THE DIOCESE OF BLACKBURN
THE CHURCH OF ENGLAND IN LANCASHIRE

Blackburn Diocesan Board of Finance Limited

Annual report and consolidated financial statements

Company limited by guarantee (no 225457)
Registered charity (no 247647)
Date: 31 December 2025

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VISION STATEMENT

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026.

The Vision was launched in 2015 when the Diocese of Blackburn made a bold strategic decision to change and to grow through the priorities of: • Making Disciples for Jesus Christ • Being Witnesses for Jesus Christ • Growing Leaders for Jesus Christ • Inspiring Children, Young People and Schools.

Over the course of 2020 the Diocese engaged in a 'Vision Update' through which we sought to identify what is going well and where the challenges are as we seek to realise our Vision of seeing 'Healthy Churches Transforming Communities'. Vision 2026 is now reaching its last year and so during 2025 there have been prayer meetings and various consultation exercises and activities to discern the new vision.

Vision 2026 sets before the churches of Lancashire a profound belief in the power of the Gospel to transform lives and communities and expresses a firm commitment to maintaining clergy numbers and investing in the mission of the local church.

Our updated Vision 2026 building blocks are:-

Making disciples of Jesus Christ

- Knowing the Scriptures better and equipping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

Being witnesses to Jesus Christ

- Sharing the Gospel with confidence
- Enabling human flourishing through social action
- Planting or renewing 10 strategic church plants and 200 new congregations
- Caring for God's creation

Growing leaders for Jesus Christ

- Developing a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Discerning and forming theologically literate lay and ordained leaders, rooted in prayer and with a deep love of the Lord Jesus
- Nurturing healthy partnerships between clergy and laity by fully implementing the Lay Majority Ministry Framework
- Generating a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy

Inspiring children and young people

- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Holding regular worship that is accessible and appealing to children, young people and their families.
- Enabling growth in the numbers of leaders of children and young people
- Pursuing a step change in work with those aged 11-16
- Facilitating effective partnerships between churches and local schools

The Diocesan Vision Prayer

Heavenly Father, we embrace Your call for us to make disciples, to be witnesses, to grow leaders and to inspire children and young people. Give us eyes to see Your vision, ears to hear the prompting of Your Spirit and courage to follow in the footsteps of your Son, our Lord and Saviour Jesus Christ. Amen.

LEGAL OBJECTS

The Directors of the Blackburn Diocesan Board of Finance Limited (BDBF), who are the Trustees for the purpose of charity law, present their annual report, together with the audited financial statements, for the year ended 31 December 2025.

The directors and 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 requirement for:

Directors' Report of a charitable company
Strategic Report under the Companies Act 2006 and
Trustees Annual Report under the Charities Act 2011

The BDBF's principal objective is to promote, assist and advance the work of the Church of England, primarily but not exclusively in the Diocese of Blackburn, by acting as the financial executive of the Blackburn Diocesan Synod.

The BDBF has the following statutory functions:

- The BDBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- The BDBF is custodian trustee in relation to PCC property.

STRATEGIC REPORT

Strategic Aims and Objectives for the Year

The main role of the BDBF is to identify and manage the financial aspect of the provision of the ministry within the Diocese, so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, Bishop's Council, deaneries and parishes to further the mission and strategic priorities in the Diocese.

Vision 2026 is an agenda for growth and change to see 'Healthy Churches Transforming Communities' across the Diocese of Blackburn in our centenary year of 2026. The Vision was launched in 2015 and updated in 2020 and will end in November 2026, after which a new vision will be launched.

The next phase of the implementation plan is available from our website at:
https://www.blackburn.anglican.org/vision-update.

The Directors are aware of the Charity Commission's published guidance on the public benefit requirement in general and, more particularly, in 'The Advancement of Religion for the Public Benefit' and have had regard to it in their administration of the BDBF.

The Directors believe that, by carrying out these objectives and in promoting the work of the Church of England in the Diocese of Blackburn, the BDBF 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, 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, for the benefit of individuals and society as a whole.

Activities and Achievements in the Year

Vision 2026 consists of the four major building blocks of the Vision and below are the activities planned against each and the outcomes achieved:

Making Disciples of Jesus Christ

The Making Disciples team will help people to move on in their spiritual formation through:

- Knowing the scriptures better and equipping confident Christian disciples
- Praying with greater depth and urgency for the Kingdom of God to come
- Offering worship in Spirit and truth through the ministry of word and sacrament
- Giving generously of our time, talents and money to the cause of Christ

In relation to our main objectives of **Making Disciples** of Jesus Christ, in 2025 we:

- Created media content for the Diocesan Discipleship App: Fruitful. This content included podcasts aimed at families, video-based small group content from bishops and prayer resources. In 2025, there were an additional 1,482 downloads, bringing our total downloads to 4,866.
- Produced seasonal daily devotional resources for Lent and Advent, using writers from around the diocese, in print and via videos in our Diocesan Discipleship App.
- Promoted regular retreats & courses at Whalley Abbey including individual and guided retreats, walking, healing, and quiet retreats as well as festival celebrations.
- Supported the National Church's Cornerstone launch by hosting three training workshops for cohorts 1-4 on the Diocesan Renewal Programme. The resource is being delivered as Session 7 of the Diocesan Renewal Programme; engagement has been strong, with participation with nearly every parish involved in the programme. Support for this initiative will continue into 2026.
- Encouraged further adoption of the Parish Giving Scheme (PGS). By December 2025, 52% of Churches in the Diocese had signed up to the scheme with 118 Churches receiving regular donations (2024: 43%). The total of regular donations given to parishes through the scheme including Gift Aid reached £2.029m (2024: £1.64m). 88.17% of all gifts processed through PGS were given under gift aid and 39% of donors had chosen to increase their gifts with inflation. The average PGS regular donor gives £900 per year (excluding Gift Aid) (equivalent to £17.32 per week). One-off giving through PGS also grew. The total received was £72,779 from 827 donors across seventy-eight churches (2024: £60,840 from 616 donors in sixty-four churches).
- Continued to offer technical support for, and provide advice to purchase, contactless giving machines. In 2025, £483,708 was given from 43,067 donations, averaging at £11.23 per donation.
- Refreshed website content to provide better ease of access and presentation of information.

Being Witnesses included:

- Coaching, networking and training to develop church planting and revitalised parishes for mission
- Training and networks of support so that people are enabled to share their faith with confidence
- A suite of missional activities to enable human flourishing through social action
- Caring for God's creation with the work towards the Church of England target of reaching net zero by 2030

In relation to our main objectives of Being Witnesses to Jesus Christ we:

- Advanced our Caring for Creation commitments through improved energy data collection, increased Eco Church participation, property retrofits, and delivery of carbon-awareness training.
- Distributed national church funding to support local decarbonisation, including grants, enhanced energy audits, and demonstrator projects across the diocese.

- Strengthened our focus on Church Planting, contributing to overall diocesan growth of 3.7% and continued development of Fresh Expressions, New Worshipping Communities, and choir church initiatives.
- Enabled human flourishing by supporting parish-led social action, including community cafés, foodbanks, youth work, warm spaces, debt advice, homelessness support, and other community ministries.
- Continued to support global mission through the Free State partnership and the Harvest Appeal.
- Improved accessibility across parishes through disability grant awards supporting church building adaptations.
- Equipped clergy and parishes to grow in confidence in sharing faith through the Diocesan Renewal Programme, rural stream launch, centenary mission preparation, and the creation of the Extravagant Sowing course.
- Supported mission events across the diocese, engaging thousands of adults and young people—including a significant proportion who do not normally attend church.

  Across those 39 events, we have seen the following:

Approximate total adult attendance	2,753
Approximate total u.16 attendance	861
Total attendance	3,614
Approximate non-churchgoing adult attendees	1,646
Approximate non-churchgoing u16 attendees	675
Approximate non-churchgoing attendees	2,331
% of total attendees that wouldn't normally attend church	64%

  The percentage of non-churchgoing attendees is significantly higher than last year's average of 56%.

Growing Leaders included:

- Continued pursuit of the Lay Majority Ministry Framework
- Continued development of a diocesan-wide culture of vocational discernment so that all may hear God's call and use their gifts in the service of the Gospel
- Generated a pipeline of highly motivated deacons and priests in order to enable the Diocese's clergy deployment strategy
- Provided clergy and lay leaders with continuing ministerial education that is life giving and sustains ministry for the long-term.

In relation to our main objectives of **Growing Leaders** for Jesus Christ we:

Continued the implementation of Lay Majority Ministry strategy

- Continued through the Authorised Lay Ministry (ALM) portfolio to offer training in ten ministry areas
- Commissioned 46 ALMs in September 2025, and 13 existing ALMs added an additional area of ministry to their authorisation with further training. 6 new Anna Chaplains were commissioned. 50 ALMs were reauthorised for a further three years of ministry
- Developed the M:Power programme to offer training in 2024/25 to 25 people in four locations
- Delivered three continuing ministerial education days for ALMs and LLMs, with additional training events offered for LLMs
- Continued to develop the integrated 5-year start of ministry programme to support clergy from ordination through to the end of the second year of their first incumbency
- Licensed 8 new curates, 7 of which are stipendiary and 1 is of GMH
- Enrolled 8 new people at Emmanuel theological college, 6 training for ordination and 2 for licensed lay ministry

- Launched a revitalised system of continuing ministerial education, retreat and sabbatical which saw 11 clergy take a sabbatical during 2025 and 24 a funded retreat
- Prepared for the launch of a new system of PTO levels for retired clergy

Inspiring Children and Young People included:

- Pursuing a step change in work with those aged 11-18 supported by a new Youth Resourcing Church and diocesan-wide new learning communities
- Facilitating effective partnerships between churches and local schools
- Nurturing children and young people in their faith and supporting them as disciples of Jesus Christ
- Supporting the creation of new or renewed toddler groups that share the Gospel

Inspiring Children and Young People for Jesus Christ

In relation to our main objectives of *Inspiring Children and Young People for Jesus Christ*, we:

Commissioned the Board of Education to deliver significant development through:

- **Launching the IGNITE Project,** with five parishes in Round One and four in Round Two now engaged, five youth ministers in post, and recruitment underway for Round Three. Monthly Forge Days have strengthened training, prayer and collaboration across participating churches.
- **Supporting leaders to grow youth ministry**, including the first year of *Youth Ministry from Scratch*, resourcing 20 leaders to establish new youth groups rooted in discipleship and community.
- **Developing new digital and print** resources including six *Bible Podlets* episodes and activity booklets for the Diocesan Year of Prayer, the *Weekly@* series on Paul's Journeys, and expanded toddler group prayer resources. These continue to equip parishes in sharing faith with children and families.
- **Strengthening diocesan-wide** events such as Abide: Firm Foundation (180 young people), the growing Diocesan Youth Forum (30+ members), and the Youth Leader Conference in Blackpool.
- **Resourcing parishes through national and diocesan partnerships,** including participation at the Lambeth Palace national CYP ministry event and exploring strategic consultancy links to support local youth work.
- **Continuing to support children's ministry** through refreshed toddler group training, parish resources, and preparation for the 2026 Children's Ministry Conference, themed *Generation to Generation*.
- **Strengthening school engagement,** with all 38 diocesan schools inspected under SIAMS receiving J1 outcomes, ongoing curriculum support, SEND advocacy, and diocesan worship events engaging thousands of pupils, including 22,000 joining the Year of Prayer launch.
- **Re-establishing university chaplaincy** across all three universities, embedding chaplains within active worshipping communities and developing new contemplative and IGNITE-inspired approaches to student ministry.

Full details of activities undertaken are contained within the Blackburn Diocesan Board of Education Trustee Report.

During 2025 the BDBF also:

- Carefully monitored spending and income for the diocese to ensure sustainability.
- Continued to encourage parishes struggling to meet their Parish Share requests to meet BDBF Directors, Archdeacons and BDBF Officers to discuss their challenges, constraints on their ability to contribute the Parish Share requested, and initiatives for ministry in a constructive and collaborative atmosphere. Where satisfied that there was a clear commitment by the parishes to strengthen their discipleship, stewardship and vision planning, and to meet an adjusted share

contribution request, Parish Share meetings were able to reduce Share requests for a number of parishes.

- Applied significant funds granted from the Church Commissioners to accelerate progress towards the missional priorities of the diocese by having a church that reflects the community it serves, having a parish system revitalised for mission and having a transformed leadership pipeline.
- Effectively implemented monitoring and evaluation of the grant funded programme as well as strategic oversight of the strands of work undertaken which included
    - working towards a culturally diverse church by appointing a Canon for presence and engagement in Blackburn and an Inter-cultural mission enabler in Burnley
    - expanding parish renewal programme – enabling more parishes access to renewal support
    - providing administrator provision for key renewal parishes
    - developing plans for revitalisation of Accrington & Burnley
    - providing financial support to maintain stipendiary ministry during periods of significant turnaround and renewal
    - enhancing the continued ministry education programme to provide a pattern of clergy sabbaticals and retreats
    - developing a feasibility study to consider provision of a Young Leader Academy
- Continued provision of five curates each year
- Consulted with deaneries through the Missional and Financial Flourishing programme of meetings designed to ensure that this a good understanding of what will transform mission and ministry in each area.
- Supported parishes in their mission aspirations with grant funding from the Parish Vision Grant and Building Loan Fund.
- Continued the roll out of an extensive safeguarding service and training programme for clergy and parish officers.
- Undertaken the duties required of the DBF as custodian trustee for all PCC property

The actions outlined above were enabled through a range of administrative and legal functions ensuring that the priorities identified within Vision 2026 were facilitated whilst maintaining good governance.

Personnel

The Directors are thankful for everyone who contributes to the life of the Diocese and to the parishes for their continuing financial support. The directors would like to express particular thanks to all the staff serving the BDBF, to our clergy for their leadership during 2025 and to the PCCs for their ongoing commitment this last year. The Directors are thankful to God, for those parishes that continued to contribute their parish share in 2025.

Related parties

- General Synod, Church Commissioners, Archbishops' Council and Church of England Pensions Board

  The BDBF must comply with Measures passed by the General Synod of the Church of England. It pays a donation to funding the national training of ordinands and receives a grant from funds managed by the Church Commissioners. The BDBF pays for clergy stipends through the Church Commissioners. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners.

  The BDBF pays retirement contributions for stipendiary clergy and some employees to the Church of England Pensions Board.

- Parochial Church Councils (PCCs)

  The BDBF is required by Measure to be custodian trustee in relation to PCC property, but the Company has no control over PCCs, which are independent charities. The accounts of PCCs and deaneries do not form part of these financial statements.

  PCCs can influence decision-making within the BDBF at Diocesan Synod level through representations to those bodies and through the input of Deanery Synods.

- Blackburn Cathedral.

  The Cathedral is a separate entity to the BDBF but is engaged in many shared missional aims and activities. The Cathedral is the seat of the Diocesan Bishop.

- Blackburn Diocesan Board of Education

  The Board of Education is a registered charity, which has responsibility for 190 Church schools across the Diocese and is responsible for a significant number of voluntary aided schools. It provides pastoral and professional support to all its schools and has particular commitment to enhancing the quality of provision for Religious Education, collective worship and the spiritual, moral, social, and cultural development of all pupils. The Board of Education also supports parishes on children's work and youth work and has responsibility for chaplains in universities in the diocese.

- Church based Multi-Academy Trusts

  There are three trusts that serve the diocesan church schools. These are Cidari, Learning Together Trust and The Bay Learning Trust. Each trust has members taken from corporate offices of the Church of England within the Diocese of Blackburn.

Future Plans

We will continue to work on the implementation of Vision 2026 in these few months up until the Diocesan Centenary and continue to apply National Church funding in support of the mission and ministry of the diocese.

In 2026 the Diocese will embark on all the celebrations and activities of the Centenary year whilst continuing to pray for growth and renewal. There will be a large outdoor Centenary celebration in Blackpool, a Diocesan Conference helping all to learn from the Acts of the Apostles and Luke's Gospel and a formal service that marks the Centenary in November where the diocese and Cathedral will gather to thank God for all his goodness. Each parish will also be encouraged to hold a mission weekend in September.

We will continue to support each strand of Vision 2026 through much of the coming year, focussing on **Making Disciples of Jesus Christ**, **Being Witnesses to Jesus, Growing Leaders for Jesus Christ and Inspiring Children and Young People.**

In addition, throughout 2026 we will be planning the implementation of the newly formed vision around the areas of focus set out below.

JOYFUL FOLLOWERS OF JESUS

Seeing lives changed and communities filled with hope through:

KNOWING JESUS

We are Joyful Followers because we know and are abiding in Jesus. For example, through spending time with Him in prayer, studying scripture, sharing the sacraments and worshipping Him. Part of this is our fellowship with and care for each other, including and connecting all ages, and the joy that comes from sharing the Christian journey together.

SHARING OUR FAITH

As Joyful Followers we can't help but share our faith with others, inspired by the Great Commission to 'go and make disciples'. We will plant new churches and congregations as well as supporting people to grow in confidence in sharing their faith.

LOVING OUR NEIGHBOUR

Jesus taught and showed us to stand up for the oppressed and marginalised, to show compassion to those in need. As His Joyful Followers we will serve our communities and meet people at this point of need; engage with local councils and politicians to advocate for justice; stand up and actively seek racial justice and accessibility for all; and care for creation and the wider world.

INSPIRING YOUNG PEOPLE

Our church congregations continue to be heavily skewed towards older generations and so it is imperative we continue to reach out to children and young people, listening to them, being inspired by them and inspiring them in faith. Further, the 191 CofE schools play a crucial role in educating children in matters of faith and offer great opportunities for partnership between churches and schools.

FORMING CHRIST-LIKE LEADERS

We will continue with the current support to ordained and lay vocations whilst also considering how to further equip and enable lay ministry, including raising up new church wardens, treasurers, safeguarding officers, school governors and headteachers. We will actively encourage diversity across ordained and lay ministry and also support and promote wellbeing.

Future plans for the central team

Additional work will be completed by the central team on a number of activities that support parish ministry. These include:

- Meetings with deaneries on missional and financial flourishing. This work is to look for opportunities for growth and direct work with parishes through the Parish Renewal programme. The Parish Renewal programme work is monitored and evaluated by the Strategic Programme Board.
- Development of safeguarding support for parishes including the care and support of survivors and victims, case management, training for parishes and clergy, support with safeguarding hubs and dashboards, network meeting for parish safeguarding officers, the writing of safety plans and the support of the independent Diocesan Safeguarding Advisory Panel
- Support for parishes through various training events during the year.
- The organisation of Parish Share meetings designed to support those parishes in difficulty to contribute their parish share.
- Management of the central infrastructure of the diocese and synod and liaison with the National Church institutions
- Launch of a new diocesan website alongside the new Vision

Financial Review

Financial performance

The financial performance of the Charity in 2025 was considered satisfactory.

The operational surplus on the company and group unrestricted funds was £0.746m. This was due to a combination of higher level of vacancies than budgeted, clergy housing costs below budget and positive investment performance.

Company	**General**	**Designated**	**Total Unrestricted**
	£'000	**£'000**	**£'000**
Total Income	8,941	17	8,958
Total Direct Expenditure	(3,612)	(224)	(3,836)
Net Income/ (Expenditure) before investments	5,329	(207)	5,122
Expenditure in / transfers to other funds from unrestricted fund	(4,394)	18	(4,376)
Company Operational Surplus	935	(189)	746

Group	**General**	**Designated**	**Total Unrestricted**
	£'000	**£'000**	**£'000**
Total Income	8,811	17	8,958
Total Direct Expenditure	(3,612)	(224)	(3,836)
Net Income/ (Expenditure) before investments	5,199	(207)	5,122
Expenditure in / transfers to other funds from unrestricted fund	(4,264)	18	(4,376)
Group Operational Surplus	935	(189)	746

The operational surplus excludes the net movement on the group's restricted funds (£1,815,000), endowment funds (£14,000) and net loss on unrestricted investments (£253,000) included in the group net movement in funds £2,294,000.

Parish share, the money given by Parishes to the BDBF to fund the mission and ministry of the Diocese, was again the principal source of funding in 2025. This increased by £0.129m to £8.08m *(2024: £7.95m)*. The Directors thank parishes for their contributions during the year, and especially those parishes able to meet their share request in full and those that make their parish share payments by monthly instalments.

Total income for the group (including parish share) before revaluation adjustments totalled £18.30m *(2024*: *£15.86m)*, an increase of £2.44m. Included in the total income figure are gains on the disposal of fixed assets of £2.70m *(2024: £0.87m)*.

Expenditure for the group amounted to £15.25m *(2024: £14.79m)*, an increase of £0.46m. Included in these figures are losses on disposal and impairment of fixed assets of £17,000 *(2024: £24,000).*

The group Statement of Financial Activities (SOFA) for the year shows net income of £3.05m *(2024: £1.07m*) before net gains and losses on the revaluation of investments. This is an increase of £1.98m on the previous year.

After revaluation adjustments, the net movement in total funds amounted to an increase of £2.29m *(2024: increase of £1.57m)*, which results in a total fund balance of £79.51m *(2024: £77.21m)*.

The net movement in unrestricted funds is an increase of £0.7m *(2024: £0.99m)*, which results in a general fund balance of £10.61m *(2024: £9.91m)* and designated fund balance of £2.45m *(2024: £2.66m)*. The net movement in unrestricted funds is made up of the operational surplus £0.74m and net loss on unrestricted investments of £0.25m.

Balance Sheet Position

While the net assets on the group balance sheet total £79.51m (*2024: £77.21m*), included in this total are freehold land and buildings which are primarily used for ministry totalling £44.80m (*2024: £44.56m*). Much of the remainder is held in restricted or endowment funds.

Significant Property Transactions

During the year we purchased three future parsonages and three curate and associate vicar houses totalling £2.83m. Four of the houses were purchased from the restricted pastoral fund for £2.06m and two from endowment funds for £0.77m. Sale proceeds were received for seven curate houses and eight parsonages, total of £5.24m. The net profit from the sales added £2.68m into restricted funds.

Investment Policy and Performance

1. Investment Policy

The Directors manage the investments of the BDBF with the objective of achieving an appropriate balance between income and capital growth, having regard to the purposes of the charity, the need to generate sustainable income, the preservation of capital in real terms and the funding requirements of each category of funds.

Responsibility for investment strategy rests with the Directors, who have delegated day to day management to an Investment Committee. Investment performance and compliance with agreed strategy are reviewed regularly.

The BDBF holds investments to support the mission and ministry across the Diocese, to provide income for current activities, and to maintain financial sustainability over the longer term.

The investment portfolio is diversified by asset class and investment type.

All investments are made in accordance with the Church of England's Responsible Investment Policy. Cash is held only with institutions of appropriate credit quality or within diversified money market funds, subject to agreed counterparty limits.

The investment policy is reviewed by the Directors to ensure that it remains consistent with the charity's objectives and prevailing circumstances.

2. Investment Portfolio

At the beginning of the financial year, the DBF's investment holdings comprised:

Investment properties with a carrying value of £1.507m

CCLA investment funds with a market value of £23.636m

Other investments with a value of £0.091m

During the year, dividends were reinvested of £15,000 into CCLA funds. At the year end, the market value of the CCLA investments had decreased by £0.770m, reflecting wider market conditions. The

value of other investments increased modestly by £10,000 over the same period. The carrying value of investment properties remained unchanged.

The trustees consider the level of diversification across asset classes and investments to have been appropriate given the BDBF's responsibilities, income profile, and long-term commitments.

3. Investment Income and Performance

During the year, the DBF received total investment income of approximately £1.134m, comprising:

Dividends of £746,000

Interest income of £353,000

Rental income of £35,000 from investment properties

Investment income made a significant contribution to funding diocesan activities and supporting the DBF's ongoing work.

Most of the BDBF investments are held within the CBF Church of England Investment Fund. Overall this Fund was down 1.17% compared with the long term objective of CPI plus 4%. This represents a second consecutive year of performance below objective.

Total return performance by year

12 months to 31 December	2021	2022	2023	2024	2025
The CBF Church of England Investment Fund	+17.46%	-9.16%	+12.57%	+5.09%	-1.17%
Target benchmark	+10.40%	+15.51%	+8.93%	+7.57%	+8.32%
Comparator benchmark	+17.02%	-10.10%	+13.30%	+15.31%	+11.00%

Annualised total return performance

Performance to 31 December 2025	1 year	3 years	5 years	10 years
The CBF Church of England Investment Fund	-1.17%	+5.35%	+4.52%	+8.34%
Target benchmark	+8.32%	+8.27%	+10.11%	+8.40%
Comparator benchmark	+11.00%	+13.19%	+8.82%	+8.80%

Performance shown after management fees and other expenses, with the gross income reinvested. The fund's performance target is to achieve, over the long term, a total return equivalent to the UK consumer prices index (CPI) plus 5% per annum before the deduction of any fees, costs and expenses. The target benchmark is CPI plus 5%. From 1 January 2021, the comparator benchmark is 75% MSCI World Index, 15% Markit iBoxx £ Gilts Index, 5% MSCI UK Monthly Property Index, and 5% Sterling Overnight Index Average. Before 1 January 2021 (for the periods shown), the comparator benchmark was 45% MSCI World excluding UK Index, 30% MSCI UK Investable Market Index, 15% Markit iBoxx £ Gilts Index, 5% MSCI UK Monthly Property Index, and 5% 7-Day Sterling London Interbank Bid Rate. **Past performance is not a reliable indicator of future results.** Source: CCLA

4. Risk Management

The principal risks associated with the DBF's investments include market risk, interest rate risk, and liquidity risk. These risks are managed through:

- Maintaining a diversified investment portfolio
- Agreeing an appropriate risk appetite
- Retaining sufficient unrestricted reserves and cash balances
- Regular monitoring by trustees and professional advisers

The trustees consider the level of investment risk to be appropriate in light of the DBF's charitable purposes, income levels, and long-term responsibilities.

5. Future Approach

The Directors intend to maintain the current investment strategy, keeping it under regular review to ensure it remains aligned with diocesan priorities, cash flow requirements, and economic conditions.

During the year, the Directors were disappointed with the relative performance of the BDBF's investments held with CCLA when compared with movements in the wider investment market. Although market conditions were challenging, the decline in the value of the CCLA portfolio was greater than the trustees had expected for a diversified, long-term investment strategy.

The trustees recognise that periods of market volatility can lead to short-term fluctuations in value and that investment performance should be assessed over the longer term. However, the extent of the relative underperformance has prompted the trustees to review the suitability of their investment managers and have undertaken a tender process. The Directors have approved Evelyn Partners as the new investment managers.

The investment committee have discussed performance in detail with Evelyn Partners and are creating an investment portfolio to meet the needs of the investment policy.

Environmental Impact

The diocese has begun work on reducing its carbon output with the aspiration to reach net carbon zero by 2030. In line with this aspiration, the DBF will report on its annual CO2 emissions and plans to reduce its carbon footprint. The emissions for 2025 based on energy bills were as follows:

	Gas (kwh)		Electric (kwh)		CO2 Emissions (Tonnes Per Year)	
	2024	**2025**	**2024**	**2025**	**2024**	**2025**
Clayton House energy consumption	106,902	91,534	58,842	63,046	39.0	35.0
Whalley Abbey Main House energy consumption	278,785	292,400	49,284	46,275	73.0	-
Total for all DBF properties at Whalley Abbey	-	324,052	-	60,124	-	83.8
St Philip's Centre	-	-	98,267	78371	27.0	19.2

Reserves Policy

The Directors have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The BDBF has considerable responsibilities, including the remuneration and housing of, on average, 178 parochial stipendiary clergy and is reliant on the contributions from the parishes of the Diocese. The BDBF aims to maintain a level of free reserves for income risk of 4% of three years forecast budgeted parish share, DBF fees and rental income and at least three months' Parish Share budgeted expenditure as working capital. This will be held within the unrestricted funds (excluding fixed assets and clergy pension deficit). This is considered sufficient to cover short-term cash outflows, cushion non-receipt of Parish Share and any reduction of income from DBF Fees and rental income. The level of free reserves required for this policy is £4.9m.

This policy is reviewed annually considering the future and risks of the BDBF in its setting.

The level of free reserves at 31 December 2025 was £8.8m which is in excess of the policy by £3.9m. This excess will to be used to fund the budgeted deficits for the next 5 years. The deficits form part of a growth strategy including significant funding from National Church. This investment into the parishes of the diocese will provide future financial sustainability.

The Directors are confident in the steps taken to ensure the future going concern of the organisation.

There are several designated funds totalling £2.45m and the material ones are listed in note 24 on page 51. These funds are, in the main, held to fund future opportunities for the BDBF. They are reviewed regularly for appropriateness and levels.

The BDBF also administers a number of restricted and endowment funds that are held in specific trusts under charity law and are not available for general purposes. As at 31 December 2025 the charity's restricted funds totalled £12.51m and endowment funds totalled £51.27m. The group's restricted funds totalled £12.86m and endowment funds totalled £53.58m. A description of each reserve, together with the intended use of the fund is set out in notes 25 and 26 of the financial statements on pages 52 to 54.

Grant making policy

Grants are made to the National Church to cover a proportion of its central costs and the cost of training for ministry (see note 10 to the financial statements). Grants are paid to other connected charities and to other charitable projects which appeal to the Board to support the furtherance of the BDBF's objectives (see note 16 to the financial statements).

Fundraising

Most of the funds raised by the BDBF are from other charities. We provide support and advice to parishes with their fundraising and raise some funds for other charities as part of the Bishop's Harvest appeal or from the congregation at Visitations. At Ordination services funds raised for the BDBF are restricted to support those undergoing ordination training. There is minimal fundraising from the public by the BDBF and this is normally at church services, not by direct marketing or using external fundraisers. We have not received any complaints from the public in relation to our fundraising activities.

Ephesian Fund Donations

A number of parishes have chosen to make their parish share payments through the Ephesian Fund operated by the Church of England Evangelical Council (CEEC). In 2025 total of 9 (*2024: 7*) churches paid funds through the Ephesian Fund with the restriction that the funds be applied against mission and ministry in churches who have signed up to the CEEC statement of faith. A total of £481,016 (*2024: £273,407*) was donated in this way and was applied against stipends and curacy costs for churches who meet the restriction.

Principal Risks and Uncertainties

The Directors of the charitable company have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the directors
- regular consideration of financial results and cash flows
- regular review of internal controls
- delegation of authority and segregation of duties
- regular review and update of risk assessments
- scheme of delegation

The Directors have a programme of risk management to assess and document business risks and implement risk management strategies. This involves assessing the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process draws on ongoing consideration of business risk, which already forms a significant aspect of the Directors' duties, scrutiny by the Audit, Risk and Governance Committee (ARG) and of the annual meeting with the Auditors, to discuss financial and internal control issues. There is no internal audit function as it is not considered an efficient use of the resources of the charity. The risk register has been fully restructured to ensure better monitoring of risk and cascaded responsibility for risk management by department. The risk register continues to be reviewed every four months by the ARG, focussing on specific areas of risk at each meeting and material changes notified to the directors.

Key Risks

The key risks, which may impact on the charitable company, include:

1. Parish Share receipts fail to increase in line with medium-term budgetary projections – the risk is that the BDBF is unable to meet its objectives due to financial constraints. This is exacerbated by the decline in vocations and curates in training leading to higher vacancy rates which affects the numbers in parishes and the giving.

   Existing pressures are:

   - energy costs and capital repair costs for parishes
   - inflationary costs causing rises to share
   - levels of giving
   - clergy vacancy rates

Existing controls are:

- regular monitoring and meetings with those parishes who need help to meeting their share
- provision for the shortfall built into the budget
- the use of the Parish Renewal Programme to revitalise ministry, mission and giving
- resources on generosity, gift and grace for parishes to talk about giving
- an appropriate free reserves policy

2. A continuing reduction in regular weekly attendance – the risk is that parishes will become increasingly unable to pay parish share due to a reduced number of parishioners contributing to their finances; the BDBF is therefore unable to meet its objectives due to financial constraints.

   Existing controls are:

   - A key aim of Vision 2026, and commitment of the diocese beyond 2026, is to grow the number of people regularly attending their parish church.
   - A successful application for grant funding for diocesan transformational change through revitalising parishes, development of a pipeline of new and renewed leaders, increasing the numbers of children and young people in parishes and increasing the diversity of churches through projects to enable parishes to reflect more of the people they serve.
   - A planting strategy and encouragement of new local congregations across the diocese
   - Delivery of resources on generosity, gift and grace to enable more generous giving

3. Insufficient care for those who are survivors of abuse or those under investigation leading to self-harm.

   Existing controls are:

   - Survivor consultation groups
   - Use of support volunteers
   - Opportunities for apology and redress

4. Past cases of poor practice exposing the DBF to risk of claims and reputational harm

   Existing controls are:

   - Robust past cases reviews completed
   - Open reporting channels to capture cases that have not yet come to light.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Summary Information about the Structure of the Church of England

The Church of England is the established church with HM The King as the Supreme Governor.

It is organised into two provinces each led by an archbishop (Canterbury for the Southern Province and York for the Northern) 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.

A diocese is divided into archdeaconries, deaneries, benefices and parishes. Benefices may comprise single or multiple parishes and are overseen by a parish priest (usually called a vicar, rector or priest-in-charge). The parish priests are responsible for the 'cure of souls' in their parish.

The Church of England is governed nationally by General Synod as its legislative and deliberative body. It comprises 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. Blackburn Diocese currently has 5 elected clergy members and 6 elected lay members of General Synod. They were elected in 2021 for a period of five years.

In addition to the General Synod, the Archbishops' Council has a coordinating role for the work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and some lay workers.

Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that leadership as Bishop in the Diocesan Synod which is the statutory governing body of the Diocese.

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 application for partnership with neighbouring Dioceses.

The Diocese of Blackburn was created in 1926. It has an area of 988 square miles and encompasses Lancashire with a few parishes in Wigan Metropolitan Borough. The overall population is approximately 1.3 million within urban and rural areas.

The Diocese of Blackburn has two archdeaconries (Blackburn and Lancaster), each the responsibility of an archdeacon. Each archdeaconry has seven deaneries with a number of benefices/parishes grouped geographically. An Area Dean has oversight of the deanery and each deanery has its own synod. Within each parish there is a body called the Parochial Church Council which is made up of parish priest as chair, the churchwardens, curate and Licensed Lay Ministers if applicable, and a number of elected members. Each parochial church council is a separate charity.

The Cathedral is the mother church of the Diocese, an ecclesiastical corporation until it is certified by the Church Commissioners under the Cathedrals Measure 2021 as a charity. The Cathedral is separate from the BDBF. Copies of its trustees' report and financial statements may be obtained from the Cathedral Offices, Cathedral Close, Blackburn BB1 5AA.

Organisational Structure

The BDBF was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 29 October 1927 as a charitable company limited by membership guarantees (No 225457) and its governing documents are the Memorandum and Articles of Association. The BDBF is registered with the Charity Commission (No 247647). The Charity is a limited by guarantee company and statutory accounts are filed annually with Companies House and Charity Commission.

The members of the company comprise the Diocesan Bishop, each member for the time being of the Blackburn Diocesan Synod, including sufficient co-opted lay members in order to ensure that there is a majority by one of lay membership. Many of Diocesan Synod's responsibilities have been delegated to the Bishop's Council and standing committee.

The members of Bishop's Council are the Board of Trustees for the charity and in company law the Directors.

The Directors comprise six ex-officio members: the Diocesan Bishop, the Suffragan Bishops, the two Archdeacons, the Dean of Blackburn Cathedral. Four ex-officio elected positions: the Chairs and Vice Chairs of the Houses of Clergy and Laity of Diocesan Synod. Four ex-officio appointed positions: the Chair and Vice Chair of the Board of Finance, the Chair of the Finance Committee and the Chair of the Property Committee. The elected members are 4 clergy, 2 from each archdeaconry, elected by the House of Clergy and 8 lay members, 4 from each archdeaconry, elected by the House of Laity. Two members may be co-opted with the approval of the directors. Elections take place every three years with the last election being in 2024 for the triennium starting 1 January 2025.

Governance and policy of the BDBF is the responsibility of the directors.

Corporate priorities and the overall financial strategy for the BDBF, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Blackburn, are agreed by the Directors and confirmed by Diocesan Synod.

The responsibility for ensuring that these priorities and strategies are delivered, is delegated to the Vision Area Leaders.

The members of the company meet once a year in the general meeting to receive the annual report and financial statements. The Diocesan Synod each year receives and agrees the parish share budget, prepared and approved by the Directors. The Directors meet during the year to formulate and coordinate policies on mission, ministry and finance.

Some role names in the company incorporate the title 'Director' but, for the purposes of company law, are not directors of the company.

Diocesan Synod has delegated the following functions to the Directors of the BDBF:

- transacting the business of the Diocesan Synod when not in session
- management of the funds and property of the Diocese
- preparation of the annual Parish Share Budget
- advising on action needed to raise the income necessary to finance expenditure
- oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod
- advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it; and
- carrying out any other functions delegated by Diocesan Synod.

Statutory ecclesiastical boards and committees:

The Diocesan Mission and Pastoral Committee is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It is also responsible for finding appropriate alternative uses for churches which are closed for public worship.

The Diocesan Advisory Committee advises on matters affecting parishes including churches and places of worship on matters such as architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards.

The Parsonages Board: the BDBF is designated as the Parsonages Board for the Diocese for the purpose of exercising the Parsonages Board's functions under the Repair of Benefice Buildings Measure 1972.

The Blackburn Diocesan Board of Patronage, constituted under the provisions of the Patronage (Benefices) Measure 1986, is sole or joint patron of a number of benefices.

Non-statutory committees:

The Strategic Programme Board is responsible for the oversight of the Diocesan Investment Programme funds the delivery of the objectives tied to that funding along with each of the Strategic

Development Fund project boards until such time that the projects end. This programme board is accountable for the spend of church commissioner grant funding on programme activities and accountability against the agreed objectives.

Diocesan Safeguarding Advisory Panel has a Chair independent of the Directors and is an advisory body offering external oversight and scrutiny to the diocese with regard to safeguarding.

The Finance Committee is responsible for the transaction of some of the business of the BDBF. Within delegated limits it can approve grants and other support and makes recommendations to the Directors in other cases. The membership of the Committee consists of the Chair and Vice Chair of the Board of Finance, the two Archdeacons, the Chair of the HR Committee, the Chair or the Vice Chair of the House of Clergy and the Chair or the Vice Chair of the House of Laity. The BDBF Directors can co-opt up to six members on the basis of their expertise, of whom a minimum of 2 must be members of Bishop's Council and Directors of the BDBF.

The Property Committee is responsible for making major decisions concerning the management of parsonage and other houses owned by the BDBF, including setting the policy for their purchase, sale, repair and maintenance. The committee has delegated authority to authorise repairs within an agreed budget and to buy and sell property and land vested in the Board of Finance for diocesan purposes.

The Investment Committee meets on a regular basis to consider diocesan investments, to adjust the portfolio within parameters agreed by the Directors and to make recommendations to the Directors. It is also responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Blackburn Diocesan Stipends Fund.

The Audit, Governance and Risk Committee has a Chair independent of the Directors and is responsible for assisting the Directors in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

The HR Committee deals with sensitive and other matters in relation to employed staff which cannot be considered by the full Board, partly because of their confidential nature and partly because of time pressures and includes two directors (one lay and one clergy) and four members co-opted for their HR expertise. It has delegated authority to approve most HR policies.

The Budget Scrutiny Committee offers some scrutiny to the Bishop's Budget team and has sight of the annual draft budgets for approval by the Directors prior to submission to Diocesan Synod.

Directors' induction

Directors are given an induction file when first appointed. Explanations are given in Directors' meetings to provide continuing training and Directors are encouraged to ask questions in order to develop their understanding of the charity. If additional information is required, it is brought to the attention of directors and the directors' induction file updated accordingly. Directors undertake training at the start of each triennium.

Remuneration of key management personnel

The salary scale of the Diocesan Secretary is determined by the Chair of the BDBF and the Diocesan Bishop following advice from the HR Committee. Any annual award is in line with the other employed staff salary increase.

The salary levels of other key management personnel and all further posts are set by a job evaluation system. Annual pay increases are considered and approved as part of the budgeting process. They are considered by the HR Committee prior to implementation. An adjustment, if required would be recommended to the Board of Finance.

Funds held as custodian trustee

The BDBF 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 BDBF does not control them and these assets are held separately to those of the BDBF.

PCC trust investment assets held by the BDBF had a market value of £17.07 m at 31 December 2025 (*2024: £16.99m*) Detailed certificates of holdings were sent to parishes (c. 1,000 accounts) and other managing trustees of the respective charities as requested at that date. Details of these investments are summarised in note 30.

DIRECTORS' RESPONSIBILITIES

The trustees, who are also directors of The Blackburn Diocesan Board of Finance Limited for the purposes of company law, are responsible for preparing the Trustees' Annual Report (including the Strategic 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

Statement of Disclosure to the Auditor

So far as the trustees are aware:

a. there is no relevant audit information of which the charitable company's auditor is unaware and

b. the trustees have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditor

Sumer Auditco Limited were appointed as auditor to the charitable company following BHP LLP becoming part of the Sumer Group on 31 December 2025, which required a change in audit firm to comply with applicable regulatory requirements.

The re-appointment of Sumer Auditco Ltd as auditors to the BDBF will be proposed at the Annual General Meeting.

ADMINISTRATIVE DETAILS

Registered Address	Diocesan Offices, Clayton House, Walker Office Park, Blackburn BB1 2QE	
Trustees/Directors		
Ex-Officio	Rt Revd P J North	
	Rt Revd J L C Duff	
	Rt Revd Dr J Kennedy	
	Ven J L Atkinson	(appointed 23 November 2025)
	Ven M Ireland	(resigned 6 April 2025)
	Very Revd P Howell-Jones	
	Ven D Picken	
Ex-Officio elected position	Mr R J Collins	
	Revd F Green	(appointed 30 March 2025)
	Revd P A Lillicrap	
Ex-Officio appointed	Mr D Barlow	
	Mr S Acomb	(appointed 12 October 2025)
	Mr N P Aves	(resigned 11 October 2025)
	Revd M Din	(appointed 2 March 2025)
	Revd D Porter	
	Ms R Shihadah-Davidson	(appointed 2 March 2025)
	Miss W Walker	(appointed 1 January 2025)
Elected Clergy	Revd D Craven	(appointed 1 January 2025)
	Revd Canon A S Horsfall	
	Revd J Smith	(appointed 1 January 2025)
	Revd VL Vasey-Saunders	(appointed 1 January 2025, resigned 15 September 2025)
Elected Lay Persons	Mr J Cowell	(appointed 1 January 2025)
	Mr M Gardner	
	Canon DP Gascoigne	(appointed 1 January 2025)
	Canon R Haldane	(appointed 1 January 2025)
	Mrs H Lockwood	(appointed 1 January 2025)
	Mr P J Ronson	
	Ms J M Stamper	
	Mr D J Wilkinson	

Key management personnel and advisers

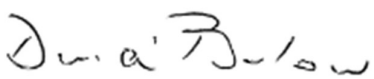
Diocesan Secretary	Canon S Whittaker
Deputy Diocesan Secretaries	Mrs R McGaughey, Mrs C Barton
Head of Finance, Company Secretary	Mrs R McGaughey
Solicitors	Anthony Collins, 134 Edmund Street, Birmingham B3 2ES
Insurers	Ecclesiastical Insurance Office, Beaufort House, Brunswick Road, Gloucester GL1 1JZ
Bankers	National Westminster Bank, 35 King William St, Blackburn BB1 7DJ

Investment Asset Managers	CCLA Investment Management Ltd, 1 Angel Ln, London EC4R 3AB
Registered Auditor	Sumer Auditco Limited, One, Waterside Place, Basin Square, Brimington Rd, Chesterfield S41 7FH
Glebe and Land Agent	Ingham & Yorke, Huntroyde Estate Office, Padiham, BB12 7QX

Attendance of Directors at Meetings in 2025

		Total
Ex-Officio	Rt Revd P J North	5/6
	Rt Revd J L C Duff	5/6
	Rt Revd Dr J Kennedy	6/6
	Ven J L Atkinson	1/1
	Ven M Ireland	2/2
	Very Revd P Howell-Jones	0/6
	Ven D Picken	3/6
Ex-Officio elected position	Mr R J Collins	5/6
	Revd F Green	2/3
	Revd P A Lillicrap	4/6
Ex-Officio appointed	Mr D Barlow	6/6
	Mr S Acomb	1/1
	Mr N P Aves	5/5
	Revd M Din	4/5
	Revd D Porter	2/6
	Ms R Shihadah-Davidson	4/5
	Miss W Walker	4/6
Elected Clergy	Revd D Craven	4/6
	Revd Canon A S Horsfall	2/6
	Revd J Smith	5/6
	Revd VL Vasey-Saunders	3/4
Elected Lay Persons	Mr J Cowell	5/6
	Mr M Gardner	2/6
	Canon DP Gascoigne	4/6
	Canon R Haldane	6/6
	Mrs H Lockwood	4/6
	Mr P J Ronson	4/6
	Ms J M Stamper	5/6
	Mr D J Wilkinson	3/6

By order of the Board approving both the Directors' Report and Strategic Report



Mr D Barlow
Chair of the Board of Finance
17 June 2026



Mr S Acomb
Chair of the Finance Committee
17 June 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKBURN DIOCESAN BOARD OF FINANCE LIMITED

Opinion

We have audited the financial statements of Blackburn Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Charitable Company Statement of Financial Activities, the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 group's and of the parent charitable company's affairs as at 31 December 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the group and parent charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the ecclesiastical sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Charities Act 2011, Companies Act 2006, taxation legislation, safeguarding, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities 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 Auditors' 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.



Nicola O'Sullivan (Senior statutory auditor)
for and on behalf of

Sumer Auditco Limited
Chartered Accountants, Statutory Auditor
One Waterside Place
Basin Square
Brimington Road
Chesterfield
S41 7FH

Date: 22 June 2026

STATEMENT OF FINANCIAL ACTIVITIES - Company

for the year ended 31 December 2025

	Note	Unrestricted funds: General £000	Unrestricted funds: Desig-nated £000	Restricted funds £000	Endowment funds £000	Total funds 2025 £000	Total funds 2024 £000 (restated)
Income and endowments from:							
Donations and legacies							
Parish contributions		**7,601**	**-**	**481**	**-**	**8,082**	7,953
Archbishops' Council and Church commissioners	*2*	**171**	**-**	**5,084**	**-**	**5,255**	4,740
Other	*3*	**264**	**2**	**150**	**-**	**416**	442
Charitable activities: statutory fees, chaplaincy and other income	*4*	**141**	**-**	**393**	**-**	**534**	611
Other trading activities	*5*	**187**	**-**	**128**	**-**	**315**	367
Investments	*6*	**576**	**15**	**461**	**-**	**1,052**	922
Other	*7*	**1**	**-**	**2,650**	**45**	**2,696**	871
Total Income and endowments		**8,941**	**17**	**9,347**	**45**	**18,350**	15,906
Expenditure on:							
Raising funds	*8*	**273**	**-**	**36**	**-**	**309**	322
Charitable activities	*9*	**3,339**	**224**	**11,286**	**-**	**14,849**	14,379
Other		**-**	**-**	**-**	**-**	**-**	4
Total Expenditure	*10*	**3,612**	**224**	**11,322**	**-**	**15,158**	14,705
Net income/(expenditure) before investments		**5,329**	**(207)**	**(1,975)**	**45**	**3,192**	1,201
Net gains/(losses) on investments	*18*	**(232)**	**(21)**	**(1)**	**(429)**	**(683)**	436
Net income/(expenditure) before transfers		**5,097**	**(228)**	**(1,976)**	**(384)**	**2,509**	1,637
Transfers between funds	*12*	**(4,394)**	**18**	**3,924**	**452**	**-**	-
Net income/(expenditure) before other recognised gains and losses		**703**	**(210)**	**1,948**	**68**	**2,509**	1,637
Other recognised gains/(losses) Gains/(losses) on defined benefit pension schemes		**-**	**-**	**-**	**-**	**-**	-
Net movement in funds		**703**	**(210)**	**1,948**	**68**	**2,509**	1,637
Reconciliation of funds							
Total funds at 1 January 2025 (restated)		**9,908**	**2,663**	**10,557**	**51,198**	**74,326**	72,689
Total funds at 31 December 2025		**10,611**	**2,453**	**12,505**	**51,266**	**76,835**	74,326

All activities derive from continuing activities. The notes on pages 31 to 69 form part of the financial statements.

Details of company comparative figures (2024) for the Statement of Financial Activities by fund are disclosed in note 32.

STATEMENT OF FINANCIAL ACTIVITIES - Group

for the year ended 31 December 2025

	Note	Unrestricted funds: General £000	Unrestricted funds: Designated £000	Restricted funds £000	Endowment funds £000	Total funds 2025 £000	Total funds 2024 £000 (restated)
Income and endowments from:							
Donations and legacies							
Parish contributions		**7,601**	**-**	**481**	**-**	**8,082**	7,953
Archbishops' Council and Church commissioners	*2*	**171**	**-**	**5,084**	**-**	**5,255**	4,740
Other	*3*	**134**	**2**	**150**	**-**	**286**	317
Charitable activities: statutory fees, chaplaincy and other income	*4*	**141**	**-**	**393**	**-**	**534**	611
Other trading activities	*5*	**187**	**-**	**128**	**-**	**315**	367
Investments	*6*	**576**	**15**	**543**	**-**	**1,134**	1,002
Other	*7*	**1**	**-**	**2,650**	**45**	**2,696**	871
Total Income and endowments		**8,811**	**17**	**9,429**	**45**	**18,302**	15,861
Expenditure on:							
Raising funds	*8*	**273**	**-**	**36**	**-**	**309**	322
Charitable activities	*9*	**3,339**	**224**	**11,376**	**-**	**14,939**	14,462
Other		**-**	**-**	**-**	**-**	**-**	4
Total Expenditure	*10*	**3,612**	**224**	**11,412**	**-**	**15,248**	14,788
Net income/(expenditure) before investments		**5,199**	**(207)**	**(1,983)**	**45**	**3,054**	1,073
Net gains/(losses) on investments	*18*	**(232)**	**(21)**	**4**	**(511)**	**(760)**	498
Net income/(expenditure) before transfers		**4,967**	**(228)**	**(1,979)**	**(466)**	**2,294**	1,571
Transfers between funds	*12*	**(4,264)**	**18**	**3,794**	**452**	**-**	-
Net income/(expenditure) before other recognised gains and losses		**703**	**(210)**	**1,815**	**(14)**	**2,294**	1,571
Other recognised gains/(losses) Gains/(losses) on defined benefit pension schemes		**-**	**-**	**-**	**-**	**-**	-
Net movement in funds		**703**	**(210)**	**1,815**	**(14)**	**2,294**	1,571
Reconciliation of funds							
Total funds at 1 January 2025 (restated)		**9,908**	**2,663**	**11,049**	**53,591**	**77,211**	75,640
Total funds at 31 December 2025		**10,611**	**2,453**	**12,864**	**53,577**	**79,505**	77,211

All activities derive from continuing activities. The notes on pages 31 to 69 form part of the financial statements.

Details of group comparative figures (2024) for the Statement of Financial Activities by fund are disclosed in note 31.

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2025

	2025	**2025**	2024	2024
	£000	**£000**	£000	£000
	Company	**Group**	Company	Group
Total income	**18,305**	**18,257**	15,894	15,849
Total expenditure	**15,158**	**15,248**	14,691	14,774
Operating surplus for the year	**3,147**	**3,009**	1,203	1,075
Net gains on investments	**(254)**	**(249)**	157	158
Net income for the year	**2,893**	**2,760**	1,360	1,233
Other comprehensive income:				
Net assets transferred to endowments	**(452)**	**(452)**	(1,529)	(1,529)
Actuarial gains/(losses) on defined benefit pension schemes	**-**	**-**	-	-
Total comprehensive expenditure	**2,441**	**2,308**	(169)	(296)

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

BALANCE SHEET

at 31 December 2025

	Note	2025 £000 Company	2025 £000 Group	2024 £000 Company (restated)	2024 £000 Group (restated)
Fixed Assets					
Tangible Assets	17	**44,796**	**44,796**	44,558	44,558
Investments	18	**20,420**	**22,982**	21,088	23,727
Investment Property	18	**1,507**	**1,507**	1,507	1,507
		66,723	**69,285**	67,153	69,792
Current assets					
Stocks		**3**	**3**	3	3
Debtors	19	**1,159**	**1,179**	2,819	2,838
Deposits and Cash at bank and in hand		**10,578**	**10,668**	5,828	6,059
		11,740	**11,850**	8,650	8,900
Creditors: amounts falling due within one year	20	**(1,498)**	**(1,500)**	(1,347)	(1,351)
Net current assets		**10,242**	**10,350**	7,303	7,549
Creditors: amounts falling due after more than one year	20	**(130)**	**(130)**	(130)	(130)
		(130)	**(130)**	(130)	(130)
Net Assets	23	**76,835**	**79,505**	74,326	77,211
Capital and Reserves					
Endowment funds	26	**51,266**	**53,577**	51,198	53,591
Restricted funds	25	**12,505**	**12,864**	10,557	11,049
Unrestricted funds - General	24	**10,611**	**10,611**	9,908	9,908
Unrestricted funds - Designated	24	**2,453**	**2,453**	2,663	2,663
		76,835	**79,505**	74,326	77,211

The notes on pages 31 to 69 form part of the financial statements.

These financial statements were approved by the Directors and were signed on their behalf on 17 June 2026 by:

Mr D Barlow
Chair of the Board of Finance

Mr S Acomb
Chair of the Finance Committee

The Blackburn Diocesan Board of Finance Ltd is a company limited by guarantee registered in England and Wales (no. 225457)

CASH FLOW STATEMENT

for the year ended 31 December 2025

	2025 £000 Company	**2025 £000** Group	2024 £000 Company	2024 £000 Group
Net income before other recognised gains and losses	**3,192**	**3,054**	1,201	1,073
(Gains)/Losses on disposal of fixed assets	**(2,678)**	**(2,678)**	(838)	(838)
(Gains)/Losses on disposal of investments	**-**	**-**	(4)	(4)
Depreciation	**62**	**62**	51	51
Increase/(Decrease) in stock	**-**	**-**	(2)	(2)
Increase/(Decrease) in debtors	**1,780**	**1,779**	(657)	(657)
Increase in creditors current liabilities	**151**	**149**	557	558
Investment income	**(1,052)**	**(1,134)**	(922)	(1,002)
Cash inflow/(outflow) from operating activities	**1,455**	**1,232**	(614)	(821)
Net income from investing activities				
Purchase of tangible fixed assets	**(2,866)**	**(2,866)**	(2,626)	(2,626)
Proceeds of sale of fixed assets	**5,244**	**5,244**	2,264	2,264
Purchase of investments	**(15)**	**(15)**	(14)	(14)
Proceeds of sale of investments	**-**	**-**	195	195
Investment income received	**996**	**1,078**	922	1,002
Net cash inflow/(outflow) from investing activities	**3,359**	**3,441**	741	821
Net cash inflow/(outflow) from financing activities				
Loan repayments received	**35**	**35**	15	*15*
New loans made	**(99)**	**(99)**	(89)	*(89)*
Net cash inflow/(outflow) from financing activities	(64)	(64)	(74)	(74)
Increase/(decrease) in cash in the year	**4,750**	**4,609**	53	(74)
Cash and cash equivalents at the beginning of the year	**5,828**	**6,059**	5,775	6,133
Cash and cash equivalents at the end of the year	**10,578**	**10,668**	5,828	6,059

Analysis of cash and cash equivalents

	2025 £000 Company	**2025 £000** Group	2024 £000 Company	2024 £000 Group
Cash in hand and at bank	**751**	**841**	966	1,197
Short term deposits	**9,827**	**9,827**	4,862	4,862
	10,578	**10,668**	5,828	6,059

The notes on pages 31 to 69 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities SORP (Second Edition, effective 1 January 2019) and applicable accounting standards FRS102, and under the historical cost convention adjusted for the revaluation of certain fixed assets.

The consolidated financial statements incorporate those of the Blackburn Diocesan Board of Finance Ltd and its subsidiary undertaking The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy. Details of the individual subsidiary results are given in note 28.

Going concern

The Directors are satisfied that there are no material uncertainties about the charitable company's ability to continue in operational existence for the foreseeable future. The Trustees believe they have sufficient reserves to allow time to adjust the operations of the charitable company to meet changed circumstances relating to inflation and energy costs. Accordingly, they continue to adopt the going concern basis in preparing the Trustees' annual report and financial statements.

The Directors believe that the charitable company is a public benefit entity.

Functional currency

These financial statements are rounded to the nearest £000.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and the assumptions used in determining the value of the pension scheme deficit.

In the view of the Trustees, the following assumption concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

An area of key estimation uncertainty is the valuation of investment land and property. The valuations are subject to judgements of an expert or management including, but not limited to, the state of repair of the properties, local knowledge, future income yields and market conditions

Fixed assets and depreciation

Assets with a value in excess of £5,000 (2024: £500) are capitalised. Depreciation is provided for on the jointly owned Diocesan Offices and Whalley Abbey Retreat and Conference House. No other depreciation is provided on the charitable company's freehold buildings including

parsonage houses (explanation regarding parsonage houses is included in note 17) as the depreciation charge is immaterial. Freehold land is not depreciated.

As it is the charitable company's policy to maintain houses to a high standard, in accordance with a planned approach to repair and maintenance, such properties maintain residual disposal values in aggregate at least equal to their book values.

The charitable company will perform annual impairment testing of assets on which depreciation is not provided to determine whether residual values of housing properties in aggregate continue to exceed carrying value.

The Company holds all Heritage assets at an accurate valuation wherever possible. Where not possible, they are held at depreciated value.

Depreciation is provided to write off the cost less the estimated residual value of other tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Diocesan Offices	50 years on property 20 years on remodelling
Whalley Abbey Retreat and Conference House	15 years to a residual value of £500,000
Fixtures, fittings and office equipment	4-10 years
Heritage asset	15 years

Fixed asset investments

Fixed asset investments are stated at market value at the balance sheet date. Movements in market value arising during the year are shown as unrealised gains or losses on fixed asset investments in the Statement of Financial Activities.

Investment properties

Investment properties are included at their fair value.

Glebe land is recognised as held for investment purposes when it is held to rent out or there is a signed developers agreement.

Operating lease commitments

The Company provides motor vehicles to employees under an operating lease arrangement. The vehicles are leased from third-party providers and are not recognised as assets of the Company.

employees participate in a salary sacrifice arrangement whereby they agree to a reduction in gross salary in return for the provision of a company car. The Company remains contractually committed to the lease agreements and bears the risks and rewards associated with the lease payments.

Lease payments are charged to the profit and loss account on a straight-line basis over the term of the lease. There is reduction in employee remuneration arising from the salary sacrifice.

The existence of the salary sacrifice arrangements does not transfer the lease obligation to employees, and the Company continues to account for the leases as operating leases in accordance with FRS 102.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Creditors

Creditors are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Income

Parish contributions

Income includes amounts received from Parochial Church Councils in respect of parish share for general, stipends fund and parsonage house fund assessments. Parish share is recognised in the accounts when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Income from Archbishops' Council and Church Commissioners

Money from National Church Institutions is recognised when entitlement is probable.

Other donations, grants, legacies and similar income

Grants and donations receivable towards the cost of additions or improvements to freehold buildings are credited to income in the period to which they relate. Other grants are recorded as income when entitlement is probable. Other donations are recorded as income when received.

Other trading activities

The income from these sources is recognised on an accruals basis

Investment income

Investment income is recognised on an accruals basis.

Expenditure

Expenditure has been charged to the Statement of Financial Activities on an accruals basis. Expenditure relating directly to the objectives of the charity is shown as direct charitable expenditure.

Grants payable

Grants payable are debited to expenditure when the charitable company has a constructive obligation to pay.

Ministry in parishes

Ministry in Parishes includes the stipends, NI, pensions, housing costs and any direct expenses paid by the charitable company for ministers located in parishes.

Ministry support

Ministry Support includes the costs of the charitable company that provide either a direct service to the parishes or to the community of the parish. It also includes the National Training costs paid to National Church for the training of Ordinands and the costs of Whalley Abbey the retreat house of the Diocese.

Support and governance costs

Governance costs includes audit fee, trustee meeting expenses, Diocesan Synod expenses, Bishop's Council expenses and an allocation of costs based on estimated time spent preparing statutory information and for governance/ strategic issues, by the Finance Team, Diocesan Secretary and Support Services Team.

Support includes the costs of the finance team and general management not included under Governance costs. Support costs have been allocated based on an estimate of time spent in each area.

Taxation

The Blackburn Diocesan Board of Finance Limited (by guarantee) is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in independently administered funds. The amount charged in the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

The charitable company also participates in the Church Workers Pension Fund and the Church of England Funded Pension Scheme (see note 15). The assets of the defined benefit pension schemes are held separately from the charitable company in independently administered funds. The pension costs charged as expenditure represent the BDBF's contributions paid in respect of the accounting period, in accordance with FRS102.

Fund accounting

Funds held by the charitable company are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Unrestricted designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds - this is capital, held in perpetuity to create income for specified purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Where a grant or donation is received to fund a capital item or where an asset is donated, if there is an obligation relating to the future use or retention of the relevant asset, the balance relating to that asset is held within restricted funds as long as that restriction exists. Where there is no such restriction, the income relating to the purchase of capital items is transferred to unrestricted funds in the Statement of Financial Activities

2. Donations from Archbishops' Council and Church Commissioners - company & group

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2025	2024
	£000	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,562	-	1,562	1,510
Strategic Mission and Ministry Investment Funding	-	-	1,972	-	1.972	885
Resourcing Ministerial Education Funding and Pooling	14	-	(123)	-	(109)	26
Strategic Ministry Fund	-	-	741	-	741	902
Strategic Capacity Funding	152	-	-	-	152	582
Strategic Development Funding	-	-	436	-	436	714
Net Zero Funding	-	-	319	-	319	121
Other grants	5	-	177	-	182	-
Total other donations - company	171	-	5,084	-	5,255	4,740

3. Other donations - company & group

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2025	2024
	£000	£000	£000	£000	£000	£000
Benefact Trust	104	-	-	-	104	124
Donations	5	2	25	-	32	46
Other Grants	146	-	125	-	271	250
Legacies	9	-	-	-	9	22
Total other donations - company	264	2	150	-	416	442
Less Grant from Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy fund	(130)	-	-	-	(130)	(125)
Total other donations – group	134	2	150	-	286	317

4. Charitable activities - company & group

	Unrestricted Funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2025	2024
	£000	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	-	-	392	-	392	454
Church Commissioners - Guaranteed annuities	-	-	1	-	1	1
Recharges of costs	37	-	-	-	37	43
Whalley Abbey Conference House	102	-	-	-	102	108
Income for training courses	1	-	-	-	1	1
Other fees/sales	1	-	-	-	1	4
	141	-	393	-	534	611

5. Other trading activities - company & group

	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2025	2024
	£000	£000	£000	£000	£000	£000
Rental Income	**52**	**-**	**128**	**-**	**180**	238
Whalley Abbey Conference House	**88**	**-**	**-**	**-**	**88**	95
Accounting and Legal services	**47**	**-**	**-**	**-**	**47**	34
Other fees/sales	**-**	**-**	**-**	**-**	**-**	-
	187	**-**	**128**	**-**	**315**	367

6. Investment income

Company	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2025	2024
	£000	£000	£000	£000	£000	£000
Dividends receivable	**236**	**15**	**413**	**-**	**664**	646
Interest receivable	**340**	**-**	**13**	**-**	**353**	243
Rents receivable	**-**	**-**	**35**	**-**	**35**	33
	576	**15**	**461**	**-**	**1,052**	922

Group	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2025	2024
	£000	£000	£000	£000	£000	£000
Dividends receivable	**236**	**15**	**495**	**-**	**746**	726
Interest receivable	**340**	**-**	**13**	**-**	**353**	243
Rents receivable	**-**	**-**	**35**	**-**	**35**	33
	576	**15**	**543**	**-**	**1,134**	1,002

7. Other income – company and group

	Unrestricted funds		Restricted	Endowment	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2025**	2024
	£000	**£000**	**£000**	**£000**	**£000**	£000
Gains on disposal of fixed assets	**1**	**-**	**2,650**	**45**	**2,696**	871
	1	**-**	**2,650**	**45**	**2,696**	871

8. Cost of raising funds – company and group

	Unrestricted funds		Restricted	Endowment	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2025**	2024
	£000	**£000**	**£000**	**£000**	**£000**	£000
Project Management	**25**	**-**	**-**	**-**	**25**	51
Parish share						
Secretariat	**18**	**-**	**-**	**-**	**18**	18
Archdeacons	**-**	**-**	**6**	**-**	**6**	8
Investment Management Costs	**17**	**-**	**15**	**-**	**32**	35
Whalley Abbey Rents	**4**	**-**	**-**	**-**	**4**	4
Rents	**-**	**-**	**15**	**-**	**15**	16
Fundraising Trading Whalley Abbey	**162**	**-**	**-**	**-**	**162**	156
Fundraising Trading other	**47**	**-**	**-**	**-**	**47**	34
	273	**-**	**36**	**-**	**309**	322

9. Expenditure on charitable activities

Company	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2025	2024
	£000	£000	£000	£000	£000	£000
Contributions to Archbishops' Council						
Training for ministry	**299**	**-**	**-**	**-**	**299**	300
National Church responsibilities	**178**	**-**	**-**	**-**	**178**	179
Grants and provisions	**31**	**-**	**-**	**-**	**31**	31
Mission Agency pension contributions	**10**	**-**	**-**	**-**	**10**	-
Retired clergy housing costs (CHARM)	**130**	**-**	**-**	**-**	**130**	125
Pooling of ordinand candidates costs	**7**	**-**	**-**	**-**	**7**	-
General Synod and other expenses	**15**	**-**	**2**	**-**	**17**	16
	670	**-**	**2**	**-**	**672**	651
Parish ministry						
Stipends & National Insurance	**-**	**-**	**5,733**	**-**	**5,733**	5,536
Pension contributions	**-**	**-**	**1,062**	**-**	**1,062**	1,197
Housing costs	**26**	**-**	**1,802**		**1,828**	1,793
Removal, resettlement and other grants	**4**	**-**	**207**	**-**	**211**	220
Other expenses	**-**	**-**	**131**	**-**	**131**	112
	30	**-**	**8,935**	**-**	**8,965**	8,858
Support for parish ministry	**1,930**	**1**	**1,170**	**-**	**3,101**	2,490
Whalley Abbey Conference House	**240**	**-**	**-**	**-**	**240**	304
Redundant churches	**-**	**-**	**219**	**-**	**219**	269
Strategic Development Funding Projects	**13**	**68**	**50**	**-**	**131**	777
St Philip's Centre Project	**42**	**-**	**-**	**-**	**42**	48
Grants to Parishes, Individuals and Other Charities	**72**	**155**	**888**	**-**	**1,115**	674
	2,297	**224**	**2,327**	**-**	**4,848**	4,562
Expenditure on education						
Grants for the work of the Board	**342**	**-**	**22**	**-**	**364**	308
	342	**-**	**22**	**-**	**364**	308
Charitable activities	**3,339**	**224**	**11,286**	**-**	**14,849**	14,379

Group	Unrestricted funds		Restricted	Endowment	Total funds	Total funds
	General	Designated	Funds	Funds	2025	2024
	£000	£000	£000	£000	£000	£000
Contributions to Archbishops' Council						
Training for ministry	**299**	**-**	**-**	**-**	**299**	300
National Church responsibilities	**178**	**-**	**-**	**-**	**178**	179
Grants and provisions	**31**	**-**	**-**	**-**	**31**	31
Mission Agency pension contributions	**10**	**-**	**-**	**-**	**10**	-
Retired clergy housing costs (CHARM)	**130**	**-**	**-**	**-**	**130**	125
Pooling of ordinand candidates costs	**7**	**-**	**-**	**-**	**7**	-
General Synod and other expenses	**15**	**-**	**2**	**-**	**17**	16
	670	**-**	**2**	**-**	**672**	651
Parish ministry						
Stipends & National Insurance	**-**	**-**	**5,733**	**-**	**5,733**	5,536
Pension contributions	**-**	**-**	**1,062**	**-**	**1,062**	1,197
Housing costs	**26**	**-**	**1,802**		**1,828**	1,793
Removal, resettlement and other grants	**4**	**-**	**214**	**-**	**218**	223
Other expenses	**-**	**-**	**130**	**-**	**130**	112
	30	**-**	**8,941**	**-**	**8,971**	8,861
Support for parish ministry	**1,930**	**1**	**1,174**		**3,105**	2,492
Whalley Abbey Conference House	**240**	**-**	**-**	**-**	**240**	304
Redundant churches	**-**	**-**	**219**	**-**	**219**	269
Strategic Development Funding Projects	**13**	**68**	**50**	**-**	**131**	777
St Philip's Centre Project	**42**	**-**	**-**	**-**	**42**	48
Grants to Parishes, Individuals and Other Charities	**72**	**155**	**968**	**-**	**1,195**	752
	2,297	**224**	**2,411**	**-**	**4,932**	4,642
Expenditure on education						
Grants for the work of the Board	**342**	**-**	**22**	**-**	**364**	308
	342	**-**	**22**	**-**	**364**	308
Charitable activities	**3,339**	**224**	**11,376**	**-**	**14,939**	14,462

10. Analysis of expenditure including allocation of support costs – company and group

Company	**Activities undertaken directly**	**Grant funding of Activities**	**Manage-ment Admin Support**	**Total 2025**	Total 2024
	£000	**£000**	**£000**	**£000**	£000
Cost of raising funds	**285**	**-**	**24**	**309**	322
Contributions to Archbishops' Council	**15**	**657**	**-**	**672**	651
Parish Ministry	**8,754**	**211**	**-**	**8,965**	8,858
Support for Parish Ministry	**2,715**	**1,115**	**1,018**	**4,848**	4,562
Education	**-**	**364**	**-**	**364**	308
Other	**-**	**-**	**-**	**-**	4
	11,769	**2,347**	**1,042**	**15,158**	14,705

Group	**Activities undertaken directly**	**Grant funding of Activities**	**Manage-ment Admin Support**	**Total 2025**	Total 2024
	£000	**£000**	**£000**	**£000**	£000
Cost of raising funds	**285**	**-**	**24**	**309**	322
Contributions to Archbishops' Council	**15**	**657**	**-**	**672**	651
Parish Ministry	**8,754**	**217**	**-**	**8,971**	8,861
Support for Parish Ministry	**2,717**	**1,194**	**1,021**	**4,932**	4,642
Education	**-**	**364**	**-**	**364**	308
Other	**-**	**-**	**-**	**-**	4
	11,771	**2,432**	**1,045**	**15,248**	14,788

11. Analysis of support costs – company and group

	Unrestricted funds		**Restricted**	**Endowment**	**Total funds**	Total funds
	General	**Designated**	**Funds**	**Funds**	**2025**	2024
	£000	**£000**	**£000**	**£000**	**£000**	£000
Raising Funds	**18**	**-**	**6**	**-**	**24**	60
Central Administration	**645**	**-**	**157**	**-**	**802**	596
Governance costs						
Secretariat	**37**	**-**	**-**	**-**	**37**	36
Accounting and Finance Office	**38**	**-**	**-**	**-**	**38**	39
Audit & accountancy fees	**29**	**-**	**-**	**-**	**29**	26
Diocesan Synod costs	**10**	**-**	**-**	**-**	**10**	11
BDBF Directors and Bishop's Council Meetings	**19**	**-**	**-**	**-**	**19**	19
Chancellor and Registrar Fees	**83**	**-**	**-**	**-**	**83**	75
Support costs - company	**879**	**-**	**163**	**-**	**1,042**	862
Support costs – Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy						
Independent Examiner's fees	**-**	**-**	**3**	**-**	**3**	2
Support costs - group	**879**	**-**	**166**	**-**	**1,045**	864

12. Analysis of transfers between funds – company & group

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2025
	£000	£000	£000	£000	£000
From general fund to stipends income fund (restricted) and housing fund (restricted), to cover the deficits on net expenditure of those funds	(5,203)	-	5,203	-	-
From Pastoral Fund to Parsonages Fund – transfer costs of parsonages bought	-	-	(1,559)	1,559	-
From Parsonages Fund to Pastoral Fund – transfer costs of parsonages sold	-	-	1,107	(1,107)	
From Diocesan Vision 2026 to Strategic Development fund to restricted fund to cover projects expenditure		(22)	22	-	-
From general fund to designated funds for Diocesan Conference	(40)	40	-	-	-
From Diocesan Investment Programme fund (restricted) to general fund in line with the condition of the grant funding to support clergy training expenditure	(13)	-	13	-	-
From Diocesan Investment Programme fund (restricted) to general fund in line with the condition of the grant funding to support the parish share deficit in turnaround or Diocesan Renewal Programme parishes	862	-	(862)	-	-
Total transfers – company	(4,394)	18	3,924	452	-
Transfers on consolidation	130	-	(130)	-	-
Total transfers – group	(4,264)	18	3,794	452	-

The funds that have been transferred have been used in line with any applicable restrictions and have been transferred to make the presentation of the expenditure more transparent. The spending of the funds has extinguished any restrictions.

13. Net income for the year – company and group

	2025	2024
These are stated after charging:	**£000**	£000
Fees payable to the auditor for audit services	**30**	26
Fees payable to the auditor for non audit services	**2**	2
Whalley Abbey Conference House Site Deficit	**196**	214

14. Staff numbers and costs – company and group

The average number of people employed during the year was 77 *(2024: 71)*.

The full-time equivalent employees during the year, including sessional workers, has been analysed by teams.

	2025	2024
Diocesan Investment Program and other funded roles	**23.0**	15.5
Enablers and Obligations	**25.0**	23.0
Growing Leaders	**4.8**	3.5
Making Disciples	**0.6**	1.6
Being Witnesses	**1.0**	1.3
Being Witnesses – parish workers	**1.0**	1.2
Whalley Abbey Conference House	**7.3**	8.9
	62.7	55.0

The aggregate payroll costs of all employees were as follows:

	2025	2024
	£000	£000
Wages and salaries	**2,217**	1,847
Redundancy and settlement payments	**-**	17
Social security costs	**252**	171
Other pension costs	**268**	184
Other benefits	**38**	14
	2,775	2,233

There were 4 employees whose salary was in excess of £60,000 – 2 in the band £60,000 to £70,000 and 2 in the band £70,000 to £80,000 (*2024: 2 employees – one in the band £60,000 to £70,000 and one in the band £70,000 to £80,000)*

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 Secretary:	Canon Stephen Whittaker
Deputy Diocesan Secretary and Company Secretary	Mrs Ruth McGaughey
Deputy Diocesan Secretary	Mrs Carolyn Barton

Remuneration, pension and expenses for these 3 employees amounted to £267,440 (*2024: £237,473*).

In addition to the foregoing numbers of persons employed by the charitable company in 2025 there were 166.9 (*2024: 173.1*) full time equivalent stipendiary clergy in post in the Diocese. These may be analysed as follows:

	2025	2024
Archdeacons	**1.3**	2.0
Incumbents	**134.6**	136.4
Curates	**30.7**	34.4
Lay Workers	**0.3**	0.3
	166.9	173.1

The average number of stipendiary clergy in post during 2025 was 178 (*2024: 184.5)*.

Although not employed by the charitable company the payroll costs of the above persons are met by the charitable company and are included in the financial statements. The aggregate payroll costs of the above persons are as follows:

	2025	2024
	£000	£000
Stipend	**5,199**	5,189
Redundancy and settlement payments	**-**	24
Social security costs	**547**	425
Apprenticeship Levy	**24**	24
Pension costs - current year	**1,093**	1,197
	6,863	6,859

Trustees' emoluments

	Average number of directors	
	2025	2024
Directors	**25.5**	22.7

No trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £12,859 (*2024 - £14,795)* in respect of General Synod duties, duties as archdeacon or area dean, and other duties as Trustees.

Trustees who are also licensed stipendiary clergy and archdeacons in the Diocese were in receipt of a stipend and housing provided by the BDBF during the year. The BDBF is also responsible for the provision of housing for the Suffragan Bishops but excluding the Diocesan Bishop and cathedral staff.

15. Pension schemes – company and group

Church of England Funded Pension Scheme

The BDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the BDBF and the other participating employers.

Each participating employer 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. It is not possible to attribute the 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 towards benefits and expenses accrued in that year, which were £1,093,509 in 2025 (2024: £1,190,494), plus any figures arising from contributions in respect of any Scheme deficit.

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

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

· An average discount rate of 6.0% pa;

· RPI inflation of 3.4% pa (and pension increases consistent with this);

· CPIH inflation in line with RPI less 0.7% pa pre 2030 moving to RPI with no adjustment from 2030 onwards;

· Increases in pensionable stipends in line with CPIH;

· Mortality in accordance with 90% of the S4NA_L tables, with allowance for improvements in mortality rates from 2017 in line with the CMI2023 extended model with a long term annual rate of improvement of

1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 and 2021 data of 20% (i.e. w = 20%).

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

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

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

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

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

Group Personal Pension Plan

The BDBF participates in a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the BDBF in an independently administered fund. The pension cost charge for the year represents contributions payable by the BDBF to the fund.

Church Workers Pension Fund

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

CWPF has two sections:

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

Pension Builder Scheme

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2025: £0, 2024: £0).

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

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

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

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

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

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

16. Analysis of grants made

Company **Included Within**	**Grants to Individuals £000**	**Grants to Institutions £000**	**2025 Total £000**	2024 Total £000
Contributions to Archbishops' Council	**-**	**657**	**657**	636
Parish Ministry				
First appointment and resettlement grants	**191**	**-**	**191**	220
Support for parish ministry				
Ordinands	**64**	**-**	**64**	118
Harvest appeal charities	**-**	**6**	**6**	25
Parishes	**-**	**1,011**	**1,011**	972
Area Deans (parishes)	**-**	**5**	**5**	14
Continuing ministerial education	**4**	**-**	**4**	9
Churches Together in Lancashire	**-**	**6**	**6**	6
Blackburn Cathedral	**-**	**26**	**26**	16
Inter Diocesan Counselling services	**-**	**10**	**10**	10
Emmanuel Theological college	**-**	**-**	**-**	30
Other	**-**	**3**	**3**	8
Education – Blackburn Diocesan Board of Education	**-**	**364**	**364**	308
Total Grants Payable - Company	**259**	**2,088**	**2,347**	2,372
Resettlement grants on retirement	**7**	**-**	**7**	3
Retired clergy and clergy widows	**79**	**-**	**79**	78
Total Grants Payable - Group	**345**	**2,088**	**2,433**	2,453

17. Tangible fixed assets – company and group

	Parsonages £000	*Non Parsonages/ Land* £000	Total Freehold land and buildings £000	Fixtures, fittings and office equipment £000	Total £000
Cost or valuation					
At beginning of year	31,181	14,122	**45,303**	498	**45,801**
Additions	1,559	1,291	**2,850**	16	**2,866**
Disposals	(1,107)	(1,458)	**(2,565)**	(5)	**(2,570)**
Transfers	428	(428)	**-**	-	**-**
At end of year	**32,061**	**13,527**	**45,588**	**509**	**46,097**
Depreciation					
At beginning of year	-	1,014	**1,014**	229	**1,243**
Charge for year	-	20	**20**	42	**62**
Disposals	-	-	**-**	(4)	**(4)**
At end of year	**-**	**1,034**	**1,034**	**267**	**1,301**
Net book value					
At 31 December 2025	**32,061**	**12,493**	**44,554**	**242**	**44,796**
At 31 December 2024	31,181	13,108	44,289	269	44,558

Parsonage houses are legally vested in the incumbent (an "ecclesiastical corporation sole") as freeholder during his incumbency. Three features of the incumbent's freehold have significantly influenced the accounting treatment adopted in these financial statements. Firstly, the freeholder is not free to dispose of the house for personal benefit and is not responsible for maintaining the house. Secondly, proceeds of any sale, following a pastoral reorganisation which makes the house surplus, normally revert to the Diocesan Pastoral Account or Diocesan Stipends Fund. Thirdly, the Diocese is responsible for repair and maintenance, a responsibility which is currently carried out by the Diocesan Property Committee. The Diocese therefore carries both the benefits and obligations of ownership, and accordingly the financial statements include the parsonage houses together with other Diocesan land and buildings.

Parsonage houses and other Diocesan residential houses have been included in tangible fixed assets at cost, or valuation where cost was not available for houses purchased prior to 1998. The valuation attributed to each house was the mid-point (low point for the top two bands) of the council tax valuation banding applied to the house. The aggregate value of the houses valued in this way amounted to £18,204,000 *(2024:* £18,745,000*)*.

Heritage Asset

Whalley Abbey was bought from the Diocese of Manchester in 1926. It comprises substantial remains of a Cistercian Abbey founded in 1296 and dissolved in 1537.

The Abbey of St Mary the Virgin, also known as Locus Benedictus de Whalley was founded by Henry de Lacy, third Earl of Lincoln on the 4th April 1296. The Abbey had moved from the unfavourable site of Stanlaw into the Parsonage and other temporary buildings at Whalley in 1283, when there were 20 monks.

Excavation has uncovered the outlines of the church, surviving as foundations, as does the eastern claustral range and the polygonal Chapter House.

The standing Abbey buildings and Conference House

The following notes are extracted from the Conservation Plan prepared in 2002.

The Conservation Plan was compiled under the direction of John Prichard (Lloyd Evans Prichard), architect accredited in building conservation, with architectural history advice from James Anderson and Clare Hartwell (Architectural History Practice), and archaeological advice from Jason Wood (Heritage Consultancy Services).

North-East Gatehouse

The North-East Gatehouse dates to circa 1480, and was constructed to provide an impressive entrance to the Abbot's Lodging and *Clausum*, the sacred precinct. It echoes the earlier North-West Gatehouse with its two entrance ways, but is embellished with diagonal buttresses, crenelation, and a statue niche.

Courtyard North Range

The Courtyard North Range may include some medieval content, but the present structures are principally seventeenth century, with nineteenth-century additions, and substantial late twentieth-century alterations to create the tea room, kitchen, and exhibition room. It is excluded from the scheduling.

The Conference House

The Conference House is excluded from the scheduling, but it deserves its Grade I status and is of national significance. The individual components are considered below, and elements of significance discussed.

The central block includes original medieval fabric, such as the arch adjacent to the chapel, as well as medieval stonework which has probably been re-used from demolished structures, such as the window between the Dining Room and the kitchen. The nineteenth century interiors are a very good example of Gothic Revival/Arts and Crafts work; particularly noteworthy is the roof and fireplace in the Great Hall and the staircase decorated windows.

The East Wing

The East Wing extends south from the chapel and comprises inter alia the Paslew Suite and the Peter of Chester room on the ground floor, and seven bedrooms on the first floor. The Paslew Suite and Peter of Chester room may incorporate medieval material, but they, and the bedrooms immediately above, were substantially rebuilt in the late sixteenth century, as evidenced by the mullioned windows in the east wall, the date stone (not always a true indicator and the dating of Forrest Historic by English Heritage during the 21stC refurbishment works. An extension was added in the mid-nineteenth century, with bedrooms above.

The West Wing

The West Range was added in the 1860s, and was well designed externally to blend with the late seventeenth-century gabled north extension, and the remains of the Abbot's Kitchen and Long Gallery Range on the west.

The BDBF recognises its responsibility to preserve the heritage asset and is currently looking to raise funds to be able to undertake work on the ruins. It does not intend to acquire other heritage assets. Whalley Abbey grounds are open to the public to view the ruins but access is restricted to the buildings on the site.

The current asset value for Whalley Abbey is £0.9m after a major refurbishment of the house in 2004. The asset is being depreciated over 15 years to £0.5m. The depreciated value represents the value in the accounts of the whole site and is based on an indication made by a local surveyor. It is difficult to obtain an accurate valuation for the site as the ruins represent a continued liability for their maintenance and upkeep which considerably reduces the value of the asset if sold in its entirety.

18. Investments and investment property

Company	**Investment Property**	**Unlisted CBF investments**	**Others investments**	**Total investments**
	£000	**£000**	**£000**	**£000**
At valuation				
At beginning of year (restated)	1,507	21,079	9	22,595
Additions	-	15	-	15
Disposals	-	-	-	-
Increase (decrease) in market value	-	(683)	-	(683)
At end of year	**1,507**	**20,411**	**9**	**21,927**
At historic cost	464	10,672	9	11,145

Group	Investment Property £000	Unlisted CBF investments £000	Others investments £000	Total investments £000
At valuation				
At beginning of year (restated)	1,507	23,636	91	25,234
Additions	-	15	-	15
Disposals	-	-	-	-
Increase (decrease) in market value	-	(770)	10	(760)
At end of year	**1,507**	**22,881**	**101**	**24,489**
At historic cost	464	11,169	15	11,648

Investment property is Diocesan glebe land vested in the DBF under the Endowments and Glebe Measure 1976 that is held for the purposes of producing income for clergy stipends. The glebe land is measured at fair value at the year end by an independent RICS registered valuer. The valuation has been undertaken in accordance with International and RICS Valuation Standards and has been based upon the valuer's experience in the valuation of agricultural, institutional and amenity land within the Lancashire and wider north-west region.

Unlisted investments are made up of Central Board of Finance investments in Church of England Investment Fund shares, Property Fund shares and Fixed Interest Securities.

19. Debtors

	2025 £000 Company	**2025 £000 Group**	2024 £000 Company	2024 £000 Group
Amounts receivable within one year				
Prepayments and accrued income	**743**	**763**	710	729
Amounts due from National Church Institutions	**25**	**25**	1,743	1,743
Other debtors	**151**	**151**	181	181
Loans to parishes	**60**	**60**	30	30
	979	**999**	2,664	2,683
Amounts receivable after more than one year				
Loans to parishes	**180**	**180**	155	155
	180	**180**	155	155
Total Debtors	**1,159**	**1,179**	2,819	2,838

20. Creditors

	2025 £000 Company	**2025 £000 Group**	2024 £000 Company	2024 £000 Group
Amounts falling due within one year				
Trade creditors	**591**	**591**	333	333
Other creditors (taxation and social security)	**72**	**72**	41	41
Other creditors	**77**	**77**	93	93
Accruals	**150**	**152**	45	49
Deferred income	**608**	**608**	835	835
	1,498	**1,500**	1,347	1,351
Amounts falling due after more than one year				
Due to Churches Conservation Trust	**130**	**130**	130	130
	130	**130**	130	130

The amount owed to Churches Conservation Trust is due on disposal of three redundant church buildings.

Deferred income represents payments received in advance for future Whalley Abbey events and grant income where the conditions of the grant have not been met yet.

Analysis on movement in deferred income	**2025 £000 Company**	**2025 £000 Group**
At beginning of year	**835**	**835**
Recognised in year	**(835)**	**(835)**
Deferred income in 2025	**608**	**608**
At end of year	**608**	**608**

21. Commitments – company & group

Commitments at 31 December 2025, for which no provision has been made in these accounts, were as follows:

	2025 £000	2024 £000
Operating lease commitments		
Payments due within one year	**16**	-
Payments due between two and five years	**28**	-
Capital expenditure commitments		
Clergy Housing Fund	**350**	404
Whalley Abbey Quinquennial repairs	**150**	155
Capital Amounts payable on property completion	**946**	-
Multi-year grant funding		
Parish Vision Fund	**79**	126
Lower Income Communities Fund	**68**	83
Total value of commitments	**1,637**	642

22. Called up share capital

The charitable company is limited by guarantee, registered in England and does not have an authorised or allotted share capital.

23. Net assets analysed by fund

Company	**Tangible Fixed Assets**	**Fixed Asset Investment**	**Current Assets**	**Current Liabilities**	**Long Term Creditor**	**Net Assets as at 31 December 2025**
	£000	£000	£000	£000	£000	**£000**
General Fund	1,786	6,913	2,264	(352)	-	10,611
Designated Funds	-	522	1,934	(3)	-	2,453
Total Unrestricted Funds	1,786	7,435	4,198	(355)	-	13,064
Pastoral Account	7,270	-	4,863	(94)	(130)	11,909
Other Restricted Funds	-	21	1,624	(1,049)	-	596
Total Restricted Funds	7,270	21	6,487	(1,143)	(130)	12,505
Parsonage Houses Fund	32,061	1,126	-	-	-	33,187
Stipends Capital / Housing Fund	3,679	11,026	1,049	-	-	15,754
Other Endowment Funds	-	2,319	6	-	-	2,325
Total Endowment Funds	35,740	14,471	1,055	-	-	51,266
Total	**44,796**	**21,927**	**11,740**	**(1,498)**	**(130)**	**76,835**

Group	**Tangible Fixed Assets**	**Fixed Asset Investment**	**Current Assets**	**Current Liabilities**	**Long Term Creditor**	**Net Assets as at 31 December 2025**
	£000	£000	£000	£000	£000	**£000**
General Fund	1,786	6,913	2,264	(352)	-	10,611
Designated Funds	-	522	1,934	(3)	-	2,453
Total Unrestricted Funds	1,786	7,435	4,198	(355)	-	13,064
Pastoral Account	7,270	-	4,863	(94)	(130)	11,909
Other Restricted Funds	-	272	1,734	(1,051)	-	955
Total Restricted Funds	7,270	272	6,597	(1,145)	(130)	12,864
Parsonage Houses Fund	32,061	1,126	-	-	-	33,187
Stipends Capital / Housing Fund	3,679	11,026	1,049	-	-	15,754
Other Endowment Funds	-	4,630	6	-	-	4,636
Total Endowment Funds	35,740	16,782	1,055	-	-	53,577
Total	**44,796**	**24,489**	**11,850**	**(1,500)**	**(130)**	**79,505**

24. Unrestricted funds

Unrestricted funds comprise those funds which are available for application for the general purposes of the charity as set out in its governing document. Movements on this fund are as follows:

	At 1 January 2025 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2025 £000
General Fund	9,908	8,811	(3,612)	(232)	(4,264)	10,611

	At 1 January 2025 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	At 31 December 2025 £000
Designated Funds						
Office Assets Fund	521	15	-	(21)	-	515
Parsonages Fund	251	-	-	-	-	251
Parish Vision 2026 Grant and Loan Fund	687	2	(135)	-	-	554
Diocesan Vision Strategic Development Fund	458	-	(21)	-	-	437
Diocesan Vision 2026 Fund	327	-	(68)	-	(22)	237
Allchurches Trust Grant Fund	237	-	-	-	-	237
Other Designated Funds	182	-	-	-	40	222
	2,663	17	(224)	(21)	18	2,453

Designated Funds	**Application/purpose**
Office Assets Fund	Designated for repairs, renovation or for buying a new building in the future.
Parsonages Fund	For repairs and disability adaptation on parsonages in excess of parish share budget
Parish Vision 2026 Grant and Loan Fund	Designated to provide grants and some of the loans to parishes to continue their mission projects
Diocesan Vision Strategic Development Fund	Designated to provide match funding necessary for Strategic Development Funding applications
Diocesan Vision 2026 Fund	Designated to contingencies for the development of the diocesan vision
Allchurches Trust Grant Fund	The fund assists with funding the cost of diocesan projects, building administration costs, education, parish mission projects and major building works.

25. Restricted funds

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

	At 1 January 2025	Income	Expenditure	Gains and losses	Transfers	At 31 December 2025
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	9,711	2,706	(239)	-	(332)	11,846
Diocesan Stipends Fund Income Account	-	1,881	(8,932)	-	7,051	-
Ephesian fund	-	481	-	-	(481)	-
Social Responsibility Projects	72	1	-	-	-	73
Bishops Ordination Fund	135	-	(13)	-	-	122
Resourcing Ministerial Education (RME) Fund	123	(123)	-	-	-	-
Bishop's Harvest Appeal	21	21	(6)	-	-	36
Bishop's Clergy in Need Fund	41	2	-	-	-	43
SDF Funded Projects	(23)	458	(409)	-	22	48
DIP Fund	6	1,971	(1,128)	-	(849)	-
Net Zero Carbon Fund	111	219	(182)	-	-	148
Lower Income Communities Funding	5	1,562	(200)	-	(1,367)	-
Parish Pastoral Fund	184	-	-	-	(120)	64
Other Restricted Funds	171	168	(213)	(1)	-	125
Subtotal Funds – Company	10,557	9,347	(11,322)	(1)	3,924	12,505
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	492	82	(90)	5	(130)	359
Total Funds - Group	11,049	9,429	(11,412)	4	3,794	12,864

Restricted Fund	**Application/purpose**
Diocesan Pastoral Account	Purposes are laid down in Section 78 of the Pastoral Measure 1983, the main purposes being: ● Costs incurred for the purposes of the Measure or any scheme or order made by the measure except for salaries of regular diocesan employees ● Costs of disposing of or maintaining houses or churches vested in the DBF or Commissioners ● For the benefit of another diocese ● Transfer to the DSF Capital or Income Funds
Diocesan Stipends Fund Income Account	Subject to any charges imposed by the scheme or order the fund shall be applied to: ● Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese ● Meet expenses incurred in repairing and maintaining parsonage houses ● Paying secondary Class 1 contributions in respect of ministers not employed under a contract of service ● Defray sequestrators' expenses
Ephesian Fund	The fund exists to enable parishes to pay their share through the Ephesian Fund and be assured that their money has been allocated to

	churches that have signed up to the Church of England Evangelical Council statement of faith.
Social Responsibility Projects	The Social Responsibility section received funding for specific projects and for its general costs relating to those projects. Project funding was restricted to the project it had been requested for and approved expenditure is applied against the funding in accordance with the funders rules.
Bishop's Ordination Fund	The Ordination Fund is used to assist with meeting the costs of Ordinands in training.
Resourcing Ministerial Education (RME) Fund	Specific funding for Ordinands in training from National Church.
Bishop's Harvest Appeal	Each year the Bishop selects a charity to benefit from his Harvest Appeal. Parishes, Schools and individuals within the Diocese collect money in support of this charity and the monies are distributed by the Diocese in accordance with the appeal.
Bishop's Clergy In Need Fund	The fund was established by transfer of some of the Extra Mission and Ministry funds received from the Archbishops' Council 2008 – 2010. Grants from the fund are awarded at the discretion of the Bishop, to serving clergy in the Diocese.
Strategic Development Fund	Specific funding for the Outer Estates, Preston Resourcing parish and Lighting Up New Generations projects from National Church
Diocesan Investment Programme (DIP) Fund	National funding to support local parishes develop mission within particular geographical areas and demographic groups, to develop and deliver diocesan-wide transformation programmes and to increase the number of newly ordained ministers.
Net Zero Carbon Fund	Funding from National Church providing project management and fundraising capacity to deliver actions in the synod approved net zero action plan aligning with the national church aim to be carbon net zero by 2030. Funding also supports energy decarbonisation reports for schools and churches in Blackburn and Carlisle dioceses and 'quick wins' church improvement projects in Blackburn diocese.
Lower Income Communities Fund	Funding to promote the growth of churches in Lower Income Communities.
Parish Pastoral Fund	This fund reflects monies ring fenced from the sale of a vicarage in a parish where no scheme for pastoral re-organisation is currently in place. The monies must be held until either a vicarage is purchased, or a scheme is put in place.
Other restricted funds	Various small funds including overseas link dioceses, ordinands training, Whalley Abbey bursary fund, Whalley Abbey grounds and chapel renovation, J Lofthouse fund for pre-reformation churches (spent in 2024), ministry support and others.
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	The Fund is used to help clergy widows and retired clergy in cases of financial hardship, particularly with housing costs. It funds the cost of social events and the cost of the Diocesan Officer and Bishop's visitors.

26. Endowment funds

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

	At 1 January 2025	Income	Expenditure	Gains and losses	Transfers	At 31 December 2025
	£000	£000	£000	£000	£000	£000
	(restated)					
Diocesan Stipends Fund Capital Account	16,434	45	-	(297)	(428)	15,754
Parsonage Houses Fund	32,354	-	-	(47)	880	33,187
Other Permanent endowment						
Maintenance of the Ministry	352	-	-	(14)	-	338
General purposes	438	-	-	(17)	-	421
Other endowments	9	-	-	(1)	-	8
Stipends	1,611	-	-	(53)	-	1,558
Subtotal Funds - Company	51,198	45	-	(429)	452	51,266
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	2,393	-	-	(82)	-	2,311
Total Funds - Group	53,591	45	-	(511)	452	53,577

Endowment Fund	**Application/purpose**
The Diocesan Stipends Fund Capital Account	Purposes are laid down Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998, and the Miscellaneous Provisions Measure 1992. This fund represents the value of glebe property and investments at the balance sheet date and is a permanent endowment fund. Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the DSF Income account, as well as gifts, bequests and donations. The main function of the fund o produce income for the stipends, but it may also be used for other purposes including: acquiring glebe property, investing in a subsidiary, developing and protecting glebe amenities, investment, discharging loans and levies on glebe, improving parsonage houses and discharging any loans made by the Church Commissioners under the Endowments and Glebe Measure 1976.
Parsonages Houses fund	This fund represents the value of benefice houses at the balance sheet date, together with the Parsonages Building Fund held by the Church Commissioners and investments held by the Parsonages Board. The houses are used to provide accommodation for the parochial clergy. The Diocese is not free to dispose of the houses except in accordance with the appropriate measure. There is provision for the net proceeds of sale to be applied to either the Diocesan Pastoral Account or Diocesan Stipends Fund Capital once a disposal has been effected. The Parsonage Houses fund is an expendable endowment
Other Permanent endowments	The permanent endowments are established under a variety of trust deeds and documents which require the funds to be held in perpetuity. The income of the funds is to be applied to the Bishop of Blackburn's fund for widows and orphans of poor clergy, Maintenance of the Ministry fund, General purposes fund, Diocesan Stipends Income fund and other smaller endowment funds.

27. Related parties' transactions – company and group

The Blackburn Diocesan Board of Education (BDBE)

The Blackburn Diocesan Board of Education (BDBE) is a separate registered charity, which has responsibility for 191 Church schools across the Diocese. It provides pastoral and professional support to all its schools and has particular commitment to enhancing the quality of provision for Religious Education.

The Rt Revd Philip North is a director of both the BDBF and BDBE.

The Venerable David Picken is also a director of both the BDBF and BDBE.

Canon Stephen Whittaker is a director of the BDBE and is Diocesan Secretary of the BDBF.

The BDBF provides significant funding to the BDBE by way of a grant. Grants made to the BDBE during the year amounted to £363,562 (*2024: £308,154*).

Grants made from the BDBE to the BDBF during the year amounted to £33,995 (*2024: £27,154*).

Goods and services made from the BDBF to the BDBE during the year amounted to £26,392 (*2024: £30,406*) net of VAT where applicable.

The balance owing at 31/12/25 was £14,205 (*2024: £44,760*).

Blackburn Cathedral

Blackburn Cathedral is a separate entity to the BDBF but is engaged in many shared missional aims and activities. The Cathedral is the seat of the Diocesan Bishop.

During the year, the Blackburn Diocesan Board of Finance Ltd bought goods and services from Blackburn Cathedral amounting to £32,175 (*2024: £40,323*).

The net balance owing at 31/12/25 was £31 (*2024: £4,124*).

The Cathedral have an outstanding loan due to the BDBF of £7,340 (*2024: £7,340*).

The BDBF had recharged costs to the Cathedral in 2025 of £9,197 net of VAT (*2024: £nil*).

Emmanuel Theological College (ETC)

The Rt Revd Philip North is a director of both the BDBF and ETC.

Revd David Craven is a director of both the BDBF and ETC.

There were no grants made to Emmanuel Theological College from the BDBF during the year (*2024: £30,000*).

During the year, the BDBF paid £29,348 to ETC for training of readers, ordinands and clergy (*2024: £18,284*).

No services were made to ETC during the year (*2024: £1,364*).

The balance owing at 31/12/24 was £nil (*2024 £nil*).

Cidari Education Ltd

Cidari is a multi-academy trust that serves the Diocesan church schools. Trust members are taken from corporate offices of the Church of England within the Diocese of Blackburn.

Cidari shared office space with the BDBF up until December 2023. There were no recharges during this year (*2024: £153*).

During the year donations received from trustees amounted to £2,570 (*2024: £4,345*). No donations have been received from key management personnel (*2024: £nil*).

28. Subsidiary undertakings

The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy ("the fund") is a subsidiary of the Blackburn Diocesan Board of Finance on the basis of common control. The purpose of the fund is to help clergy widows and retired clergy in cases of financial hardship, particularly with housing costs.

The results for the year to 31 December 2025 and the assets and liabilities at this date are:

	Income	**Expenditure**	**Gains and Losses**	**Net Movement in Funds**
	£000	**£000**	**£000**	**£000**
The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy Charity number: 505091	82	(220)	(77)	(215)

	Fixed Assets Investments	**Debtors**	**Deposits and Cash**	**Creditors**	**Total Net Assets**
	£000	**£000**	**£000**	**£000**	**£000**
The Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy Charity number: 505091	2,562	20	90	(2)	2,670

29. Financial instruments

	2025 Company	**2025 Group**	2024 Company	2024 Group
	£000	**£000**	£000 (restated)	£000 (restated)
Financial assets measured at fair value	**21,927**	**24,489**	22,595	25,234
Financial assets measured at amortised cost	**11,630**	**11,740**	8,647	8,897
Financial liabilities measured at amortised cost	**2,444**	**2,446**	1,347	1,351
Financial liabilities measured at fair value	**130**	**130**	130	130

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and receivables and parish loans.

Financial liabilities measured at amortised cost comprise accruals, other creditors, the Clergy Pension Scheme liability and amounts held for other bodies.

Financial liabilities measured at fair value comprise value linked loans.

30. Funds held as custodian trustee – company and group

The BDBF 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. PCC trust investment assets held by the BDBF have been summarised below at market value:

	2025	2024
	£000	£000
CBF Church of England Deposit fund	**5,979**	5,451
CBF Church of England Investment fund	**10,728**	11,183
CBF Church of England Fixed Interest fund	**274**	265
CBF Church of England Property fund	**60**	58
Other	**23**	26
Cash at bank	**4**	4
Total assets held as custodian trustee	**17,068**	16,987

The BDBF also acts as custodian trustee in relation to Parochial Church Council (PCC) property. These assets are held separately to those of the BDBF.

31. Prior period adjustment– company and group

During the year ended 31 December 2025, the Group identified that an investment held by the subsidiary was held at cost instead of fair value. Also, another endowment was incorrectly reported in error to be held by the subsidiary instead of belonging to the company. Both errors affect the opening balances at 1 January 2024.

The error has been corrected by restating the comparative figures in these financial statements. The effect of the restatement on the prior year financial statements is summarised below:

Impact on Balance Sheet (at 31 December 2024)

	As originally stated	Adjustments	As restated
	£000	£000	£000
Company - adjustment on transfer from subsidiary to company			
Fixed Assets - Investments	20,871	217	21,088
Net Assets/Total Funds	74,109	217	74,326
Capital and Reserves - Endowment funds	50,981	217	51,198
Group - adjustment to fair value			
Fixed Assets - Investments	23,651	76	23,727
Net Assets/Total Funds	77,135	76	77,211
Capital and Reserves - Endowment funds	53,515	76	53,591

Impact on Statement of Financial Activities (for 2024)

	As originally stated	Adjustments	As restated
	£000	£000	£000
Company - adjustment on transfer from subsidiary to company			
Net gains on investments (endowment funds)	274	5	279
Net gains on investments (total funds)	431	5	436
Net income before transfers (endowment funds)	272	5	277
Net income before transfers (total funds)	1,632	5	1,637
Net movement in funds (endowment funds)	1,801	5	1,806
Net movement in funds (total funds)	1,632	5	1,637
Total funds at 1 January 2024 (endowment funds)	49,180	212	49,392
Total funds at 1 January 2024 (total funds)	72,477	212	72,689
Total funds at 31 December 2024 (endowment funds)	50,981	217	51,198
Total funds at 31 December 2024 (total funds)	74,109	217	74,326
Group - adjustment to fair value			
Net gains on investments (endowment funds)	331	9	340
Net gains on investments (total funds)	489	9	498
Net income before transfers (endowment funds)	329	9	338
Net income before transfers (total funds)	1,562	9	1,571
Net movement in funds (endowment funds)	1,858	9	1,867
Net movement in funds (total funds)	1,562	9	1,571
Total funds at 1 January 2024 (endowment funds)	51,657	67	51,724
Total funds at 1 January 2024 (total funds)	75,573	67	75,640
Total funds at 31 December 2024 (endowment funds)	53,515	76	53,591
Total funds at 31 December 2024 (total funds)	77,135	76	77,211

32. Prior year comparative Statement of Financial Activities (restated)

Statement of Financial Activities - Company	Unrestricted funds		Restricted funds	Endowment funds	Total funds (restated)
	General	Desig-nated			2024
	£000	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies					
Parish contributions	7,680	-	273	-	7,953
Archbishops' Council and Church commissioners	400	-	4,340	-	4,740
Other	241	64	137	-	442
Charitable activities: statutory fees, chaplaincy and other income	159	-	452	-	611
Other trading activities	222	-	145	-	367
Investments	461	15	446	-	922
Other	6	-	853	12	871
Total Income and endowments	9,169	79	6,646	12	15,906
Expenditure on:					
Raising funds	276	-	46	-	322
Charitable activities	3,656	178	10,535	10	14,379
Other	-	-	-	4	4
Total Expenditure	3,932	178	10,581	14	14,705
Net income/(expenditure) before investments	5,237	(99)	(3,935)	(2)	1,201
Net gains/(losses) on investments	145	11	1	279	436
Net income/(expenditure) before transfers	5,382	(88)	(3,934)	277	1,637
Transfers between funds	(4,387)	84	2,774	1,529	-
Net income/(expenditure) before other recognised gains and losses	995	(4)	(1,160)	1,806	1,637
Other recognised gains/(losses) Gain/(loss) on defined benefit pension schemes	-	-	-	-	-
Net movement in funds	995	(4)	(1,160)	1,806	1,637
Reconciliation of funds					
Total funds at 1 January 2024	8,913	2,667	11,717	49,392	72,689
Total funds at 31 December 2024	9,908	2,663	10,557	51,198	74,326

Statement of Financial Activities - Group	Unrestricted funds		Restricted funds	Endowment funds	Total funds (restated)
	General	Desig-nated			2024
	£000	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies					
Parish contributions	7,680	-	273	-	7,953
Archbishops' Council and Church commissioners	400	-	4,340	-	4,740
Other	116	64	137	-	317
Charitable activities: statutory fees, chaplaincy and other income	159	-	452	-	611
Other trading activities	222	-	145	-	367
Investments	461	15	526	-	1,002
Other	6	-	853	12	871
Total Income and endowments	9,044	79	6,726	12	15,861
Expenditure on:					
Raising funds	276	-	46	-	322
Charitable activities	3,656	178	10,618	10	14,462
Other	-	-	-	4	4
Total Expenditure	3,932	178	10,664	14	14,788
Net income/(expenditure) before investments	5,112	(99)	(3,938)	(2)	1,073
Net gains/(losses) on investments	145	11	2	340	498
Net income/(expenditure) before transfers	5,257	(88)	(3,936)	338	1,571
Transfers between funds	(4,262)	84	2,649	1,529	-
Net income/(expenditure) before other recognised gains and losses	995	(4)	(1,287)	1,867	1,571
Other recognised gains/(losses)					
Gain/(loss) on defined benefit pension schemes	-	-	-	-	-
Net movement in funds	995	(4)	(1,287)	1,867	1,571
Reconciliation of funds					
Total funds at 1 January 2024	8,913	2,667	12,336	51,724	75,640
Total funds at 31 December 2024	9,908	2,663	11,049	53,591	77,211

33. Prior year comparative Archbishops' Council and Church Commissioners - company & group

	Unrestricted fund		Restricted	Endowment	Total funds
	General	Designated	funds	Funds	2024
	£000	£000	£000	£000	£000
Lowest Income Communities Funding	-	-	1,510	-	1,510
Energy Costs Grant	-	-	-	-	-
Resourcing Ministerial Education/Funding	26	-	-	-	26
Strategic Ministry Fund	-	-	902	-	902
Strategic Capacity Funding	374	-	208	-	582
Strategic Development Funding	-	-	1,599	-	1,599
Clergy hardship grant	-	-	-	-	-
Net Zero Funding	-	-	121	-	121
	400	-	4,340	-	4,740

34. Prior year comparative Other donations - company & group

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Benefact Trust	66	58	-	-	124
Donations	11	6	29	-	46
Other Grants	164	-	86	-	250
Legacies	-	-	22	-	22
	241	64	137	-	442
Less Grant from Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy fund	(125)	-	-	-	(125)
Total other donations – group	116	64	137	-	317

35. Prior year comparative Charitable activities - company & group

	Unrestricted Funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Statutory fees; chaplaincy income	3	-	451	-	454
Church Commissioners - Guaranteed annuities	-	-	1	-	1
Recharge of staff costs	43	-	-	-	43
Whalley Abbey Conference House	108	-	-	-	108
Income for training courses	1	-	-	-	1
Other fees/sales	4	-	-	-	4
	159	-	452	-	611

36. Prior year comparative Other trading activities - company & group

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Rental Income	93	-	145	-	238
Whalley Abbey Conference House	95	-	-	-	95
Accounting and Legal services	34	-	-	-	34
Other fees/sales	-	-	-	-	-
	222	-	145	-	367

37. Prior year comparative Investment Income

Company	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Dividends receivable	234	15	397	-	646
Interest receivable	227	-	16	-	243
Rents receivable	-	-	33	-	33
	461	15	446	-	922

Group	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Dividends receivable	234	15	477	-	726
Interest receivable	227	-	16	-	243
Rents receivable	-	-	33	-	33
	461	15	526	-	1,002

38. Prior year comparative Other income – company and group

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Gains on disposal of fixed assets	6	-	853	12	871
	6	-	853	12	871

39. Prior year comparative Cost of raising funds – company and group

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Project Management	48	-	3	-	51
Parish share					
Secretariat	18	-	-	-	18
Archdeacons	-	-	8	-	8
Investment Management Costs	16	-	19	-	35
Whalley Abbey Rents	4	-	-	-	4
Rents	-	-	16	-	16
Fundraising Trading Whalley Abbey	156	-	-	-	156
Fundraising Trading other	34	-	-	-	34
	276	-	46	-	322

40. Prior year comparative Expenditure on charitable activities

Company	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Contributions to Archbishops' Council					
Training for ministry	300	-	-	-	300
National Church responsibilities	179	-	-	-	179
Grants and provisions	31	-	-	-	31
Mission Agency pension contributions	-	-	-	-	-
Retired clergy housing costs (CHARM)	125	-	-	-	125
Pooling of ordinand candidates costs	-	-	-	-	-
General Synod expenses	16	-	-	-	16
	651	-	-	-	651
Parish ministry					
Stipends & National Insurance	29	-	5,507	-	5,536
Pension contributions		-	1,197	-	1,197
Housing costs	98	-	1,685	10	1,793
Removal, resettlement and other grants	-	-	220	-	220
Other expenses	2	-	110	-	112
	129	-	8,719	10	8,858
Support for parish ministry	2,136	49	305	-	2,490
Whalley Abbey Conference House	303	-	1	-	304
Redundant churches	-	-	269	-	269
Strategic Development Funding Projects	34	-	743	-	777
St Philip's Centre Project	48	-	-	-	48
Grants to Parishes, Individuals and Other Charities	47	129	498	-	674
	2,568	178	1,816	-	4,562
Expenditure on education					
Grants for the work of the Board	308	-	-	-	308
	308	-	-	-	308
Charitable activities	3,656	178	10,535	10	14,379

Group	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Contributions to Archbishops' Council					
Training for ministry	300	-	-	-	300
National Church responsibilities	179	-	-	-	179
Grants and provisions	31	-	-	-	31
Mission Agency pension contributions	-	-	-	-	-
Retired clergy housing costs (CHARM)	125	-	-	-	125
Pooling of ordinand candidates costs	-	-	-	-	-
General Synod expenses	16	-	-	-	16
	651	-	-	-	651
Parish ministry					
Stipends & National Insurance	29	-	5,507	-	5,536
Pension contributions		-	1,197	-	1,197
Housing costs	98	-	1,685	10	1,793
Removal, resettlement and other grants	-	-	223	-	223
Other expenses	2	-	110	-	112
	129	-	8,722	10	8,861
Support for parish ministry	2,136	49	307	-	2,492
Whalley Abbey Conference House	303	-	1	-	304
Redundant churches	-	-	269	-	269
Strategic Development Funding Projects	34	-	743	-	777
St Philip's Centre Project	48	-	-	-	48
Grants to Parishes, Individuals and Other Charities	47	129	576	-	752
	2,568	178	1,896	-	4,642
Expenditure on education					
Grants for the work of the Board	308	-	-	-	308
	308	-	-	-	308
Charitable activities	3,656	178	10,618	10	14,462

41. Prior year comparative Analysis of expenditure including allocation of support costs

Company	Activities undertaken directly	Grant funding of Activities	Manage-ment Admin Support	Total 2024
	£000	£000	£000	£000
Cost of raising funds	262	-	60	322
Contributions to Archbishops' Council	16	635	-	651
Parish Ministry	8,638	220	-	8,858
Support for Parish Ministry	2,549	1,209	804	4,562
Education	-	308	-	308
Other	4	-	-	4
	11,469	2,372	864	14,705

Group	Activities undertaken directly	Grant funding of Activities	Manage-ment Admin Support	Total 2024
	£000	£000	£000	£000
Cost of raising funds	262	-	60	322
Contributions to Archbishops' Council	16	635	-	651
Parish Ministry	8,638	223	-	8,861
Support for Parish Ministry	2,551	1,287	804	4,642
Education	-	308	-	308
Other	4	-	-	4
	11,471	2,453	864	14,788

42. Prior year comparative Analysis of support costs – company and group

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2024
	£000	£000	£000	£000	£000
Raising Funds	52	-	8	-	60
Central Administration	574	-	22	-	596
Governance costs					
Secretariat	36	-	-	-	36
Accounting and Finance Office	39	-	-	-	39
Audit & accountancy fees	26	-	-	-	26
Diocesan Synod costs	11	-	-	-	11
BDBF Directors and Bishop's Council Meetings	19	-	-	-	19
Chancellor and Registrar Fees	75	-	-	-	75
Support costs - company	832	-	30	-	862
Support costs – Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy					
Independent Examiner's fees	-	-	2	-	2
Support costs - group	832	-	32	-	864

43. Prior year comparative Net assets analysed by fund (restated)

Company	Tangible Fixed Assets	Fixed Asset Investment	Current Assets	Current Liabilities	Long Term Creditor	Net Assets as at 31 December 2024
	£000	£000	£000	£000	£000	**£000**
General Fund	1,812	7,143	1,403	(450)	-	9,908
Designated Funds	-	528	2,135	-	-	2,663
Total Unrestricted Funds	1,812	7,671	3,538	(450)	-	12,571
Pastoral Account	7,255	-	2,770	-	(130)	9,895
Other Restricted Funds	5	22	1,532	(897)	-	662
Total Restricted Funds	7,260	22	4,302	(897)	(130)	10,557
Parsonage Houses Fund	31,181	1,173	-	-	-	32,354
Stipends Capital / Housing Fund	4,305	11,324	805	-	-	16,434
Other Endowment Funds	-	2,405	5	-	-	2,410
Total Endowment Funds	35,486	14,902	810	-	-	51,198
Total	**44,558**	**22,595**	**8,650**	**(1,347)**	**(130)**	**74,326**

Group	Tangible Fixed Assets	Fixed Asset Investment	Current Assets	Current Liabilities	Long Term Creditor	Net Assets as at 31 December 2024
	£000	£000	£000	£000	£000	**£000**
General Fund	1,812	7,143	1,403	(450)	-	9,908
Designated Funds	-	528	2,135	-	-	2,663
Total Unrestricted Funds	1,812	7,671	3,538	(450)	-	12,571
Pastoral Account	7,255	-	2,770	-	(130)	9,895
Other Restricted Funds	5	268	1,782	(901)	-	1,154
Total Restricted Funds	7,260	268	4,552	(901)	(130)	11,049
Parsonage Houses Fund	31,181	1,173	-	-	-	32,354
Stipends Capital / Housing Fund	4,305	11,324	805	-	-	16,434
Other Endowment Funds	-	4,798	5	-	-	4,803
Total Endowment Funds	35,486	17,295	810	-	-	53,591
Total	**44,558**	**25,234**	**8,900**	**(1,351)**	**(130)**	**77,211**

44. Prior year comparative Unrestricted funds

	At 1 January 2024	Income	Expenditure	Gains and losses	Transfers	At 31 December 2024
	£000	£000	£000	£000	£000	£000
General Fund	8,913	9,044	(3,932)	145	(4,262)	9,908
Designated Funds						
Office Assets Fund	496	14	-	11	-	521
Parsonages Fund	112	-	-	-	139	251
Parish Vision 2026 Grant and Loan Fund	813	4	(130)	-	-	687
Diocesan Vision Strategic Development Fund	477	-	1	-	(20)	458
Diocesan Vision 2026 Fund	349	61	(48)	-	(35)	327
Allchurches Trust Grant Fund	238	-	(1)	-	-	237
Other Designated Funds	182	-	-	-	-	182
	2,667	79	(178)	11	84	2,663

45. Prior year comparative Restricted funds

	At 1 January 2024	Income	Expenditure	Gains and losses	Transfers	At 31 December 2024
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	10,801	914	(280)	-	(1,724)	9,711
Diocesan Stipends Fund Income Account	-	1,925	(8,760)	-	6,835	-
Ephesian fund	-	273	-	-	(273)	-
Social Responsibility Projects	70	2	-	-	-	72
Bishops Ordination Fund	144	1	(10)	-	-	135
Resourcing Ministerial Education (RME) Fund	154	-	(30)	-	(1)	123
Bishop's Harvest Appeal	23	23	(25)	-		21
Bishop's Clergy in Need Fund	39	2	-	-	-	41
SDF Funded Projects	57	714	(791)	-	(3)	(23)
DIP Fund	-	885	(72)	-	(807)	6
Net Zero Carbon Fund	-	260	(149)	-		111
Lower Income Communities Funding	-	1,510	(252)	-	(1,253)	5
Parish Pastoral Fund	184	-	-	-	-	184
Other Restricted Funds	245	137	(212)	1	-	171
Subtotal Funds – Company	11,717	6,646	(10,581)	1	2,774	10,557
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	619	80	(83)	1	(125)	492
Total Funds - Group	12,336	6,726	(10,664)	2	2,649	11,049

46. Prior year comparative Endowment funds (restated)

	At 1 January 2024	Income	Expenditure	Gains and losses	Transfers	At 31 December 2024
	£000	£000	£000	£000	£000	£000
Diocesan Stipends Fund Capital Account	16,242	4	(14)	202		16,434
Parsonage Houses Fund	30,604	-	-	26	1,724	32,354
Other Permanent endowment						
Maintenance of the Ministry	343	-	-	9	-	352
General purposes	428	-	-	10	-	438
Whalley Abbey	187	8	-	-	(195)	-
Other endowments	9	-	-	-	-	9
Stipends	1,579	-	-	32	-	1,611
Subtotal Funds - Company	49,392	12	(14)	279	1,529	51,198
Bishop of Blackburn's Fund for Widows and Orphans of Poor Clergy	2,332	-	-	61	-	2,393
Total Funds - Group	51,724	12	(14)	340	1,529	53,591