total book value of £687,000 realising net sales proceeds of £1,575,000 and a gain on sale of £888,000. Some of the acquisitions in 2024 and 2025 will be followed in 2026 by the disposal of the houses that they have replaced.

Glebe land, which is included within investments, was disposed of for £247,000 (2024: £1,151,000), representing a gain on sale of £160,000 (2024: £450,000 gain).

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Balance sheet position

The Trustees consider that the balance sheet and notes demonstrate that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled **£108,741,000** (2024: £109,020,000) it must be noted that included in this total are properties, mostly in use for the ministry, whose net book value amounted to **£52,850,000** (2024: £51,413,000). Much of the remainder of the assets shown in the balance sheet are held in restricted funds or as endowments and cannot necessarily be expended for the general purposes of the YDBF.

Reserves policy

Free reserves

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Trustees' policy is to hold a balance of readily realisable assets in the general fund equivalent to 4 months budgeted unrestricted expenditure. At 31 December 2025 the amount required under this policy totalled **£5.0m** (2024: £4.8m). Actual free reserves as at 31 December 2025, excluding the usable pension surplus, totalled **£6.0m** (2024 £5.4m), which is equivalent to 4.8 months of budgeted unrestricted operating expenditure.

Whilst this level of reserves is slightly above the minimum prudent level set by the trustees, it is considered to be currently necessary to hold them in the light of changes to the Church Commissioners' funding for the Diocese, the budgeted operating shortfall for 2026, the decline after inflation in the value of Free Will Offering, and also possible reduction of contributions to local parishes and/or Free Will Offerings in response to issues in the wider Church. The Trustees are monitoring the rate at which the reserves are reducing and have plans to support the strategic initiatives via a release of fixed assets and passed a resolution to utilise Total Return accounting from January 2025 to release funding for future projects as well as to increase the level of investment income that can be applied in support of stipends.

The Trustees keep under review the ability of the Common Fund to support the currently agreed levels of stipendiary ministry.

Reserves held as fixed assets

The general fund comprises net assets amounting to £12,124,000 of which £5,154,000 are tangible fixed assets.

Restricted and endowment funds

As set out in notes 20 to 22, YDBF holds and administers a number of endowment and restricted funds. As at 31 December 2025, endowment funds totalled £82.7m (2024: £82.1m) and restricted funds totalled £13.9m (2024: £15.2m). The capital in the endowment funds is not available for the general purposes of the YDBF. The Pastoral Account, as established under the Pastoral Measure, is technically restricted and shown as such in the annual accounts. However, once obligations under the Measure are met, its purposes do allow funds to be transferred to the Stipends Capital Endowment fund or to be used for other purposes at the discretion of the Board. Further details are given in note 22. The sustainability model for Living Christ's Story assumes that, over the next few years, some of the transfers to the Pastoral Account (from further planned asset disposals) will continue to be drawn down to help finance the period of transition to new patterns of ministry resourcing, with the remainder retained and invested for income to support stipends.

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In October 2024 the Trustees passed a resolution to adopt a total return accounting policy with effect from 1 January 2025, in respect of the share of the Stipend Capital Endowed Fund that is not property or land and also to the endowed Local Trusts' Stipend Fund. This approach allows increases in the value of investments to be used as income and allows the Diocese to invest in a way that has appropriate regard to the furtherance of its aims both now and in the future.

As part of the 2025 budgeting process, it was agreed that income transferred to the general fund in 2025, to support stipendiary ministry, would be 4.5% of the opening balances on the funds. Further detail is shown in note 23.

Going Concern

The financial statements have been prepared on a going concern basis. The Trustees have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors. The financial position of the YDBF, its net income for the year and cash flows as set out in the Statement of Financial Activities and Cash Flow Statement, and ability to draw down from invested funds, demonstrate the overall net cash position of the YDBF and the strength of its reserves. As a consequence, the Trustees believe that the YDBF remains well placed to manage the business risks successfully despite the uncertainties surrounding the current general economic outlook.

Even allowing for the continuing impact of both inflation and the reduction in attendance and parish income, that has not yet recovered following the Coronavirus pandemic, on the real value of parish contributions to the Common Fund, the Trustees have a reasonable expectation that the YDBF has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Grant making policy

The Articles of Association of the YDBF explicitly permits the YDBF to make grants in pursuance of its objects. The nature of grants made in 2025 is explained in note 11.

Investment policy

The YDBF is empowered in its Articles of Association to invest monies not immediately required for its purposes. In addition, the YDBF acts as trustee of a number of trust funds, and these must be invested in accordance with the related trust deeds. The YDBF's policy is to review regularly the assets of each fund for which it is responsible, in relation to the purposes of each fund, and to identify appropriate investment vehicles. Note 21 provides details of the assets of each fund, together with the related purposes, and note 15 summarises the movements in investments during the year.

The Trustees' investment policy is to spread the YDBF's investments between Evelyn and CCLA. Evelyn work on a discretionary basis and are mandated to achieve a total return of CPIH plus 4% after costs over the medium term. Within the CCLA portfolio, the YDBF selects funds from the CBF range of funds for the Church of England, taking into account the objectives of each fund in the context of the YDBF's own objectives for income and long term capital growth. The long term total return objective of the CBF Investment Fund is CPI plus 5% p.a before costs. The CBF Property Fund aims to deliver a high income yield with capital growth over time. Both managers are required to adhere to the policies of the Church of England's Ethical Investment Advisory Group. The investments held, and their return during the year, are set out in the following table:

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	Funds at 31 December 2025 £'000s	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	13,949	40.1%	2.72%	-1.17%
CBF Property Fund	1,387	4.0%	5.39%	7.70%
CBF Deposit Fund	140	0.4%	4.37%	4.37%
Evelyn Managed	19,307	55.5%	1.96%	11.4%
	34,783	100.0%		

The Investment Group meets with the Investment Managers twice each year and regularly reviews the performance of the funds.

Whilst many of the investments are held for the long term and it is performance of this longer term that is important, as the table shows, there was a significant difference between the total return generated by each investment manager over the past year.

Despite this challenging period for performance, we have been reassured by CCLA of their full confidence in a long-term, quality-focused investment approach.

CCLA commented: *"We want to reassure you that CCLA retains full confidence in our long-term, quality-focused investment approach. While parts of the market have recently been driven by speculative behaviour and narrow leadership, the fundamental backdrop remains supportive: company profits continue to grow, and high-quality businesses—those with strong balance sheets, resilient earnings and durable competitive advantages—are now trading at more attractive valuations.*

Rather than abandon our philosophy to chase short-term trends, we are enhancing it with careful refinements, such as greater attention to earnings momentum and increased flexibility within our quality framework. These adjustments strengthen, rather than replace, our core process. We believe this disciplined approach leaves your portfolio well positioned for the next phase of the market cycle and continues to offer the best route to long-term, sustainable returns."

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification and management of risk. To achieve this, the Trustees have engaged with the management team to consider the principal risks to which the YDBF is exposed and to prioritise a mitigation strategy. The Risk Register is regularly reviewed by the appropriate sub-committees and officers (under the oversight of the Audit Committee), to ensure that all risks are proportionally addressed in line with the YDBF's risk management policy and that all mitigating controls are operating effectively.

The highest risk areas for the Company; those that could have a significant impact on the organisation's ability to achieve its strategic aims, have been identified as being in the following areas:

1. Safeguarding - the risk that there is an occurrence of abuse (or allegation of historic abuse) by someone working for or on behalf of the Diocese. The mitigating controls are as follows:
    - The YDBF retains appropriately trained safeguarding professionals who are following nationally agreed policies and protocols aligned to relevant ecclesiastical and civil legislation;
    - Compulsory training is provided to all relevant staff;

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- An independently chaired Diocesan Safeguarding Advisory Panel (DSAP) oversees the effectiveness of YDBF practices; and
- All church officers and church bodies (including PCCs and the YDBF) are required to adhere to statutory policies and procedures with professional support provided by the safeguarding team.

2. Reliance on key management staff and clergy:
   a) the risk that vacancies in key posts and under-resourcing of the Diocesan offices and key central functions could lead to a breakdown in the delivery of the Diocesan mission and stewardship of its assets. The mitigating controls are:
      - The Diocese fosters a culture of sharing and support ensuring that there is awareness and management of potential issues before they can escalate;
      - Shared access to systems and documented processes to enable continuity on core processes to be maintained for key activities in the event of a significant vacancy or absence; and
      - The Trustees will continue to review the staffing of central functions as part of the development of the strategic plans.

   b) the risk that clergy and other key leaders will not have the capacity to deliver the strategic goals in relation to growth either due to individual capability or there being too many demands placed on limited parish resources. The mitigating controls are:
      - The Diocese fosters a culture of sharing and support ensuring that there is awareness and management of potential issues before they can escalate;
      - The Diocesan Leadership Team, together with the Living Christ's Story Programme Board, are responsible for ensuring that the demands being placed on parishes are being coordinated and accompanied by appropriate levels of support and training.

3. The risk that the YDBF is unable to meet its strategic aims due to financial constraints as a result of a decline in parish Free Will Offerings, adverse investment conditions or reduction in funding from the Church Commissioners. The mitigating controls are:
   - Strong engagement of the Diocesan Leadership Team, especially the Archdeacons, with parishes to ensure that commitments by parishes are honoured as far as is practically possible;
   - Priority given to supporting clergy and lay leadership to grow local sustainability in terms of both attendance and giving;
   - Strong budgetary control processes to identify adverse trends and consider the necessary medium and long term actions needed to address the underlying issues;
   - Robust reserves policies to ensure that temporary shortfalls can be financed without the need for short term cuts; and
   - Investment in strategic capacity to ensure that access to funding streams from the Church Commissioners is maximised.

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In addition, the Trustees are keeping a number of areas of potentially significant extraordinary expenditure under close review. They will be factored into the ten year forecasts and the annual budget continues to allow for a contingency sufficient to cover immediate unanticipated costs. The areas being monitored for additional extraordinary and/or significant costs that would place financial pressures such that a reduction in core activities may become necessary include:

- Wydale Hall - Additional costs arising from non-insurable unanticipated shutdowns. Inability to cover the cost of major repairs from normal operating surpluses, requiring additional capital funding from YDBF reserves.
- Safeguarding – Uninsured compensation payments for historic cases (including Redress contributions). Additional resource costs for compliance with legislation or House of Bishops Regulations.
- Zero Net Carbon – the costs of achieving net-zero for DBF assets, support for parishes in achieving net-zero (including grants and impact on Free Will Offer), ongoing offsetting levies.
- Pensions – Fund liabilities increasing beyond currently forecasted levels.

In additional to the fiscal policies identified in (3) above, close contact is maintained with the National Church Institutions and other dioceses to facilitate collaborative approaches to influence legislative changes that may lead to increased cost and seeking additional national funding streams to mitigate the impact of significant additional mandatory expenditure. This will also be particularly important as the Trustees look at how to mitigate the risks, in terms of both financial and missional impact, associated with local disagreement with, for example, decisions made by the General Synod or the House of Bishops around services of blessing for those in same sex relationships.

At March 2025 six parishes (March 2024: 5) had given notice that they were no longer willing to contribute directly to the Diocesan Common Fund (in the light of decisions taken by General Synod in relation to the Prayers of Love and Faith). They have, however, undertaken to contribute via a facility administered by the Church of England Evangelical Council (CEEC) at levels similar to that pledged in recent years which are, in each case, no more than the direct costs of providing stipendiary clergy to that parish (i.e. with no contribution to the pooled costs).

STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England

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

The National Church has a General Synod comprising ex-officio and elected representatives from each Diocese and it agrees, and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod. The Diocese itself is divided into twenty one deaneries, each with its own Synod and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the

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Diocesan Synod.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from (and partner with) neighbouring Dioceses and the National Church Institutions.

Organisational structure

The York Diocesan Board of Finance (YDBF) is a company limited by guarantee (No. 225234) and a registered charity (No. 244976) governed by its Standing Orders and Articles of Association which were last revised and approved in July 2024. The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of York. It was established in its present form in 1927 and is successor in title to the York Diocesan Trustees.

Its statutory governing body is the **Diocesan Synod**, which is an elected body with representation from all parts of the Diocese. Membership consists of ex officio members, including the Archbishop, Suffragan Bishops and Archdeacons; clergy members elected by the houses of clergy in Deanery Synods; lay members elected by the houses of laity in Deanery Synods; up to five persons who may be co-opted by the house of clergy or the house of laity; and a maximum of 10 members nominated by the Archbishop. The Diocesan Synod normally meets three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Archbishop's Council and Standing Committee.

Archbishop's Council

The members of the Archbishop's Council and Standing Committee are also appointed to the Board of Directors, with the exception of the Bishop of Beverley and any member of the Council who is an employee of the Company. Archbishop's Council consists of 11 ex officio members, including the Archbishop, the four Suffragan Bishops and the three Archdeacons, together with four clergy (elected by the house of clergy from among their number) and eight lay persons (elected by the members of the house of laity) representing deaneries and a maximum of six Synod members nominated by the Archbishop.

Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of York, are set by the Diocesan Synod and the YDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Chief Executive. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the YDBF. The Trustees, meeting within the context of the Archbishop's Council & Standing Committee, hold up to five meetings during the year to formulate and coordinate policies on mission, ministry and finance by:-

- Initiating proposals for action by the Synod and advising it on matters of policy
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders
- Acting as the Trustees of the YDBF
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion

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- Advising the Archbishop on any matters he may refer to the committee
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and for the establishment of ad hoc review groups, their terms of reference and membership
- Carrying out such other functions as the Synod delegates to it
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod

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

Finance Sub-Committee: the role of the Finance Sub-committee is to provide focussed support to the directors of the YDBF so that they might better enable the mission of the diocese through sound financial management and transparent, open reporting. The responsibilities of the Finance Sub-Committee include:

- Monitoring the financial performance of the Diocese against budget and forecast;
- Approving the Management Accounts;
- Ensuring that appropriate Financial Statements are drawn up;
- Making recommendations on and monitoring the operation of the Common Fund including the process of making Free Will Offers;
- Reviewing and giving first stage approval to the budget;
- Making recommendations for the Board's approval on levels of stipends, salaries and pension provision;
- Acting for the Board in its capacity as Custodian Trustee in relation to third party investments;
- Making recommendations to the Board on the appointment of professional advisers;
- Monitoring entries in the Risk Register that relate to finance;
- Monitoring and reflecting updates to financial regulation;
- Ensuring the appropriate provision of HR expertise and policies in order to meet the obligations of the DBF; and
- Undertaking such other work as may be referred to it by the YDBF.

Property Sub-Committee: the Property Sub-Committee undertakes the YDBF's responsibilities under the Church Property Measure 2018; the Repair of Benefice Building Measure 1972; the PCC (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 (with respect to parochial property); the Endowment and Glebe Measure 1976 (with regard to property assets); and the Ecclesiastical Offices (Terms of Service) Measure 2011.

Diocesan Board of Education Sub-Committee: the Education Sub-Committee is a statutory sub-committee that exists to fulfil the YDBF's responsibilities under the Diocesan Boards of Education Measure 2021. In addition to its statutory responsibilities, the committee also oversees the support provided to parishes for their work with children, young people and families.

Diocesan Pastoral & Mission Sub-Committee: as far as is permissible under Ecclesiastical Law the functions of the Pastoral and Mission Committee as set out in the Mission and Pastoral Measure 2011 have been delegated to the Pastoral and Mission Sub-Committee. The primary function of the

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Committee is pastoral reorganisation in the Diocese of York, taking account of available clergy numbers and making use of new patterns of ministry. It also oversees the work of diocesan staff in relation to the management of church buildings that have been closed for regular worship, pending their disposal.

Audit Sub-Committee: the role of the committee is to monitor and report on the effectiveness of internal governance procedures and internal controls, including meeting with the external auditors, reviewing the statutory accounts and ensuring that the risk register is being appropriately maintained.

Trustee recruitment and induction

Trustees are members of the Archbishop's Council & Standing Committee and are selected as set out above. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed before seeking membership and, at all other relevant times, of the role and function of the Committee. All Trustees are required to provide updated declarations for the registers of skills and interests on a tri-annual basis. Some employees hold the title of 'Director', but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act.

Governance Matters

Diocesan Synod, the DBF and most Boards and Committees met on a pattern of online and in person meetings. Following elections to Diocesan Synod and Archbishop's Council, a new term of office for those elected to serve as Trustees of the DBF commenced on 1 January 2025. Newly elected members received Trustee Training, including reference to the 2020 Charity Governance Code (produced by the Good Governance Group) in March 2025. The ongoing monitoring of governance and the periodic review of terms of reference of sub-committees is overseen by the Audit Committee and the Chairs of the Houses of Clergy and Laity of the Diocesan Synod.

Volunteers

YDBF is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly at times of crisis. Within this context, the YDBF greatly values and would want to acknowledge the considerable time given by all members of Boards, Committees and Working Groups – for each of them just a part of the practical outworking of what it means to be "Living Christ's Story".

Remuneration of key management personnel

Emoluments of key management personnel are determined through a process of job evaluation and with reference to market rates for equivalent jobs.

Delegation of day to day delivery

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

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of the YDBF in accordance with the policies framed by the Trustees.

Funds held as Custodian Trustee

The YDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the YDBF does not control them, and they are segregated from the YDBF's own assets by means of separate bank and investment accounts. The market value of funds held as custodian amounted to **£17,092,000** at 31 December 2025 (2024: £17,146,000). Custodian investments are summarised in note 29.

Funds held on behalf of schools

The Board of Education (as incorporated within the YDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amount included in creditors as at 31 December 2025 is **£82,000** (2024 £94,000).

OTHER RELATED PARTIES

The Diocese of York Educational Trust, which acts as a member of Academy Trusts and Multi-Academy trusts on behalf of the YDBF (the DBE being unincorporated) is a related party. A small grant is made by the DBE to support governance costs and the Trustees work closely with members of the DBE and the education team to support the Church of England Academies in the diocese. The YDBF also has operational links with Church of England schools in the Diocese, but as the nature of the relationship does not satisfy the requirements for control under the accounting standards, they are not disclosed within the accounts.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of the transactions merits more detailed disclosure this is given in note 28 to the financial statements.

Although the following are not related parties under accounting regulations, there are a number of bodies that the YDBF works closely with), these include:

- The Archbishops' Council to which the YDBF pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod. The Archbishop's Council allocate funding to dioceses from the Church Commissioners under legislation and regulations established by the General Synod of the Church of England.
- The Church Commissioners from which the YDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The YDBF pays for clergy stipends through the Church Commissioners.
- The Church of England Pensions Board, to which the YDBF pays retirement benefit contributions for stipendiary clergy and employees. It also offers schemes to provide housing for clergy in

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retirement.DBE Services, of which the YDBF is a member, provides services to Church Schools. Any profits are returned to the member dioceses via charitable donations and are designated by the trustees to support the work of the education team.

- Together Middlesbrough and Cleveland, a charitable company limited by guarantee, which exists to work in partnership with Christian based charities in the north of the diocese for the relief of hardship and the wellbeing of those in need. YDBF is a member, alongside the Church Urban Fund, but receives no benefit and does not make any financial contribution.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of YDBF 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).

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 apply them consistently
- Observe methods and principles in the Charities SORP (FRS102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the YDBF 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 YDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the Trustees are aware:

a) there is no relevant audit information of which the charitable company's auditors are unaware, and

b) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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APPOINTMENT OF AUDITORS

Saffery LLP have expressed their willingness to continue in office as auditor for the next financial year and are deemed to be reappointed under Section 487 (2) of the Companies Act 2006 until otherwise resolved at a General Meeting of the Company.

ADMINISTRATIVE DETAILS

Trustees

No Trustee had any beneficial interest in the company during 2025. The following Trustees were in post at the date of this report (those who served for some of 2025 are shown in *italics*):

Ex-officio:	
Chair–	Mr C R Barton
The Archbishop of York –	The Most Reverend & Right Honourable S Cottrell
The Dean of York –	The Very Reverend Dominic Barrington
The Bishop of Whitby -	The Right Reverend B Hill
The Bishop of Selby –	The Right Reverend F Winfield *(appointed Vice- Chair from 6 February 2025)*
The Bishop of Hull –	The Right Reverend E Sanderson
The Archdeacon of Cleveland –	The Venerable A Bloor
The Archdeacon of the East Riding –	The Venerable AC Broom
The Archdeacon of York –	The Venerable SJ Rushton (resigned 31 March 2025) The Venerable E Hassall (appointed as Archdeacon 10 January 2026, previously elected Trustee)
The Chair of the House of Laity -	Mr D Brookes (appointed 1 January 2025)
The Chair of the House of Clergy -	The Reverend R Lumley
Elected by:	
Synod House of Clergy	The Reverend M Rolls The Reverend A Baker (appointed 1 January 2025) The Reverend Canon M Carey (appointed 1 January 2025, resigned 31 March 2026) The Reverend Canon E Hassall (to 9 January 2026 when appointed to ex-officio role) The Reverend Canon Dr C Selvaratnam (appointed 17 April 2026) The Reverend V Earll (appointed 17 April 2026)
Synod House of Laity	Miss KM Banks Mr D Millican Canon RPA Brewer Dr G Parr Dr N Land (appointed 1 January 2025) Mr M Stallybrass (appointed 1 January 2025) Mrs S Teal (appointed 1 January 2025) Canon R Liversedge (appointed 1 January 2025)
Co-opted by the Archbishop	The Reverend R Suekarran

Senior staff and advisers

Diocesan Secretary & Chief Executive	Canon PJ Warry
Director of Finance	Mrs K Rose
Director of Education	Mrs M Palmer (from 6 Jan 2025)
Deputy Diocesan Secretary/Director of Operations	Ms Kate Cameron (from 8 September 2025)
Director of Communications & Parish Resourcing	Mr M Sheppard (resigned 18 April 2025)
Director of Mission & Ministry	The Revd I McIntosh (resigned 3 October 2025)
Head of Safeguarding	Mr R Marshall

Registered Office:	Diocese of York, Amy Johnson Way, Clifton Moor, York, YO30 4XT
Bankers	Barclays Bank PLC, 1-3 Parliament Street, York, YO1 8SE
Auditors	Saffery LLP, 10 Wellington Place, Leeds, LS1 4AP
Solicitors	Womble Bond Dickenson LLP The Spark, Draymans Way, Newcastle Helix, Newcastle Upon Tyne, UK NE4 5DE *and* Flint Bishop LLP, Stamford House, Piccadilly, York, YO1 9PP
Investment advisers	CCLA Investment Management Ltd 1 Angel Lane, London, EC4R 3AB *and* Evelyn Partners Investment Management LLP, 103 Colmore Row, Birmingham, B3 2BJ
Glebe Agents	Savills, River House, 17 Museum Street, York, YO1 7DJ *and* Dee, Atkinson & Harrison, The Exchange, Exchange Street, Driffield, YO25 6LD
Insurers	Ecclesiastical Insurance Office plc, Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester. GL3 4AW

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 4 – 21 within their capacity as company directors.

ON BEHALF OF THE TRUSTEES

Signed by:
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+ Flora Selby

Mr CR Barton
Chairman

The Right Reverend F Winfield
Vice Chair

19 June 2026

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Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 the audit:

- the information given in the Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report, which includes the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report and strategic report.

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

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

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on page 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

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

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

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

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

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

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

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

Signed by:
Saffery LLP
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19 June 2026

Sally Appleton (Senior Statutory Auditor)
For and on behalf of Saffery LLP,
Statutory Auditors

10 Wellington Place
Leeds
LS1 4AP

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THE YORK DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
For the year end 31 December 2025

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2025 £'000	Total funds 2024 £'000
Income and endowments from						
Grants and donations	2					
Parish contributions		7,467	-	-	**7,467**	7,435
Archbishops' Council		1,502	1,372	-	**2,874**	2,628
Other grants and donations		38	107	-	**145**	226
Charitable activities	3	820	728	97	**1,645**	1,788
Other activities	4	530	-	-	**530**	535
Investments	5	790	123	569	**1,482**	1,577
Gain on sale of properties		63	-	825	**888**	37
Other	6	15	-	-	**15**	16
Total		11,225	2,330	1,491	**15,046**	14,242
Expenditure on						
Raising Funds	7	309	-	37	**346**	460
Charitable activities						
General charitable activities	8	14,131	2,354	33	**16,518**	15,377
Usable pension surplus	26	-	-	-	-	(690)
(Gains) on clergy pension scheme	26	-	-	-	-	-
Total		14,440	2,354	70	**16,864**	15,147
Net (expenditure)/income before investment gains and losses		(3,215)	(24)	1,421	**(1,818)**	(905)
Net gain on investments	20	405	26	1,108	**1,539**	2,554
Net (expenditure)/income		(2,810)	2	2,529	**(279)**	1,649
Transfers between funds- total return	13/23	949	-	(949)	-	-
Transfers between funds-other	13	2,349	(1,304)	(1,045)	-	-
Net movement in funds		488	(1,302)	535	**(279)**	1,649
Total funds brought forward		11,636	15,246	82,138	**109,020**	107,371
Total funds carried forward	20	12,124	13,944	82,673	**108,741**	109,020

All activities derive from continuing activities. The notes on pages 36 to 65 from part of the financial statements.

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THE YORK DIOCESAN BOARD OF FINANCE LIMITED

INCOME AND EXPENDITURE ACCOUNT
For the year end 31 December 2025

	Total 2025	Total 2024
	£'000	£'000
Total income	**13,555**	14,106
Total expenditure	**(16,794)**	(15,113)
Operating (deficit) for the year	**(3,239)**	(1,007)
Net gains on investments	**431**	855
Net (expenditure) for the year	**(2,808)**	(152)
Other comprehensive expenditure/income	**-**	-
Net assets transferred from endowments	**1,994**	29
Total comprehensive (expenditure)	**(814)**	(123)

The Income and Expenditure Account is derived from the Statement of Financial Activities, with movements in endowment funds and investment gains/losses excluded to comply with company law. All income and expenditure is derived from continuing activities.

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THE YORK DIOCESAN BOARD OF FINANCE LIMITED

BALANCE SHEET
At 31 December 2025

Company number - 225234		2025		2024	
	Note	**£'000**	**£'000**	£'000	£'000
Fixed assets					
Tangible assets	14		**52,850**		51,413
Investments	15		**52,858**		53,040
			105,708		104,453
Current assets					
Debtors	17	**1,928**		1,806	
Cash on deposit		**866**		3,110	
Cash at bank and in hand		**1,899**		1,367	
		4,693		6,283	
Creditors: amounts falling due within one year	18	**(1,607)**		(1,663)	
NET CURRENT ASSETS			**3,086**		4,620
TOTAL ASSETS LESS CURRENT LIABILITIES			**108,794**		109,073
Creditors: amounts falling due after more than one year	19		**(53)**		(53)
NET ASSETS			**108,741**		109,020
FUNDS					
Endowment funds			**82,673**		82,138
Restricted income funds			**13,944**		15,246
Unrestricted income funds:					
General -other			**6,865**		6,531
General - represented by tangible fixed assets			**5,154**		4,923
Designated			**105**		182
Total funds	21		**108,741**		109,020

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 19 June 2026

Signed by:
Signed by:
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Mr CR Barton
Chairman

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THE YORK DIOCESAN BOARD OF FINANCE LIMITED

CASH FLOW STATEMENT
For the year end 31 December 2025

	2025		2024	
	£'000	**£'000**	£'000	£'000
Net cash (outflow) from operating activities		**(3,856)**		(2,762)
Cash flows from investing activities				
Dividends and interest from investments	**974**		1,083	
Proceeds from sale of:				
Tangible fixed assets	**1,575**		297	
Fixed asset investments	**4,720**		6,754	
Closed Churches	**-**		-	
Purchase of:				
Tangible fixed assets for the use of the YDBF	**(2,126)**		(1,787)	
Fixed asset investments	**(2,999)**		(3,225)	
Net cash provided by investing activities		**2,144**		3,122
Change in cash and cash equivalents in the reporting period		**(1,712)**		360
Cash and equivalents at 1 January		**4,477**		4,117
Cash and equivalents at 31 December		**2,765**		4,477
Reconciliation of net income to net cash flow from operating activities				
Net (expenditure) for the year ended 31 December		**(1,818)**		(905)
Adjusted for:				
Depreciation charges		**2**		-
Write down of impaired asset		**-**		-
Dividends and interest from investments		**(974)**		(1,083)
Profit on sale of functional assets		**(888)**		(37)
Profit on disposal of closed churches		**-**		-
(Increase)/decrease in debtors		**(122)**		59
(Decrease) in creditors		**(56)**		(796)
Net cash used in operating activities		**(3,856)**		(2,762)
Analysis of cash and cash equivalents				
Cash at bank and in hand		**1,899**		1,367
Notice deposits (less than 3 months)		**866**		3,110
		2,765		4,477

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THE YORK DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 December 2025

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP (FRS102)) second edition effective 1 January 2019, the Companies Act 2006 and applicable accounting standards (FRS102).

Going Concern:
The financial statements have been prepared on a going concern basis. The Trustees have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors. The financial position of the YDBF, its net income for the year and cash flows as set out in the Statement of Financial Activities and Cash Flow Statement demonstrate the overall net cash position of the YDBF and the strength of its reserves. As a consequence the Trustees believe that the YDBF is well placed to manage the business risks successfully despite the uncertainties surrounding the current general economic outlook and that there is no material uncertainty relating to going concern.

The Trustees have a reasonable expectation that the YDBF has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The principal accounting policies and estimation techniques are as follows.

a) **Income**

All income is included in the Statement of Financial Activities (SOFA) when the YDBF is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

i) **Free Will Offering** is recognised as income of the year in respect of which it is received.

ii) **Rent** receivable is recognised as income in the period with respect to which it relates.

iii) **Interest and dividends** are recognised as income when receivable.

iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.

v) **Parochial fees** are recognised as income of the year to which they relate.

vi) **Donations** other than grants are recognised when receivable.

vii) **Gains on disposal of fixed assets for the YDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other expenditure.

viii) **Permanent endowment funds (Stipends Capital Fund).**
This account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. Since the introduction of Total Return Accounting in January 2025, the fund has been split into the following:

a) Land, property and other non invested assets: . As the income is fully expended within the year of receipt the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

b) Invested assets:
Since January 2025, when Total Return Accounting was introduced, the income and costs on the invested part of the stipend capital fund are allocated to the endowed fund and an amount transferred across to the general fund each year as set out in the notes.

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1. ACCOUNTING POLICIES (continued)

a) Income (continued)

ix) **Permanent endowment funds - Ordination Candidates Council Fund**
The income is fully expended within the year of receipt and the terms of the funds, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

x) **Permanent endowment funds - Local Trusts' Stipend Fund.**
Since January 2025, when Total Return Accounting was introduced, the income and costs on the invested part of the stipend capital fund are allocated to the endowed fund and an amount transferred across to the general fund each year as set out in the notes.

b) Expenditure

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

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

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

iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the YDBF, 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 YDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 26). The pension costs charged as resources expended represent the YDBF's contributions payable in respect of the accounting period, in accordance with FRS102. The usable surplus on the Church Workers Pension Fund defined benefit pension scheme has been recognised as an asset on the YDBF's balance sheet.

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1. ACCOUNTING POLICIES (continued)

c) Tangible fixed assets and depreciation

Freehold properties
Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value. The YDBF 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 review the YDBF's assets for indications of impairment each year. Where indicators of impairment are identified the affected assets are written down to the recoverable amount, which is the higher of the asset's fair value and its value in use. The impairment losses are recognised in expenditure.

Where expenditure on refurbishing a property exceeds £20,000 it is capitalised if it adds value to the property.

Properties subject to value linked loans
Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. The respective property and loan are carried at historical cost.

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

Parsonage houses
The YDBF has followed the requirements of FRS102, in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The YDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their historical cost.

Valuation of fixed assets
Parsonages, team vicarages and general fund owned houses are carried at historical cost. A number of properties were first recognised at the relevant 1994 council tax band value, which is now treated as historical cost.

d) Other tangible fixed assets

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

Computer Equipment	25% per annum	straight line basis
Furniture and equipment	25% per annum	straight line basis

e) Other accounting policies

i) **Fixed asset investments** are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities.
ii) **Leases.** The YDBF has entered only into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates.

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1. ACCOUNTING POLICIES (continued)

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

- **Unrestricted funds** are the YDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the YDBF. There are two types of unrestricted funds:
    - **General funds** which the YDBF intends to use for the general purposes of the YDBF and
    - **Designated funds** set aside out of unrestricted funds by the YDBF for a purpose specified by the Trustees
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- **Endowment** funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the YDBF (Parsonage Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment. A total return to certain of the enowed funds has been adopted as noted in 1g below.

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

g) Total return accounting
The Trustees passed a resolution in October 2024, to adopt a total return approach from 1 January 2025, to the share of the endowed Stipend Capital Fund that is not property or land and also to the endowed Local Trusts' Stipend Fund.

This approach allows an appropriate proportion of both dividend income and increases in the value of investments, built up within the unapplied total return endowment, to be transferred to the general fund each year to support stipendiary ministry. The transfer to be set at a rate the board considers appropriate each year, taking account of the needs of current and future beneficiaries.

The relevant funds were split into the following as at 1 January 2025:

- a Trust for investment - being the calculated original cost plus inflation to 1 January 2025. The calculation was based on the book value at 2004, adjusted for additions or disposals since that date.
- an Unapplied Total Return - representing historic investment gains generated over inflation, to that date, including gains on glebe land sales that have since been invested.

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

- Assessment of residual value of freehold property when determining whether or not depreciation is required – see above;
- Calculation of depreciation – see details set out at 1d) above; and
- Accounting for pensions – the key assumptions underpinning any pension creditor reflected in these accounts are set by the Church of England Pensions Board and then reviewed and accepted or challenged by the Trustees. The DBF has adopted a policy of recognitions its usable surplus on the Church Workers Pension Fund which is included within debtors.

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2. DONATIONS

2a. Parish Contributions

The majority of donations are collected from parishes through the Free Will Offering system.

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Parish contributions to the Common Fund				
Current year contributions	**7,388**	**-**	**-**	**7,388**
Receipts for previous years	**79**	**-**	**-**	**79**
Total income	**7,467**	**-**	**-**	**7,467**

2024 comparative	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Parish contributions to the Common Fund				
Current year contributions	7,272	-	-	7,272
Receipts for previous years	163	-	-	163
Total income	7,435	-	-	7,435

2b. Archbishops' Council

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Resourcing Education Ministry	**-**	**17**	**-**	**17**
Grant for low income dioceses	**1,502**	**-**	**-**	**1,502**
Other grants	**-**	**1,355**	**-**	**1,355**
Total income	**1,502**	**1,372**	**-**	**2,874**

2024 comparative	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Resourcing Education Ministry	-	18	-	18
Grant for low income dioceses	1,583	-	-	1,583
Other grants	-	1,027	-	1,027
	1,583	1,045	-	2,628

The above are grants from the National Church.

THE YORK DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 December 2025

2. DONATIONS (continued)

2c. Other grants and donations

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Benefact Trust Grant	-	106	-	106
Other grants, donations and legacies	38	1	-	39
	38	107	-	145

2024 comparative	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Benefact Trust Grant	-	126	-	126
Other grants, donations and legacies	47	53	-	100
	47	179	-	226

3. CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Statutory fees	487	-	-	487
Generated income	13	-	-	13
Chaplaincy and other	162	50	-	212
Diocesan Board of Education	158	64	97	319
Wydale Hall	-	614	-	614
	820	728	97	1,645

2024 comparative	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Statutory fees	565	-	-	565
Generated income	11	-	-	11
Chaplaincy and other	144	49	-	193
Diocesan Board of Education	150	63	99	312
Wydale Hall	-	707	-	707
	870	819	99	1,788

THE YORK DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 December 2025

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Housing income	**530**	**-**	**-**	**530**

2024 comparative	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Housing income	535	-	-	535

5. INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Dividends receivable	**238**	**119**	**569**	**926**
Interest receivable	**44**	**4**	**-**	**48**
Rental receivable	**508**	**-**	**-**	**508**
	790	**123**	**569**	**1,482**

2024 comparative	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Dividends receivable	841	167	-	1,008
Interest receivable	71	4	-	75
Rental receivable	494	-	-	494
	1,406	171	-	1,577

6. OTHER INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Other income	**1**	**-**	**-**	**1**
Disposal of closed churches	**14**	**-**	**-**	**14**
	15	**-**	**-**	**15**

2024 comparative	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Other income	1	-	-	1
Disposal of closed churches	15	-	-	15
	16	-	-	16

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7. FUNDRAISING COSTS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Investment Manager's Fees	**28**	-	**37**	**65**
Property agents' fees	**139**	-	-	**139**
Other rented property costs	**142**	-	-	**142**
	309	-	**37**	**346**

2024 comparative	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Investment Manager's Fees	55	-	-	55
Property agents' fees	187	-	-	187
Other rented property costs	218	-	-	218
	460	-	-	460

8. CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Contributions to Archbishops' Council				
Training for ministry	**352**	-	-	**352**
National Church responsibilities	**210**	-	-	**210**
Grants & provisions	**37**	-	-	**37**
Mission agency pension costs	**12**	-	-	**12**
Retired clergy housing costs	**153**	-	-	**153**
Ordinand maintenance grants - pooling adjustment	**54**	-	-	**54**
	818	-	-	**818**
Resourcing Ministry and Mission				
Parish ministry and chaplaincy				
Parochial clergy stipends, national insurance and pensions	**6,211**	**331**	-	**6,542**
Housing costs	**3,368**	**82**	-	**3,450**
Removal, resettlement and grants	**173**	-	-	**173**
Other costs	**56**	**91**	-	**147**
Resourcing Ministerial Education	-	**17**	-	**17**
	9,808	**521**	-	**10,329**
Support for parish ministry	**2,901**	**1,119**	-	**4,020**
Wydale Hall	-	**697**	-	**697**
	12,709	**2,337**	-	**15,046**
Expenditure on Education				
Support for church schools and parishes	**604**	**17**	**33**	**654**
	14,131	**2,354**	**33**	**16,518**

THE YORK DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8. CHARITABLE ACTIVITIES (continued)

2024 comparative

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Contributions to Archbishops' Council				
Training for ministry	351	-	-	351
National Church responsibilities	209	-	-	209
Grants & provisions	36	-	-	36
Mission agency pension costs	-	-	-	-
Retired clergy housing costs	146	-	-	146
Ordinand maintenance grants - pooling adjustment	55	-	-	55
	797	-	-	797
Resourcing Ministry and Mission				
Parish ministry and chaplaincy				
Parochial clergy stipends, national insurance and pensions	6,066	331	-	6,397
Housing costs	2,774	-	-	2,774
Removal, resettlement and grants	201	-	-	201
Other costs	59	106	-	165
Resourcing Ministerial Education	-	220	-	220
	9,100	657	-	9,757
Support for parish ministry	2,879	722	-	3,601
Wydale Hall	-	671	-	671
	11,979	2,050	-	14,029
Expenditure on Education				
Support for church schools and parishes	508	9	34	551
	13,284	2,059	34	15,377

THE YORK DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 December 2025

9. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total Costs 2025 £'000
Raising Funds	**346**	-	-	**346**
Charitable Activities:				
Contributions to Archbishops' Council	-	**818**	-	**818**
Resourcing parish ministry	**12,634**	**763**	**952**	**14,349**
Education	**524**	**1**	**129**	**654**
Retreat Centre	**563**	-	**134**	**697**
(Gains) on clergy pension scheme	-	-	-	-
Usable pension surplus	-	-	-	-
	14,067	**1,582**	**1,215**	**16,864**

2024 comparatives	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	Total Costs 2024 £'000
Raising Funds	460	-	-	460
Charitable Activities:				
Contributions to Archbishops' Council	-	797	-	797
Resourcing parish ministry	12,000	556	802	13,358
Education	447	1	103	551
Retreat Centre	545	-	126	671
(Gains) on clergy pension scheme	-	-	-	-
Usable pension surplus	(690)	-	-	(690)
	12,762	1,354	1,031	15,147

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10. ANALYSIS OF SUPPORT COSTS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000
Central Support	**463**	**163**	**-**	**626**
Support for Schools	**129**	**-**	**-**	**129**
Retreat Centre	**-**	**134**	**-**	**134**
Governance:				
Boards and committees	**5**	**-**	**-**	**5**
External Audit	**34**	**-**	**-**	**34**
Registrar & Chancellor	**177**	**-**	**-**	**177**
Synodical costs	**15**	**-**	**-**	**15**
Allocation of central support costs	**95**	**-**	**-**	**95**
	918	**297**	**-**	**1,215**

Central support costs include costs related to the Diocesan office, together with the Diocesan Secretary and the finance, HR, data, administration and strategy teams. Costs were higher in 2025 than the previous year, given a number of vacancies during 2024.

2024 comparative	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000
Central Support	394	133	-	527
Support for Schools	103	-	-	103
Retreat Centre	-	126	-	126
Governance:				
Boards and committees	4	-	-	4
External Audit	27	-	-	27
Registrar & Chancellor	160	-	-	160
Synodical costs	14	-	-	14
Allocation of central support costs	70	-	-	70
	772	259	-	1,031

11. ANALYSIS OF GRANTS MADE

	Number	Individuals £'000	Institutions £'000	2025 Total £'000
From unrestricted funds for national church responsibilities				
Contributions to Archbishops' Council	**12**	**-**	**818**	**818**
From unrestricted funds				
PCCs for faculty fees	**141**	**-**	**36**	**36**
PCCs for Repairs to Church Buildings	**15**	**-**	**17**	**17**
Ordinands in training	**7**	**51**	**-**	**51**
Clergy for training	**47**	**19**	**-**	**19**
Resettlement Grants	**30**	**173**	**-**	**173**
Diocese of York Educational Trust	**1**	**-**	**1**	**1**
Other grants	**7**	**-**	**21**	**21**
From restricted funds				
PCCs for Repairs to Church Buildings	**86**	**-**	**328**	**328**
Other grants	**-**	**-**	**-**	**-**
PCCs for Mustard Seed projects	**34**	**-**	**118**	**118**
	368	**243**	**521**	**764**
Total	**380**	**243**	**1,339**	**1,582**

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11. ANALYSIS OF GRANTS MADE (continued)

2024 comparative	Number	Individuals £'000	Institutions £'000	2024 Total £'000
From unrestricted funds for national church responsibilities				
Contributions to Archbishops' Council	12	-	797	797
From unrestricted funds				
PCCs for faculty fees	150	-	36	36
PCCs for Repairs to Church Buildings	21	-	36	36
Ordinands in training	6	96	-	96
Clergy for training	50	19	-	19
Resettlement Grants	37	201	-	201
Diocese of York Educational Trust	1	-	1	1
Other grants	4	-	5	5
From restricted funds				
PCCs for Repairs to Church Buildings	13	-	47	47
Other grants	-	-	-	-
PCCs for Mustard Seed projects	45	-	116	116
	327	316	241	557
Total	339	316	1,038	1,354

12. STAFF COSTS

	2025 £'000	2024 £'000
Employee costs during the year were as follows:		
Wages and salaries	**2,820**	2,604
National insurance contributions	**346**	263
Pension Costs - Current Year	**310**	270
	3,476	3,137

The average number of persons employed during the year :	**Funded via general fund**	**Externally funded**	**Total Number**	Total Number
Archdeaconry based roles	4.0	-	4.0	4.0
Living Christ's Story (including Multiply & Mustard Seed)	3.0	13.0	16.0	14.3
Safeguarding and Pastoral Care	5.7	0.3	6.0	5.2
Mission & Ministry - Training, Vocations & School of Ministry	7.6	-	7.6	7.2
Education	5.6	4.4	10.0	8.8
Other Diocesan Office based posts	21.2	0.6	21.8	20.3
Other externally funded posts		3.2	3.2	3.0
	47.1	21.5	68.6	62.8
Parochial Posts	3.0	0.3	3.3	3.8
Wydale Hall	-	8.1	8.1	8.1
	50.1	29.9	80.0	74.7

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

	Funded via general fund	**Externally funded**	**Total Number**	Total Number
Archdeaconry based roles	2.4	-	2.4	2.7
Living Christ's Story (including Multiply & Mustard Seed)	2.8	10.4	13.2	12.3
Safeguarding and Pastoral Care	5.1	-	5.1	4.2
Mission & Ministry - Training, Vocations & School of Ministry	6.8	-	6.8	6.5
Education	5.1	3.2	8.3	7.4
Other Diocesan Office based posts	20.2	0.6	20.8	18.3
Other externally funded posts	-	2.4	2.4	2.5
	42.4	16.6	59.0	53.9
Parochial Posts	2.3	0.2	2.5	3.0
Wydale Hall	0.0	5.8	5.8	6.2
	44.7	22.6	67.3	63.1

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12. STAFF COSTS (continued)

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

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

Pension payments of **£35,967** (2024: £34,242) were made to these employees.
Payments to 1 person (2024:2) on termination of employment totalling £3,243 (2024: £36,000) have been made during the year.

Remuneration of key management personnel

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

Diocesan Chief Executive	Canon PJ Warry
Director of Finance	Mrs K Rose
Diocesan Director of Education	Mrs M Palmer (appointed 6 January 2025)
Deputy Diocesan Secretary/Director of Operations	Ms K Cameron (appointed 8 September 2025)
Director of Communications and Parish Resourcing	Mr M Sheppard (resigned 18 April 2025)
Director of Mission & Ministry	The Reverend I McIntosh (resigned 3 October 2025)

Remuneration, pensions and benefits for these employees amounted to £415,525 (2024: £482,053).

Trustees' emoluments
No Trustee received any remuneration for services as Trustee and no Trustees were employed by the DBF. 7 (2024: 14) of the Trustees received travelling and out of pocket expenses, totalling £15,683 (2024 - £21,309) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as Trustees.

The YDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The YDBF is also responsible for the provision of housing, together with related moving and first appointment grants, for stipendiary clergy in the diocese including the suffragan bishops but excluding the Archbishop and cathedral staff.

The YDBF has no responsibility for the appointment of clergy office holders, but is liable under legislation for funding via the Church Commissioners, of the stipends for stipendiary clergy office holders who hold the Archbishop's licence in the diocese other than bishops and cathedral staff.

The following table gives details of the Trustees in the year who, as clergy office holders, were in receipt of a stipend and/or housing provided by the DBF during the year

	Stipend	Housing
The Most Reverend & Right Honourable S Cottrell	No	No
The Very Reverend D Barrington	No	No
The Right Reverend Dr E Sanderson	No	Yes
The Right Reverend F Winfield	No	Yes
The Right Reverend B Hill	No	Yes
The Venerable AC Broom	Yes	Yes
The Venerable SJ Rushton (resigned 31 March 2025)	Yes	Yes
The Venerable A Bloor	Yes	Yes
The Venerable E Hassall	Yes	Yes
The Reverend R Lumley	Yes	Yes
The Reverend M Rolls	Yes	Yes
The Reverend R Suekarran	Yes	Yes
The Reverend A Baker	Yes	Yes
The Reverend M Carey (resigned 31 March 2026)	Yes	Yes

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12. STAFF COSTS (continued)

The YDBF paid an average of 172 (2024– 177) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs are shown below. These posts include part time posts and are equivalent to 159 (2024: 163) full time posts.

	2025	2024
	£'000	£'000
Stipends	**4,999**	4,887
National insurance contributions	**541**	422
Pension costs - current year	**1,052**	1,144
	6,592	6,453

Included above are additional payments of £105,563 (2024: £73,000) paid under the Mission & Pastoral Measure.
The stipends of the Archbishop and Suffragan Bishops are funded by the Church Commissioners and are in the range **£44,418- £85,952** (2024 range 42,350 - £81,951). The annual rate of stipend, funded by the YDBF, paid to Archdeacons in 2025 was **£43,004** (2024 £41,002) and other clergy who were Trustees were paid in the range **£30,110 - £31,302** (2024 range £28,670 - £30,390). Stipend levels are set on the basis that housing is provided, and that costs relating to the provided housing (including rent, Council Tax, water charges, maintenance, and building insurance) are paid on behalf of clergy.

13. ANALYSIS OF TRANSFERS BETWEEN FUNDS

Property related:	**Unrestricted Funds £'000**	**Designated Funds £'000**	**Restricted Funds £'000**	**Endowment Funds £'000**
Parsonages Houses Fund to the Pastoral Account	-	-	**420**	**(420)**
Parsonages Houses Fund from the Pastoral Account			**(431)**	**431**
Diocesan Parsonages Board from Pastoral Account	-	-	**624**	-
Pastoral Account to the Diocesan Parsonages Board	-	-	**(624)**	-
General Fund from Parsonage Houses Fund	**317**	-	-	**(317)**
General Fund to Pastoral Account	**(180)**	-	**180**	-
General Fund from Pastoral Account	**34**	-	**(34)**	-
Parsonage houses Fund from Stipend Capital Fund	-	-	-	**711**
Stipend Capital Fund to the Parsonage houses Fund	-	-	-	**(711)**
Benefice Building Fund from the Parsonage House Fund	-	-	**739**	**(739)**
Other transfers:				
General fund (to)/from designated funds	**77**	**(77)**	-	-
General fund from Education UST income fund	**109**	-	**(109)**	-
Pastoral Account to the General Fund	**2,037**	-	**(2,037)**	-
Sundry other transfers	**32**	-	**(32)**	-
	2,426	**(77)**	**(1,304)**	**(1,045)**
General fund from Stipend Capital/Local Trusts funds (total return)	**949**	-	-	**(949)**
	3,375	**(77)**	**(1,304)**	**(1,994)**

Many of the transfers made between funds during 2025 relate to property transactions. There were 3 property sales, 3 purchases, 3 extensions/reorderings and 1 redesignation following a change in use and a pastoral reorganisation.
The other main transfers relate to movements between general and designated funds set aside for Mustard Seed, a transfer from the pastoral account as budgeted to cover deficits and a transfer under total return accounting (see note 23).

2024 comparative **Property related:**	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Parsonages Houses Fund to/(from) the Pastoral Account	-	-	(75)	75
Diocesan Parsonages Board from Pastoral Account	-	-	313	-
Pastoral Account to the Diocesan Parsonages Board	-	-	(313)	-
General Fund from Pastoral Account	156	-	(156)	-
Parsonage houses Fund from Stipend Capital Fund	-	-	-	(1,231)
Stipend Capital Fund to the Parsonage houses Fund	-	-	-	1,231
Diocesan Parsonage Board Fund from Parsonages House Fund	-	-	104	(104)
Benefice Building Fund to Pastoral Account	-	-	(1,352)	-
Pastoral Account from the Benefice Building Fund	-	-	1,352	-
Other transfers:				
General fund (to)/from designated funds	76	(76)	-	-
General fund from Education UST income fund	29	-	(29)	-
Pastoral Account to the General Fund	46	-	(46)	-
Sundry other transfers	12	-	(12)	-
	319	(76)	(214)	(29)

Many of the transfers made between funds during 2024 relate to property transactions. There was 1 property sale, 4 purchases 2 extensions/reorderings and 1 redesignations following a change in use and a pastoral reorganisation.
The other main transfers relate to movements between general and designated funds regarding funds set aside for Mustard Seed.

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14. TANGIBLE FIXED ASSETS - Land & Buildings

	Wydale Hall £000	Education Properties £000	Freehold Properties £000	Diocesan Office £000	Office Equipment £000	Total £000
Cost						
At 1 January 2025	1,950	81	49,030	963	101	**52,125**
Additions	-	-	2,126	-	-	**2,126**
Disposals	-	-	(687)	-	-	**(687)**
At 31 December 2025	1,950	81	50,469	963	101	**53,564**
Depreciation						
At 1 January 2025	-	-	625	-	87	**712**
Charge for the year	-	-	-	-	2	**2**
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2025	-	-	625	-	89	**714**
Net book value						
At 31 December 2025	**1,950**	**81**	**49,844**	**963**	**12**	**52,850**
At 31 December 2024	1,950	81	48,405	963	14	51,413

All of the properties in the balance sheet are freehold and are vested in the YDBF, except for benefice houses which are vested in the incumbent. Some properties have been purchased with the help of a value-linked loan from the Church Commissioners; when disposed of, the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to **£148,000** (2024: £148,000).

15. FIXED ASSET INVESTMENTS

	At 1 January 2025 £000	Additions £000	Disposals £000	Change in Market Value £000	At 31 December 2025 £000
Investment Property	18,035	-	(247)	288	**18,076**
Listed Investments	18,607	2,800	(4,323)	1,802	**18,886**
Unlisted Investments	16,398	199	(150)	(551)	**15,896**
	53,040	**2,999**	**(4,720)**	**1,539**	**52,858**

16. FINANCIAL INSTRUMENTS

	2025 £000	2024 £000
Financial assets measured at fair value	34,356	34,615

Financial assets measured at fair value comprise listed and unlisted investments and value linked loans to parishes. Financial assets measured at amortised cost comprise cash and debtors. Financial liabilities measured at amortised cost comprise loans and other creditors.

THE YORK DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 December 2025

17. DEBTORS

	2025	2024
	£'000	£'000
Due within one year:		
Other debtors and prepayments	**1,538**	1,172
Usable pension surplus (see note 26)	**257**	239
	1,795	1,411
Due after more than one year:		
Loans to parishes	**131**	118
Usable pension surplus (see note 26)	2	277
	133	395
Total debtors	**1,928**	1,806

18. CREDITORS: amounts falling due within one year

	2025	2024
	£'000	£'000
Trade creditors	**186**	95
Other taxation and social security	**90**	72
Other creditors and accruals	**1,017**	670
Amounts held for other bodies	**314**	826
Pension Scheme Liabilities		
Church Workers' Pension Fund	-	-
Clergy Pension Scheme	-	-
Total creditors amounts falling due within one year	**1,607**	1,663

19. CREDITORS: amounts after more than one year

	2025	2024
	£'000	£'000
Loan repayment instalments due after more than one year		
Church Commissioners value-linked loans	**53**	53
Pension scheme liabilities		
Church Workers' Pension Fund	-	-
Clergy Pension Scheme	-	-
Total creditors: amounts falling due after more than one year	**53**	53
The maturity of the above loans may be analysed as follows:		
In five years and more	**53**	53
	53	53

Value-linked loans (VLLs) represent amounts advanced to the DBF for the purchase of properties on an equity sharing basis and are repayable on the disposal of the related property. As at 31st December 2025 the Board had no intention of disposing of any of those properties funded via VLLs.

During 2011 and 2012 a significant programme of mechanical and engineering work was carried out at Wydale Hall. The work was financed by a value-linked loan of £375,000 from the general reserves of the Diocese which is secured on the Hall. During 2015 the loan was increased by a further £47,000 to facilitate the refurbishment of the General Manager's living accommodation. There is no fixed term for repayment of the loan. As the DBF accounts include the results of Wydale Hall the creditor is not reflected within the above balances.

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20. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2025 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	Balances at 31 December 2025 £'000
UNRESTRICTED FUNDS						
General	11,454	11,225	(14,440)	405	3,375	**12,019**
Designated						
Mustard Seed Fund	182	-	-	-	(77)	**105**
	11,636	11,225	(14,440)	405	3,298	**12,124**
RESTRICTED FUNDS						
Diocesan Parsonages Board	4,914	-	-	-	624	**5,538**
Pastoral Account	5,667	-	-	26	(2,528)	**3,165**
Resourcing Ministerial Education	-	17	(17)	-	-	**-**
Benefice Building Fund	2,425	119	-	-	739	**3,283**
Mission Support Fund	36	2	-	-	-	**38**
Bishops' IT	9	-	(1)	-	-	**8**
First Lord Grimthorpe's Trust	12	3	(5)	-	-	**10**
Ministry Fund	-	50	(40)	-	(10)	**-**
Wydale Hall	1,458	614	(697)	-	-	**1,375**
Board of Education	188	64	(10)	-	(109)	**133**
Multiply (20s-40s)	-	377	(377)	-	-	**-**
Mustard Seed Fund	-	234	(234)	-	-	**-**
Strategic Capacity Fund	-	288	(288)	-	-	**-**
Giving Advisor Fund	8	24	(24)	-	-	**8**
Position of First Responsibility	18	-	-	-	(18)	**-**
Energy Grant Funds	4	-	-	-	-	**4**
Thorntree	1	-	-	-	-	**1**
Building Grants Funds	10	-	(3)	-	-	**7**
Mustard Seed grant fund	46	-	(24)	-	-	**22**
South Africa Link Fund	1	-	-	-	-	**1**
Clergy Retreats	4	-	(1)	-	-	**3**
Benefact Trust	371	106	(140)	-	-	**337**
Carbon net zero	2	121	(121)	-	-	**2**
East Riding village churches	44	1	(40)	-	-	**5**
SPIDR - spiritual direction funds	3	-	-	-	(2)	**1**
Church Building support officer & grants	16	243	(259)	-	-	**-**
Growing more diverse	9	20	(26)	-	-	**3**
Heart for Hull	-	47	(47)	-	-	**-**
	15,246	2,330	(2,354)	26	(1,304)	**13,944**
ENDOWMENT FUNDS						
Expendable						
Parsonages Houses Fund	33,273	719	-	-	(334)	**33,658**
Board of Education	2,687	97	(33)	232	-	**2,983**
Permanent						
Stipends Capital Fund- invested	20,467	552	(37)	545	(921)	**20,606**
Stipends Capital Fund-property, land & other	24,779	106	-	288	(711)	**24,462**
Ordination Candidates Council	255	-	-	17	-	**272**
First Lord Grimthorpe's Trust	53	-	-	2	-	**55**
Local Trusts' Stipend Fund	624	17	-	24	(28)	**637**
	82,138	1,491	(70)	1,108	(1,994)	**82,673**
Total funds	**109,020**	**15,046**	**(16,864)**	**1,539**	**-**	**108,741**

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20. SUMMARY OF FUND MOVEMENTS (continued)

2024 comparative	Balances at 1 January 2024 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	Balances at 31 December 2024 £'000
UNRESTRICTED FUNDS						
General	11,640	11,892	(13,054)	657	319	11,454
Designated						
Mustard Seed Fund	258	-	-	-	(76)	182
	11,898	11,892	(13,054)	657	243	11,636
RESTRICTED FUNDS						
Diocesan Parsonages Board	4,497	-	-	-	417	4,914
Pastoral Account	4,708	-	-	198	761	5,667
Resourcing Ministerial Education	201	19	(220)	-	-	-
Benefice Building Fund	3,611	166	-	-	(1,352)	2,425
Mission Support Fund	34	2	-	-	-	36
Bishops' IT	11	-	(2)	-	-	9
First Lord Grimthorpe's Trust	9	3	-	-	-	12
Ministry Fund	-	49	(39)	-	(10)	-
Wydale Hall	1,421	707	(670)	-	-	1,458
Board of Education	162	63	(9)	-	(28)	188
Multiply (20s-40s)	-	372	(372)	-	-	-
Restructuring	9	-	(9)	-	-	-
Mustard Seed Fund	-	241	(241)	-	-	-
Strategic Capacity Fund	-	236	(236)	-	-	-
Giving Advisor Fund	8	24	(24)	-	-	8
Position of First Responsibility	17	18	(17)	-	-	18
Energy Grant Funds	4	-	-	-	-	4
Thorntree	1	2	(2)	-	-	1
Building Grants Funds	13	-	(3)	-	-	10
Multiply grant fund	10	-	(10)	-	-	-
Mustard Seed grant fund	-	50	(4)	-	-	46
South Africa Link Fund	1	-	-	-	-	1
Clergy Retreats	5	-	(1)	-	-	4
Benefact Trust	305	126	(60)	-	-	371
Carbon net zero	15	32	(45)	-	-	2
East Riding village churches	60	-	(16)	-	-	44
SPIDR - spiritual direction funds	5	-	-	-	(2)	3
Church Building support officer & grants	-	80	(64)	-	-	16
Growing more diverse	-	20	(11)	-	-	9
Heart for Hull	-	4	(4)	-	-	-
	15,107	2,214	(2,059)	198	(214)	15,246
ENDOWMENT FUNDS						
Expendable						
Parsonages Houses Fund	32,071	-	-	-	1,202	33,273
Board of Education	2,413	99	(34)	209	-	2,687
Permanent						
Stipends Capital Fund	44,988	37	-	1,452	(1,231)	45,246
Ordination Candidates Council	244	-	-	11	-	255
First Lord Grimthorpe's Trust	52	-	-	1	-	53
Local Trusts' Stipend Fund	598	-	-	26	-	624
	80,366	136	(34)	1,699	(29)	82,138
Total funds	107,371	14,242	(15,147)	2,554	-	109,020

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21. SUMMARY OF ASSETS BY FUND

	Fixed assets		Current		Net
	Tangible £'000	Investments £'000	Assets £'000	Creditors £'000	Assets £'000
UNRESTRICTED FUNDS					
General	5,154	6,082	1,425	(642)	12,019
Designated					-
Mustard Seed Fund	-	-	105	-	105
	5,154	6,082	1,530	(642)	12,124
RESTRICTED FUNDS					
Diocesan Parsonages Board	5,538	-	-	-	5,538
Pastoral Account	-	3,978	(813)	-	3,165
Resourcing Ministerial Education	-	-	-	-	-
Benefice Building Fund	-	-	3,283	-	3,283
Mission Support Fund	-	-	38	-	38
Bishops' IT	-	-	8	-	8
First Lord Grimthorpe's Trust	-	-	10	-	10
Ministry Fund	-	-	-	-	-
Wydale Hall	1,950	-	235	(810)	1,375
Board of Education	-	-	134	(1)	133
Multiply (20s-40s)	-	-	95	(95)	-
Mustard Seed	-	-	1	(1)	-
Strategic Capacity Fund	-	-	-	-	-
Giving Advisor Fund	-	-	8	-	8
Position of First Responsibility	-	-	-	-	-
Energy Grants fund	-	-	4	-	4
Thorntree	-	-	1	-	1
Building Grants Funds	-	-	7	-	7
Mustard Seed Grant fund	-	-	22	-	22
South Africa Link Fund	-	-	1	-	1
Clergy Retreats	-	-	4	(1)	3
Benefact Trust	-	-	338	(1)	337
Carbon net zero	-	-	79	(77)	2
East Riding Village churches	-	-	8	(3)	5
SPIDIR - spiritual direction funds	-	-	1	-	1
Church Building support officer and grants	-	-	-	-	-
Growing more diverse	-	-	3	-	3
Heart for Hull	-	-	-	-	-
	7,488	3,978	3,467	(989)	13,944
ENDOWMENT FUNDS					
Expendable					
Parsonages Houses Fund	33,660	-	(13)	11	33,658
Board of Education	81	2,769	166	(33)	2,983
Permanent					
Stipends Capital Fund- invested	-	20,975	(364)	(5)	20,606
Stipends Capital Fund- property, land & other	6,467	18,076	(80)	(1)	24,462
Ordination Candidates Council	-	275	(2)	(1)	272
First Lord Grimthorpe's Trust	-	55	-	-	55
Local Trusts' Stipend Fund	-	648	(11)	-	637
	40,208	42,798	(304)	(29)	82,673
Total funds	52,850	52,858	4,693	(1,660)	108,741

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21. SUMMARY OF ASSETS BY FUND (continued)

2024 Comparatives	Fixed assets		Current		Net
	Tangible	Investments	Assets	Creditors	Assets
	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS					
General	4,923	7,200	178	(847)	11,454
Designated					-
Mustard Seed Fund	-	-	182	-	182
	4,923	7,200	360	(847)	11,636
RESTRICTED FUNDS					
Diocesan Parsonages Board	4,914	-	-	-	4,914
Pastoral Account	-	3,954	1,713	-	5,667
Resourcing Ministerial Education	-	-	-	-	-
Benefice Building Fund	-	-	2,425	-	2,425
Mission Support Fund	-	-	36	-	36
Bishops' IT	-	-	9	-	9
First Lord Grimthorpe's Trust	-	-	12	-	12
Ministry Fund	-	-	-	-	-
Wydale Hall	1,950	-	291	(783)	1,458
Board of Education	-	-	188	-	188
Multiply (20s-40s)	-	-	-	-	-
Restructuring	-	-	-	-	-
Mustard Seed	-	-	-	-	-
Strategic Capacity Fund	-	-	-	-	-
Giving Advisor Fund	-	-	8	-	8
Position of First Responsibility	-	-	18	-	18
Energy Grants fund	-	-	4	-	4
Thorntree	-	-	1	-	1
Building Grants Funds	-	-	10	-	10
Multiply grant fund	-	-	-	-	-
Mustard Seed Grant fund	-	-	46	-	46
South Africa Link Fund	-	-	1	-	1
Clergy Retreats	-	-	4	-	4
Benefact Trust	-	-	371	-	371
Carbon net zero	-	-	50	(48)	2
East Riding Village churches	-	-	47	(3)	44
SPIDIR - spiritual direction funds	-	-	3	-	3
Church Building support officer and grants	-	-	16	-	16
Growing more diverse	-	-	9	-	9
Heart for Hull	-	-	-	-	-
	6,864	3,954	5,262	(834)	15,246
ENDOWMENT FUNDS					
Expendable					
Parsonages Houses Fund	33,273	-	-	-	33,273
Board of Education	81	2,450	191	(35)	2,687
Permanent					
Stipends Capital Fund	6,272	38,500	474	-	45,246
Ordination Candidates Council	-	259	(4)	-	255
First Lord Grimthorpe's Trust	-	53	-	-	53
Local Trusts' Stipend Fund	-	624	-	-	624
	39,626	41,886	661	(35)	82,138
Total funds	51,413	53,040	6,282	(1,715)	109,020

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22. DESCRIPTION OF FUNDS

General fund	The general fund is the YDBF's unrestricted undesignated fund available for any of the YDBF's purposes without restriction.
Building grants	The building grants funds represents funds received from third parties and those designated by the York Diocesan Board of Finance, to support Churches within the Diocese with building works.
Mustard seed fund	The mustard seed funds represent funds designated by the Trustees to be used towards the mustard seed project and restricted grants received for the project.
Pastoral account	The diocesan pastoral account was set up under the provisions of the Pastoral Measure 1983. The restricted purposes for which the account may be used are: • to defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees • to make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the diocese • other purposes of the diocese or any benefice or parish in the diocese • to make grants or loans to any other diocese • to transfer funds to the diocesan stipends fund income or capital accounts.
Stipends capital fund	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds are invested as part of the YDBF's portfolio and managed by CCLA or Evelyn.
Parsonages houses fund	This fund represents the carrying value of all the benefice houses (parsonages) in the Diocese. These are expendable endowments in that the Board has the power to convert certain sale proceeds to income with various consents obtained locally and from the Church Commissioners by being transferred to the Diocesan Pastoral Account and then converted to an income account at a later date.
Ordination candidates' council	The ordination candidates' council fund relates to invested bequests, the income from which is to provide assistance to candidates training for the Anglican priesthood.
First Lord Grimthorpe's Trust	The First Lord Grimthorpe's Trust provides income for repairs to churches of the evangelical tradition within the Diocese of York.
Local Trusts' Stipend Fund	The Local Trusts' Stipend Fund relate to specific investments, the income from which is to augment stipends.
Diocesan Parsonage Board	The Diocesan Parsonages Board holds houses which are used to accommodate certain office holders who do not have incumbent status.
Benefice Building Fund	The Benefice Building Fund holds proceeds from parsonage sales pending replacement of the property. Any surplus remaining after purchase of a new benefice house or following Pastoral Reorganisation is transferred to the Pastoral Account subject to the consents set out in the Church Property Measure.
Mission Support Fund	The Mission Support Fund relates to donations for projects in Hull and Middlesbrough.
Bishops' IT	Bishop's IT is a central allocation by the Church Commissioners for Bishops' information technology needs.

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22. DESCRIPTION OF FUNDS (continued)

Ministry Fund	The Ministry Fund represents donations from private individuals and grant awarding trusts to support specific ministry posts in the diocese.
Wydale Hall	Wydale Hall is a special restricted fund and operates as a conference and retreat house primarily for the benefit of the Church of England. In event of a sale of the property the proceeds would have to be applied either in the purchase of another property to be used for the same purposes or invested and the resultant income applied for the promotion and holding of retreats and of religion. Its sole trustee is the York Diocesan Board of Finance Limited.
Diocesan Board of Education	DBE funds are restricted in accordance with the Uniform Statutory Trust legislation. The funds are proceeds from site disposals, donations and income from educational services and can be used to support Church Schools. The income can be used by the DBE to fund the provision of services to schools. Capital and income can also be used to assist with school building projects.
Resourcing Ministerial Education	Funding from Ministry Division specifically for ordinand training.
Strategic Capacity Funding	Specific funding from Archbishops' Council to provide capacity within dioceses for the oversight of strategic growth programmes for which further grant support from the Strategic Mission & Ministry Investment Board has been made available.
Multiply (20s-40s)/Grant	Multiply (20s-40s) is Strategic Development Funding from the Church of England awarded for the establishment of new worshipping communities for the 20 to 40 age range. The Multiply Grant Fund represents funds received from third parties towards supporting the Multiply project.
Thorntree	Grants and donations restricted for use within the Thorntree Bishops' Mission Order (BMO).
Giving Advisor Fund and Position of First Responsibility	The Giving Advisor Fund is to support part of the cost of one of the Giving advisors. The Position of First Responsibility is to support a specific clergy post for a period.
Energy Grants Fund	The Energy Grants Fund relate to income from the National Church to be allocated towards support for Parishes and clergy.
South Africa Link	The South Africa Link Fund relates to donations specifically towards the link project.
Benefact Trust Fund	The Benefact Trust Fund is used for projects as agreed with the Trust in advance each year.
Carbon net zero	Funding towards the development of carbon net zero plans.
East Riding Village Churches	A legacy towards the costs of repair and maintenance of village churches in the East Riding area.
SPIDR Fund	Funds held towards the operation of spiritual direction courses.
Church Building support officer & grants	Funds towards small building grants for Parishes and a fixed term church building support officer.
Growing more diverse	Funds towards a fixed term post and related expenses regarding transformative education for racial justice.
Heart for Hull	Funds towards enabling fresh missional energy in Hull.

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23. TOTAL RETURN ON INVESTEMENTS

23a) Stipends Capital Fund- invested

2025:	Endowment Trust for investment £'000	Unapplied Total Return: Inflation reserve £'000	Unapplied Total Return: General £'000	Total £'000
At beginning of the reporting period or date of resolution:				
Trust for investment/permanent endowment	**8,405**	-	-	**8,405**
Unapplied Total return	-	-	**12,062**	**12,062**
	8,405	-	12,062	20,467
Movements in the reporting period				
Investment dividends and interest	-	-	552	552
Investment return	-	-	545	545
Less: Investment management costs	-	-	(37)	(37)
Unapplied total return allocated to income in the reporting period	-	-	(921)	(921)
Gift of enowment funds	-	-	-	-
Transfer to inflation reserve	-	303	(303)	-
Transfers in the period to:				-
Buy/sale of property	-	-	-	-
Sale of glebe land	-	-	-	-
	-	303	(164)	139
At end of the reporting period				
Trust for investment/permanent endowment	**8,405**	-	-	**8,405**
Unapplied Total return	-	**303**	**11,898**	**12,201**
Total	**8,405**	**303**	**11,898**	**20,606**

23b) Local Trusts' Stipend Fund

2025:	Endowment Trust for investment £'000	Unapplied Total Return: Inflation reserve £'000	Unapplied Total Return: General £'000	Total £'000
At beginning of the reporting period or date of resolution:				
Trust for investment/permanent endowment	**424**			**424**
Unapplied Total return			**200**	**200**
	424	-	200	624
Movements in the reporting period				
Investment dividends and interest			17	17
Investment return			24	24
Less: Investment management costs			-	-
Unapplied total return allocated to income in the reporting period			(28)	(28)
Transfer to inflation reserve		15	(15)	-
	-	15	(2)	13
At end of the reporting period				
Trust for investment/permanent endowment	**424**	-	-	**424**
Unapplied Total return	-	**15**	**198**	**213**
Total	**424**	**15**	**198**	**637**

In October 2024 the Trustees agreed to adopt a total return approach from 1 January 2025, to the share of the endowed Stipend Capital Fund that is not property or land and also to the endowed Local Trusts' Stipend Fund. Details of the policies are set out in the accounting policies in note 1.

This approach allows an appropriate proportion of both dividend income and increases in the value of investments, built up within the unapplied total return endowment, to be transferred to the general fund each year to support stipendiary ministry. The transfer to be set at a rate the board considers appropriate, taking account of the needs of current and future beneficiaries.

As part of the 2025 budgeting processes, it was agreed that income transferred to the general fund in 2025 would be set at 4.5% of the opening balances on the funds. The relevant funds have been split into the following:

- a Trust for investment - being the calculated original cost plus inflation to 1 January 2025. The calculation was based on the book value at 2004, adjusted for additions or disposals since that date.
- an Unapplied Total Return - representing historic investment gains generated over inflation, to that date, including gains on glebe land sales that have since been invested.

24. CAPITAL COMMITMENTS

At 31 December 2025 the YDBF had capital expenditure commitments authorised but not contracted for of £nil (2024 - £nil), and contracted for but not yet due of £nil (2024- £nil).

25. CONTINGENT LIABILITIES

There are no contingent liabilities at the balance sheet date.

26. PENSIONS

The DBF participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other Responsible Bodies. One of these is the **Church of England Funded Pensions Scheme** for stipendiary clergy. The other is the **Church Workers Pension Fund**.

These schemes are multi-employer last man standing defined benefit pension schemes for which the DBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. For multi-employer schemes where this is the case, paragraph 28.11 of FRS102 requires the DBF to account for pension costs on the basis of contributions actually payable to the scheme in the year and, where contributions are affected by a surplus or deficit in the scheme, to disclose information about the surplus or deficit and the implications of the surplus or deficit for the DBF. A valuation of each scheme is carried out once every three years.

Church of England Funded Pension Scheme
York DBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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

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

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

THE YORK DIOCESAN BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 December 2025

26. PENSIONS (continued)

Church of England Funded Pension Scheme (continued)

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

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

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

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

26. PENSIONS (continued)

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

The YDBF and Wydale Hall participate in both the Defined Benefits Scheme section and the Pension Builder Classic Scheme section of the CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

Defined Benefits Scheme

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

The Church Workers Pension Fund Defined Benefit Scheme has been closed to future accrual with effect from 31 March 2018. Members of that scheme who remain in employment by the Diocese of York have joined the Pension Builder Classic scheme. The decision to close the scheme and the determination of future pension arrangements followed a consultation with members.

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through theGeneral Reserve, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs of the DBS charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (**2025 DBF £nil and Wydale £nil**; 2024: DBF £nil and Wydale £nil), plus any impact of deficit contributions (see below).

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

26. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

A valuation of the DBS is carried out once every three years. At the most recent valuation as at 31 December 2022 there was a surplus of £73.6m. The next valuation is due at 31 December 2025.

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

Over the year to 31 December 2025, £256,971 of surplus assets from the DBS has been used to fund contributions in Pensions Builder Classic for York DBF (DBS).

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

The movement in the provision is set out below:

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

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

Where relevant, this liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments. Under the latest valuation no deficit recovery contributions are required and as such there is currently no balance sheet liability in respect of this scheme.

	2026	2025	2024
Discount rate at 31 December	n/a	n/a	n/a

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

Included on the balance sheet is an asset of £259,000 (2024: £516,000) relating to a usable surplus within the YDBF's share of the Church Workers Pension Fund – defined benefit scheme. During the year £257k (2024 £174k) of this surplus was used by the YDBF against its current year employer pension contributions under the Pension Builder Scheme, and the balance will be used over the next year.

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26. PENSIONS (continued)

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes. The York Diocesan Board of Finance only offers Pension Builder Classic to its employees.

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 upon the investment returns and other factors.

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2025: DBF £282,552 and Wydale £27,848; 2024: DBF £251,466 and Wydale £18,377).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at December 2022. The next valuation is due as at 31 December 2025.

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 2006 service so that the pension increase was also 10% (where usually it would be calculated based on inflation up to an annual cap of 5% for pensions in payment in respect of service prior to April 2006 and 2.5% for pensions in payment in respect of service post April 2006). This followed improvements in the funding position over 2025. There is no requirement for deficit payments at the current time.

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

THE YORK DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF THE FINANCIAL ACTIVITIES
For the year end 31 December 2025

27. PRIOR YEAR COMPARATIVE SOFA

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2024 £'000	Total funds 2023 (restated) £'000
Income and endowments from						
Donations	2					
Parish contributions		7,435	-	-	**7,435**	7,188
Archbishops' Council		1,583	1,045	-	**2,628**	2,869
Other grants and donations		47	179	-	**226**	268
Charitable activities	3	870	819	99	**1,788**	1,711
Other activities	4	535	-	-	**535**	404
Investments	5	1,406	171	-	**1,577**	1,593
Other	6	16	-	37	**53**	1,105
Total		11,892	2,214	136	**14,242**	15,138
Expenditure on						
Raising Funds	7	460	-	-	**460**	382
Charitable activities						
General charitable activities	8	13,284	2,059	34	**15,377**	15,470
Usable pension surplus	26	(690)			**(690)**	-
(Gains)/losses on clergy pension scheme	26	-	-	-	**-**	-
Total		13,054	2,059	34	**15,147**	15,852
Net (expenditure)/income before investment gains and losses		(1,162)	155	102	**(905)**	(714)
Net gains/(losses) on investments	20	657	198	1,699	**2,554**	2,609
Net (expenditure)/income		(505)	353	1,801	1,649	1,895
Transfers between funds	13	243	(214)	(29)	**-**	-
Net movement in funds		(262)	139	1,772	**1,649**	1,895
Total funds brought forward		11,898	15,107	80,366	**107,371**	105,476
Total funds carried forward	20	11,636	15,246	82,138	**109,020**	107,371

28. RELATED PARTY TRANSACTIONS

Due to the DBF's links with local schools, a member of key management personnel of the DBF is a member of a number of Academy Trusts in the Diocese. Transactions with these Academy Trusts arise in the normal course of business, however these are not deemed to be a related party under FRS102 as the establishments are not under common control of the DBF. In addition, at times the relatives of certain Clergy members are employed by the Diocese, under normal employment arrangements.

Having made enquiries, the directors are not aware of any related party transactions in 2025 (2024: £nil) other than the grant paid to The Diocese of York Educational Trust.

The Diocese of York Educational Trust (DYET) was incorporated in February 2012. The Trust can have up to seven Trustees; three appointed by the Diocesan Board of Education, three appointed by the Archbishop and the Diocesan Director of Education on an ex officio basis. The Objects of DYET are to advance for the public benefit education in the Diocese of York or elsewhere, in particular but not exclusively, by:

- promoting the efficiency and effectiveness of Educational Institutions and the efficient and effective application of resources for such purposes including by promoting and disseminating models of good practice and by the delivery of support services generally to such institutions;
- advancing the education of people who work or volunteer in or govern Educational Institutions in order to assist those persons to deliver a high quality education to the pupils and to communities served by those institutions;
- establishing, sponsoring and maintaining Academies (primarily but not exclusively Church of England Academies) under the direction of the Diocesan Board of Education.

The YDBF made a grant of £1,150 to DYET during 2025 (2024: £1,447).

29. FUNDS HELD AS CUSTODIAN TRUSTEE

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

	2025	2024
	£'000	£'000
CBF Church of England Investment Fund	**4,447**	4,291
CBF Church of England Fixed Interest Fund	**170**	166
CBF Church of England Property Fund shares	**30**	29
COIF income and accumulation shares	**278**	352
Other common investment fund holdings	**9,771**	9,633
CBF Church of England Deposit Fund	**2,093**	1,940
Cash at bank	**303**	735
Total assets held as custodian trustee	**17,092**	17,146